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REID-KENNEDY BILL: THE EFFECT ON AMERICAN WORKERS' WAGES AND EMPLOYMENT OPPORTUNITIES

HEARING

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REID-KENNEDY BILL: THE EFFECT ON AMERICAN WORKERS' WAGES AND EMPLOYMENT OPPORTUNITIES

TUESDAY, AUGUST 29, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., in Walnut Rooms 1 and 2, Evansville Auditorium and Convention Center, 715 Locust Street, Evansville, IN, the Honorable F. James Sensenbrenner, Jr. (Chairman of the Committee) presiding.

Mr. SENSENBRENNER. The Committee on the Judiciary will be in order and the Chair notes the presence of a quorum for the purposes of taking testimony.

Before Members begin their opening statements, first let me welcome all of you to this fourth field hearing on the subject of illegal immigration. And the purpose of this series of hearings is to examine the challenges our Nation currently faces with regard to illegal immigration and the impact that the Reid-Kennedy Bill, passed by the Senate, will have on the problem if it will become law.

I am Congressman Jim Sensenbrenner of Wisconsin, the Chair of the House Judiciary Committee. With us today are Congressman John Conyers of Michigan, who is the Ranking Democratic Member on the Committee; Congressman John Hostettler of Indiana, who is the Chair of the Subcommittee on Immigration, which since 2003 has had 49 separate hearings on the subject of illegal immigration and its impact on American society and the economy; and Congressman Steve King of Iowa.

This is a very emotional topic and people have strong opinions on both sides of the issue. I'd like to remind the audience before we begin this hearing and hear testimony that the Rules of the House of Representatives, under which this hearing is held this morning, specifically prohibit the audience expressing either approval or disapproval of what is said either by the witnesses or by the Members of the Committee when they ask questions of the witnesses.

Now I know that there are going to be a lot of things that are going to be said today that all of you in the audience either strongly approve of or violently disagree with. But one of the purposes of these hearings, as well as functionality of our democratic system of Government, is that people have respect for opinions that they do not agree with. And the Rules of the House specifically give me

as Chair the authority to enforce them that prohibit expressions of support or opposition.

So I'd ask all of you to please do not force me to bang the gavel or worse, as this hearing proceeds.

Today's hearing will focus on the effect that immigration has had on the wages and employment opportunities of American workers, and specifically the impact that the amnesty and the vast expansion of future immigration provided by the Reid-Kennedy Bill would have.

In fiscal year 2005, over a million immigrants received green cards allowing them to reside and work in the United States lawfully and permanently. And under current law, almost 19 million immigrants will receive green cards over the next 20 years.

Evidence presented at a previous hearing before the Subcommittee on Immigration raised the possibility that current immigration has already adversely affected the job prospects of native-born Americans. Specifically, it showed that between March 2000 and 2004, the number of unemployed adult U.S. natives increased by 2.3 million, while the number of employed adult immigrants has increased also by 2.3 million, half of whom entered the United States illegally.

Testimony also showed that occupations with the largest immigrant influx tended to have the highest unemployment rate among natives and that native-born workers who were in the most direct competition with the new immigrants lost jobs at the highest rates.

If the Reid-Kennedy Immigration Bill were enacted into law, in addition to providing amnesty to an estimated 14.4 million illegal immigrants, it could allow an estimated 55 million other immigrants to enter the United States and work in a variety of American jobs over the next 20 years, legally.

Additionally, the Congressional Budget Office estimates that even with the increases in legal immigration provided by the Reid-Kennedy Bill, an average of 780,000 immigrants would still enter illegally in each of the 10 years following its enactment.

Congress would fail in its responsibility to American workers if it were to act on such a proposal without first giving full consideration to how such massive increases in immigration would affect the wages and job prospects of United States citizens and of lawfully admitted aliens who are already here. And that is why we are here today.

I look forward to hearing from our panel and hope that their testimony will help inform lawmakers and the public on the impact that the expanded levels of immigration proposed by the Senate Bill would have on American workers.

I would now yield to the gentlemen from Michigan, Mr. Conyers, for an opening statement.

Mr. CONYERS. Thank you very much, Chairman Sensenbrenner, and good morning to the rest of the distinguished Committee that's here, our excellent witnesses that have come from sometimes long distances, and the full room of citizens who have joined us for this hearing. I think that's very good and very commendable.

We've had a number of these hearings within the last 6 weeks, but the Bush Administration has been in office for 6 years and the Republicans have controlled the Congress for over 10 years, but we

are only now holding our first hearings addressing the critical need to fix our broken immigration and border security systems. Why now? Because it is an election year and I think that the Majority fears losing control of the House of Representatives.

The House and the Senate passed their bills on immigration reform and border security months ago. Under regular order, we should be appointing conferees and engaging in the process of reconciling the two bills. However, in a substantial deviation from normal practice, the House Republican leadership has instead decided to call a series of multi-Committee, multi-State hearings on the Senate Bill. Consistently, they have sought great fanfare and publicity for their supposed border security initiatives. But consistently, they have refused to fund these promises and have failed to carry out the security measures for which they seek public acclaim.

For example, we recently found out that the President's plans to deploy the National Guard to the border is far behind schedule and with less than half the troops deployed than the President promised would happen by this past June, troop levels will not be fulfilled on time and the extra protection the President promised will not be realized.

These developments make it even more apparent that these immigration hearings may be described as being mostly for show and even worse, they may derail an opportunity for real reform. We have learned, for example, that four and a half years after 9/11, the Bush Administration still does not have any control over the borders. We learn that the Bush Administration has made no effort to conduct workplace enforcement on immigration laws. We've learned that the Majority has rejected many opportunities to strengthen our borders with increased staff and funding for necessary security measures. And we've learned that the Majority has, what seems to me, no realistic plan for resolving the problems of 11 million unlawfully present immigrants.

Now if the Bush Administration had properly secured the border, we would not be facing the security issues of 11 million unknown people in our country. If the Bush Administration had enforced the workplace laws, we wouldn't have over seven million undocumented aliens working in the United States. If the Majority party had funded the 9/11 Commission's recommendations on conducting proper oversight, this Committee would not be touring the Nation talking about what to do; we would be in Washington hammering out a compromise, as we were elected to do.

We don't need another misguided plan to distract the American public from the bills that have passed the House and Senate. Nor do we need these road show hearings to show the American public that we need to do something. We all know that.

Now is the time to go to work, get it done. We must roll up our sleeves and get to work on solving the problem created by the Bush Administration instead of spreading fear of immigrants and driving further wedges between our citizens.

Mr. Chairman, I thank you for the time for making my opening statement.

Mr. SENSENBRENNER. Thank you.

The Chair recognizes the Subcommittee Chair, the gentleman from Indiana, Mr. Hostettler.

Mr. HOSTETTLER. Thank you, Mr. Chairman. And I want to thank you, Mr. Chairman, once again for coming to Evansville, coming to southwest Indiana, and holding these hearings. I also want to welcome my colleagues, Mr. Conyers from Michigan and Mr. King from Iowa, to the Eighth District. I appreciate your willingness to take time out to come to Indiana to talk about this very important issue.

This is an issue that is going to take much work and we are about that hard work of putting legislation in place that will benefit all American citizens. And this is part of that work.

There is a sense among many Americans that the job opportunities they and parents once enjoyed are no longer available to them and their children. For those on the lower rungs of the economic ladder, the very availability of the American dream seems to be in question.

Today, we will examine the impact immigration is having on these issues and what further effects the Reid-Kennedy Bill would have. We will hear from the authors of two studies that have both concluded that all of the increase in employment in the United States over the last few years has been attributable to large increases in the number of employed immigrants, while the number of employed natives has actually declined.

The first study was conducted by Dr. Steven Camarota of the Center for Immigration Studies. Dr. Camarota analyzed Census Bureau data and concluded that between March 2000 and March 2004, the number of native-born adults with jobs decreased by almost half a million, while at the same time the number of foreign-born adults with jobs increased by over 2.2 million. Thus, all of the almost 1.8 million net increase of adults with jobs went to foreign-born workers.

The second study, also relying on census data, was conducted by Professors Andrew Sum and Paul Harrington and other researchers at the Center for Labor Market Studies at Northeastern University in Boston. They found that total civilian employment increased by over 2.3 million over the period from 2000 to 2004 and that the number of foreign-born workers who arrived in the U.S. in this period and were employed in 2004 was about 2.5 million. Thus, the number of employed native-born and older immigrant workers—and older immigrant workers—decreased by between 158,000 and 228,000 over the 4 year period. The authors concluded that "For the first time in the post-World War II era, new immigrants accounts for all the growth in employment over a 4-year period. At no time in the past 60 years has the country ever failed to generate any net new jobs for native-born workers over a 4-year period."

Both these studies yield astounding and alarming results. Native-born Americans have not seen an increase in employment in recent years. In fact, the number of jobs they hold has decreased. At the same time, the number of employed immigrants has risen substantially.

What are the implications of these findings? I will let the authors of the studies relate their conclusions in detail, but let me quote them in summary. Dr. Camarota concludes that "By significantly increasing the supply of unskilled workers during a recession, im-

migration may be making it more difficult for similar American workers to improve their situation." He also finds that "The fact that immigration has remained consistently high suggests that immigration levels simply do not reflect demand for labor in the country. Immigration is clearly not a self-regulating phenomenon that will rise and fall with the state of the economy."

Dr. Harrington's study concludes that "Given large job losses among the Nation's 20 to 24 year olds with no 4-year degree, Black males and poorly educated native-born men, it is clear that native-born workers have been displaced in recent years."

Reading these two studies, I reach the troubling conclusion that our Nation's immigration policy has not operated in the best interest of America's workers, at least over the last few years. It appears that the flow of immigrants, both legal and illegal, seems to pursue its own independent course, oblivious to whether we are experiencing good times or bad. For struggling American workers, current immigration levels can prove challenging during good times. In bad times, they can be devastating.

The Reid-Kennedy Bill would greatly exacerbate these negative effects. Not only would it grant amnesty to the vast majority of illegal aliens currently in the United States, but it would add on top a guest worker program bringing in 200,000 more unskilled foreign workers a year, and would triple legal immigration already at one million persons a year.

I would like to make one final point. Congress cannot enforce our immigration laws.

[Audience comment.]

Mr. SENSENBRENNER. The Committee will be in order. Would you please be seated.

[Continued audience comment.]

Mr. SENSENBRENNER. May I ask law enforcement to remove the person from the room.

[Continued audience comment.]

[Audience commenter was removed.]

[Applause.]

Mr. SENSENBRENNER. Again, the Chair would remind members of the audience that the Rules of the House of Representatives are very clear in prohibiting interruption of the proceedings, how the proceedings go on, with statements or comments or expressions either in support of opposition to any of the things that are said either by the witnesses or Members of the Committee. And the Chair will not hesitate to enforce the rules, as he has just done.

The gentleman from Indiana will conclude.

Mr. HOSTETTLER. Mr. Chairman, under the U.S. Constitution, the enforcement of the laws of the United States, under article 2 is the sole prerogative of the Administration, the executive, the President. To the extent that Administrations of both parties have, for the past 20 years, failed to enforce laws against the employment of illegal aliens, they have contributed to the current dire situation for America's workers. And that's why we are here today.

Mr. Chairman, I yield back the balance of my time.

Mr. SENSENBRENNER. I thank the gentleman.

Let me introduce the witnesses before the Committee today. Vernon Briggs, Jr. is a Professor of Industrial and Labor Relations

at Cornell University. His research has embraced such subjects as minority participation in apprenticeship training, direct job creation strategies, Chicano employment issues and immigration policy in the American labor force. In addition to the extensive publications of his research, he has served as a member of the National Council on Employment Policy and on the editorial boards of such professional journals as the Industrial and Labor Relations Review, the Journal of Human Resources, the Texas Business Review and the Journal of Economic Issues.

Dr. Steven Camarota is Director of Research at the Center for Immigration Studies in Washington. He has testified numerous times before Congress and has published many articles on the impact of immigration in such journals and papers as the Social Science Quarterly, the Washington Post, the Chicago Tribune and National Review. Dr. Camarota writes regularly for the Center for Immigration Studies on a broad range of immigration issues, including his recent reports on labor, Social Security, immigration trends and border and national security. He holds a Ph.D. from the University of Virginia in Public Policy Analysis and a Master's degree in Political Science from the University of Pennsylvania.

Paul Harrington is Associate Director for the Center of Labor Market Studies, or CLMS, and Professor of Economics and Education at Northeastern University in Boston. At the CLMS, Dr. Harrington conducts labor market research at the national, State and local levels on a broad range of issues including immigration, higher education performance, workplace development and youth and families. Dr. Harrington and the CLMS were the first to estimate the sharp increase in the number of undocumented immigrants during the 1990's. He has earned his Doctor of Education degree at the University of Massachusetts at Boston and holds Master's and Bachelor's degrees from Northeastern University.

Ricardo Parra is a writer, who resides in Indianapolis, active in the civil rights movement throughout many years and a long time community leader and advocate. He is the past director of the Midwest Council of La Raza, which was based at the University of Notre Dame, and served a 10-State area of the midwest. Mr. Parra is also a past member of the Indiana Advisory Committee to the U.S. Commission on Civil Rights. Today, he works for the Social Security Administration and is a member of the Chicago Region Hispanic Action Committee and the American Federation of Government Employees, Local 3571, where he has served as Fair Practices Coordinator.

It is the general practice of this Committee to swear in all witnesses. I would like to ask each of the witnesses to rise and raise your right hands and take the oath.

[Witnesses sworn.]

Mr. SENSENBRENNER. Let the record show that each of the witnesses answered in the affirmative.

Without objection, all Members opening statements may be included in the record at this time, and also without objection, the full written testimony of each of you will be placed in the record at the time you testify orally.

I would like to ask each of the witnesses to confine their oral remarks to 5 minutes or so and the Chair will be a little bit flexible

in enforcing when the red light goes on on the timers, so that Members of the Committee will have as much time as possible to answer questions.

Dr. Camarota, why don't you go first.

TESTIMONY OF STEVEN CAMAROTA, DIRECTOR OF RESEARCH, CENTER FOR IMMIGRATION STUDIES

Mr. CAMAROTA. Mr. Chairman and Members of the Subcommittee, thank you for inviting me.

When we talk about immigration and illegal aliens, the first point I would like to make is that it is not only silly to argue that illegal aliens only do jobs that American don't want, it's demonstrably untrue. Of the 470 occupations as defined by the Census Bureau, virtually none are majority immigrant, let alone majority illegal alien. If there really were jobs that only immigrants do, there should be occupations that are almost all immigrant. Such occupations don't exist.

It is true that most Americans are more educated and thus don't compete with illegal aliens who overwhelmingly are people with only a high school degree or who failed to graduate high school. But there about 17 million native-born Americans in the labor force who either lack a high school education or have only a high school degree and work in a high immigrant occupation. And these are the individuals adversely affected.

Now what's the impact of immigration on American workers? Well, an important recent study in the Quarterly Journal of Economics showed that immigration reduced the wages of all workers in the United States by about 4 percent in recent years. But for the poorest 10 percent, the reduction was about 7 percent.

My own research has shown that for each 1 percent increase in immigrant composition of a low-wage job, wages for natives in that occupation declined by about .8 percent. So if there were a 20 percent increase, that would imply that maybe wages are down by about 16 percent in that occupation. I should say if immigrants were 20 percent.

Now lower wages for low-income workers should mean higher profits for employers or maybe lower prices for consumers. But because the poorest 10 or 15 percent of workers are paid so little to begin with and account for such a small fraction of economic output, the gains to employers or to consumers is very tiny; or in the words of the Nation's top immigration economist, the gains for America are minuscule for making the poor even poorer.

Now why do illegals reduce wages? The main reason is not so much that they work for less. Instead, it's basic economics—increase the supply of something, in this case less educated workers, you lower its price. And wages and benefits are the price employers pay for labor. This means that if you let illegal aliens stay, you have not solved the fundamental problem of the increase in the supply of such workers.

Now some people think we have a labor shortage and point to the unemployment rate of 5 percent. However, a national unemployment rate of 5 percent is irrelevant to the illegal immigration debate because unemployment is 18 percent among young natives 18 to 29 years of age, who have not completed high school. And for

Blacks in this age group without education, it's 35 percent. And this is as recently as May of this year. Unemployment is 10 percent for young natives, again 18 to 29, with only a high school degree. And for Blacks in that age group, it's 16 percent. Unemployment is also 19 percent for native-born teens, age 15 to 17, and it's 28 percent for native-born Black teens. And these figures don't include the enormous growth in the number of less educated natives who have given up looking for work altogether and don't even show up now in unemployment figures. There is simply no evidence that we have a labor shortage at the bottom end of the labor market.

Wages for workers with little education have either stagnated or declined. The share of such workers who were offered benefits like healthcare from their employers has declined. The share of less educated Americans who are not even looking for work and have left the labor force altogether, as I said, has risen. If there really was a shortage, employers should be bidding up wages and offering ever greater benefits packages and drawing more people into labor force. There is actually only one piece of evidence that that there is a labor shortage of less educated workers. And that is testimonials from employers. That's it. All the other data the Government collects shows exactly the opposite.

The only way one can justify allowing large numbers of less educated immigrants in is if one thinks the poor in this country are overpaid.

Let me make one final point. Some observers think that we need large scale immigration because we're an aging society and there won't be enough workers in the future, or even maybe now. But demographers, the people who actually study human population, agree that immigration has very little impact on the aging of American society. For one thing, immigrants age just like everyone else. In the 2000 census, the average age of an immigrant was 39; the average age of a native was 35. The Census Bureau has concluded "Immigration is a highly inefficient means for changing the ratio of workers to everyone else."

Those that want to let illegal aliens stay or double or even triple legal immigration from its current one million a year, at least have to understand that what the Senate Bill does will come at the expense of the poorest and most vulnerable Americans.

Thank you.

Mr. SENSENBRENNER. Mr. Parra, why don't you go next? Press the red button to turn the mic on. When you're ready, I'll push the button to start the timer.

[The prepared statement of Mr. Camarota follows:]

PREPARED STATEMENT OF STEVEN A. CAMAROTA

INTRODUCTION

Few government policies can have so profound impact on a nation as immigration. Large numbers of immigrants and their descendants cannot help but have a significant impact on the cultural, political, and economic situation in their new country. Over the last three decades, socio-economic conditions, especially in the developing world, in conjunction with U.S. immigration policy, have caused 25 million people to leave their homelands and emigrate legally to the United States. Additionally, the Immigration and Naturalization Service estimates that the illegal alien popu-

lation grows by 400,000 to 500,000 each year.[1] The current influx has caused an enormous growth in the immigrant population, from 9.6 million in 1970 (4.8 percent of the population) to 36.2 million (12.1 percent of the population) today.

