

Immigration, the Latino community, and the Bush agenda

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"Our future connection with Spain renders that, the most necessary of the modern languages . . . Spanish. Bestow great attention on this and endeavor to acquire an accurate knowledge of it. Our future connections with Spain and Spanish America will render that language a valuable acquisition." Thomas Jefferson

Americans with Hispanic or Latino origin are the fastest growing segment of the US economy. With estimates ranging between 40 and 45 million US residents, they produce more than Brazil, the largest economy in South America. There is a huge diversity among Hispanics, not only in Latin America, but in the United States as well. Those of us who have worked all over our country and across the Americas, have witnessed these differences, but also their enormous potential to further contribute and become part of the American dream. Hispanic roots in America are very deep and rich. Hispanic Americans^[1] are becoming a major political and economic force, and their progress will depend on the incentives that they will face or that they will help create through their involvement in civil society.

This is not a paper focusing on the potentially explosive issue of illegal immigration. It rather tries to provide arguments to prevent that explosion. During a recent, yet unpublished, presentation on how immigrants become Americans, Professor Robert George, of Princeton University, focused on the two factors that are encouraging immigrants to seek or not to seek citizenship. On the positive side he cited "gratitude," on the negative; he stressed the issue of "attitude." Fueled by a vision of an oppressive United States of America, profusely promoted in academic and media circles, more legal immigrants than ever, especially those of Hispanic origin, are choosing to retain their old nationality. I hope that the arguments presented here, will increase the gratitude, and improve the attitude of Hispanic Americans by influencing some who in the academy, or in the media, can influence these two traits of human behavior.

When my native Anglo-American friends and loved ones (I am married to one) look at Jennifer López, Cristina Aguilera, or Ricky Martin, they get alarmed. "The Hispanics are coming!" complain some, "consumers are already buying more salsa than ketchup!" say others. Never before has such a large number of Hispanics been part of the United States, yet they are not new in America and to analyze the impact of current policy debates on the Latino immigration community it is important to show a little bit of history.

Although some Hispanic Americans have ancestors going back prior to the founding of the Republic, half of them are immigrants. The other half was born in the United States, including the 5% born in Puerto Rico. This paper puts more focus on the immigrant portion. It does not address the costs and benefits of illegal immigration but provides economic and social science analysis which might serve as an aid for the debate. A large

majority of Hispanic Americans themselves, 61%, regard illegal immigration as a serious or an extremely serious problem.

Hispanics and American Constitutional Order

Hispanics helped develop the rich roots of American political and civil society. If you go to the United Nations' building in New York, you will see that the main statue is that of Francisco de Vitoria (c.1495-1560). Vitoria, a Dominican Priest who founded the so-called "School of Salamanca" was a great champion of human rights. Although he never set foot in the Americas, he developed his thinking by reflecting on the first decades of the European experience on the continent. Vitoria was also a great defender of free trade because he saw it as a basic human right. Bureaucrats in Seville had to respect the rights of the Hispanic Americans and the latter had to respect the trading rights of the Indians.

Writing just after Vitoria, Juan de Mariana (1535-1624), a Spanish Jesuit, developed important contributions in the field of political science and economics. His writings were studied by Thomas Jefferson, who even sent Mariana's most important book to James Madison. Juan de Mariana later taught at the College of Rome and was followed by Saint Robert Bellarmine (1542-1621). Bellarmine, together with Francisco Suárez (1548-1617), debunked the theory of the divine rights of kings, and are increasingly recognized as having influenced the writings of John Locke (1632-1704). Locke's views help build the American dream, but the first constitutions in the United States, such as the Fundamental Orders in Connecticut (1638), were drafted **before** Locke began to write his essays and books.

Vitoria, as well as his followers, argued that human rights, including the right to property, are not dependent on grace. Even sinners have rights. This thinking is also essential for American constitutional order.

Thomas Jefferson studied other Spanish authors and scholars. In a letter to Dupont de Nemours he wrote that "In the constitution of Spain, as proposed by the late Cortes, there was a principle entirely new to me, and not mentioned in yours, that no person, born after that day, should ever acquire the rights of citizenship until he could read and write. It is impossible sufficiently to estimate the wisdom of this provision." (Jefferson, [1816] 1984, p.1387). I refer the reader to the works of former Fordham University's professor Carlos Stoetzer, who wrote some of the best analysis of the role played by late-scholastic Spanish, as well as Italian, authors, in the development of the foundation of the American Constitution. (Stoetzer, 1979, 1981)

Hispanics in American History

From the arrival of Ponce de León in Puerto Rico in 1508, there was a steady flow of Hispanics arriving to different parts of today's United States of America: Florida, California, and New Mexico. Their presence and control of what is today US territory lasted more than in most South American countries. Argentina, for example, declared its

independence from Spain in 1816 while California remained under Spanish or Mexican authorities until 1848.

Almost wherever we go in the United States we see the contributions of Hispanic Americans to our history. Few recall that Hispanics landed in my home state of Virginia in 1526, eighty- one years before the English settled Jamestown. In Washington D.C., a major public square, with its main statue, is dedicated to David G. Farragut, a Hispanic American, and son of Jorge Farragut, who became the first U.S. admiral, and survived the attack on the Essex in Chile. Bernardo de Gálvez was Governor of Louisiana in 1777. He helped the American rebels by selling munitions and letting them use his territory and the port of New Orleans. Juan Bautista de Anza was governor of New México in 1776, but before that he helped establish the first European settlements in Monterey and San Francisco. The mixed blood of his soldiers and members of his expedition, most of them born in America, shaped the development of Arizona and California.

