

I should like to start by recounting a very unusual research project which I undertook, and which turned out to raise more questions than answers. I began asking people what they thought the objective of the United States' foreign policy should be. Most of them were U.S. citizens, and the question I asked was a very simple request for their view of the desirable objective for the U.S. policy. In a few cases, I asked the question of foreigners and in those cases, I asked the objective which they felt would be suitable for their country.

In most cases, it was obvious that the respondents had not thought much about the subject. This is surprisingly granted that the newspapers, television, and almost all other channels of public communication devote a great deal of attention to foreign affairs. It is normal for the people who produce these communications either to approve of or disapprove of the policies they discuss. Normally, however, this is expressed simply as approval or disapproval and not as a statement that the new policy will or

will not advance some major objective. Presumably, there is an objective in the back of the person's mind, but perhaps, he thinks it is so obvious that it does not need to be put in words.

Nevertheless, my experiment, generally speaking, turned up nothing. There were a few exceptions; a few people said the objective should be Peace. Since I asked this question and got these answers during the Iraqi unpleasantness, this was somewhat surprising. Further of the particular people who said this should be the objective, none wanted withdrawal from Iraq. (This was during the early part of the U.S. operations). They might have thought that the long run effect of the Iraqi war would be peace, although it's not obvious why they thought so. Further at the time that I was asking the question, the nastiness in Darfur was not only continuing, but getting a good deal of attention in the media. As far as I could see, insofar as the people I asked had any ideas at all about this, they thought that somebody should send in troops and stop it. This cast doubt on whether my respondents were all that peaceful.

Another answer which I got from one person, and that person, an economics professor, was that the objective should be to increase American per capita income. I think most people would buy that for governmental policy in general, but didn't think of that particular objective in connection with foreign policy. If I asked what the objective of the domestic policy was, I might have received many endorsements of that same objective.

The problem of increasing per capita income is the decision as to who should be included in the “capita”. At the moment, the United States is receiving very large numbers of Mexican immigrants. They pretty invariably increase their living standard when they arrive, but that doesn’t mean that the per capita income of the country goes up. In fact the arrival of a large number of inexpensive laborers lowers it. A great many of them take jobs in unskilled activities like waiters. Since I normally eat out, this has improved my living standard since the service is better and cheaper. It obviously improves their living standard, but what about the living standard of other Americans who want a job as a waiter in a restaurant?

Assuming that the Mexicans are efficient, there are three effects on living standards, the living standard of the Mexicans who remain in Mexico rises because the labor capital ratio shifts in favor of labor. The immigrants presumably gain or they would not immigrate. The wages of those Americans who are displaced by them, or who continue working as a waiter, but at a lower wage, fall.

Whether this change increases per capita income of the United States depends on who are included in the capita. Certainly, it increases the total income of the United States and the total income of the Mexicans, because many of them are now in the United States. The world per capita income goes up, even if many Americans have their income lowered. This reduction

in U. S. wages is presumably the reason that labor unions in 1923 pushed so hard for immigration restrictions. It seems likely that the weakening of the effective restrictions on immigration reflects to a considerable extent a general weakening of the organized labor movement in the United States. They are no longer able to insist on American wages being higher than an immigrant would accept.

As a reader will see in subsequent chapters of my book, another part of American policy did, indeed, improve the living standard of the Americans. They pursued an unremitting policy of aggressive wars against the Indians up to about 1890. The subject will be discussed in more detail below, but it provided *Lebensraum* for the Americans and hence they were more prosperous. Before 1923, they welcomed large numbers of immigrants with the important exception of Chinese, and Japanese who were restricted. In 1923, political pressure mainly by labor unions led to the establishment of a quota system for immigration.

This quota system was formally justified on the grounds that the bulk of their older citizen groups came from north-western Europe. The new emigrants were very largely from south-eastern Europe. In fact many of them were Jews, although, if my recollection is correct, this was not mentioned in the justification of the quotas. When I was in high school, the civics course contained a short section on this, entirely in terms of preserving the traditional culture rather than having it diluted by people from Russia,

Poland, and (to a lesser extent) Italy. If my recollection is right, there was absolutely no sign of objection to this obviously racist policy among either the students or the teachers.

The quotas were so arranged that the number of permissible immigrants from places like England was much higher than the number of people who actually wanted to come. On the other hand, places like Poland had a great excess of people who wanted to come to the United States. Thus, the actual number of immigrants to the United States was much lower than the total which the quotas would have admitted had they not had these national sub quotas.

As I said the labor unions had pushed the system through politically, and their members were major gainers from it. It was during this period that American living standards became so much higher than those in Europe and, no doubt, the quota system was important in that. The large scale immigration of Mexicans has lowered the difference between their living standard and that of western Europe.

In the 1960s, however, there was a further change. A bill was passed permitting people legally residing in the United States to bring in their relatives as legal immigrants. The sponsor of the bill said that it would bring in perhaps 60,000 persons. It set up, however, a chain system. The new immigrants brought in by this system could then bring in their relatives, thus the quota system was undermined.

At the same time, and this is rather mysterious, the enforcement of restrictions on illegal immigration fell sharply. The principal effect was the flooding of Mexicans into the United States. The enforcement was weak, but it did mean that many of these illegal immigrants found it necessary to run the risk of crossing the deserts in the south-western United States. How many died is unknown. That many made it is obvious if you look at American restaurants, or construction jobs. There are also a number of these immigrants employed in farms or factories.

From the standpoint of the existing American labor, this is undesirable and their living standards have not risen as fast as they would have without this competition. To repeat, in a way this effect, I suppose, is a secondary consequence of the weakening of the labor unions. Their members are now a much smaller share of employed Americans and of people eligible to vote. Hence, their inability to limit this competition is readily understandable.