As in the past, immigration has sparked an intense debate over the costs and benefits of allowing in such a large number of people. One of the central aspects of the immigration debate is its impact on the American economy. While the number of immigrants is very large, as I will try to explain in this paper the impact on the overall economy is actually very small. And these effects are even smaller when one focuses only on illegal aliens, who comprise one-fourth to one-third of all immigrants. While the impact on the economy as a whole may be tiny, the effect on some Americans, particular workers at the bottom of labor market may be quite large. These workers are especially vulnerable to immigrant competition because wages for these jobs are already low and immigrants are heavily concentrated in less-skilled and lower-paying jobs. In this paper I will try to explain some of the ways immigration impacts natives and the economy as a whole.

FIVE REASONS IMMIGRATION CAN IMPACT WAGES

Immigrants Might Work for Less. For the most part, the research generally indicates that a few years after arrival, immigrant wages are very similar to those of natives in the same occupation with the same demographic characteristics. This may not be true in all places and at all times, but in general it seems that only newly arrived immigrants undercut native wages. This is probably true of illegal aliens as well. While immigrants as a group and illegals in particular do earn less than native-born workers, this is generally due to their much lower levels of education. In other words, immigrants are poorer than natives, but they generally earn wages commensurate with their skills, which as a group tend to be much lower than natives.

Immigrants Are Seen as Better Employees. There is certainly a lot of anecdotal evidence and some systematic evidence that immigrants are seen as better workers by some employers, especially in comparison to native-born African Americans. It is certainly not uncommon to find small business men and women who will admit that they prefer Hispanic or Asian immigrants over native-born blacks. This is especially true of Hispanic and Asian employers, who often prefer to hire from within their own communities. We would expect this preference to result in lower wages and higher unemployment for those natives who are seen as less desirable.

A study of the Harlem labor market by Newman and Lennon (1995) provides some systematic evidence that employers prefer immigrants to native-born blacks. Their study found that although immigrants were only 11 percent of the job candidates in their sample, they represented 26.4 percent of those hired. Moreover, 41 percent of the immigrants in the sample were able to find employment within one year, in contrast to only 14 percent of native-born blacks. The authors concluded that immigrants fare better in the low-wage labor market because employers see immigrants as more desirable employees than native-born African-Americans. I have also found some evidence in my work that in comparison to whites, there is an added negative effect for being black and in competition with immigrants.

The Threat of Further Immigration. While no real research has been done on this question, the threat of further immigration may also exert a significant downward pressure on wages. To see how this might work consider the following example: Workers in a meat packing plant that has seen a sudden rise in the number of immigrant workers will very quickly become aware that their employer now has another pool of labor from which he can draw. Thus, even if immigrants remain a relatively small portion of the plant's total workforce, because of our relatively open immigration policy, the potential of further immigration exists. Therefore, native-born workers curtail their demands for higher wages in response to the threat of more immigration and this in turn holds down wages beyond what might be expected simply by looking at the number of immigrants in an occupation or even the country as a whole.

Immigration Increases the Supply of Labor. By far the most important impact immigration has on the workforce is that it increases the supply of labor. Based on the March 2005 Current Population Survey, there were almost 21 million adult

[1] See "Estimates of the Unauthorized Immigrant Population Residing in the United States: 1990 to 2000" available at http://www.uscis.gov/graphics/shared/statistics/publications/Ill—Report—1211.pdf

immigrants holding jobs in the United States.[2] However, they are not distributed evenly across occupations. In 2005, 30 percent of immigrants in the labor market had no high school education, and for those who entered in the preceding five years, 34 percent lacked a high school degree. In comparison, only 8 percent of natives in the work force did not have a high school education. Overall, immigrants comprise 15 percent of the total workforce. But they are 40 percent of those without high school diplomas in the work force, while accounting for 12 percent of workers with more than a high school education.

The occupational distribution of immigrants also shows their high concentration in jobs that require relatively few skills. In 2005, immigrants made up 6 percent of persons in legal services occupations (primarily lawyers and support staff), and 9 percent of individuals in managerial jobs. In contrast, they comprised 34 percent of workers doing building clearing and maintenance, and 26 percent of construction laborers. This means immigration has increased the supply of the some kinds of workers much more than others. As a result, any effect on the wages or job opportunities of natives will likely fall on natives employed in less-skilled and low-paying occupations. Given that they face much more job competition, it should not be surprising that less educated workers generally have a less favorable view of immigration. In contrast, more educated and affluent workers who generally have a more favorable view of immigration tend to see immigrants as only "taking jobs Americans don't want."

Workers not in Competition with Immigrants. If immigration reduces wages for less educated workers, these wages do not vanish into thin air. Employers now have more money either to pay higher wages to more educated workers or to retain as higher profits. The National Research Council, in a 1997 study entitled "The New Americans," estimated that immigration reduced the wages of workers with less than a high school degree by about 5 percent. These workers roughly correspond to the poorest 10 percent of the workforce. But this reduction caused gains for the other 90 percent of workers equal to one or two tenths of one percent of their wages. The impact on educated workers is so small because workers at the bottom end of the labor market earn such low wages that even a significant decline in their wages only generates very modest gains for everyone else.

For reasons explained in greater detail in the NRC report, the aggregate size of the wage gains for more educated workers should be larger than the aggregate losses suffered by Americans at the bottom of the labor market, thereby generating a net gain for natives overall. The NRC's findings mean that the wages of workers without a high school degree are $13 billion lower because of immigration, while the wages of other natives are roughly $19 billion higher, for a net gain of $6 billion. Of course, as a share of their income the losses to less-educated natives are much larger than the gains to other workers. And as share of the total economy the gain is extremely small. The two Harvard economists who did the NRC's labor market analysis argued that the benefit to natives, relative to the nation's $8 trillion economy at that time, is "minuscule."[3] However, it should also be noted that while the effect on natives overall may be minuscule, the immigrants themselves benefit substantially by coming here.

Empirical Research

Attempts to measure the actual labor market effects of recent immigration empirically have often come to contrary and conflicting conclusions. Studies done in the 1980s and early 1990s, which compared cities with different proportions of immigrants, generally found little effect from immigration.[4] However, these studies have been widely criticized because they are based on the assumption that the labor market effects of immigration are confined to only those cities where immigrants reside.

Impact of Immigration Is National Not Local. The interconnected nature of the nation's economy makes comparisons of this kind very difficult for several rea-

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[2] Figures for 2005 are from "Immigrants at Mid-Decade: A Snapshot of American's Foreign-born Population in 2005, which can be found at www.cis.org/articles/2005/back1405.html.

[3] 3George Borjas and Richard Freeman's New York Times Opinion piece can be found at http://ksghome.harvard.edu/GBorjas/Papers/NYT121097.htm .

[4] Altonji, Joseph G. and David Card. 1991. "The Effects of Immigration on the Labor Market Outcomes of Less-skilled Natives" in John M. Abowd and Richard B. Freeman editors, Immigration, Trade and Labor. Chicago: University of Chicago Press.

Borjas, George. 1984. "The Impact of Immigrants on the Earnings of the Native-Born," W.M. Briggs and M. Tienda, Editors, Immigration: Issues and Policies, Salt Lake City: Olympus.

Borjas, George J. 1983. "The Substitutability of Black, Hispanic and White Labor. Economic Inquiry, Vol. 21.

Butcher, Kristin F. and David Card. 1991. "Immigration and Wages: Evidence from the 1980s," The American Economic Review Vol 81.

sons. Research by University of Michigan demographer William Frey[5] and others, indicates that native-born workers, especially those natives with few years of schooling, tend to migrate out of high-immigrant areas. The migration of natives out of high-immigrant areas spreads the labor market effects of immigration from these areas to the rest of the country. There is also evidence that as the level of immigration increases to a city, the in-migration of natives is reduced.

In addition to internal migration patterns, the huge volume of goods and services exchanged between cities across the country creates pressure toward an equalization in the price of labor. For example, newly arrived immigrants who take jobs in manufacturing in a high-immigrant city such as Los Angeles come into direct and immediate competition with natives doing the same work in a low-immigrant city like Pittsburgh. The movement of capital seeking to take advantage of any immigrant-induced change in the local price of labor should also play a role in preserving wage equilibrium between cities. Beside the response of native workers and firms, immigrants themselves tend to migrate to those cities with higher wages and lower unemployment. In short, the mobility of labor, goods, and capital as well as choices made by immigrants may diffuse the effect of immigration, making it very difficult to determine the impact of immigration by comparing cities.

The National Research Council. One way researchers have attempted to deal with the problems associated with cross-city comparisons is to estimate the increase in the supply of labor in one skill category relative to another skill category brought about by immigration in the country as a whole. The wage consequences of immigration are then calculated based on an existing body of literature that has examined the wage effects of changes in the ratio of skilled to unskilled workers. The National Research Council (NRC) relied on this method in its 1997 report entitled The New Americans.[6] The report was authored by most of the top economists and demographers in the field of immigration. The NRC estimates that immigration has had a significant negative effects on the wages of high school dropouts. The NRC concluded that the wages of this group, 11 million of whom are natives, are reduced by roughly 5 percent ($13 billion a year) as a consequence of immigration. Not a small effect. Dropouts make up a large share of the working poor. Nearly one out of three native workers living in poverty lacked a high school education. The wage losses suffered by high school dropouts because of immigration are roughly equal to the combined federal expenditures on subsidized School Lunches, low-income energy assistance, and the Women Infants and Children program.

Center for Immigration Studies Research. My own research suggests that the effect of immigration may be even greater than the estimates in the NRC report.[7] I compared differences across occupations nationally and found that the concentration of immigrants in an occupation does adversely affect the wages of natives in the same occupation. My results show that immigrants have a significant negative effect on the wages of natives employed in occupations that require relatively few years of schooling, accounting for about one-fifth of the labor force. In these occupations, a 1 percent increase in the immigrant composition reduces the wages of natives by 0.8 percent. Since these occupations are now on average 19 percent immigrant, my findings suggest that immigration may reduce the wages of workers in these occupation by more than 10 percent. It should also be added that native-born blacks and Hispanics are much more likely than whites to be employed in the adversely impacted occupations.

Other Research on Wages. Harvard professor George Borjas, who is regarded as the nation's leading immigration economist, found in a study published in 2003 by the Quarterly Journal of Economics that between 1980 and 2000, immigration reduced the average annual earnings of native-born men by an estimated $1,700 or roughly 4 percent.[8] Among natives without a high school education, who roughly correspond to the poorest tenth of the workforce, the estimated impact was even larger, reducing their wages by 7.4 percent. The 10 million native-born workers without a high school degree face the most competition from immigrants, as do the

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[5] Frey, William H. 1993. Race, Class and Poverty Polarization of US Metro Areas: Findings from the 1990 Census, Ann Arbor, Mich.: Population Studies Center.

Frey, William H. 1996. "Immigration, Domestic Migration, and Demographic Balkanization in America: New Evidence for the 1990s," Population and Development Review. Vol. 22.

[6] Edmonston, Barry and James Smith Ed. 1997. The New Americans: Economic, Demographic, and Fiscal Effects of Immigration, Washington D.C.: National Academy Press.

[7] Steven Camarota 1998. "The Wages of Immigration: The Effect on the Low-Skilled Labor Market," Washington D.C.: Center for Immigration Studies. Camarota, Steven A. 1997. "The Effect of Immigrants on the Earnings of Low-skilled Native Workers: Evidence from the June 1991 Current Population Survey," Social Science Quarterly, Vol. 78.

[8] For a technical version of Dr. Borjas research see http://ksghome.harvard.edu/GBorjas/Papers/QJE2003.pdf, for a less technical version see www.cis.org/articles/2004/back504.html .

eight million younger natives with only a high school education and 12 million younger college graduates. The negative effect on native-born black and Hispanic workers is significantly larger than on whites because a much larger share of minorities are in direct competition with immigrants.

While most of those adversely affected are less educated workers, Borjas's research indicates that the impact of immigration is throughout the labor market. The results for more skilled workers are particularly important because few of the immigrants in this section of the economy are illegal aliens, yet the effect is the same—lower wages for natives. This new research strongly indicates that the primary reason immigration lowers wages is not that immigrants are willing to work for less, rather lower wages are simply the result of immigration increasing the supply of labor.

Impact on Employment. While most research has focused on wage effects of immigration, some work has also found an impact on employment. A 1995 study by Augustine J. Kposowa found that a 1-percent increase in the immigrant composition of a metropolitan area increased unemployment among minorities by 0.13 percent.[9] She concludes, "Non-whites appear to lose jobs to immigrants and their earnings are depressed by immigrants." A 1997 report published by the Rand Corporation, entitled "Immigration in a Changing Economy: California's Experience," and authored by Kevin McCarthy and Georges Vernez (1997) estimated that in California between 128,200 and 194,000 people were unemployed or withdrawn from the workforce because of immigration. Almost all of these individuals either are high school dropouts or have only a high school degree. Additionally, most are either women or minorities.

Impact on Employment post-2000. More recent work done on immigration also suggests that immigration may adversely impact native employment. A report I authored for the Center for Immigration Studies early this year showed that only 9 percent of the net increase in jobs for adults (18 to 64) went to natives between 2000 and 2005, event though adult natives accounted for 61 percent of the increase in the overall size of the 16-to-64 year old population. Looking at adult natives with only a high school degree or less, the number of these less-educated natives not in the labor force, which means they are not working or looking for work, increased by 1.5 million between 2000 and 2005. At the same time, the number of adult immigrants (legal and illegal) in the labor force with only a high school degree or less grew by 1.6 million. Of perhaps greatest concern, the percentage of adult natives without a high school degree who are in the labor force fell from 59.1 to 56.3 percent between 2000 and 2005 and for natives with only a high school degree it fell from 78.2 to 75.4 percent.[10] In total there are 11.6 million immigrants in the labor force with only a high school degree or less, about half are illegal aliens.

Data collected since Katrina still shows no improvement in labor force participation for either native-born dropouts or those with only a high school degree. Only unemployment among native-born dropouts has improved, but not for natives with only a high school degree. The decline in less-educated adult natives (18 to 64) in the labor market does not seem to be the result of more parents staying home with young children, increased college enrollment or early retirement. The workers themselves are not the only thing to consider, nearly half of American children (under 18) are dependent on a less-educated worker, and 71 percent of children of the native-born working poor depend on a worker with a high school degree or less. The findings of our 2005 employment study are very consistent with research on this subject. Andrew Sum and his colleagues at Northeastern University have also published several reports showing that all or almost all job growth from 2000 to 2004 went to immigrants.

A recent report by the Pew Hispanic Center found no consistent pattern with regard to native employment between states that experienced a large influx of immigrants and states that had relatively few immigrants. Two key points need to be made about this report: First, as already discussed, it is not at all clear that one can measure the impact of immigration by looking at local labor markets. Second, the report does not focus on trends among persons under age 30 or 35, who have seen the biggest decline in employment in the last 5 years. In fact, Pew only looks at workers 25 year and older. Thus many of he workers most effect are excluded by Pew, and the rest are lumped in with older workers whose employment has not declined significantly.

Benefits of Immigration

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[9] Kposowa, Augustine J. 1995. "The Impact of Immigration on Unemployment and Earnings Among Racial Minorities in the United States." Racial and Ethnic Studies, Vol. 18.

[10] The report entitled "Dropping Out: Immigrant Entry and Native Exit From the Labor Force, 2000–2005" can be found at www.cis.org/articles/2006/back206.html.

Of course, it is important to realize that wage losses suffered by the unskilled do not vanish into thin air. As already discussed, the NRC estimated that the gain resulting from the wage loses suffered by the unskilled is equal to about one or two tenths of one percent of our total economy. Thus, additional unskilled immigration can be justified on the grounds that it creates a very small net benefit for the country as a whole, though it is harmful for unskilled workers. There is some debate about the net benefit of immigration. A 2002 study published by the National Bureau of Economic Research (NBER), entitled "Technological Superiority and the Losses from Migration," found that there is no economic gain from immigration. In fact the loss to all natives totals nearly $70 billion dollars. But it must be remembered that neither the NRC study or NBER study takes into account the benefits to immigrants.

Impact on an Aging Society

Some observers think that without large scale immigration, there will not be enough people of working age to support the economy or pay for government. It is certainly true that immigration has increased the number of workers in the United States. It is also true that immigrants tend to arrive relatively young, and that they tend to have more children than native-born Americans. Demographers, the people who study human populations, have done a good deal of research on the actual impact of immigration on the age structure. There is widespread agreement that immigration has very little impact on the aging of American society. Immigrants age just like everyone else; moreover the differences with natives are not large enough to significantly alter the nation's age structure. This simple fact can be seen clearly in the 2000 Census, which showed that the average age of an immigrants was 39, compared to 35 for natives.[11]

Another way to think about the impact of immigration on the aging of American society is to look at the working-age population. In 2000, 66.2 percent of the population was of working-age (15 to 64), but when all post-1980 immigrants are not counted, plus all of their U.S.-born children, the working-age share would have been 65.9 percent in 2000. Immigration also does not explain the relatively high U.S. fertility rate. In 2000, the U.S. fertility rate was 2.1 children per woman, compared to 1.4 for Europe, but if all immigrants are excluded the rate would still have been 2.0. Looking to the future, Census Bureau projections indicate that if net immigration averaged 100,000 to 200,000 annually, the working age share would be 58.7 percent in 2060, while with net immigration of roughly 900,000 to one million, it would be 59.5 percent. As the Bureau states in the 2000 publication, immigration is a "highly inefficient" means for increasing the working age share of the population in the long-run.[12] Census projections are buttressed by Social Security Administration (SAA) estimates showing that over the next 75 years, net legal immigration of 800,000 a year versus 350,000 would create a benefit equal to only 0.77 percent of the program's projected expenditures.

Of course, it must be emphasized that immigration does not make the country older. In fact, the impact is slightly positive. But, one can advocate less immigration secure in the knowledge that it will not cause the population to age more age rapidly. There is no doubt that the aging of the nation's population will create very real challenges. But the level of immigration is almost entirely irrelevant to this problem. America will simply have to look elsewhere to met these challenges.