From states which carry Hispanic names as Colorado, to the favorite Christmas flower (the Poinsettia got its name from the US ambassador to México who brought the plant in 1825) to the curiosity that the legendary Daniel Boone pledged fidelity to the king of Spain in 1802, there is abundant history to make us Hispanic Americans feel at home in the United States.

A snapshot of Hispanic Americans today

Knowing some of the characteristics of the Latino population today can help us understand how public policy might be affecting their attitudes and how in turn, they, as voters, will be helping influence those same policies.

A quick snapshot of the Latino community:

- 80 % live in the West or Southern regions of the US
- Two thirds are of Mexican origin
- Are twice as likely as non-Hispanic whites to live in metropolitan areas
- Listen much more to the radio than any other segment of the population
- Spend a much larger percentage of their income on food
- Are approaching 15% of the work force and 10% of those who vote
- Most of those who vote were born in Latin America
- They associate less for civic action
- Have conservative values but still vote for paternalist candidates
- Respond faster to incentives (both positive and negative)
- Have no recognized leader to represent (or misrepresent) them
- Have education and security of their young as their main concern
- On average they are much younger than non-Hispanic whites
- During 2001-2004, salaries of native Hispanic Americans are growing faster than any other ethnic group in the US
- Salaries of Latin immigrants, on the other hand, are falling.

These bullet points show a general picture but do not show the immense diversity between Hispanic Americans. This huge diversity started long ago, when the old Spanish families of California, intermarried with Irish immigrants. During the second half of the twentieth century we have experienced the Cuban influx, the new flows of Salvadoran, Bolivian, Porto Rican, Mexican, and other Latino cultures which add to the very different make-up of Hispanic Americans.

Their impact in each state is very different. In California, government agencies estimate they spend each year \$1,200 per immigrant family. In New Jersey, on the other hand, the figure goes down to \$232 (data from the National Research Council as mentioned in "The New Challenges to American Immigration."). This explains why polls show that voters in New Jersey are much less concerned about immigration than Californians.

Due to this diversity, educational and policy efforts, while respecting equality before the law, will need to be culture and region specific. Cuban-Americans in Miami, have different concerns than construction workers in Georgia. Farm workers in California see things differently than those who have achieved success in major corporations. Business leaders, for example, will be more impacted by the example of some of their peers, like the late Roberto Goizueta (of Coca-Cola) and Secretary Carlos Gutiérrez, than by Bush's efforts to promote choice in education. Most will have to be reached through their community and church involvement, the media, and job related efforts.

Public Policies issues which affect Hispanic Americans in a special way

Immigration

"I believe that if a person, an employer, can't find somebody willing to do a job in America, they ought to be able to legally hire somebody who is not a citizen of our country, and that that person ought to be treated with respect." President George W. Bush

The efforts of the Bush administration in trying to keep the borders open to legal immigration from Latin America and, at least until the end of 2005, not pursuing a "police state," or "iron curtain" solution, in trying to prevent the flows of informal migration, has created friends and foes. As only very small minorities favor either a complete freedom of immigration or a complete ban, most policy proposals fall between these two extremes. And so do the policies of this current administration.

In a recent interview, Gov. Jeb Bush, argued that the major goal should be to increase the security of those who have been in the United States for longer time. Jeb Bush stated that "they [Hispanic immigrants] are part of the American dream; we have to recognize rather than punish them." Jeb, at least in this occasion, does not go into detail about who should be recognized. The Heritage Foundation, of which he was a trustee, recently produced a study concluding that "any new initiative must not grant permission as a matter of principle or policy, for unlawfully present persons to remain legally in the country." (Meese et al., 2005) The Heritage study, co-authored by Matthew Spalding, also calls for policies to start sending undocumented aliens back to the place where they were born.

The other great independent think tank in Washington, the *Cato Institute*, is a staunch supporter of immigration rights. One of its authors, Dan Griswold, summarized the issue facing Conservatives:

If Republican party leaders were to launch an all-out political campaign against Mexican immigration — as advocated by Pat Buchanan, Congressman Tom Tancredo of Colorado, and the authors at the Center for Immigration Studies — Hispanic support for the GOP would shrivel, and the immigrants would probably come anyway. Meanwhile, because of higher birthrates, Hispanics already living legally in the United States would continue to grow as a proportion of the population. Thus the political question facing conservatives may be no more complicated than this: Will promoting free markets and limited government be easier if Republicans are winning 40 percent of the growing Hispanic vote, or 20 percent?

Conservative Republicans face a clear choice when it comes to immigration politics. They can follow the lead of President Bush, who has sung the praises of immigrants and sought to create a more welcoming legal path to the United States for those seeking a better life through peaceful work. Or they can follow the likes of Pat Buchanan, Pete Wilson, and Tom Tancredo back into the political wilderness. (Griswold, 2002)

President Bush's immigration policies will not satisfy radical libertarians, especially those who look at all problems with a simplistic economic perspective. Some propose auctioning visas, with little concern if Bin Laden or a front of the FSB (former KGB) becomes the highest bidder. There is however a libertarian approach which argues that there is a legitimate basis for restricting immigration in the public sphere. As the government controls the airports, the official border check-points, and decides who can come in legally and who can't, what newcomers get and what they do not; our current situation results from these government activities rather than from free competition. Anyone should be free, they argue, to fly in workers from another country directly into an air strip in his ranch. But we are not free to bring them into the "public sphere" and pass the cost of our decisions to our neighbors. It is not the purpose here to analyze in detail different immigration proposals but to analyze different economic and social factors that should be part of the debate, and in so doing, affect the actors in this debate. Radical libertarian approaches are not likely to be adopted by the Bush administration. Even if they have merit from the economic point of view, or pure logic, communicating such policies to the rest of the population would be a daunting task (compare, for example, with the dismal effort to communicate a much simpler notion of letting workers protect some of their pension money in private accounts).