Policy Discussion

Knowing that low-skilled natives are made poorer or their unemployment increased by immigration does not tell us what, if anything, we should do about it. The extent to which we take action to deal with the wage and employment effects of immigration depends on how concerned we are about the wages of less-skilled natives. A number of scholars have argued that the inability of low-skilled workers to find work and earn a living wage contributes significantly to such social problems as welfare dependency, family breakup, and crime. One need not accept all the arguments made in this regard to acknowledge that a significant reduction in employment opportunities for the poorest Americans is a cause for real concern.

Help Workers But Leave Immigration Policy Unchanged. If we wish to do something about the effects of immigration, there are two possible sets of policy options that could be pursued. The first set would involve leaving immigration policy in place and doing more to ameliorate the harmful effects of immigration on natives

[11] These figures and ones on aging that follow can be found in a 2005 report by the Center for Immigration Studies entitled, "Immigration in an Aging Society: Workers, Birth Rates, and Social Security," which can be found at www.cis.org/articles/2005/back505.html .

[12] 12See page 21 of the Census Bureau's "Methodology and Assumptions for the Population Projections of the United States: 1999 to 2100." The report can be found at www.census.gov/population/www/documentation/twps0038.pdf

in low-skilled occupations Since the research indicates that the negative impact from immigration falls on those employed at the bottom of the labor market, an increase in the minimum wage may be helpful in offsetting some of the wage effects of immigration, though doing so may exacerbate the unemployment effect. Most economists think that the minimum wage tends to increase unemployment. Increasing the minimum wage and keeping unskilled immigration high, may make this problem even worse.

Another program that might be helpful in assisting those harmed by immigrant competition is the Earned Income Tax Credit (EITC). There is little doubt that the Credit increases the income of low-wage workers. However, in addition to the high cost to taxpayers, the Credit may also hold down wages because it acts as a subsidy to low-wage employers. That is, employers have less incentive to increase wages because workers are now being paid in part by the federal government. Cutting low- and unskilled immigration, on the other hand, has no such down side for less-skilled workers nor is it costly to taxpayers. Moreover, the Credit only increases earnings for those with jobs, it does not address increased unemployment among the less-skilled that comes with immigration. Finally, it is not clear how much increasing the minimum wage or the EITC would be helpful in dealing with the decline in labor force participation among less educated natives discussed above.

Reducing Unskilled Legal Immigration. The second set of policy options that might be enacted to deal with this problem would involve changing immigration policy with the intent of reducing job competition for natives and immigrants already here. If we were to reduce unskilled legal immigration we might want to change the selection criteria to ensure that immigrants entering the country will not compete directly with the poorest and most vulnerable workers. At present, only about 12 percent of legal immigrants are admitted based on their skills or education. Since two-third of permanent residency visas are issued based on family relationships, reducing the flow of low-skilled legal immigrants would involve reducing the number of visas based on family relationships. This might include eliminating the preferences now in the law for the siblings and adult children (over 21) of U.S. citizens and the adult children of legal permanent residents. These changes would not only reduce low-skilled legal immigration immediately, they would also limit the chain migration of low-skilled immigrants that occurs as the spouses of those admitted in the sibling and adult child categories petition to bring in their relatives.

Reducing Unskilled Illegal Immigration. In addition to reducing the flow of low-skilled legal immigrants, a greater allocation of resources could be devoted to controlling illegal immigration, especially in the interior of the country. About one half of the immigrants working in such occupations as construction, building cleaning and maintenance, and food processing and preparation are estimated to be illegal aliens according to my own analysis and research done by the Pew Hispanic Center. A strategy of attrition through enforcement offers the best hope of reducing illegal immigration. The goal of such a policy would be to make illegals go home or self deport. The former INS estimates that 165,000 illegals go home each year, 50,000 are deported, and 25,000 die. But some 800,000 to 900,000 new illegals enter each year so there is a net growth of 400,000 to 500,000 a year.[13] If America becomes less hospitable to illegals, many more will simply decide to go home.

The centerpiece to interior enforcement would be to enforce the law barring illegals from holding jobs by using national databases that already exist to ensure that each new hire is legally entitled to work here. In 2004, only four employers were fined for hiring illegals. The IRS must also stop accepting Social Security numbers that it knows are bogus. We also need to make a much greater effort to deny illegal aliens things like divers licenses, bank accounts, loans, in-state college tuition, etc. Local law enforcement can play an additional role. When an illegal is encountered in the normal course of police work, the immigration service should pick that person up and deport him. More agents and fencing are clearly needed at the border as well.

Conclusion

As discussed above, the impact of immigration on the overall economy is almost certainly very small. Its short- and long-term impact demographically on the share of the population that is of working age is also very small. It probably makes more sense for policymakers to focus on the winners and losers from immigration. The big losers are natives working in low-skilled low-wage jobs. Of course, technological change and increased trade also have reduced the labor market opportunities for low-wage workers in the Untied States. But immigration is different because it is a discretionary policy that can be altered. On the other hand, immigrants are the

[13] See Footnote 1.

big winners, as are owners of capital and skilled workers, but their gains are tiny relative to their income.

In the end, arguments for or against immigration are as much political and moral as they are economic. The latest research indicates that we can reduce immigration secure in the knowledge that it will not harm the economy. Doing so makes sense if we are very concerned about low-wage and less-skilled workers in the United States. On the other hand, if one places a high priority on helping unskilled workers in other countries, then allowing in a large number of such workers should continue. Of course, only an infinitesimal proportion of the world's poor could ever come to this country even under the most open immigration policy one might imagine. Those who support the current high level of unskilled legal and illegal immigration should at least do so with an understanding that those American workers harmed by the policies they favor are already the poorest and most vulnerable.

TESTIMONY OF RICARDO PARRA, MIDWEST COUNCIL OF LA RAZA

Mr. PARRA. Members of the Judiciary Committee, thank you for allowing me to speak and inviting me, and also thanking the public to be present to witness the hearing here. My name is Ricardo Parra.

I would like to get directly into the subject about the impact on U.S. workers. I'm sure that in keeping with the theme of the field hearing, "The Reid-Kennedy Bill: The Effect on American Workers' Wages and Employment Opportunities," some will represent studies that undocumented immigrants are impacting American workers. At the end of this report, you will find recent studies that dispute those claims.

For example, the study "Growth in the Foreign-Born Workforce and Employment of Native-Born," Pew Hispanic Center, August 10, 2006. This report shows that rapid increases in foreign-born populations at the State level are not associated with negative effects on employment of native-born workers.

Also, new data released by the Census Bureau August 15 accent the magnitude to which immigration continues to fuel the expansion of the U.S. labor force. The study "Growth and Reach of Immigration," Rob Paral, Immigration Policy Center, August 16, 2006.

Earlier in June, 500-plus economists, including five Nobel Laureates—Thomas C. Schelling, University of Maryland; Robert Lucas, University of Chicago; Daniel McFadden, University of California, Berkeley; Vernon Smith, George Mason University; and James Heckman, University of Chicago indicated immigration was an economic plus, saying "the gains from immigration outweigh the losses."

Fact: Immigrant labor is needed to fill jobs in the U.S. that older, more educated American workforce is not willing to fill, especially at the low wage and poor working conditions many unscrupulous employers offer. Currently, there are approximately nine million undocumented workers in the U.S. filling important gaps in the labor market. There is substantial evidence that their presence in the labor force creates jobs and strengthens local economies. Fact is undocumented immigrants contribute to the process of wealth creation.

So here we have the hearings, the field hearings. Many people say it's a lot of spin and I think we have to stop the spin. We can do better. The American people want Congress to stop the spin and work on real issues to real problems, like the broken immigration

system. But instead of sitting down to negotiate with the Senate over workable immigration reform, House leaders are stalling and conducting an anti-immigrant road show. They want to portray all immigrants as criminals and terrorists, to manufacture support for their "get-tough" and "get-tough only" approach to immigration reform. But the American people won't buy it. They want Congress to get back to work and to come up with real solutions that is fair and practical: a comprehensive immigration reform bill that recognizes reality, rewards work, and restores the rule of law to immigration.

To enforce our immigration laws, we need to make them enforceable. Our broken immigration system is a complex problem that needs a comprehensive overhaul. We've been implementing piecemeal measures for 20 years, which have made the system more complex, but not more controlled. "Seal the border" is a sound bite. "Enforce our laws" is a sound bite. Comprehensive reform is a solution, and only by changing our laws to meet economic need and family ties will we be able to restore control and order to our system.

"Enforcement-only" or "enforcement-first" is the status quo, more of the same, and a prescription for failure. For the past 20 years, we have tried enforcement-first and enforcement-only. The result has been a spectacular failure. People smuggling has become big business. Fake document merchants have plenty of customers. Unscrupulous employers have a large pool of exploitable workers. Families stay separated for years. Hundreds die in the desert each year. There are 12 million undocumented immigrants and counting and Americans all across the U.S. are angry at the Government's failure. In light of all this, calls for more of the same do not make sense. Illegal immigration happens because we have jobs or loved ones on this side of the border and an insufficient number of legal visas for these workers and family members. We must deal with reality.

Proposals that ignore the 12 million undocumented immigrants in our midst are not serious proposals No reform proposal can be taken seriously if it assumes that undocumented immigrants will simply go away if we get tough enough. It also does not make sense to treat those workers as hardened criminals. They're already part of our workforce and have U.S. citizen and legal resident family members. Making them into criminals would only drive them further underground and we would know even less about who they are. A much better solution would be to bring them out of the shadows so that we can find out who they are, put them through background checks and security screening, make sure they are all on the tax rolls and make them earn their citizenship over time by learning English, keeping a clean record and continuing to contribute to our country.

Proposals that pretend we don't need immigrant workers are also not serious proposals. Let's get real. We have jobs on this side of the borders and workers clamoring to fill them on the other side.

Time to wrap it up? Okay, thank you very much.

Mr. SENSENBRENNER. Thank you, Mr. Parra.

Dr. Briggs.

[The prepared statement of Mr. Parra follows:]

PREPARED STATEMENT OF RICARDO PARRA

Testimony of Ricardo Parra

"The Reid-Kennedy Bill: The Effect on American Workers' Wages
and
Employment Opportunities"

The House Judiciary Committee Hearing on Immigration
The Centre, Evansville Auditorium & Convention Center
(715 Locust Street, Evansville, IN 47708), at 10AM.
Tuesday, August 29, 2006, in Evansville, Indiana.

The Field Hearings
We all know why we are here. It is because the House Bill on Immigration (HR 4437) is miles from the bipartisan Senate-passed Comprehensive Immigration Bill, S.2611). The Republican dominated House, rather than reconcile its differences with Senate bill through a conference committee has chosen to have field hearings in the hopes of poking holes in the Senate bill. With November elections looming it appears that the Republican House leadership has opted out for political posturing rather than policy making and getting the nation's business done.

The American people want action not further posturing. The immigration system is broken and needs to be fixed.

Now that the elections are looming, the House Republicans say they are going secure the border, increase enforcement, but there seems to be plenty of hypocrisy here since much of what they say they want to fix happened on their watch. Let's face it, people will look at the track record.

The House Republicans have ignored what needs to be fixed. They have ignored the need to work with others in a bipartisan fashion. They have ignored the need to look at national security interests, economic interests in a changing global economy. They have ignored the to need build an immigration system that is tough, efficient, fair, and also compassionate.

With a myopic view, the House hard-liners, have only been able to come up with HR 4437, a bill that would make felons of 12 million undocumented immigrants and those who help them, such as the religious community, counselors, teachers, lawyers and doctors. This get-tough legislative proposal passed by the House differs from the bipartisan. proposal passed by the Senate.

Myopia has been a disservice to this nation in the past and recently.
Unfortunately, even President Bush has been unable to influence the right wing of his own party.

Border Security Not Enough
I believe that border security alone is not enough. Border security must fit within a process of comprehensive reform (i.e. interior and employer enforcement, legalization, and guest workers); enforcement only is insufficient.

The House should reshape its legislation to provide true immigration reform along the lines of bipartisan comprehensive immigration reform recommended by the Senate. It addresses border security and enforcement, a smart and efficient immigration system,

earned legalization for undocumented immigrants who qualify and a guest-worker program to meet the economic needs of the U.S.

The American people are fair minded and looking at and beyond politicians who use the rhetoric of national security to supplant funds or political currency by campaigning with misinformation and playing on people's fears.

Impact on U.S. Workers and Economy
I am sure that in fitting with the theme of this field hearing, "The Reid-Kennedy Bill: The Effect on American Workers' Wages and Employment Opportunities," someone will present studies that undocumented immigrants are impacting American workers. At the end of this report you will find recent studies that dispute those claims, for example, Growth in the Foreign-Born Workforce and Employment of the Native Born

, Pew Hispanic Center, 08/10/2006). It shows that rapid increases in the foreign-born population at the state level are not associated with negative effects on the employment of native-born workers. Also new data released by the Census Bureau on August 15 accent the magnitude to which immigration continues to fuel the expansion of the U.S. labor force. (The Growth and Reach of Immigration Rob Paral, Immigration Policy Center, 08/16/2006).

Earlier in June, 500-Plus Economists including five Nobel Laureates-Thomas C. Schelling (University of Maryland), Robert Lucas (University of Chicago), Daniel McFadden (University of California, Berkeley), Vernon Smith (George Mason University), and James Heckman (University of Chicago) indicated immigration was an economic plus, saying, "the gains from immigration outweigh the losses."

Fact: Immigrant labor is needed to fill jobs in the U.S. that an older, more educated American workforce is not willing to fill, especially at the low wages and poor working conditions many unscrupulous employers offer. Currently, there are approximately nine million undocumented workers in the U.S. filling important gaps in the labor market. There is substantial evidence that their presence in the labor force creates jobs and strengthen local economies. Fact is undocumented immigrants contribute to the process of wealth creation.

The House leadership missed a great opportunity to help low wage workers by not developing a more focused minimum wage bill for low-wage workers, but instead coupled it with its efforts to get a cut in estate taxes for the wealthy.

Scare-Tactics: Exaggerated Estimates
In this hearing, I also expect to see exaggerated projections introduced on costs and on the growth of the immigrant population based on a false scenario of what would happen of if S. 2611 was passed. A report by Ben Johnson shows the obvious errors made those making such claims: "Although serious efforts to estimate the impact of the bill on immigration rates are an essential part of the legislative process, some of the bill's critics are using dubious statistics and unfounded assumptions to grossly exaggerate the likely

scale of future immigration under the bill. The errors and fallacies contained within the most commonly cited of these projections are cumulative in nature. For example, an over-estimate of how many undocumented immigrants or temporary workers become U.S. citizens under the bill results in an over-estimate of how many family members will join new immigrants in the United States. These projections inflate the numbers of potential immigrants under S.2611 in many ways, but three stand out in particular:
* Counting several categories of immigrants more than once.
* Incorrectly assuming that all temporary workers will settle permanently in the United States with their families rather than returning home.
* Incorrectly assuming that all undocumented immigrants and new temporary workers will eventually become U.S. citizens and bring their parents and other relatives to the United States..."

..."Some critics of S. 2611 have claimed that the bill would unleash a veritable flood of anywhere from 66 million to 217 million new immigrants into the United States over the next 20 years. The absurdity of these projections is evident in the fact that the estimate of 217 million is 70 million more than the combined populations of Mexico, Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama. Estimates such as these are as unfounded as they are outlandish."
(Scare-Tactics: Exaggerated Estimates Of New Immigration Under S.2611 by Ben Johnson for the Immigration Policy Center, May 2006)

The cost and benefits of immigrants
The arguments offered by anti-immigrant forces today against needs to be looked at closely the argument that illegal immigrants are costly to taxpayers because they use education, healthcare, and other public services as often they are erroneous and offer incomplete or based on erroneous research methods. Research studies that I will cite near the end of my testimony offer a different picture and show that undocumented immigrants overtime pay more into these systems than they receive.

The costs of education and social welfare systems are not unreasonable or unbearable. When it comes to education this is an investment in not only human capital, but people who will be integrated into this society and be stakeholders.

"A 2001 RAND Corporation study notes that 'higher levels of education translate into lower public expenditures over an individual's lifetime" in the form of "revenues saved in public welfare, health, and law enforcement programs' and "revenues earned from increased taxes and contributions to Medicare and Social Security. In other words, a better educated populace earns more, pays more taxes and has less need for public benefits." (A Study in Distortion: FAIR Targets Immigrant Children by Walter A. Ewing, Ph.D, August 2003,Copyright 2003 by the American Immigration Law Foundation)

The claims that illegal immigrants are costing taxpayers so much are unfounded, over blown, or somehow skewed based on how the analysis is done or what factors are often

left out. Actually, undocumented have been a benefit to our economy. The studies and research I cite at the end of this testimony bear this out.

Fact: Undocumented immigrants pay taxes in a number of ways, including income and sales tax. The majority of undocumented immigrants pay income taxes using Individual Taxpayer Identification Numbers (ITINs) or false Social Security numbers. All immigrants, regardless of status, will pay on average $80,000 per capita more in taxes than they use in government services over their lifetime. The Social Security system reaps the biggest windfall from taxes paid by immigrants; the Social Security Administration reports that it holds approximately $420 billion from the earnings of immigrants who are not in a position to claim benefits. (Source: National Council of La Raza)

Fact: Undocumented immigrants are ineligible for the vast majority of state and federal benefits and are only eligible for those that are considered important to public health and safety. In fact, many legal immigrants are also ineligible for most federal benefits. As a result, health care spending for immigrants is approximately half that of citizens. (Source: National Council of La Raza)

Stop the Spin

* We have to stop spin. We can do better. The American people want Congress to stop the spin and work on real solutions to real problems, like the broken immigration system. But instead of sitting down to negotiate with the Senate over workable immigration reform, House Republican leaders are stalling, and conducting an anti-immigrant road show. They want to portray all immigrants as criminals and terrorists, to manufacture support for their "get-tough and get-tough only" approach to immigration reform. But the American people won't buy it. They want Congress to get back to work, and to come up with a real solution that is fair and practical: a comprehensive immigration reform bill that recognizes reality, rewards work, and restores the rule of law to immigration.

* To enforce our immigration laws we need to make them enforceable. Our broken immigration system is a complex problem that needs a comprehensive overhaul. We've been implementing piecemeal measures for 20 years, which have made the system more complex, but not more controlled. "Seal the borders" is a sound bite. "Enforce our laws" is a sound bite. Comprehensive reform is a solution, and only by changing our laws to meet economic need and family ties will we be able to restore control and order to the system.

* Enforcement-only" or "Enforcement-first" is the status quo, more of the same, and a prescription for failure. For the past twenty years we have tried enforcement-first and enforcement-only. The result has been spectacular failure. People smuggling has become big business. Fake document merchants have plenty of customers. Unscrupulous employers have a large pool of exploitable workers. Families stay separated for years. Hundreds die in the desert each year. There are 12 million undocumented immigrants-and counting-and Americans all across the U.S. are angry at the government's failure. In light of all this, calls for more of the same do not make sense. Illegal immigration happens because we have jobs or loved ones on this side of the

border, and an insufficient number of legal visas for these workers and family members. We must deal with that reality.

* Proposals that ignore the 12 million undocumented immigrants in our midst are not serious proposals. No "reform" proposal can be taken seriously if it assumes that undocumented immigrants will simply go away if we get tough enough. It also doesn't make sense to treat these workers as hardened criminals. They are already part of the work force, and have U.S. citizen and legal resident family members. Making them into criminals would only drive them further underground, and we would know even less about who they are. A much better solution would be to bring them out of the shadows so that we can find out who they are, put them through background checks and security screenings, make sure they are all on our tax rolls, and make them earn their citizenship over time by learning English, keeping a clean record, and continuing to contribute to our country.

* Proposals that pretend we don't need immigrant workers are also not serious proposals. Let's get real: we have jobs on this side of the border and workers clamoring to fill them on the other side. We need to shift our thinking to bring our immigration laws in line with the needs of our economy-not our underground economy. Reform should bring a greater share of the immigration flow through legal channels, so that migrants can be screened, we can have greater control over who gets in, and all workers can exercise their labor rights. These reforms, combined with reform of our family visa system and fair and consistent enforcement of the new laws, are the solution to unauthorized immigration.

* Proposals that leave legal immigrants waiting in the wings are also not serious proposals. Reuniting families is a cornerstone of our immigration policy. But lately, the wait times for close family members to reunite has stretched into years and even decades, leaving families separated and many scrambling to find another way to enter the United States, even illegally. Separating families is not the American way. Comprehensive reform must provide more legal channels for those coming here to join close family members, so that they do not decide to make the dangerous trip across the border illegally because of a needless separation.

* Comprehensive reform is the way forward. Those members of the House advocating an enforcement-first or enforcement-only approach have a good sound bite, but no solution. They offer no way to deal with the 12 million undocumented immigrants living and working in the United States, and no way to bring future immigration levels in line with economic need, so that we don't have another build-up of illegal immigration. By contrast a realistic, comprehensive, and bipartisan approach to immigration reform is supported by businesses, diverse faith-based organizations, labor unions, civil rights groups, immigrants and, as demonstrated in poll after poll, by the American people. Only comprehensive reform offers the realistic prospect for making our immigration system orderly, secure, and legal. Only comprehensive reform will work.

The way to end illegal immigration is to build a system that promotes legality by building a systems that serves the needs of our nation.

We need to bring well-intentioned immigrants through the legal system. When the vast majority of current illegal flow is happening legally, our enforcement resources will be better trained on the smugglers and fake documents rings, the drug runners and violent criminals, and the terrorists who might manipulate our system.

A path to legal status for the current undocumented population is integral to enhance national security. Once the good people come forward for registration and criminal background checks, the people who cannot and do not will be isolated. Then our enforcement will have a much smaller haystack to sort through than they do now, with so many decent people outside of the legal system.
Sources: National Council of La Raza and National Immigration Forum.

Immigrants and the Economy
Resources
The following are links to resources pertaining to immigrants and the economy.
Title
Author/Date
Description

The Growth and Reach of Immigration
Rob Paral, Immigration Policy Center
08/16/2006
New data released by the Census Bureau on August 15 underscore the extent to which immigration continues to fuel the expansion of the U.S. labor force.

Growth in the Foreign-Born Workforce and Employment of the Native Born
Pew Hispanic Center
08/10/2006
Rapid increases in the foreign-born population at the state level are not associated with negative effects on the employment of native-born workers. The size of the foreign-born workforce, its relative youth and low education level are also unrelated to the employment prospects for native workers.

The Impact of Immigration on Native Workers: A Fresh Look at the Evidence
Julie Murray et. al., Migration Policy Institute
07/31/2006
Despite the addition of recent research to an already large body of literature, the "competition question" is still up for debate.

Immigrants and Labor Force Trends: The Future, Past, and Present
B. Lindsay Lowell et. al. for the Migration Policy Institute

07/31/2006
Immigrants will form an increasing share of the workforce over the next thirty years. Foreign-born workers are well-represented in occupations predicted to grow most over the next decades, suggesting such workers will remain in demand.

The Debate over Immigration's Impact on U.S. Workers and the Economy
Stuart Anderson, National Foundation for American Policy (prepared for the Merage Foundation for the American Dream)
06/29/2006

This paper finds that immigrants increase specialization in the economy, enhance the nation's productive capacity, and aid innovation in the United States. The best evidence suggests that immigrants improve their own lot and that of their children by coming to America and exert little adverse impact on natives.

Open Letter on Immigration
The Independent Institute (signed by more than 500 economists)
06/19/2006
This letter, signed by more than 500 economists, states among other things that "the gains from immigration outweigh the losses."

IMMIGRANTS, SKILLS, AND WAGES: Measuring the Economic Gains from Immigration
Giovanni Peri, Ph.D. for the Immigration Policy Center, American Immigration Law Foundation
03/13/2006
Foreign-born workers do not substitute perfectly for, and therefore do not compete with, most native-born workers. Rather, the complementary nature of the skills, occupations, and abilities of foreign-born workers increases the productivity of natives, stimulates investment, and enhances the choices available to consumers.

Economic Growth & Immigration: Bridging the Demographic Divide (PDF)
Rob Paral, Dan Siciliano, Benjamin Johnson, Walter Ewing, and Michael Chittenden, Immigration Policy Center, American Immigration Law Foundation
11/15/2005
U.S. economic growth projections for 2002-2012 are predicated on a growing supply of workers that likely will not be found in the native-born population alone. Absent a change in current immigration laws, undocumented immigrants will likely account for 1 in 8 new workers between 2002 and 2012. Rather than creating an orderly process by which needed workers enter the United States from abroad, static limits on employment-based immigration have diverted labor migration to undocumented channels or clogged the family-based immigration system.

The Role of Immigrants in the U.S. Labor Market (PDF)
Congressional Budget Office
11/10/2005

The paper focuses on the role of immigrants in the labor market, including the skills they bring the types of jobs they hold their impact on the native-born workforce and the implications for the future as the baby boom generation exits the workforce.

Rethinking the Gains from Immigration: Theory and Evidence from the U.S. (PDF)
Gianmarco I.P. Ottaviano, (Universita di Bologna and CEPR) and Giovanni Peri, (UC Davis and NBER)
08/31/2005
This paper examines the effect of immigration on the labor market. Because immigrants and the native-born have different skills, they play different roles in the labor market. The authors found that, for all but high-school outs (now only 9 percent of the U.S. population) immigration had a positive effect on the wages of the native born.

The Economics of Necessity: Economic Report of the President Underscores the Importance of Immigration
Walter A. Ewing, Immigration Policy Center American Immigration Law Foundation
05/04/2005
Although immigration is crucial to the growth of the U.S. labor force and yields a net fiscal benefit to the U.S. economy, current immigration policies fail to respond to actual labor demand.

Essential Workers: Immigrants are a Needed Supplement to the Native-Born Labor Force
Rob Paral for the Immigration Policy Center, American Immigration Law Foundation
03/30/2005
The notion that every job filled by an immigrant is one less job available for a native-born worker is inherently simplistic and doesnt account for the fact that immigrants jobs or that unemployed natives and immigrant workers often do not compete for the same jobs.

The Contribution of Legal Immigration to the Social Security System
Stuart Anderson, National Foundation for American Policy
02/06/2005
This paper discusses the positive relationship of immigration to the solvency of the Social Security system.

Putting a Cap on Competitiveness: Arbitrary Limits on H-1B Visas Undermine U.S. Science and Engineering
Immigration Policy Center, American Immigration Law Foundation

10/05/2004
Arbitrary congressional limits on the number of H-1B visas that can be granted annually to highly skilled foreign professionals may undermine the international competitiveness of U.S. science and technology.

Maintaining A Competitive Edge: The Role of the Foreign-Born and U.S. Immigration Policies in Science and Engineering
Rob Paral and Benjamin Johnson, Immigration Policy Center, American Immigration Law Foundation
08/18/04

Attracting the talent of foreign-born scientists and engineers is a key factor in maintaining the nation's economic competitiveness and preeminence in science. Despite their vital role, long-standing structural flaws in the U.S. visa system and the unintended consequences of security procedures instituted since September 11, 2001, may be causing an increasing number of scientists and engineers to avoid coming to the United States.

The State of the Nation's Housing, 2004 (PDF)
Joint Center for Housing Studies of Harvard University
06/07/2004
Rapid growth in foreign-born households has added significantly to housing demand, which helped keep the economy afloat during the recent recession. Between 1998 and 2001, foreign-born households purchased about 8 percent of new homes and 11 percent of existing homes sold. The foreign-born also made up 12 percent of first-time homebuyers in 2001.

Do Visa Delays Hurt U.S. Business?
The Santangelo Group
06/02/2004
This analysis, based on a survey of 734 members of eight leading international trade associations estimates that U.S. companies suffered $30.7 billion in financial impact between July 2002 and March 2004 due to delays/denials in the processing of business visas.

Relinquishing Excellence: Closing the Door to Foreign Professionals Undermines the U.S. Economy
Immigration Policy Center, American Immigration Law Foundation

05/18/2004

Examines the issue of how restrictive U.S. visa policies are beginning to close the door to highly skilled foreign professionals who have long helped maintain U.S. preeminence in science and technology.

Sending Money Home: Remittances to Latin America from the US, 2004 (PDF)
Inter-American Development Bank
05/17/2004
Latin American migrants living in the United States will send some $30 billion back to their countries of origin in 2004. At the same time, they contribute an estimated $450 billion to the U.S. economy.

Beyond the High-Tech Bubble: The Changing Demand for H-1B Professionals
Immigration Policy Center, American Immigration Law Foundation
04/30/2004
This report refutes the claim that H-1B professionals have a detrimental effect on the native-born workforce and an explanation of how such workers benefit the American economy is provided.

Labor Market Numerology: Arbitrary Congressional Limits on Temporary Worker Visas
Immigration Policy Center, American Immigration Law Foundation
04/30/2004
Comments on the arbitrary nature of the numerical limits set for available worker visas, and how this, in turn, has a negative effect on the U.S. economy

The Global Battle for Talent and People (PDF)
Stuart Anderson, American Immigration Law Foundation
09/08/2003
Makes the argument that immigration is important to economic growth in the face of a potentially stagnant labor force.

The Science and Engineering Workforce: Realizing America's Potential (PDF)
National Science Board, National Science Foundation
08/14/2003
Discusses how post-911 measures have jeopardized the beneficial relationship between the American scientific and engineering communities, and the highly educated portion of the foreign-born population

Migrating to Recovery: The Role of Immigration in Urban Renewal
Immigration Policy Center, American Immigration Law Foundation
07/31/2003
Policymakers have realized that immigration is a key source of long-term economic vitality, particularly in urban areas experiencing population loss, shrinking labor pools and growing numbers of retirees.

Top 10 Immigration Myths and Facts
National Immigration Forum
06/30/2003
Dispels common myths about immigrants and immigration.

Assimilation across the Latino Generations
James Smith and the RAND Corporation
05/31/2003
Discusses the parallels between modern-day Hispanic immigrants, and the European immigrant communities of the past, in relation to economic integration and progress across generations.

Immigration and poverty: how are they linked? (PDF)
Jeff Chapman and Jared Bernstein, Monthly Labor Review, Bureau of Labor Statistics
04/30/2003
The growing immigrant share of the U.S. population was neither the sole, nor even the most important, factor in the relatively flat poverty rate from 1989 to 1999 in fact, poverty rates fell faster for immigrants than for natives.

Immigrant Workers: A Key Component of Economic Security
National Immigration Forum and the American Immigration Lawyers Association
03/31/2003
Backgrounder discussing expected gaps in the American workforce and the importance of immigrant workers in filling those gaps.

Mexican Immigrant Workers and the U.S. Economy: An Increasingly Vital Role
American Immigration Law Foundation
12/31/2002
This study found that Mexican workers are integral to U.S. economic growth. The portion of Mexican workers in the U.S. workforce doubled during the past decade.

Immigrant Workers and the Great American Job Machine
Center for Labor Market Studies, Northeastern University
12/31/2002
Analyzes the impact of immigrants relating to job market growth and labor shortages across different sectors and skill levels.

New Study Finds Immigrants Play Major Role in U.S. Economic Health
National Immigration Forum
12/04/2002
Highlights findings of a study published by the Center for Labor Market Studies at Northeastern University, entitled "Immigrant Workers and the Great American Job Machine."

Science and Engineering Indicators 2004
National Science Board, National Science Foundation

07/04/02
National Science Board. Among the issues discussed in this report are the participation of the foreign born in our science and engineering fields, the increased ability of developing nations to retain their science and engineering talent, and the decrease in the number of foreign born scientists and engineers able to get in to the U.S. after September 11, 2001.

The Secret of Success: Immigrant Networks Keep Silicon Valley on Top
American Immigration Law Foundation
05/31/2002
One of the most important components in the success of Silicon Valley was the availability of immigrant labor and foreign capital in the Bay Area.

Immigrants and the Economy
American Civil Liberties Union
03/12/2002
Addresses the myth that immigrants take jobs from Americans and are a drain on the economy.

Immigrants and the Economy
National Immigration Forum
11/30/2001
Fact Sheet discussing the important role immigrants play in the economy.

Estimating the Economic Impact of the Latino Workforce in South Central Minnesota (PDF)
Center for Rural Policy and Development, Minnesota State University, Mankato
09/30/2000
This study found that the Latino workforce in nine counties in South Central Minnesota added $484 million annually to the regional economy. 7,800 addional jobs were d for non-latinos, and Latino workers paid approximately $72 million more in taxes than they receive in government benefits.

Source:
National Immigration Forum 50 F Street NW, Suite 300 Washington, DC 20001 (202) 347-0040 fax (202)347-0058 www.immigrationforum.org

http://www.immigrationforum.org/

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Other Studies and Sources:

Scare-Tactics: Exaggerated Estimates Of New Immigration Under S.2611
by Ben Johnson for the Immigration Policy Center (May 2006)
The debate over S. 2611, the Comprehensive Immigration Reform Act, has been clouded by grossly exaggerated estimates of the likely scale of future immigration under the bill.

A Study in Distortion: FAIR Targets Immigrant Children by Walter A. Ewing, Ph.D
August 2003
Copyright 2003 by the American Immigration Law Foundation.
* Walter A. Ewing is a Research Associate with the Immigration Policy Center.

TESTIMONY OF VERNON BRIGGS, PROFESSOR OF INDUSTRIAL AND LABOR RELATIONS, CORNELL UNIVERSITY

Mr. BRIGGS. Thank you, Mr. Chairman.

Mr. SENSENBRENNER. Press the red button so the mic works.

Mr. BRIGGS. Oh, yes.

Thank you, Mr. Chairman and Members of the Committee. My comments may seem glib but the support is in the lengthy testimony, so I hope people have a chance to read it carefully. Also, when I use the term "American worker" that means not only native-born Americans, but it also means those people who are naturalized citizens, people who are permanent resident aliens and those who are legally allowed to be here. So when I use "American workers," it is not something that I am simply trying to distinguish between foreign-born and native-born, it includes them.

Immigration reform is the domestic imperative of our time, but only in the past 41 years in which this issue exploded. It was totally unexpected, there was nothing—no anticipation was ever given to what happened, the explosion of mass immigration. It wasn't supposed to happen; it did happen. And that should be a warning when we take action in terms of legislation, it has had enormous unexpected consequences. We ought to be very careful on what we enact, that ought to be an overriding lesson.

With respect to impact of immigration, the one place where immigration is most significant is on the labor force. As Samuel Gompers, the former President of the American Federation of Labor, many years ago wrote, "Immigration is, in its most fundamental aspect, a labor issue." Immigrants, regardless of how they come into the country or how they're admitted, usually go directly into the labor force, as do their spouses and their children, no matter what criteria we admit them in. So that the labor market is the ultimate test of what the impact of immigration is all about.

Today, we have 12 million illegal immigrants in the country, about 500,000 a year adding to that number. This is in addition to the six million illegal immigrants who have been given amnesty by seven different amnesties since 1986. It is incredible when you think of this. In addition to the illegal immigration we have today, you've given seven amnesties to six million others.

The Immigration Reform and Control Act of 1986 started the process of granting amnesties. It enacted a system of employer sanctions that were supposed to largely stop the future flow. But it was quickly realized that employer sanctions had severe problems. Without a reliable and verifiable identification system in place, fraudulent documents were easily obtained. Likewise, there was no internal enforcement—none, and very little inside the country at the work sites. And at the borders, vastly inadequate resources in manpower was provided to manage border entry.

Consequently, for many employers, they came to view violations of IRCA as simply risk-free, who cares. And as far as illegal immigrants, why not come, no one is going to stop you if you do try. So them came.

The main reasons—this is what I want to emphasize—that employer sanctions were enacted—and I have testified before Congress for 25 years on this issue strongly—was to protect the Amer-

ican worker from competition for jobs from people that are not even supposed to be in the country, much less in the labor force, period.

The point is often overlooked that when we do an immigration reform, the existing shortcomings must make getting those who have violated the law out of the labor force as well as including those who might come in the future. That's critical to it.

Presently, there are over seven million illegal immigrants in the labor force. But it's not just the high number that, as I've said, has importance. Overwhelmingly these illegal immigrants are poorly skilled and poorly educated. Estimated about 83, 84 percent have only a high school diploma or less, of the illegal immigration population. This means it's only a small portion of this labor force.

Comparisons with State levels or national levels are totally irrelevant. Illegal immigrants compete with the poor and the low wage sector of the labor market. That's the people who carry the burden and that's the ones that public policy should be concerned about.