Bush's biggest critics come from those who would like the population of the United States to be frozen in a mix of racial and cultural purity, which although never existed, seems apparent to those who seldom look beyond their mirror or immediate circles. Some of them have a high political stature, such as the aforementioned Tom Tancredo, former think-tank leader turned anti-immigration congressman. Although I might question some of his proposals, Tancredo's image as an "anti-Latino conservative" has

more to do with the type of language that he uses (both verbal and body language) than with the nature of his policy recommendations.

The President, his brother, most of his cabinet members, and leaders of his administration speak to Hispanic Americans in a complete different tone and they take note, increasing their support for the Bush administration. Since Bob Dole's failed election in 1996, the percentage of Hispanic Americans voting for a Republican Presidential candidate went from 21% to 44% in 2004. This is a huge shift.

As we mentioned before, the impact of Federal immigration policy also affects different regions of the US in a different way. They also affect relationships with other countries differently. In a simplistic manner, one could say that immigration is a "South-West Mexican problem." Although one can find Hispanic Americans from different countries in most states, eighty percent live in the West or in the South, and two thirds are from Mexican origin. North Easterners, both pro and anti-open society, contribute to the discussion, but are far removed from some of the economic and social questions brought up by Hispanic immigration.

Nearly half of California's recent immigrants come from Mexico and Central America. But it is the Mexican immigration which is raising more concerns. Two thirds of Hispanic Americans are of Mexican origin. News media stars, such as Lou Dobbs, which is not surprising given his backward views favoring a closed economy, and Bob O'Reilly, as well as academics, such as Samuel Huntington and Victor Davis Hanson, have made the growing Hispanic American population a cause for alarm. Some of the critics, like Hanson, voice arguments that alienate market oriented economists. One of his latest is that "When employers hire millions of young laborers from Mexico -- often paid off the books and in cash -- poorer American workers cannot organize and thus must watch their own static wages eaten up by rising costs." (Hanson, 2005). Conservative free-market policy analysts usually point out the negative effect that labor unions have on workers, as they tend to benefit union leaders at the expense of the dynamism of the economic sector in question. I lived thirty years in Argentina, a Latin country with one of the strongest labor union movements in the world. Wages remain static for the majority of unionized workers not due to immigration, but due to the negative economic impact of unions. Some conservatives seem so anti-Hispanic that I imagine that they get a nasty feeling when we remind them that Mexico is part, and has always been a part, of North America. In a recent piece "Anti-Hispanic fear mongers create false crisis," Andres Oppenheimer tackles the anti-immigration crowd head on and argues that

Hispanics will not create a nation within a nation, because Hispanics are blending into the U.S. population. A recent study by the Synovate market research company concluded that the number of Hispanics who don't consume English-speaking media has fallen from 40 percent to 26 percent over the past 12 years.

An overwhelming number of Latinos (88%) think that blending into the larger U.S. society is important or very important (Time poll, 2005).

Oppenheimer concludes

The only way to stop massive illegal immigration will be to reduce the huge income gap between Mexico and the United States. As long as Mexico's per capita income is \$9,000 a year and that of the United States is \$36,000 a year, the flow of migrants will continue. So the Bush administration should drastically expand and deepen the 11-year-old free trade agreement with Mexico, including development aid conditioned to economic reforms, and get the recently signed free trade deal with Central America approved by Congress.

I would only take issue with Oppenheimer's call for development aid. A country like Mexico which is full of bureaucrats sitting on huge oil reserves does not need government aid.

Hispanic Americans, as most immigrant communities, almost by a 2 to 1 margin favor English only teaching at public schools. The first election I witnessed after moving to the United States took place in California, where one of the questions in the ballot was that of English only. This was in the mid 80's. To the surprise and dismay of the Latino activists, even their community voted against bilingual education.

Oppenheimer speaks about the wage differential between the United States and Mexico, and he has a point. Wage differentials in the United States are also important. If past immigration can be taken as a guide, the more that the Hispanic American income gets close to that of non-Hispanic whites, the more their choices (voting patterns, number of children . . .) resemble that of their counterparts. This might diminish the perceived "threat."

To analyze the impact and integration of immigrants, one needs to study their impact state by state. Their impact is different not only on numbers but on all other aspects, from health to education, and from politics to crime. In addition, as Hispanic Americans tend to be more concentrated in metropolitan areas, city politics and policy also come into play. Arlington county, Virginia, for example, where I work, has a friendly policy toward Hispanics who are informally in the United States. This is the case despite the fact that Arlington is home to the Pentagon, and next to the airport, and many other strategic locations.

In Miami, which seems should be competing favorably for the title of the capital of Hispanic America, one does not only find "Little Havana" but also "Little Bogotá," *Westernzuela*, and even "little Managua." Argentineans and Brazilians also have their enclaves. Native Americans from other regions have all their right not to like Miami, but few can point to it as an example of how bad things go when you let Latino immigrants in.

By in large, Hispanic Americans, especially those who are formal, will be grateful to those who support maintaining the policies that ease immigration of relatives. But as they are also concerned with illegal immigration, their political support will be decided more by the language and attitudes shown by the actors of the debate than by the

policies. I believe that neither political party will try to implement a police state solution, much less the current Bush, or future “Bush administrations.”

Hispanic American Immigration and National Security:

Hispanic American radicals have promoted hatred for the United States for a long time, but especially after the takeover of Cuba by communists. Ernesto “Che” Guevara was a great champion of hatred. He saw it as a strong motivator, especially when the hatred was directed against the United States of America. He argued that without hatred it would be impossible to be victorious against the enemy.¹ Despite that, so far, Hispanic American hatred turned into violence in US territory in only a few instances in Puerto Rico.

Given the national security challenges that our nation will be facing in the coming decades, to do justice to this sub-topic I would need to write an entire paper on it alone. Let me just make a few points.

- The porous borders in the frontier with Mexico are a big problem. But so are our coastal waters and our Canadian border. Continued vigilance is a must.
- The current Venezuelan-Cuban alliance is a major threat to US national security. A left-wing victory and potential destabilization after the next Mexican presidential election (July 2006), can compound the current border challenge.
- Many of those involved in illegal immigration know that a single Al-Qaeda coming into the United States identified as coming through their network, could spell the end of their business. They have a huge vested interest in preventing such infiltration.
- Radical Islam can also be a terrorist threat inside Mexico, as they have been in other Latin American countries. The 1994 bombing of the Jewish Center in Buenos Aires, Argentina, was a good example. Latin countries will need to maximize their own efforts on the war on terror.

Remittances and immigration:

The remittance phenomenon, at least in its current magnitude, is unique in the history of civilization. It has been facilitated by the new information and communication technologies as well as increased freedom in financial markets across the Americas.

An important goal of many Hispanic Americans, especially the new immigrants, when coming to the United States, is to help their families back home. By in large, the poorer they are, the more frugal they live and the more they send back home. Immigrants from the Southern Cone of the Americas, who are wealthier, are notorious for not sending a dime to their relatives. But immigrants from North America (Mexico) and Central America are sending so much money home that remittances are surpassing even entire government budgets and becoming the single largest source of foreign currency.

Current estimates put the figure of total remittances to Latin America between 40 and 50 billion dollars. As this figure is more than 10 times larger than all US aid (development, social and military) going to Latin America, they create a channel of development away from the hands of Washington and Latin American bureaucrats, diminishing the clout of the Inter-American Development Bank, and other multilateral institutions.

Neither the Clinton nor the Bush administration placed any barrier to these remittances. Working hard in the United States, producing goods and services required and cherished by the community, acquiring the habit of saving, and helping relatives in poorer parts of the world, are wonderful practices that contribute to personal moral development. It is a great contribution to immigrant communities to encourage legal frameworks that make these transfers of money to their native folk simple and cheap.

The story, however, is not all pretty. Although money does not come easy for Hispanic American workers, it comes easy for those who stay back home. And easy money, even when it is in small amounts, can have corrupting influence. Those who are receiving money have less incentive to work or look for work, so it is not surprising to see that the rate of unemployment of those receiving remittances in Central America is higher than those who do not. The same incentives should work to reduce their interest that someone might have to migrate to the United States, but it will be a matter of personal choice. The less adventurous will stay at home and get the easy money. Others might be tempted to join their relatives and start the journey toward the North.

Unfortunately, having some of their most productive members living far away from the family unit does not make for very happy families. The troubling proliferation of street gangs in Central America is certainly influenced by family disintegration. Gangs got a big push after many illegal immigrants were expelled from the United States after the Los Angeles riots. But remittances are not the main cause of immigration. People of all colors and walks of life have been migrating to the United States even when it was hard, costly, or almost impossible to send money home. A large portion of the remittances are a consequence of how difficult it is for legal immigrants, to bring the rest of the family to the United States.

I expect that the Bush administration will continue to encourage policies which make remittances cheaper and simpler. I do not expect that a Democrat administration will change those policies in the future.

Latino immigration and Education

Immigrant communities and the Latino is no exception, have always regarded education as a major goal in life. They are well aware that they have extra learning to do. The weakness of the American public school sector affects them in a special way. Survey after survey show that education is their biggest concern; in a recent poll 95% answered that education was extremely or very important.

In 2001 the Manhattan Institute published figures showing that only 16 percent of the Latino 18-year-olds graduated from high school with basic literacy skills. High School graduation rates for Hispanic Americans are around 50%. It is not surprising then that Hispanic Americans are one of the strongest supporters of programs, such as school vouchers, which enhance choice and provide a chance for a better life. Robert Enlow, of the Milton and Rose Friedman Foundation cites a poll conducted in August 2004 by Wirthlin Communications, which “found that “the ability to have both a choice as well as some financial support in a child’s education is so important to Americans that six-in-ten (59%) would be more likely to vote for a candidate in the election this fall if he or she supported the concept of school choice.” The poll also found that “those most likely to vote for a candidate supporting school choice tended to be younger (66%), particularly younger females (69%), homemakers (73%), Hispanics (70%) and Republicans (68%).” (Enlow, 2004)

Some Hispanic associations have as their goal the expansion of educational choice, much in line with the goals of the Bush administration. The Hispanic Council for Reform and Educational Options, (www.hcreo.org), for example, has as its mission the improvement of educational outcomes through parental choice in education. These options for choice should include all forms of public, private, and home school choices. In Texas, where HCREO has been active, over 75% of Hispanic Democrats (as well as Republican) favor school choice. In Arizona, where a similar poll was conducted, 57% of Hispanic Democrats and over 60% of Hispanic Republicans, favor school vouchers. In the nation as a whole, a poll released by the Joint Center for Political and Economic Studies shows that 61 percent of Hispanics, in comparison with 51 percent of whites, and 52 percent of the general population support school vouchers.