Tragically, the most economic disadvantaged in the economy and the ones who needed the protection the most are the ones who bear the direct competition by illegal immigrants. Worse yet, in this bitter competition at the bottom of which there are 34 million low wage workers in the United States—34 million of them—it's these persons who are bearing the competition of the illegal immigrants. And in this competition, the game is rigged. The illegal immigrants will always win in the competition for jobs—always. No matter how hard the American workers, as defined, citizens and native-born, try, they're going to lose in that competition. Illegal immigrants will accept low wages, long hours, work and not complain under deplorable conditions and violation of labor laws. They will do this consistently because their orbit of comparison is the wages and working conditions in the country which they come from, which are always worse than they are here in the United States no matter how bad they are in this country.

So many American workers come to prefer illegal immigrants, they want illegal immigrants if they can get them. And it's simply wrong to say that illegal immigrants take jobs that American workers will not do. The reason American workers will not do these jobs for the same low wages, long hours, bad working conditions that illegals will and they would not have to if the illegal immigrants weren't there. These jobs would be performed but they'd be performed by people with better standards of living. That's the whole purpose of it.

In the low skilled labor market, American workers know that employers typically consider workers as being dispensable. The work may be actually essential that these people do, but in the low skilled labor market, it doesn't matter who does it. As long as someone can be found to do the work, there's no reason for an employer to improve the terms of employment. The tragedy for low skilled American workers is that the permissive immigration policy has enabled a growing pool of illegal immigrants who are not only willing to work under deplorable working conditions, but are actually grateful for the opportunity to work under these awful conditions. There are now tens of thousands of jobs, as documented in studies cited in the paper, for which no American worker needs to

apply, they will not be hired. The employers prefer the illegal immigrants and if they're there, that's what they want.

So American workers are being harmed and it's the low wage, low skill, the lowest production of our Government who have the greatest impact. Getting illegal immigrants out of the labor force is as important as keeping the future illegals out.

In addition to the adverse impact on American workers, the presence of illegal immigrants on these terms has led to exploitation, massive exploitation. The literature is rampant with examples of extortion, physical abuse, human slavery, wage kickbacks, child labor, sexual harassment, job accidents, sweat shop working conditions. All of this because we have allowed and tried to make excuses for illegal immigration. We need to get illegal immigrants out of the labor force.

I see my time has expired. I haven't got to the Senate Bill 2611, but I will if you'll give me a question later.

Mr. SENSENBRENNER. Thank you very much, Dr. Briggs.

Dr. Harrington.

[The prepared statement of Dr. Briggs follows:]

PREPARED STATEMENT OF VERNON M. BRIGGS, JR.

"We should be careful to get out of an experience only the wisdom that is in it—and stop there, less we be like the cat that sits on a hot stove-lid. She will never sit down on a hot lid again—and that is well; but also she will never sit down on a cold one anymore."—Mark Twain

Immigration reform is the domestic policy imperative of our time. The revival of the phenomenon of mass immigration from out of the nation's distant past was the accidental by-product of the passage of the Immigration Act of 1965.[1] Immigration had been declining as a percentage of the population since 1914 and in absolute numbers since 1930. In 1965, only 4.4 percent of the population was foreign born—the lowest percentage in all of U.S. history and totaled 8.5 million people (the lowest absolute number since 1880). There was absolutely no intention in 1965 to increase the level of immigration. The post-World War "baby boom" was on the verge of pouring a tidal wave of new labor force entrants into the labor market in 1965 and would continue to do so for the next 16 years. Instead, the stated goal of the 1965 legislation was to rid the immigration system of the overtly discriminatory admission system that had been in effect since 1924. But as subsequent events were to reveal, this legislation let the "Genie out of the jug." Without any warning to the people of the nation, the societal changing force of mass immigration was released on an unsuspecting American economy and its labor force. By 2005, the foreign-born population had soared to 35.5 million persons (or 12.1 percent of the population) and there were over 22 million workers in the labor force (or 14.7 percent of the labor force).

Clearly, the overarching conclusion from the experiences of the past 41 years is that, when it comes to immigration reform, legislative changes should only be taken with great caution. While there is common agreement that the existing system requires major changes, the need for reforms should not be seen as an opportunity to introduce a myriad of dubious provisions—each of which has significant labor market implications—simply to placate the opportunistic pleadings of special interest groups.

Immigration is a policy-driven issue. Policy changes make a difference. Any changes should be to the benefit of the nation—especially the welfare of its existing labor force. For as America's most influential labor leader, Samuel Gompers, observed in his autobiography: "Immigration is, in all of its fundamental aspects is a labor problem."[2] For no matter how immigrants are admitted or by what means they enter the United States, most adult immigrants immediately join the labor force following their entry as do today many of their spouses and, eventually, most

[1] For a discussion of how the "unexpected" came to be, see Vernon M. Briggs Jr., *Mass Immigration and the National Interest*, (Armonk, N.Y.: M.E. Sharpe, Inc. 2003), Chapter 10.

[2] Samuel Gompers, *Seventy Years of Life and Labor*, (New York: Dutton, 1925), Volume 2, p. 154.

of their children. Immigration has economic consequences, which political leaders need to take into account when making any policy decisions.

"THE HOT STOVE-LID" ISSUE: ILLEGAL IMMIGRATION

The underlying reform issue that must be addressed before any others is illegal immigration. It makes no sense to debate remedies for deficiencies and/or additions to the extant immigration system when mass violations of whatever is enacted are tolerated year after year after year. The accumulated stock of illegal immigrants is believed to number between 11.5 to 12 million persons.[3] The annual additional flow is estimated to be between 300,000 to 500,000 persons. Many believe these estimates are too low. Worse yet, these numbers exist despite the fact that over 6 million illegal immigrants have been allowed to legalize their status as the result of seven amnesties granted by the federal government since 1986.[4] No other element of immigration reform has any claim of priority over the enactment of measures to end this scourge to effective policy implementation. The hemorrhage of illegal immigrants has not only made a mockery of the nation's immigration laws, it has seriously undermined the public's confidence in their own government's ability to secure its borders and control the nation's destiny.

Despite the fact that the issue of illegal immigration had been identified soon after the Immigration Act of 1965 was passed, it took Congress another 21 years to finally confront the issue. It did so with the passage of the Immigration Reform and Control Act of 1986 (IRCA). This legislation made it illegal for an employer to hire a non-citizen unless that person had specific authorization to work (i.e., they were a permanent resident alien of the United States or they held a specific non-immigrant visa that permitted them to work under specific terms for a temporary time period). A scale of escalating civil penalties coupled with the potential of criminal penalties for serious repeat offenders was established.

IRCA also granted a general amnesty to most illegal immigrants living in the country since January 1, 1982 and an industry-specific amnesty to most illegal immigrants who had worked in the perishable-crop sector of the agricultural industry for at least 90 days between May 1, 1985 and May 1, 1986. These amnesties were deemed necessary because, prior to the passage of IRCA, our immigration policies were seen as being ambiguous as to their intentions relative to the working rights of illegal immigrants. While it was illegal for illegal immigrants to enter the country without inspection or to work in violation of the terms of an otherwise legal non-immigrant visa, it was not illegal for a U.S. employer to hire them. IRCA ended this legal hypocrisy with its new provisions regarding employer sanctions. They became effective the instant that President Ronald Reagan signed the legislation on November 6, 1986.

Previously, legislation to enact employer sanctions had been introduced by the Judiciary Committee of the U.S. House of Representatives and was passed in 1971 and 1972 only to die both times in the U.S. Senate. The proposal was resurrected and included as part of a legislative package proposed by President Jimmy Carter in 1977. He had correctly identified illegal immigration as being a critical labor market problem and included employer sanctions as part of his legislative remedies to correct this mounting malady. Congress, however, was hesitant to accept such a bold change in the status quo and believed that it would be better to address the problem of illegal immigration in the context of a comprehensive effort to reform of all aspects of the nation's embattled immigration system. To aid them in this task, Congress created the Select Commission on Immigration and Refugee Policy, chaired by the Rev. Theodore Hesburgh who was President of Notre Dame University at the time. It was requested to study all aspects of the nation's immigration system and to make any recommendations for changes it deemed necessary. When the Select Commission made it final report in early 1981, it identified illegal immigration as the primary cause for the immigration system to be "out of control." The Select Commission concluded that the "centerpiece" of the nation's efforts to enforce its immigration laws should be employer sanctions. Ultimately in 1986, Congress and the

[3] Jeffrey Passel, "The Size and Characteristics of the Unauthorized Migrant Population in the U.S." *Research Report*, (Washington, D.C.: The Pew Hispanic Center, 2006), p.1.

[4] The legalization programs have been: The Immigration Reform and Control Act (2.7 million adjustments in two separate amnesties); Section 245i rolling amnesties in 1994 and its legislative extension in 1997 (578.000 adjustments); the Nicaraguan Adjustment and Central American Relief Act of 1997 (1 million adjustments); the Haitian Refugee Immigration Fairness Act of 1998 (125,000 adjustments); the Late Amnesty Agreement of 2000 between President William Clinton and Congressional leaders to allow 400,000 illegal immigrants adjustments because, it was alleged, they should have qualified for one of the IRCA amnesties of 1986; and the Legal Immigration and Family Equity Act of 2000 (900,000 adjustments).

President agreed and they were enacted as part of IRCA. By this time, efforts to pass "comprehensive" immigration reform had been abandoned when those efforts failed in both 1982 and 1984 (likewise, refugee reforms had already been pealed-off for separate legislative action in 1980). But amidst a continuing public outcry demanding action on illegal immigration, a strategy of "piecemeal" reform was adopted in 1986 by congressional leaders—with illegal immigration identified as being the most egregious problem that needed to be addressed first—and it proved to be successful.

Experience quickly revealed, however, that IRCA had serious weaknesses. Without a reliable and verifiable worker identification system in place, fraudulent documents are easily obtained which meant that enforcement efforts can be—and are—widely circumvented. Vastly inadequate resources were provided to manage border entries and to patrol the vast border space between entry points. Internal enforcement away from the border and at worksites was and still is virtually non-existent. As a consequence, illegal immigrants continue both to enter surreptitiously or to overstay and violate the terms of legal visas. As a result, violations of the employer sanctions provisions of IRCA were—and still are—viewed as being "risk-free" actions by many employers. In 2004, only three employers nationwide paid criminal fines for violating the law. Perversely, those employers who seek to follow the law are often placed at a distinct competitive disadvantage in their hiring decisions with those employers who flaunt the law.

As for the illegal immigrants themselves, those apprehended at or near the border are typically simply returned to Mexico, if that is their nationality. They then repeat their efforts to enter illegally and continue to do so until eventually they succeed in avoiding capture. Those who are apprehended and are not of Mexican origin are usually released and told to report to a hearing at some distant date (which few ever do). The same has been often the case away from the border. Because there is a chronic shortage of detention facilities nationwide and as detention is costly, those apprehended away from the border are likewise usually released and either told to report to a future hearing or to agree voluntarily to leave the country on their own (few do either). If it were not for the human tragedies involved, the entire federal enforcement process to date would be script for comedy.

But the fundamental reason to rectify the shortcomings of IRCA are associated with the reasons why employer sanctions were deemed necessary in the first place: to protect the American worker (defined here and hereafter as being the native born workers; all foreign born persons who have become naturalized citizens; those non-citizen workers who are permanent resident aliens; and those foreign nationals who have been granted specific non-immigrant visas that permit them to work for limited time periods in the country) from having to compete for jobs with persons who are legally not supposed even to be in the country and absolutely not supposed to be in the labor force.

It is estimated that there are 7.2 million illegal immigrants in the labor force in 2005 (or about 4.9 percent of the nation's labor force).[5] But it is not the total number—even though it is very large and no doubt undercounted due to the great difficulty obtaining reliable data on any illegal activity—that is the crucial concern. Because illegal immigrants tend to be disproportionately concentrated in certain segments of the nation's labor market, their direct impact is quite specific. The 2000 Census reported that 58 percent of the adult foreign-born population had only a high school diploma or less. Undoubtedly the educational attainment level of illegal immigrants is even worse than this bleak Census finding that is the product of our entire immigration system. Consequently, there is no doubt that most illegal immigrants are poorly educated, unskilled and often do not speak English. Of necessity, therefore, they seek employment in the low skilled occupations in a variety of industries. In the process, they artificially swell the labor supply in those occupations and industries and depress the wages of the low skilled American workers who also work in these sectors.[6]

If permitted to compete for these jobs with American workers, the illegal immigrants will always win. This is because they will do anything to get the jobs—accept lower than prevailing wages; work longer hours; work under dangerous and hazardous working conditions; and live in crowded and sub-standard housing. They will accept conditions as they are and are less likely to report violations of prevailing laws pertaining to work standards, anti-discrimination and sexual harassment—even if they know these laws exist (which many do not). No American worker can

[5] Passel, p.2.

[6] George J. Borjas, "Increasing the Supply of Labor Through Immigration: Measuring the Impact on Native-Born Workers," *Backgrounder*, (Washington, D.C., May, 2004).

successfully compete against them—nor should they—when the rules of the game are who will work the hardest, for the longest, and under the worst conditions.

As a consequence, the illegal immigrant worker becomes the "preferred worker" for employers. It is not that "American workers will not do certain jobs;" it is that they will not do the jobs under the same terms that illegal immigrants often will—nor should they. As for the illegal immigrants, they willingly work under these adverse conditions, because their orbit of comparison is with the conditions of work in their homelands. Literally, it does not matter how bad the working conditions are in the United States as they are invariably far better than they were where they come from. Sometimes it is simply the fact that it is possible to get a job at all that distinguishes the state of economic opportunity in the United States from their previous experiences in their countries of origin.

Thus, illegal immigrants will always be willing to work in any job they can find. Low skilled American workers (as defined above), on the other hand, know that low wages and bad working conditions are associated with jobs where employers typically consider individual workers as being dispensable. The work may be essential, but who does it is not important. As long as someone can be found to do it, there is no need to make the job attractive or to compete actively to get some one to do it. The availability of a pool of illegal immigrants who are more than willing to do fill these jobs means that wages do not have to be increased or do working conditions need to be improved. Moreover, employers have found illegal immigrants so attractive that they often use those who they do hire as a network to hire their relatives and friends when they need replacements or additional employees. As a consequence, there are thousands—probably tens of thousands—of jobs in which employers will not hire American workers.[7] They do not want them and, given the alternative of illegal immigrants, they do not recruit or hire American workers. All of this is illegal, of course, but who is keeping the illegal immigrants out?

In this context, it is important to know that there are more than 34 million low wage workers in the U.S. labor force (those earning less than $8.70 an hour—a wage that will about meet the minimum poverty threshold for a family of four) who are in the low skilled sector of the labor market.[8] Overwhelmingly, most of these workers are American workers (as defined above). Also, as the number of illegal immigrant workers has soared since the year 2000, 3.2 million native born persons of working age who had only a high school diploma or less have dropped-out of the labor force.[9] Presumably, they have found it more rewarding to seek public benefits to support themselves or chosen to pursue illegal activities to support themselves. Unfortunately, it is these low skilled American workers who bear most of the burden of competing for the jobs on the lower skill rungs of the nation's economic job ladder with illegal immigrants.

It comes as no surprise, therefore, that the Council of Economic Advisers to the President during the Clinton Administration found that "immigration has increased the relative supply of less educated labor and appears to have contributed to the increasing inequality of income within the nation."[10] Subsequent research has documented the obvious. In a study released in late 2005 by the National Bureau of Economic Research that analyzed the explanations for the dramatic rise of family income inequality in the United States that has occurred since 1968 (i.e., roughly the same period that spans the revival of the current wave of mass immigration), it found that "for the lower half of the income distribution, . . . changes in labor supply" was one of the "principal causes of the growing distance between the poor and the middle-income families."[11] Thus, immigration in general but illegal immigration in particular is unquestionably a major explanation for this worrisome and dangerous societal trend.

Massive numbers of illegal immigrants such as those now in the U.S. labor force—and the prospect that many more will continue to come until the magnet of finding jobs is turned-off—has opened wide the door for human exploitation. The literature is rampant with case studies and reports that document that the portion of the labor market where illegal immigrants work is infested with of the use of extortion

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[7] E.g., see Elizabeth Bogen, *Immigration in New York*, (New York: Praeger, 1987), p. 91.

[8] Eileen Appelbaum, Annette Bernhardt and Richard Murnane, *Low Wage America*, (New York: Russell Sage Foundation, 2003).

[9] Steven A. Camarota, "Dropping Out: Immigrant Entry and Native Exit from the Labor Market, 2000–2005," *Backgrounder*, (Washington, D.C.: Center for Immigration Studies, March 2006).

[10] Council of Economic Advisers, *Economic Report of the President: 1994*, (Washington, D.C. Government Printing Office, 1994), p. 120.

[11] Chulhee Lee, "Rising Family Income Inequality in the United States, 1968–2000: Impacts of Changing Labor Supply, Wages and Family Structure," NBER working Paper No. 11836, Abstract.

and brute force (by human smugglers which is a thriving criminal enterprise), human slavery (workers bound to human smugglers until their fees are paid off), wage kickbacks (to employers of illegal immigrants as well as to labor contractors), child labor, sexual harassment, job accidents (especially by illegal immigrants who cannot read safety warnings or who lie about their past work experiences and are injured or killed in jobs that they really do not know how to do), and the growth of "sweat shop" manufacturing.[12]

Thus, there is nothing romantic about the nation's failure to enforce its immigration laws no matter how often or vocal pro-immigrant advocacy groups try to spin and to rationalize the issue. Indeed, the indifference paid by many of our national political leaders, the media, and many elite leaders of business, labor, religious, civil rights, and civil liberties groups to these exploitive conditions represents a decidedly seamy side—the dark side, if you will—of our democracy.

In addition to the adverse workplace impact of illegal immigration, there are other corrosive effects on the social fabric that are also linked to illegal immigration. Among these are: adult illiteracy, child poverty, school dropouts, unvaccinated children, violent street gangs, crime, and persons without health insurance to mention only some of the concerns that are reasons themselves to act.