Texas, where President Bush earned his credentials as a political leader, was one of the first states to consider school choice reforms, but educational unions help so far defeat the effort. This made Rebeca Nieves Huffman, President and CEO of HCREO remark “This is a sad day for Latino children and their families in Texas. The Texas House of Representatives had a historic opportunity to give inner-city, at-risk children a choice in the most important aspect of their life – a chance for an education that addresses their needs – and it failed.” Language like this is helping move more Hispanics toward the Republican camp. But not all Republicans are using that friendly language.

Latino Immigration and Health Care

Hispanic Americans, on average, are healthier than non-Hispanic whites in several aspects. The death rates by age due to health problems are much lower in the Latino community than in the Non-Hispanic white community. This is especially significant in heart disease, cancer and strokes, yet they tend to do worse in alcohol related sicknesses, HIV/Aids asthma and diabetes. (Hayes-Bautista, 2002). Tying health with economics we can argue that as Latinos tend to eat much more fresh produce at home, and spending on average much more in food than the rest of the population, President Bush’s commitment to free trade, and the trade pact with Chile, a key off-season supplier of fruits to the USA helps Hispanics and other minorities with good eating habits. If Non-Hispanic whites

copy the healthier habits of Latinos, they will be helping the lives and the economy of the United States. Immigrants, on the other hand, might adopt, to their detriment, the diets and other local unhealthy habits. This can impose huge costs on the economy, but one cannot fault immigrants for conforming too well to some aspects of our culture.

The attitudes of Hispanics would not be affected much by any link between free trade, cheapness and availability of cheap produce. It is not an easy connection to for voters to make. In addition, Bush's predecessor also kept the borders open and, during his tenure, approved NAFTA (North American Free Trade Agreement). More importantly in this regard, is perhaps the immigrants' plight for health insurance. Naomi López Baumann has shown that "Hispanic workers, who are heavily concentrated in the service industry and in small businesses, are disproportionately uninsured." (Baumann, p. 15, 2002) Surveys show that over one third of the Hispanic American population is uninsured, more than double the rate of uninsured in the Non-Hispanic white population. Roberto Garcia de Posada aptly describes why Hispanics are more likely to be uninsured:

The health insurance market in the United States is uniquely job based. All Americans, both employers and employees, get tax relief if and only if they get their health insurance coverage through their place of employment. If the employer offers health insurance, the employer gets unlimited tax relief in the form of a tax deduction as part of the cost of doing business. Likewise, under this arrangement, employees also get unlimited tax relief for purchasing health insurance through their employer . . . the federal tax code punishes workers who buy health insurance outside the workplace by making that worker buy health benefits with after-tax dollars. For most workers, this cost is a huge disincentive for obtaining health insurance on their own. (Posada, 1999)

Posada describes that Hispanic workers "are not poor enough to qualify for Medicaid, a government health program, but are too poor to afford private health insurance. In addition, there is a high degree of mobility in the Hispanic workforce." He goes on to recommend policies that would go a long way in promoting the much touted, but little acted upon "ownership society" mentioned by President Bush. Among other reforms, Posada and his Latino coalition promote: establishing reasonable tax incentives for individuals without access to employer-sponsored coverage; allowing individuals and families to get at least the tax breaks available in employer-based plans for their purchase of health coverage through fraternal and community-based organizations; and promoting affordable private and portable health insurance. Such reforms would promote personal responsibility and although the Bush administration is sympathetic, they have moved very slowly in that direction.

Social Security and Latino immigrants

The debate on social security reform is influenced by the previously mentioned fact that Hispanic life expectancy is of three to four years more than non-Hispanic whites. A large portion, up to 12.4%, of salaries is destined to government socialized pension scheme. The money goes to pay current retirees and other programs and, as stated by the Supreme Court in 1960, none of us have a legal claim on our share.

Ian Vásquez, from the Cato Institute argues that although “it is true that Hispanics disproportionately benefit under the current system as a result of their low incomes and their longer life expectancies” (Vásquez, 2002) yet this does not mean the benefits will last or that they can compare with those a system of private retirement accounts can bring.

Vasquez quotes Naomi López who mentions that the “average income Hispanic males born after 1950 will get a return of 1.4-2.3% on their Social Security contributions. But this is poor compared to a portfolio that is conservatively invested 50% in stocks, 50% in bonds. That investment would yield 4.95%, more than double the rate of the current system.” (Vásquez, 2002) Without neglecting the importance of the debate on yields, and especially for immigrants, I give more importance to the ownership and educational aspect of basing saving for retirement in personal accounts. Unlike those who have been born in the United States most Latino immigrants come from countries where savings have been insecure and attacked by bureaucrats and inflation. But, as the pension reform in Chile shows, they can react very fast and positively to the proper incentives.

Most Hispanic American have experienced or have heard about the collapse of government run pension schemes in their home countries and that is perhaps why polls show their support for some form of privatization of Social Security. A survey by the Hispanic Business Roundtable in the year 2000 shows, for example, 69% support for personal retirement accounts. And, as expected, 58% of Hispanics had huge doubts that Social Security will be there when they retire. The younger the person, the higher their approval for personal retirement accounts.

As Hispanic Americans are much younger than the white population and as President Bush’s proposal leaves the social security system intact for those who are 55 years old or older (born before 1949) the health of the social security system is more relevant to Hispanics than for the rest of the population. If the social security system is not reformed, upon retirement Hispanics might find a bankrupt system. If it is reformed along Bush’s recommendations, young Hispanics will have a chance of seeing better returns, and some of their savings will be theirs to keep no matter what the government does. Currently, there is no “right” to social security and at any time in the future the Congress can cut benefits at its pleasure. With Bush’s proposal, the fate of older Hispanics will depend on how much they earn, as in all likelihood, if the reform passes, benefits to those in the bottom of the scale will not be cut.

Although it will affect Hispanics and non Hispanics alike, the most positive effect of a move toward the privatization of social security is its impact on economic development. I agree with Harvard economist Martin Feldstein who argues that the privatization of U.S. Social Security would permanently increase GDP in the United States. His studies show an impact of 5%, which translates into an increase of about \$5,000 per year for a family of four. (Vásquez, 2002)

Macroeconomic policies

Are low interest rates having a special positive effect on the Hispanic immigrant population? A large part of growth in the employment of Hispanic immigrants has taken place in the construction industry. In analyzing interest rates, rather than speaking of Bush's policies, one should speak of Greenspan's policies, yet there is merit in maintaining good policies. Interest rates are determined by several components, time preference (pure interest), inflationary premiums and expectations, and risk factors. The large deficits during 2001-2005, have not caused, so far, a sharp spike in interest rates, but the more they continue the more they will affect interest rates.

In the short run, deficit spending might be generating higher rates of growth while keeping the interest rates low, maintaining the economy on the expansionary side of the cycle. This impacts the entire economy, and continues to make the United States an attractive destination for immigrants.

There is some worry, that the policy of the Fed to avoid falling into a depression after September 11, 2001, may have created a real-estate bubble, especially in major cities around the USA. At under 6%, Hispanic Americans, even recent immigrants in the United States, have an unemployment rate which is lower than any other Central or South American country and that would be the envy of Europeans, including Spain, the Hispanic motherland.

So far, given the dismal track record of paper money, the country has faced low price inflation. Hispanic Americans have low savings, and many keep their savings in cash, and would suffer more from an increase of inflation which affects the poor in a disproportionate way. When one compares the collection plate at Sunday Spanish and English religious services, one can't help but be struck by seeing the large amount of dollar bills overflowing from the collection plates at Spanish Masses.

Hispanics should have the same fear as the rest of the population. The large expansion of government spending during President Bush's term will eventually have to be paid. One way of paying for government spending is with increased debt, but this will likely lead to higher interest rates, with the potential of halting the expansion of the construction sector which is a major employer of recent Latino immigrants. If instead of that medicine the Federal Reserve chooses to inflate, immigrants will also suffer from seeing their cash savings eroded.

The impact of a slowing down of the economy on Hispanic Americans working in construction businesses might encourage them to seek new areas of the country in which to offer their services. The largest growth in their population already has been taking place in Georgia, and the Carolinas. Unlike their competitors, who tend to be unionized and have inflexible attitudes, immigrant workers are willing to take almost any job. Yet, during the next economic down turn, we might see an increase in societal conflict, and some will use immigrants as scapegoats. Others will try to use the opportunity to mobilize them and encourage them to accuse the free-enterprise system, and American institutions for their plight.

Facilitating trade with Hispanic America causes a positive effect on Hispanic Americans living in the United States, especially with those who are more entrepreneurial and can take advantage of easier regulations and lower costs to engage in trade of goods and services with people from their country of origin. Free Trade agreements, even when they fall far short from ideal liberal trade pacts, help bring people together.

In addition, it is likely that Hispanic Americans working in areas which receive greater benefits by free trade agreements will increase the amount of Latino immigrants hired by them in comparison with other groups.

I see the Bush administration paying stronger attention than Democrats to furthering free trade in the Americas. Nevertheless many in his party are putting stumbling blocks. The debate, however, is too nuanced to have an effect on Hispanic American attitudes, or their gratitude to our country.

Faith Based Initiatives

Another policy that puts the current administration closer in touch with Latino immigrants is the Faith-Based and Community Initiative. Latino immigrants, formal and informal, frequently make their first contact with the institutions of civil society through faith based centers. In launching this initiative the administration stated that “too often the government has ignored or impeded the efforts of faith-based and community organizations. Their compassionate efforts to improve their communities have been needlessly and improperly inhibited by bureaucratic red tape and restrictions placed on funding.”

The initiative works in centers located in ten Federal agencies, and their goal is to make sure that grassroots leaders can compete on an equal footing for federal dollars, receive greater private support, and face fewer bureaucratic barriers. In a way, the initiative forces many political appointees, and some converts to the conservative cause, to walk side by side with those in need, something that does not come very natural to Republicans and should help them better understand the Latino community.