THE LESSONS FROM "EXPERIENCE"

Illegal immigration is the primary issue that immigration reform must embrace. Not only is it a cause itself of significant harm to the economic well-being of the most needy members of the American populace, but it also adversely affects the broader society itself. Hence, there is little reason to believe that other policy reforms can be beneficial as long as the integrity of the entire system is in question. There are three steps that must be taken: 1. The employment sanctions system must be made to work (e.g., a program to verify social security numbers must be made mandatory immediately and steps taken to establish a national counterfeit-proof worker identification card be undertaken and implemented as soon as possible; internal enforcement at the worksite to validate that employees are in fact eligible to work must become a routine matter; fines for violations of the employer sanctions system must be increased as must be the criminal penalties for repeat offenders). 2. Enforcement must become a reality (by both deed and publicity, the message must be made clear: illegal immigrants will not work in the United States—those apprehended will be deported and those who hire them will prosecuted to the full extent of the law; more detention facilities, manpower, and resources must be devoted to enforcement). 3. There must be no amnesties—now or in the future—for those illegally in the United States (American workers are being harmed by the presence of persons in the labor force who are not supposed to be there; getting those who are now here out of the labor force is as important as keeping future illegal immigrants from entering it; talk of amnesties only raises the hopes of those here that they can stay and of others outside the country to keep coming because, if an amnesty is provided again, it will likely be done again in the future—that is the wrong message).[13]

As there is no debate over the fact that the nation's immigration laws are not being enforced, "experience" indicates that fact alone is one of the primary reasons why illegal immigration not only continues over the years but gets progressively worse. Until the nation's immigration laws are made enforceable and are enforced, "wisdom" dictates that the reform process should "stop" here.

THE "COLD" STOVE-LID ISSUE: S.2611

With the exception of the provisions pertaining to enforcement issues, most of the provisions of the Comprehensive Immigration Reform Act of 2006 (S.2611) neglect the earlier experiences that should have been learned with the passage of IRCA in 1986. The proposed legislation also contains provisions that have staggering implications for the future of the size and composition of the nation's labor force and population. Given the scale of the numbers involved, the effects of such massive changes themselves deserve careful scrutiny independent of being linked to the controversial subject of illegal immigration. The passage of IRCA, as discussed earlier, was supposed to have brought an end to the issue of illegal immigration. Based on the as-

[12] E.g., see Peter Kwong, *Forbidden Workers: Illegal Immigrants and American Labor*, (New York: The New Press, 1997); Luis Urrea, *The Devil's Highway*, (New York: Little, Brown and Company, 2004); and Ted Conover, *Coyotes: A Journey Through the Secret World of America's Illegal Immigrants*, (New York: Vintage Books, 1987).

[13] Olga R. Rodriguez, "Migrants Rush for Border Anticipating Guest Worker Plan," *Ithaca Journal*, (Associated Press story), (April 13, 2006), p. A-2.

sumption that it did, the Immigration Act of 1990 was passed which dealt with the next step in "piecemeal reform:" legal immigration. Based on the premise that the "backdoor" to the American labor market was closed (i.e., illegal immigration), the Immigration Act of 1990 sought to open the "front door (i.e., legal immigration) by raising the annual level of legal immigration to about 675,000 persons a year plus refugees. But the premise proved to be false and by the mid-1990s the U.S. Commission on Immigration Reform (CIR), Chaired by Barbara Jordan (a former member of Congress but by then was a Professor at the University of Texas at Austin) was recommending that the level of legal immigration *be reduced* back to about its pre-1990 level of about 550,000 persons a year (including refugees).

As the findings of the Jordan Commission became public through a series of interim reports, Congress and the Clinton Administration did tinker with the issue of illegal immigration with the passage of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. But none of the real needs—such as a requirement for employers to verify the authenticity of social security numbers or the need for a verifiable worker identification system—were included in the 1996 legislation. Likewise, all the Commission's recommendations for significantly reducing the annual level of legal immigration and making major changes in the admission categories were simply ignored This was despite promises by both the President and congressional leaders that they would come back to these issues after the 1996 election. It never happened, of course. Had the major recommendations of the Jordan Commission been accepted, the immigration mess that nation has today could have been largely avoided.

Unfortunately, S.2611 shows no awareness of any of the findings, insights, and recommendations of CIR. This is despite the fact that its reports are the most politically impartial and carefully researched study of immigration that the nation has ever had. In sharp contrast, S.2611 seems to be the product of the wish list of every pro-immigration special interest group in Washington. None of its major provisions show the slightest awareness of any of the research on what is wrong with the existing immigration system and what can be done to reform it. Concern for the anticipated impact on the income, wages and employment opportunities for American workers of such massive changes in prevailing immigration policy is scant.

Estimates of the overall numbers of immigrants who will be admitted under S.2611 over the next 20 years are all over the place. They have ranged from 28 million to as high as 61 million and almost everywhere in-between.[14] The variation occurs, understandably, because many of the provisions require assumptions that simply cannot be known in advance by anyone. Human beings are involved and how they respond individually and collectively to legislative prompts, permissions and restrictions can never be known in advance for certain. Thus, much of what is proposed is a voyage into uncharted waters with respect to what may happen. If the scale of persons involved were small, the uncertainty would not matter much; but this is not the case. The estimated numbers are huge and the accompanying margins of error of analysis are large. The human consequences of a mistake that could flood the low skilled labor market and swamp the nation's social safety systems are enormous and could be disastrous to the nation.

By any stretch of the imagination, if the entire bill were enacted in it present form, the number of immigrants admitted should at least triple (to at least 53 million persons) over what would be the case if the law was left unchanged (about 18 million) over the next 20 years. These figures, however, do not allow for any continuation of illegal immigration over these years (which is, of course, unrealistic) and it omits some groups who may also benefit but are simply impossible to estimate in advance—e.g., parents of those who eventually become naturalized citizens and, therefore, have the right to enter in unrestricted numbers.

Most of the "new" immigrants would enter as a result of the amnesty provisions and what is called "guest worker" provisions of the legislation. About 10 million of the estimated 12 million illegal immigrants in the country would be eligible to benefit. Those who have been illegal for 2–5 years (about 1.8 million persons) can apply for a newly created H-2C visa entry card for a so-called "guest worker" program at specific ports of entry. After four years in that status (or sooner if their employer applies on their behalf), they can apply for permanent resident alien status but all of this time they may work in the U.S. labor force. For those illegally in the country more than 5 years (7.7 million persons), they can apply immediately (i.e., they are placed on a "glide-path") for a permanent resident card and will receive it as soon as the backlog of applicants can be processed. Meanwhile, they too have immediate

[14] Robert Rector, "Up to 61 Million Immigrants Might Flow into the U.S. Under Proposed Reform," and Stuart Anderson, "After Analyzing Data, Foundation Finds 28 Million a More Likely Figure" *Rocky Mountain News*, (July 1, 2006), pp.10C–11C.

legal access to the U.S. labor market. Lastly, there is also a special agricultural workers program, or "blue card" program, (for 1.1 million illegal immigrants working in the agricultural industry, about 830,000 of whom would be eligible under the other two amnesties but will probably choose this one because it has a much faster and cheaper way to become a permanent resident alien). This means that about 2 million illegal immigrants (those here less than 2 years) are the only ones who are supposed to leave or be deported if apprehended.

Most of the beneficiaries of these amnesties are already in the country and most who of working age are presumably employed or trying to be. Most are believed to be employed in the low skilled sector of the economy. By allowing them to stay and to legalize their status means they will be able to more easily move between jobs and employers so that the many American workers who presently compete with illegal immigrant workers cannot expect any relief. But to make matters worse, as they move around freely and legally, other unskilled workers in other geographical areas, occupations and industries may who have not competed with them in the past may now be impacted. Over time, these newly entitled workers are permitted to legally bring their immediate family members with them, it can be expected they too will gradually enter the low wage labor market too—some legally but others illegally if they come early. Even these estimates of behavior are likely to be underestimated since it is likely that there will be extensive fraud associated documentation of eligibility for the different categories and family relationships plus the certainty that illegal immigration will add even more. Moreover, as these persons become eligible to become naturalized citizens, their extended family relatives and their family members become eligible to immigrate. Over the next two decades, the percentage of the population who will be foreign born will soar to levels never before experienced in the country (certainly over 20 percent) as will the percentage of foreign born in the labor force hit unprecedented heights (perhaps as high as 24 percent).

Thus, if S.2611 is enacted, the only thing that can be said for sure is that the number of unskilled workers is going to swell enormously. This does not portend well for much in the way of upward wage pressure for those many American workers on the bottom of the economic ladder and it means the competition for low skilled jobs will be brutal. Rather than have market forces improve wages for low skilled American workers (if the illegal workers were removed from the labor market as current law says they should), market forces can be expected to keep wages for low skilled workers low (and probably falling in real terms). This means that they will have to hope that state and federal minimum wages levels are increased to circumvent the market and it is increasingly likely that, as their numbers swell, state and local tax payers are going to be called-on to subsidize these low wage workers who are not going to be able to earn sufficient incomes by working to cover housing, health, and living expenses for themselves and their family members.

These amnesty programs, if enacted, will guarantee the there will be no shortage of low wage workers for the next 20 years—especially if illegal immigration continues to supplement the ranks of the low skilled pool. But there can be no parallel guarantee over these years that there will be a sufficient increase in demand for low-skilled workers whose unemployment rates are already among the highest in the nation. There is absolutely no evidence of a generalized labor shortage of low skilled workers or any signs of wage-induced inflationary pressures associated with shortages for such workers. Indeed, if ever there was a prescription for the resurrection of the Marxian notion of the existence of "a reserve army" of the poor and unemployed to keep wages depressed for the vast number of low skilled workers for those with jobs over the long run and to make this nightmare a reality, this legislation is it.

Likewise, at the other end of the wage scale, the proposal to dramatically expand the H-1B program for workers in specialty occupations has nothing to do with illegal immigration. But, it too has much to do with special interest lobbying for skilled labor that will be cheaper than if these industries have to compete for such workers among an exclusively American worker pool. The basic question is: why should the government use public policy to keep the wages of American workers lower than they would otherwise be or even to provide opportunities for employers of such skilled labor to avoid hiring or to replace American workers? The existing H-1B program is fraught with charges of hiring and layoff abuses. These concerns are associated with whether or not the program is designed to keep starting level wages low and, also, whether it is also used as a means to discriminate against older workers who, if retained, would command higher wages. It also conjures up opportunities for abuse associated with the issue of "indentured servitude." If the visa holder is intending to try to use it as a means to ultimately legally immigrate to the United States under the employment-based admission category, he often needs his employer to certify that he is needed and that qualified American workers are not

available. There is no indication at the moment of any shortage of these skilled workers and it would be highly preferable, if there were to be one, that support be given by Congress to invest in the American youth and American training institutions to meet such a labor demand. There is no reason to expand this controversial program at a time when the public's attention is focused on the issue of illegal immigration.

And, of course, all of this assumes that the immigration bureaus in the Department of Homeland Security can adequately administer these new programs while keeping up with all of their other service and enforcement duties. These bureaus are already the most over worked, under staffed and, relative to the importance of their duties, the most under funded agencies in the entire federal bureaucracy. It is simply inconceivable that these bureaus could administer these added duties in anything near a competent manner, even if they tried. It would be far cheaper and far more effective to simply staff-up and fund-up the enforcement divisions and tell them to do what the law currently requires. The greatest beneficiaries of this simple mandate would be the low-skilled American worker.

"REAL" COMPREHENSIVE REFORM

The title of S.2611 is The Comprehensive Immigration Reform Act but the legislation itself is not "comprehensive" at all. The logical starting point of any such effort would be the final report of the U.S. Commission on Immigration Reform (CIR) that was issued in 1997. CIR was concerned that the existing system pays virtually no attention to the labor market in its design. For the vast majority of immigrants, their human capital attributes play no role on their eligibility to immigrate. Whatever human capital attributes most immigrants bring to the United States is purely an accidental benefit to the nation. Far too many bring far too little. The "chain-migration" where by the admission of one person triggers an entitlement to the multiple entries of a myriad of family members only compounds the pattern

Unfortunately, as the data on the foreign-born population shows, many have low levels of educational attainment, are poorly skilled, and are non-English speaking. To reduce this outcome, CIR proposed that the level of legal immigration be reduced—not increased. To accomplish this feat, it recommended the deletion of most of the extended family admission categories of the current system that provide an eligibility claim for entry if one member of the family immigrated to the United States and naturalized. Specifically, CIR proposed that the categories that admit adult unmarried children of U.S. citizens; adult married children of permanent resident aliens; and the adult brothers and sisters of U.S. citizens all be eliminated. Doing so would greatly reduce the chain-migration features of the present system which is the major reason that human resource attributes play such a small role in determining the eligibility of most of those who are legally admitted. It is also a principle reason why the accumulating family reunification effects of S.2166 are so massive and so worrisome. They would entitle the potential admission of so many persons with low human capital endowments.

In this same vein, CIR also recommended the termination of the diversity admission category. The diversity lottery pays scant attention to any of the human capital attributes of who those it renders eligible to enter (as long as the "winners" have high school diplomas). Furthermore, CIR recommended that no unskilled workers be admitted under the employment-based admission category. It recognized that the nation already has a surplus of unskilled workers and certainly did not need to admit any more. CIR was emphatic in concluding that there should be no guest worker programs for unskilled workers and only such programs for skilled workers under very restrictive terms. No where in their findings did they recommend any amnesty for illegal immigrants. Instead, they made numerous recommendations to rid the labor market of their presence.

The findings of the Commission on Immigration Reform were the product of six years of careful study that was backed up by numerous public hearings, consultations with experts and research studies—including the work done by a panel created by the National Research Council. Comprehensive immigration reform should begin with CIR's recommendations. There seems to be no awareness in the provisions of S.2611 of any of CIR's work which leaves one wondering where did these anti-American worker ideas come from?

CONCLUDING COMMENT

Until it can be demonstrated the United States is willing and capable of enforcing its immigration laws, illegal immigration will continue with all of its negative impacts on American workers and corrosive effects on American society. Keeping illegal immigrants from entering the country without inspection or violating the terms

of a legal visa and removing those in the county from the labor force is the prerequisite for all serious immigration reform efforts. Accomplishing this does not mean that amnesties should be given to those already here as a way to make the problem disappear. Such political sophistry—as "experience" has shown—only encourages more to come and, as shown,

has enormous population and labor force consequences associated with family reunification rights of those granted legalization. More importantly, however, amnesty will do nothing to help the American workers and American taxpayers who are adversely affected by the presence the 12 million illegal immigrants currently here.

With Labor Day 2006 only a few days away and given the location of this hearing, a paraphrase of the words of a famous Indianan—Knute Rockne—seems most appropriate for a conclusion: "Let's win one for the American Worker." Make enforcement of our immigration laws a reality. "And stop there."

TESTIMONY OF PAUL HARRINGTON, ASSOCIATE DIRECTOR, CENTER FOR LABOR MARKET STUDIES, NORTHEASTERN UNIVERSITY

Mr. HARRINGTON. Thank you, Chairman Sensenbrenner, it's a privilege to come before the Committee today.

During the last 5 years, new immigrants have accounted for an overwhelming share of all the employment growth in the Nation—that has occurred in the Nation. Native-born adults and established immigrants have been unable to capture much of the new employment opportunities that have been created in the U.S. since 2000. Total number of employed persons, age 16 and over, in the United States between 2000 and 2005 rose by 4.835 million. A total of 4.134 million new immigrants were employed by 2005. That means that 86 percent of the entire rise of employment that occurred over the last 5 years in the United States has been concentrated among people that came into the United States from overseas between 2000 and 2005. So new immigrants have accounted for all that employment growth.

Among men, new immigrants accounted for the entire rise in employment, as the total number of employed men in the Nation increased by 2.665 million, while number of employed new immigrant males, immigrant males that came into the country after 2000, rose by 2.76 million. For the first time since World War II, there has been no gain in employment among native-born men over a 5-year period.

Employment growth among new immigrants was heavily concentrated among those under the age of 35. Approximately two-thirds of the increase in the new immigrant employed workforce, or about 2.7 million workers, took place among those 16 to 34.

Many of the young immigrants were very close substitutes to native-born young workers—tend to be male, tend to have low levels of educational attainment. By subtracting the number of new immigrant workers in each group from the change in total employment by age, we can estimate the change in the number of employed native-born workers and established immigrants in each group in the United States. Over the last 5 years, the total number of young people employed in the country under the age of 35, who are native-born, fell by 4.2 million. There were 4.2 million fewer 16 to 34 year old native-born teens and young adults employed in the United States in 2005 than there were in 2000. However, there are 2.7 million more 16 to 34 year old foreign-born workers who came into the United States over the last 5 years, who have been em-

ployed. Very powerful evidence, in my mind, of substitution occurring in the job market.

When you ask yourself, well, is this a demographic factor, have we simply got fewer young people, native-born young people, residing in the United States. The answer is no. The size of the teen and young adult population has expanded by about 1.8 million over the last 5 years. There reason why employment among young teens and young adults in the United States has declined is because their employment rate has fallen. Employment referring to the sheer people in the working age population that have a job.

So back in 2000, the number of 16 to 19 year old males that worked in the United States was about 45 percent, about 45 percent of all males 16 to 19 had a job. By 2005, that share had fallen to 36 percent, a relative decline of one-fifth in 5 years, a historically low rate of teen employment in the United States. For females, the rate feel, for 16 to 19 year olds, the rate fell from 46.8 percent down to 39.5 percent, a 16 percent relative decline in employment rates. Across the board, for 16 to 19, 20 to 24, 25 to 30—29 year olds—we see extraordinary losses in employment rates.

So what we see happening here is the substitution of foreign-born for native-born workers is very heavily concentrated among the youngest people in the United States and people with lower levels of educational attainment.

Diminished access to employment for teens and young adults has important economic and social consequences. Working at an early age is a developmental activity akin to developing basic skills or occupational proficiencies in a school setting. Building work experience helps enhance the productive abilities of young adults along dimensions that are not typically addressed in classrooms. Students who work more at younger ages participate in the labor force at higher rates as adults, are less likely to experience a bout of unemployment as adults and if they do become unemployed, find work more quickly than those with little or no work experience. Early work experience can increase the earnings of individuals over their lifetime between 25 and 30 percent when they become young adults. So the power of early work experience is extraordinarily important.

Multi-varied analysis of employment status of teens and young adults, we conducted using America's community surveys, found that the employment probabilities of young workers were substantially negatively affected by the level of new immigrant worker inflows into a State, contrary to the findings of the Pew study. These negative impacts tended to be larger for young subgroups, for men than for women, for in-school youth than for out-of-school youth and particularly for Black and Hispanic males relative to their White counterparts. Employers were substituting new immigrant workers for young native-born workers. And the estimated size of these displacement effects we found to be quite large.