In May 2001, President George W. Bush addressed the National Leadership of the Hispanic Faith Community Meeting, and while arguing for an end to discrimination against faith-based organizations, he recognized the dangers that might come with government money: “At the same time, we must never be so arrogant as to say, you can't fulfill your mission if you access federal money, therefore, you have to change the entire mission of why you exist. I understand the frustrations with some in the faith-based community, and the nervousness as they approach this issue. They say to themselves, why would I want to access federal money if the federal government then tries to take away my mission, to take the cross off the wall or the Star of David off the wall. Why would I want to interface with a government that's going to say, we'll reluctantly give you money, and then force you to change your calling. Well, I can understand that. And one of our commitments is that we will work tirelessly to make sure that bureaucracies don't

stifle the very reason you exist in the first place, and the power of your ministries, which is faith -- which is faith.”

Although some political thinkers still argue that the “culture war is over” and that conservatives lost, those who are active church goers seem not to take note. It is hard to find a stronger correlation than the one that exists between frequent attendance to Church and voting preferences. Hispanic American immigrants are avid Church-goers, and as Archbishop José Horacio Gómez of San Antonio, Texas, argues, at least in some areas of the country they are making North American culture return to its Christian roots.

In most Christian Churches, both Roman Catholic and Protestant, they have services in Spanish and, if there is any talk on policies that affect values, they tend to be conservative, especially on issues of family, life and even education. Many parishes in the United States also have a private school attached to it, so there is no attack on private education aired from the pulpit. President Bush does not hide his values and they tend to be similar to those of Hispanic Americans. Although actual policies driven by faith based initiatives have been few, the fact that each government agency has people looking at these issues, increases the chances that political appointees will walk the streets and interact with Hispanic Americans and continue to create a gradual, but steady, incorporation of Hispanic Americans into conservative circles.

Mayor Goldsmith, former mayor of Indianapolis, and later Chairman of the Board of the White House Faith Based Community Initiative, states in his book The Twenty-First Century City that success with the Faith Based programs is based on the fact that “communities of faith can do more to help strengthen families than any government agency can hope to accomplish.” He argues that “Church-based groups are infinitely better suited than government to help vulnerable individuals ...by making faith an integral part of that assistance, church based-efforts provide needy individuals with a source of strength and the moral impetus for personal change that government simply cannot. The proper role of government is to support, not supplant, the involvement of religious institutions in their communities.”

As we have seen in the November 2005 protests in the suburbs of Paris, one of the major challenges of immigration is the cultural integration of the newcomers. There is no doubt that finding a way to become productive, by having a job, is wonderful opportunity to integrate. The American economy is much more dynamic than the French, and that helps keep immigrants out of trouble, but being able to integrate with people who not only care about your productivity but also your spirit, helps enhance cohesion in an increasingly multi-cultural society.

Conclusion: Latino immigration and its political impact

What is the impact of what I wrote here for public policy regarding Hispanic Americans? As a Hispanic American who has been working on public policy for two decades in the United States, I should start by answering the question myself. In addition, for more than a decade now, I have been the head of the largest foundation devoted to give advice and

support to think tanks committed to the principles of the free society, as well as trustee of several of them. So, if my analysis is true, what impact will it have on my work?

One of the key things that I have learned over all these decades of studies is the essential need for having an important degree of moral and political consensus in society. That consensus is essential for peace, development and liberty. Once this consensus is achieved, human beings have been able to prosper under *very diverse* economic and political frameworks.

Immigrants present a challenge. But the history of the United States, and also of my native country (Argentina), show that when there is strong consensus, at least in the elites, the periods of stronger economic development have been also the periods of larger immigration flows. I believe that today there is much more consensus than what most analysts believe, especially in the average voter. In the political elites, however, the consensus has been shattered. There are academics and political leaders who seem at war with America and the principles of its founding, and their stances influence negatively on immigrants.

But policy leaders and analysts in my midst, committed to the free society, see Hispanic American immigration and come to very different conclusions. Congressman Tom Tancredo (Rep.), used to be the head of a think tank in Colorado, which continues to promote the principles of the free society. He could not see things more differently than Stephen Moore, now at the influential Wall Street Journal. Moore had one of the most distinguished careers in the think tank and policy world (Moore was senior scholar at the Cato Institute and the leader of the Club for Growth). Yet their differences are mostly on *illegal* immigration, in all the other issues, I believe that the ideas presented here would help reinforce the view that Hispanic Americans have been part, and will be a part of the American dream. Although even legal immigrants are concerned about their illegal peers, making that problem dominate the discussion on Hispanics is a dangerous political game. Leslie Sánchez, former executive director of President Bush's White House Initiative on Educational Excellence for Hispanic Americans blamed a major political loss of a Republican candidate on his stress on these illegal immigrants. She concluded that while these attacks might be "political read meat for some, cause many in our coalition—particularly Hispanics and suburban women—to recoil. For them, such attacks run counter to the Reaganite image of America as a welcoming land of opportunity, a place where anyone can—through hard work, smarts and a little luck—pursue happiness as the Founding Fathers intended." (Sánchez, 2005)

What I learned about Hispanic Americans encourages me to redouble the efforts to work for creating a better framework for an ownership society: Promoting education, health and social security reform which gives a bigger say to individuals, parents and the private sector; enhancing, or at least not putting barriers, to economic and social solutions arising from the private sector (from remittances to faith based solutions); and promote a vibrant economy based on private property, free trade, within a framework of sound money and low taxation. Economic and social policy as the above increase their chances of learning the American way of freedom, responsibility and working for the common good.

Immigrants, like capital, are attracted by a variety of factors, but the rule of law is the most valuable treasure the United States of America has to offer. Protecting the rule of law from the all-invasive “rule of regulations” is particularly important for those who need just and cheap rules of entry into a market. Immigrants are such those people. The over regulated economy of Europe, is driving the large majority of immigrants, even those who are legal, to informality.

Two-thirds of the “problem” is a Mexican-American issue. We should therefore redouble our efforts to promote solutions south of the border. Mexico might be soon have a left leaning populist as its leader amidst a neighboring Central America full of Cuban agents fueled by Venezuelan oil money. Encouraging policies that strengthen Mexico’s political and economic scene is essential to prevent an even worse explosion of illegal immigration.

Independently of what happens to future immigration policy, Hispanic Americans will play an increasingly important role in the future of the United States. Unlike what happened in other periods of heavy immigration, those who come to the United States today are tied to their native communities financially, and culturally. This is especially the case with Mexicans and Central Americans. Thanks to globalization and increased productivity, immigrants today can afford to call to their native countries for less than 10c a minute, choose among three TV Channels in Spanish, have access to multiple radio stations and attend Spanish religious services at the church of their choice.

Almost all for-profit companies have special marketing departments and strategies to reach Hispanic Americans with products and a message they understand. Anyone trying to reach them will have to do the same. Some Republican and conservative leaders will still be able to get elected with messages that neglect or confront Hispanic Americans, but in general, both parties, Democrat and Republicans will pay increasing attention.

At least during the next decade Republicans will have a tough time competing with Democrats in trying to lure Hispanic Americans with paternalistic “affirmative action” policies, and Democrats will also find it difficult to compete with the Republicans in offering a conservative values agenda. Leaders of both parties will try, but they will risk alienating their base. The more Hispanic Americans continue to prosper, the less appealing paternalistic policies are, and the more their values will mimic those of non Hispanic whites. When that moment comes, it will make less sense in studying or crafting policies to reach the Latino community.

Polls show that Hispanic Americans favor an ownership society agenda in the area of education, social security and health care. This agenda will be helpful for legal Hispanic Americans, but might not be such a good idea for informals. As Hernando de Soto, the world renowned ownership society champion has shown, ownership also enables identification. Participation in private, but legal, educational, health care, or pension scheme, would put in danger those who are “illegally” or informally in the United States. But as most Hispanic Americans are legal residents, the Bush administration ownership

society” proposals or even their promotion, should have a positive effect on their attitudes toward becoming part of an American dream built on conservative values and the free enterprise system.

Perhaps the most important aspect of the Bush administration in its dealings with the Hispanic American community is not to be found in its policies, but also in its attitudes. While most conservative leaders speak down to Hispanics, Bush speaks with Hispanics. He does not look down on them but he sees them eye to eye. His brother Jeb also has that virtue, and looks into the eyes of a Hispanic American even at bed time.

In the same way as some analyses point to the behavior of Queen Victoria, and her example from the top, which led to a huge change in morality, the positive attitude of President Bush toward Latino immigrants, which got a boost during his Texas Governorship, encourages emulation throughout his administration.

During the second period, two key appointments, that of Alberto González as Attorney General, and that of Carlos Gutiérrez, as Secretary of Commerce, continues to create, promote, and enhance a new dialogue, which will make possible new policies. One is an immigrant, the other, the son of immigrants. Both are showing Latino immigrants that the American dream lives on; how far they will go is up to them.

The legacy of the Bush family has yet to be judged. Following on Ronald Reagan footsteps, which moved large segments of the Republican Party away from protectionism, George H. Bush was the first president who launched a US program treating Latin Americans as equals (the Enterprise for the Americas Initiative). His son, George W. Bush wanted to make Latin America the focus of the most positive aspects of his foreign policy, but he was soon sidetracked by the September 11 attacks. But the Bushes still have other major policy weapons which will help further integrate Latino immigrants into the dream of American citizenship. Two of Jeb’s sons, legitimate Hispanic Americans, have interest in political service. In a recent interview Jeb answered “At least two of my sons are interested in politics; they have campaigned for their uncle and for their father. George is better known as he has worked for four years with my brother [President Bush]. He is a lawyer, he lives in Dallas. George Bush is not a bad name to have in Texas politics. He is good looking, intelligent and humble. He has everything that you need to be a good candidate and a good public servant.” (Perspectiva, número 7, p. 31)

This is not however a Republican topic. For all the differences in policy issues, Bill Richardson, a Hispanic American, current governor of New México, and potential presidential candidate for the Democratic Party, shares with Bush an ease to speak with Hispanics.

I am also a Hispanic American immigrant, and my experience is the source of my optimistic yet cautious outlook. With the freedoms we still enjoy in America, there is plenty of room for immigrants to both contribute and profit from the benefits of this free society.

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^[1] Hispanic and Latino are used interchangeably

ⁱ “*El odio como factor de lucha, el odio intransigente al enemigo, que impulsa más allá de las limitaciones naturales del ser humano y lo convierte en una eficaz, violenta, selectiva y fría máquina de matar.*” Ernesto “Che” Guevara, during a “Message of solidarity with the people of Asia, Africa and Latin America,” April, 1967. Quoted in Acuña, 2000.