Last topic I want to talk about has really got to do with the hiring of new immigrants and how I believe that this has really had some important long-term impacts on the structure of labor markets and industrial relations, employer-employee relations in the United States. Fewer new workers, especially private sector wage and salary jobs are ending up on formal payrolls of employers.

This particular economic recovery has been very weak. We have not generated plenty of jobs in the United States over the last 5 years. In fact, if you go back and look by historical standards, in the first 4 years of recovery, the average rate of new job creation is about 11.5 percent relative to previous periods. During this recovery, the rate is only 2.5 percent. So it has been a very sluggish employment growth. What's happened is that over time, rather than creating regular wage and salary jobs where we have Social Security, unemployment insurance and other kinds of tax reporting occur, we're generating large numbers of jobs off the books. And you see these in places like Lowe's and Home Depot, in parks, in shopping lots, and they're informal labor pools. Back in the great Depression, we used to call them shapeups. And these are fundamentally undermining the industrial relations system in the United States. They are not a repeal of labor laws, they're a nullification of labor laws. There are no wage and hour laws in those shapeups. There are no occupational safety and health laws in those shapeups. As Professor Briggs says, there is simply exploitation there.

Thanks so much for your attention.

[The prepared statement of Dr. Harrington follows:]

PREPARED STATEMENT OF PAUL E. HARRINGTON

Testimony of Ricardo Parra

"The Reid-Kennedy Bill: The Effect on American Workers' Wages
and
Employment Opportunities"

The House Judiciary Committee Hearing on Immigration
The Centre, Evansville Auditorium & Convention Center
(715 Locust Street, Evansville, IN 47708), at 10AM.
Tuesday, August 29, 2006, in Evansville, Indiana.

The Field Hearings
We all know why we are here. It is because the House Bill on Immigration (HR 4437) is miles from the bipartisan Senate-passed Comprehensive Immigration Bill, S.2611). The Republican dominated House, rather than reconcile its differences with Senate bill through a conference committee has chosen to have field hearings in the hopes of poking holes in the Senate bill. With November elections looming it appears that the Republican House leadership has opted out for political posturing rather than policy making and getting the nation's business done.

The American people want action not further posturing. The immigration system is broken and needs to be fixed.

Now that the elections are looming, the House Republicans say they are going secure the border, increase enforcement, but there seems to be plenty of hypocrisy here since much of what they say they want to fix happened on their watch. Let's face it, people will look at the track record.

The House Republicans have ignored what needs to be fixed. They have ignored the need to work with others in a bipartisan fashion. They have ignored the need to look at national security interests, economic interests in a changing global economy. They have ignored the to need build an immigration system that is tough, efficient, fair, and also compassionate.

With a myopic view, the House hard-liners, have only been able to come up with HR 4437, a bill that would make felons of 12 million undocumented immigrants and those who help them, such as the religious community, counselors, teachers, lawyers and doctors. This get-tough legislative proposal passed by the House differs from the bipartisan. proposal passed by the Senate.

Myopia has been a disservice to this nation in the past and recently.
Unfortunately, even President Bush has been unable to influence the right wing of his own party.

Border Security Not Enough
I believe that border security alone is not enough. Border security must fit within a process of comprehensive reform (i.e. interior and employer enforcement, legalization, and guest workers); enforcement only is insufficient.

The House should reshape its legislation to provide true immigration reform along the lines of bipartisan comprehensive immigration reform recommended by the Senate. It addresses border security and enforcement, a smart and efficient immigration system,

earned legalization for undocumented immigrants who qualify and a guest-worker program to meet the economic needs of the U.S.

The American people are fair minded and looking at and beyond politicians who use the rhetoric of national security to supplant funds or political currency by campaigning with misinformation and playing on people's fears.

Impact on U.S. Workers and Economy
I am sure that in fitting with the theme of this field hearing, "The Reid-Kennedy Bill: The Effect on American Workers' Wages and Employment Opportunities," someone will present studies that undocumented immigrants are impacting American workers. At the end of this report you will find recent studies that dispute those claims, for example, Growth in the Foreign-Born Workforce and Employment of the Native Born

, Pew Hispanic Center, 08/10/2006). It shows that rapid increases in the foreign-born population at the state level are not associated with negative effects on the employment of native-born workers. Also new data released by the Census Bureau on August 15 accent the magnitude to which immigration continues to fuel the expansion of the U.S. labor force. (The Growth and Reach of Immigration Rob Paral, Immigration Policy Center, 08/16/2006).

Earlier in June, 500-Plus Economists including five Nobel Laureates-Thomas C. Schelling (University of Maryland), Robert Lucas (University of Chicago), Daniel McFadden (University of California, Berkeley), Vernon Smith (George Mason University), and James Heckman (University of Chicago) indicated immigration was an economic plus, saying, "the gains from immigration outweigh the losses."

Fact: Immigrant labor is needed to fill jobs in the U.S. that an older, more educated American workforce is not willing to fill, especially at the low wages and poor working conditions many unscrupulous employers offer. Currently, there are approximately nine million undocumented workers in the U.S. filling important gaps in the labor market. There is substantial evidence that their presence in the labor force creates jobs and strengthen local economies. Fact is undocumented immigrants contribute to the process of wealth creation.

The House leadership missed a great opportunity to help low wage workers by not developing a more focused minimum wage bill for low-wage workers, but instead coupled it with its efforts to get a cut in estate taxes for the wealthy.

Scare-Tactics: Exaggerated Estimates
In this hearing, I also expect to see exaggerated projections introduced on costs and on the growth of the immigrant population based on a false scenario of what would happen of if S. 2611 was passed. A report by Ben Johnson shows the obvious errors made those making such claims: "Although serious efforts to estimate the impact of the bill on immigration rates are an essential part of the legislative process, some of the bill's critics are using dubious statistics and unfounded assumptions to grossly exaggerate the likely

scale of future immigration under the bill. The errors and fallacies contained within the most commonly cited of these projections are cumulative in nature. For example, an over-estimate of how many undocumented immigrants or temporary workers become U.S. citizens under the bill results in an over-estimate of how many family members will join new immigrants in the United States. These projections inflate the numbers of potential immigrants under S.2611 in many ways, but three stand out in particular:
* Counting several categories of immigrants more than once.
* Incorrectly assuming that all temporary workers will settle permanently in the United States with their families rather than returning home.
* Incorrectly assuming that all undocumented immigrants and new temporary workers will eventually become U.S. citizens and bring their parents and other relatives to the United States..."

..."Some critics of S. 2611 have claimed that the bill would unleash a veritable flood of anywhere from 66 million to 217 million new immigrants into the United States over the next 20 years. The absurdity of these projections is evident in the fact that the estimate of 217 million is 70 million more than the combined populations of Mexico, Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama. Estimates such as these are as unfounded as they are outlandish."
(Scare-Tactics: Exaggerated Estimates Of New Immigration Under S.2611 by Ben Johnson for the Immigration Policy Center, May 2006)

The cost and benefits of immigrants
The arguments offered by anti-immigrant forces today against needs to be looked at closely the argument that illegal immigrants are costly to taxpayers because they use education, healthcare, and other public services as often they are erroneous and offer incomplete or based on erroneous research methods. Research studies that I will cite near the end of my testimony offer a different picture and show that undocumented immigrants overtime pay more into these systems than they receive.

The costs of education and social welfare systems are not unreasonable or unbearable. When it comes to education this is an investment in not only human capital, but people who will be integrated into this society and be stakeholders.

"A 2001 RAND Corporation study notes that 'higher levels of education translate into lower public expenditures over an individual's lifetime" in the form of "revenues saved in public welfare, health, and law enforcement programs' and "revenues earned from increased taxes and contributions to Medicare and Social Security. In other words, a better educated populace earns more, pays more taxes and has less need for public benefits." (A Study in Distortion: FAIR Targets Immigrant Children by Walter A. Ewing, Ph.D, August 2003,Copyright 2003 by the American Immigration Law Foundation)

The claims that illegal immigrants are costing taxpayers so much are unfounded, over blown, or somehow skewed based on how the analysis is done or what factors are often

left out. Actually, undocumented have been a benefit to our economy. The studies and research I cite at the end of this testimony bear this out.

Fact: Undocumented immigrants pay taxes in a number of ways, including income and sales tax. The majority of undocumented immigrants pay income taxes using Individual Taxpayer Identification Numbers (ITINs) or false Social Security numbers. All immigrants, regardless of status, will pay on average $80,000 per capita more in taxes than they use in government services over their lifetime. The Social Security system reaps the biggest windfall from taxes paid by immigrants; the Social Security Administration reports that it holds approximately $420 billion from the earnings of immigrants who are not in a position to claim benefits. (Source: National Council of La Raza)

Fact: Undocumented immigrants are ineligible for the vast majority of state and federal benefits and are only eligible for those that are considered important to public health and safety. In fact, many legal immigrants are also ineligible for most federal benefits. As a result, health care spending for immigrants is approximately half that of citizens. (Source: National Council of La Raza)

Stop the Spin

* We have to stop spin. We can do better. The American people want Congress to stop the spin and work on real solutions to real problems, like the broken immigration system. But instead of sitting down to negotiate with the Senate over workable immigration reform, House Republican leaders are stalling, and conducting an anti-immigrant road show. They want to portray all immigrants as criminals and terrorists, to manufacture support for their "get-tough and get-tough only" approach to immigration reform. But the American people won't buy it. They want Congress to get back to work, and to come up with a real solution that is fair and practical: a comprehensive immigration reform bill that recognizes reality, rewards work, and restores the rule of law to immigration.

* To enforce our immigration laws we need to make them enforceable. Our broken immigration system is a complex problem that needs a comprehensive overhaul. We've been implementing piecemeal measures for 20 years, which have made the system more complex, but not more controlled. "Seal the borders" is a sound bite. "Enforce our laws" is a sound bite. Comprehensive reform is a solution, and only by changing our laws to meet economic need and family ties will we be able to restore control and order to the system.

* Enforcement-only" or "Enforcement-first" is the status quo, more of the same, and a prescription for failure. For the past twenty years we have tried enforcement-first and enforcement-only. The result has been spectacular failure. People smuggling has become big business. Fake document merchants have plenty of customers. Unscrupulous employers have a large pool of exploitable workers. Families stay separated for years. Hundreds die in the desert each year. There are 12 million undocumented immigrants-and counting-and Americans all across the U.S. are angry at the government's failure. In light of all this, calls for more of the same do not make sense. Illegal immigration happens because we have jobs or loved ones on this side of the

border, and an insufficient number of legal visas for these workers and family members. We must deal with that reality.

* Proposals that ignore the 12 million undocumented immigrants in our midst are not serious proposals. No "reform" proposal can be taken seriously if it assumes that undocumented immigrants will simply go away if we get tough enough. It also doesn't make sense to treat these workers as hardened criminals. They are already part of the work force, and have U.S. citizen and legal resident family members. Making them into criminals would only drive them further underground, and we would know even less about who they are. A much better solution would be to bring them out of the shadows so that we can find out who they are, put them through background checks and security screenings, make sure they are all on our tax rolls, and make them earn their citizenship over time by learning English, keeping a clean record, and continuing to contribute to our country.

* Proposals that pretend we don't need immigrant workers are also not serious proposals. Let's get real: we have jobs on this side of the border and workers clamoring to fill them on the other side. We need to shift our thinking to bring our immigration laws in line with the needs of our economy-not our underground economy. Reform should bring a greater share of the immigration flow through legal channels, so that migrants can be screened, we can have greater control over who gets in, and all workers can exercise their labor rights. These reforms, combined with reform of our family visa system and fair and consistent enforcement of the new laws, are the solution to unauthorized immigration.

* Proposals that leave legal immigrants waiting in the wings are also not serious proposals. Reuniting families is a cornerstone of our immigration policy. But lately, the wait times for close family members to reunite has stretched into years and even decades, leaving families separated and many scrambling to find another way to enter the United States, even illegally. Separating families is not the American way. Comprehensive reform must provide more legal channels for those coming here to join close family members, so that they do not decide to make the dangerous trip across the border illegally because of a needless separation.

* Comprehensive reform is the way forward. Those members of the House advocating an enforcement-first or enforcement-only approach have a good sound bite, but no solution. They offer no way to deal with the 12 million undocumented immigrants living and working in the United States, and no way to bring future immigration levels in line with economic need, so that we don't have another build-up of illegal immigration. By contrast a realistic, comprehensive, and bipartisan approach to immigration reform is supported by businesses, diverse faith-based organizations, labor unions, civil rights groups, immigrants and, as demonstrated in poll after poll, by the American people. Only comprehensive reform offers the realistic prospect for making our immigration system orderly, secure, and legal. Only comprehensive reform will work.

Mr. SENSENBRENNER. Thank you very much.

Members will be recognized under the 5-minute rule. That applies to us as well as to the witnesses, and the Chair will recognize himself first.

There have been a lot of questions asked why there is no Conference Committee between the Senate and the House. The House passed its bill in December and sent the papers to the Senate. The Senate passed its bill in May and failed to send the papers to the House. And the only way a Conference Committee can be set up under the rules of the Congress is for the second House to have the papers and to move to send the bill to conference. So it can't be done in the House of Representatives because the Senate, for reasons of their own, didn't send the papers over.

Now one of the problems in the Senate Bill is that it raises about $50 billion in new taxes. The Constitution is quite plain in stating that tax legislation has to originate in the House of Representatives and that means if the Senate tries to pass a new tax in the Senate Bill, the House just sends it back with a blue slip stating that the Constitution has been violated. And that's what would happen if we did get the papers, because the Senate was told before they passed their bill that there was a Constitutional problem, and they kept the taxes in anyhow.

Now I'm one of those that believes in market economics. The free enterprise system is based on market economics and the market works. And I think it is a given fact that illegal immigrants will work for less money than citizens or legal immigrants who have green cards, which are work authorizations. I also believe very strongly that there's no job an American won't do if they're paid enough. And I believe that the testimony of all four of you, at least expressly or implicitly, states that Americans will take those jobs if they're paid enough.

So the issue of exploitation of employers of the illegal immigrant workforce is one of the engines that drives the magnet to bring illegal immigrants across the border, because there are jobs available. The 1986 immigration reform bill made it an offense for an employer to hire an illegal immigrant. But the verification system, Mr. Parra, as you very correctly state, has been based upon fraudulent documents, Social Security numbers that are made up, those that are obtained through identity theft, documents that you can buy very close to any college campus, but it does say you're over 21 if you buy them there, but otherwise, on street corners.

One of the things that the House-passed bill contains is a computer verification of Social Security numbers. So if somebody is using a made-up number or one that has another name on it, the computer would flag that and tell the employer. Do you support that system in the House Bill, Mr. Parra?

Mr. PARRA. I'm not familiar with that in the House Bill, I know about the Senate and what they're trying to get done and what they're trying to accomplish. And that has a much more comprehensive——

Mr. SENSENBRENNER. Well, let me explain in this area, because this is the key to dealing with the problem that we're talking about at the hearing today. The House Bill requires the verification of new employees within 2 years. And it's going to take that amount

of time to get the Social Security Administration's database up to snuff to be able to do that. The House Bill also requires the verification of existing employees within 6 years. The Senate Bill doesn't do that.

Now the effect of not verifying existing employees is that a current illegal immigrant employee would be able to keep their job forever, but worse, in my opinion, that employee would become an indentured servant because they would not be able to get a new job because their bad Social Security number would end up being caught when they applied for a new job. So the Senate Bill ends up having all the illegal immigrants who are working now essentially becoming indentured servants.

Do you think that's right?

Mr. PARRA. Sounds like a pointed question to me.

Mr. SENSENBRENNER. Okay. Well, I just want to be clear.

Mr. PARRA. I think that that wouldn't be right. But, you know, I'm thinking that the Senate has either incorporated that in its planning and that you need to work together with the Senate.

Mr. SENSENBRENNER. Well, the reason the Senate did that is that they've bought the Chamber of Commerce line on that, because they're the ones that are making out from exploiting the labor of illegal immigrants.

Now the House Bill, that I've been criticized for being too harsh on, also increases the fine for the first offense of hiring an illegal immigrant from $100 per illegal immigrant to $5000 per illegal immigrant. Now $100, you know, is part of the cost of doing business nowadays. If a fine is to be effective, it's got to be high enough to act as a deterrent. Do you support increasing the fines for people who hire illegal immigrants?

Mr. PARRA. Again, whether that—how does that compare with the Senate? I really think that, Mr. Sensenbrenner, you need to talk to the Senate and work together on this on a bipartisan basis.

Mr. SENSENBRENNER. Oh, I understand.

Mr. PARRA. —work together on this.

Mr. SENSENBRENNER. My time has expired. The gentleman from Michigan, Mr. Conyers.

Mr. CONYERS. Thank you, Mr. Chairman.

I'm thrilled with this hearing. We find out that, first of all, the Chamber of Commerce doesn't get it. I thought they usually sided with my Republican friends, but that's not happening.

And then I look at the title of the Bill, the Reid-Kennedy Bill. Well, friends, Mr. Reid is not a cosponsor, Mr. Kennedy is; but I was just handed a list by staff of the cosponsors of this legislation that came out of the Senate. And outside of Kennedy, there are five Republican Senators that support it—Senator Brownback, Senator Graham, Senator Hagel, Senator Martinez and Senator McCain. It started out the McCain-Kennedy Bill and Mr. Reid is finally getting some credit that he doesn't deserve in this case.

Now there's something else that's beginning to pique my curiosity. There are 23 Republican Senators that apparently don't understand what my Chairman has been laboring to get them to get through their noggins for many, many months, including the senior Senator from Indiana, Chairman Hostettler, Senator Lugar, voted

for this Bill. Thirty-six Republicans voted for this Bill that is being a subject of examination.

Now I had the idea that you had, shouldn't we just get in touch with Bill Frist, Dr. Frist, the Majority Leader in the Senate, Republican, or Mitch McConnell, the Whip in the Senate, from Tennessee, Republican? We've had all these hearings around the country, why don't we just meet with them and say look, fellows, this may come as news to you but when you pass a bill in the House and then you pass a bill in the Senate and there are differences, you have a conference. Now this was pretty advanced legislative procedure—you have a conference and you work it out.

Let me just ask the witnesses, would you have any objection if that initiative were taken and that they would come together and they would agree? Mr. Parra, what do you think?

Mr. PARRA. I think it's an excellent idea and I think that's what the people want, they want progress on this and they want you to work together.

[Applause.]

Mr. CONYERS. I said that there were 36, there were only—there are not that many Republican Senators that supported it, there was only 23.

Dr. Camarota, what is your view about us coming together in that spirit?

Mr. CAMAROTA. Let me answer it this way——

Mr. CONYERS. Well, wait a minute, I don't want you to answer it that way, I want you to say yes or no.

[Laughter.]

Mr. CONYERS. I've only got 5 minutes.

Mr. CAMAROTA. Is this like have I stopped beating my wife yet?

Mr. CONYERS. No.

Mr. CAMAROTA. I think the answer—the bottom line is——

Mr. CONYERS. I need to get an answer.

Mr. CAMAROTA. —the number of people who think it's a good idea to triple legal immigration and grant legal status to 12 million——

Mr. CONYERS. Okay.

Mr. CAMAROTA. —is very small outside of Washington.

Mr. CONYERS. Stop. You didn't answer the question.

Dr. Briggs, let me try you. In the spirit of friendship and bipartisanship, I come here to help get something done in the Congress; what do you think, could we possibly get together and begin to work these things out? I wouldn't mind all of you witnesses coming to the conference, they're not secret conferences, and help advise the Senators and the House Members what they should do. What do you think?

Mr. BRIGGS. Well, ultimately of course it has to happen and it will happen some day, that you all will come together. So I mean it's——

Mr. CONYERS. But I mean sooner rather than later. I'm not talking about ultimately. I mean——

Mr. BRIGGS. I would like to see a bill passed this year. I'd like to see it emphasize enforcement. I have very little support for 2611 and that's in my testimony that I didn't get to. But obviously you're going to come together 1 day and the sooner the better.

Mr. CONYERS. Right. Look, somebody is going to have to give up something. And let me just ask Mr. Harrington and I will give up my time, Mr. Chairman. What do you think, sir?

Mr. HARRINGTON. Well, Congressman, I would simply say this, I come from a State where the entire Congressional delegation is Democratic and if you give me a chance and let me work them over a little bit, then we can have the hearing after that.

Mr. CONYERS. Well, that's cool, that's what we do all the time, that's wonderful.

Mr. SENSENBRENNER. The time of the gentleman has expired.

The gentleman from Indiana, Mr. Hostettler.

Mr. HOSTETTLER. Thank you, Mr. Chairman.

Dr. Briggs, you have been very prominent in the labor movement over many decades. I don't think we got an opportunity to elaborate completely on your bona fides, but that would be a fair assessment of your career, would it not?

Mr. BRIGGS. I hope so, yes.

Mr. HOSTETTLER. Well, thank you. And you mentioned a quote by Samuel Gompers and I'd like to elaborate on that because while there was a lot of discussion about the Chamber of Commerce and employers that utilize illegal aliens at much lower cost, which is a very significant concern for all of us, there is the other side of this, in that there have been strange bedfellows made in this.

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. So let's look at the quotes that I have for you. In 1981, the AFL-CIO declared "Illegal workers take jobs away from American workers and they undermine U.S. wages and working conditions." Isn't that what you understand the position was back during the Hesburgh Commission?

Mr. BRIGGS. Absolutely.

Mr. HOSTETTLER. Okay. But they have evolved in their opinion, and recently, 20 years later, John Sweeney, President of the AFL-CIO, said this, "The only thing that is just is a general amnesty." And a general amnesty means what?

Mr. BRIGGS. Basically those illegal immigrants here will be allowed to stay.

Mr. HOSTETTLER. Every one of them, correct?

Mr. BRIGGS. Their status will be legal.

Mr. HOSTETTLER. A general amnesty. So the Chairman—the President of the American Federation of Labor, Congress—CIO, AFL-CIO, Industrial Organizations, has said recently that we need a general amnesty, is your understanding, even outside this quote?

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. On November 16, 2004, more recently, he said "Undocumented workers already in this country and their families should be provided permanent legal status through a new legalization program."

Next slide, please. AFL-CIO spokeswoman Kathy Roeter, I believe is her name, summed it up, "We are always looking for opportunities for people to join unions. That's our number one reason for working with immigrants."

Carl F. Horowitz, Director of the Organized Labor Accountability Project said "A grant of lawful permanent resident status to as

many illegal aliens as possible would mean more dues collections and benefit plan contributions."

And then summing it up very appropriately I think is Mike Garcia of the Service Employees Union who said, "We will lead the Nation in the fight for legalization."

And so a cross—fairly well a cross section of labor, including the very upper echelon of the AFL-CIO, is pushing very hard for a general amnesty and a legalization of the millions of illegal aliens here for, in their own words, expanded dues collection and benefit plan contributions.

Remember, Dr. Briggs, the last time we got together, the Democrat Minority had brought forward a representative from the Cato Institute.

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. Do you remember that?

Mr. BRIGGS. I sure do, I'll never forget it.

Mr. HOSTETTLER. And your testimony was very intriguing, I have it before me here. But as we talk about strange bedfellows in this debate and we talk about the Democrat Minority calling Cato Institute at one similar hearing and today there's La Raza testifying for them—fairly divergent opinions, are they not——

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. —on a wide variety of issues?

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. Then you have the Chamber of Commerce, who opposed the House Bill, we have the AFL-CIO, who is calling for a general amnesty, not just individuals that are covered by the Senate Bill. In fact, the AFL-CIO is a little squeamish with the Senate Bill, are they not?

Mr. BRIGGS. Yes, I think they oppose some of the guest worker provisions.

Mr. HOSTETTLER. Right, because there are actually restrictions in the Senate Bill.

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. I won't say that too loudly because they're not significant restrictions, but there are restrictions.

And so there are these strange bedfellows that would, politically speaking, if you looked across the gamut, it would be, we might say, a no-brainer, for legislation similar to the Senate to be put into law. Would you not agree?

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. But there is this obstacle, is there not?

Mr. BRIGGS. Yes.

Mr. HOSTETTLER. And that obstacle is the Republican Majority in the House of Representatives at this point, is it not?

Mr. BRIGGS. Well, not all the Democrats supported the Senate Bill.

Mr. HOSTETTLER. That's an excellent point, there's a lot of Democrats up for reelection this time and there are a lot of Democrats that did not support the bill.

But given the wide spectrum of support ideologically, from the AFL-CIO to the Chamber of Commerce, from Cato to La Raza, amnesty would almost be a given, if not for the obstruction of the Ma-

jority in the House of Representatives who want enforcement only at this time; is that not true?

Mr. BRIGGS. Well, I don't know if it's obstruction, I mean a lot of these people, as I said in my written testimony, like the AFL-CIO, it's the leadership that's pushing this. I don't think the rank and file, I have a lot of contact with people in unions, I teach in the School of Labor and Industrial Relations and you see them all the time, and they don't support what the leadership does on these issues.

Mr. HOSTETTLER. And we will continue to be an obstruction. Thank you.

Mr. SENSENBRENNER. The gentleman's time has expired.

The gentleman from Iowa, Mr. King.

Mr. KING. Thank you, Mr. Chairman. I'd like to thank the witnesses for their testimony here as well.

I'd direct my first question to Mr. Parra. In your testimony, you list five Nobel Laureates, but in your testimony you say that they contend that immigration is an economic plus. But many times in your testimony, you don't define the difference between legal and illegal immigration and it appears that in this testimony, that's the case. Could you let us know as to whether the five Nobel Laureates are speaking to illegal immigration or speaking to legal immigration?

Mr. PARRA. Yes, sure.

Mr. SENSENBRENNER. Please turn the mic on.

Mr. PARRA. I think they're speaking about immigration, because I think when you talk about illegal—in terms of how do you define this, how do you record it even in the census, how do you know, because a person that's undocumented or illegal may not show up as being undocumented.

Mr. KING. Then there——

Mr. PARRA. Now on the question of legal immigration, I think the same thing happens in other aspects of what's discussed here. Oftentimes, legal immigrants don't have the same rights as Americans.

Mr. KING. Thank you, Mr. Parra, my clock is ticking here. But I would submit that this testimony on legal immigration is not so relevant to our discussion here because we're talking about illegal immigration. That's been the issue.

I would take us back over to Dr. Camarota. Do you have any numbers as to the percentage of illegals that are actually employed in the workforce, Dr. Camarota?

Mr. CAMAROTA. Most people think it's about six to seven million of the roughly 12 million. The rest are children or people who take care of young children or people who just don't work. And that's a typical sort of employment rate.

Mr. KING. Between 50 and 60 percent perhaps then?

Mr. CAMAROTA. Yeah, 50 to 60 percent hold a job, yes.

Mr. KING. Okay, and then Mr. Parra's testimony says nine million of 12 million illegals are working. Do you have any scenario in the workforce that would indicate that 75 percent of the illegals are employed?

Mr. CAMAROTA. No, I think Pew came out—and I basically came about 6.5 million, they say about seven of the 12, and I think that's what most people think,

Mr. KING. And Mr. Parra, I just ask this broader question, I think it's a broader question that is seldom asked and even more rarely answered, and that is, is there such a thing as too much immigration? And you could answer that in both categories, legal and illegal.

Mr. PARRA. It depends on the supply and demand situation in the country. It also depends on the globalization that's occurring and also the growth and what job growth is happening in the country. And those would be the things the Chamber of Commerce looks at and other people look—economists look at in terms of when they decide that yes, immigration is A-plus, that it is not a loss.

Mr. KING. Can there be too much immigration, can a Nation take on more immigrants than they can possibly assimilate or accommodate into an economy?

Mr. PARRA. You have to look at your economy and the growing economy.

Mr. KING. Is that possible though?

Mr. PARRA. Yes, if your economy needs that; yes.

Mr. KING. The answer then is yes?

Mr. PARRA. It depends on the economy.

Mr. KING. But the answer is yes that a Nation can take on too many immigrants to assimilate or——

Mr. PARRA. The question "too many," what is too many? How much are too many?

Mr. KING. That is the question to you, Mr. Parra.

Mr. PARRA. Where is the cutoff?

Mr. KING. And I would submit——

Mr. PARRA. If you base it on politics, too many may be three.

Mr. KING. I'll direct this question then back Dr. Briggs, please.

Mr. BRIGGS. Of course, it's interesting in economics, you have to be very careful, when economists talk about economic benefit. Most of the economic benefits that come from immigration; in fact all of them, are wage suppression. Wages are driven down and usually that's what's seen as a benefit. Now that's a benefit sometimes when seen from an economist's standpoint; it's not a benefit when you look at it for workers, public policy is there designed to drive down the wages of working people. Sometimes when people talk about the economic benefits, that's generally the benefit that they're driving at, but it's certainly—that's why we have immigration laws, so you can't take on too many people and immigration was found originally to be a threat to the public policy in the United States, that's why we started regulating it. You don't want to have open borders and let the market simply determine it independently.

Mr. KING. Thank you. Dr. Harrington.

Mr. HARRINGTON. Sir, the answer is particularly—I think there's two ways to think about this. One, what is the basic business cycle condition, you know, in the economy. In the last 5 years, our job generation capacity has been quite poor, that's why we've seen the substitution of foreign-born for native-born workers in recent times.

I think the second thing is that as Steve Camarota pointed out in his earlier paper, this tremendous occupational mismatch out there where we've flooded the bottom of the labor market and it has pushed down wages and caused exploitation of workers.

So to me, the evidence is overwhelming that, yes, absolutely, we have by far too big an inflow.

Mr. KING. Thank you. Mr. Chairman, I yield back.

Mr. SENSENBRENNER. The gentleman from Michigan, Mr. Conyers.

Mr. CONYERS. Thank you, Mr. Chairman.

This is a first rate panel of witnesses. I'm very proud of all of you. Many of you have testified on this subject before in the Congress.

What do you think is going to happen to these hearings now that we've already passed a bill, the Senate has already passed a bill. We're conducting an extraordinary procedure which I have never been a part of before. What do you think is going to happen with these hearings? Because we've had one very important suggestion made, that we contact the Majority Leader and the Whip, the Republican leaders of the Senate, and say please, gentlemen, when you pass a bill in one house and they pass it in the other body, you go to a conference, so couldn't we get to a conference. What do you think, Dr. Briggs? You've got as much seniority as anybody around.

Mr. BRIGGS. Well, as I say, I think this issue is desperately important. In my testimony I say it's an imperative. I think it is the domestic issue. The Iraq War may be an international issue of the Nation, but this is the domestic issue. And I deeply feel it has got to be addressed. Yes, I would like to see action, I'd like to see—but I don't want to necessarily see anything happen. What I tried to say in my testimony is I wish that Congress would start with the Jordan Commission findings, which I think is the best study ever done of immigration, the most impartial, and may I point out that five members of the Jordan Commission were Democrats and four were Republicans, and they said the level of immigration was too high in 1997, it needed to be cut back by 35 percent. No amnesty, no guest worker programs.

Mr. CONYERS. But can't we just start a conference and continue these discussions? I mean you've been a witness to conferences before, this is not brain surgery or anything complex. I mean you've got to move to the next step.

We could hold these hearings and fill up the libraries with hearings. Here we are in this great State in this small city. Just think of how many other places we could go and have some really great hearings on this. But none of it, I don't think, is going to amount to much until we get to the conference. And I know you hope that we get there and do something constructive.

Now let me ask one question here that has been bothering me and I want to get it in right away. How do we get these 11 million illegals to leave? What's the best plan? How are we going to round them up, because some people have talked about attrition, well that would be 50 years, I don't know. We can't wait for attrition to kick in. But what about self-deportation? What is the likelihood of these millions of folks rumbling around underground economy, what's the likelihood of them coming forward and say okay, you got

me. You passed the House Bill and it says that we've got to report to be deported, we also were made felons in the process. What do you think the likelihood is of 11 million people coming out of the shadows to get kicked out and sent back to wherever they came from?

Mr. BRIGGS. Well, the testimony—the purpose is and what the law is to get them out of the work site and if you get them out of the work site, that is the focus. And then——

Mr. CONYERS. Okay, so we're not going—we're going to leave them here?

Mr. BRIGGS. No, no. Well, I'm not saying people——

[Laughter.]

Mr. BRIGGS. Look, that's the law right now. The law is they don't work. If people want to stand on the street corners and look at Americans——

Mr. CONYERS. Are you familiar with the fact that the House Bill suggests that they don't stick around after they come off their job, that they get back to the borders or further. I've got a problem with that.

Let me try this with you, Mr. Parra. What's the process that you think might be helpful? Do you think that they will self-deport?

Mr. PARRA. No, I don't think people will self-deport.

Mr. CONYERS. Do you think anybody would self-deport?

Mr. PARRA. I don't think anybody would self-deport.

Mr. CONYERS. Out of all 11 million, wouldn't a few hundred come forward and confess, plead for mercy? You don't think so?

Mr. PARRA. No.

Mr. SENSENBRENNER. The time of the gentleman has expired.

The gentleman from Indiana, Mr. Hostettler.

[Applause.]

Mr. HOSTETTLER. Thank you, Mr. Chairman.

Dr. Camarota, can you give us an idea of how many illegal aliens self-deport every year?

Mr. CAMAROTA. Yeah, it looks like about 150,000 people go home on their own each year and about 50,000 illegal aliens are deported each year, so about 200 right now.

Mr. HOSTETTLER. So three times as many self-deport as are deported forcibly?

Mr. CAMAROTA. Yes, that's according to INS estimates, yes.

Mr. HOSTETTLER. Thank you. And so self-deportation happens by the hundreds of thousands, given the fact that there are millions of jobs in America that some suggest American won't do.

So if we take the motivation away from these individuals by aggressively enforcing the immigration laws, the Center for Immigration Studies has suggested that—in a study recently, that attrition, that leaving and going to the job that they had in the place that they left—because we actually heard testimony in San Diego that, according to one professor that's done decades of research in this, that in fact the unemployment rate of individuals coming into the United States to get a job is actually between four and 5 percent over the decades of studies that he's done. The unemployment rate in those individuals before they come to America for a job is better than the unemployment rate in the United States. Is that——

Mr. CAMAROTA. Right. There's this mistaken notion that everyone is fleeing desperation.

Mr. HOSTETTLER. Yeah.

Mr. CAMAROTA. But all the research shows most people who come actually already had a job, they just wanted higher wages, which is perfectly understandable. But the point about attrition through enforcement is that people do have a life to return to, that is, the job they used to have.

Mr. HOSTETTLER. Not only the job, but in many cases their families.

Mr. CAMAROTA. Are often still there.

Mr. HOSTETTLER. So if they don't have a job in America because we're aggressively enforcing the law and they left a job in their native country, it's highly likely that they will in fact self-deport to be reunified with their family and to reacquire a job in the economy that they left.

Mr. CAMAROTA. It's a perfectly reasonable assumption, sure.

Mr. HOSTETTLER. Thank you.

Let me ask you, Dr. Camarota, what will happen to illegal immigration levels if we pass a second round of amnesty similar to the Immigration Reform and Control Act of 1986?

Mr. CAMAROTA. Well, I mean, the available evidence suggests that we'll just supercharge illegal immigration. See, there's a mistake about how people think about immigration, it's driven largely by networks of family and friends. The larger legalized population in the United States, this creates even greater contact and a greater draw back in the home community. Most people don't just wake up in the morning and say I think I'd like to go to America. Typically they have a friend, a brother, a sister, a cousin who says I can get you a job, I know how to get an apartment. If you legalize all the illegal aliens here, not only will you convey to everyone that America just doesn't take its laws seriously, but also you will create a whole new set of networks that would then draw millions more into the United States. And that's exactly what happened last time. Legal immigration is double what it used to be and the number of illegal aliens in the United States is probably close to triple what it was when we had our last amnesty, because of this phenomenon.

Mr. HOSTETTLER. And it's not just from individuals from Mexico or Central or South America, the number of other than Mexicans, OTMs, that are coming across the border is accelerating substantially, is it not, over the last few years?

Mr. CAMAROTA. Yes. Obviously the largest share come from Latin America, but illegal immigration—you know, we have hundreds of thousands of illegal aliens from Asia, the Middle East and so forth, yes.

Mr. HOSTETTLER. And so if the word goes out that a second round of amnesty has been delivered, won't that fuel not only illegal immigration into our country from people indigenous to south of the border, but it will send a message to the rest of the world that if you come here from eastern Europe, from Asia, from fill-in-the-blank, that if you make it to Mexico, then you can make it into America and ultimately be rewarded with a path to citizenship and at least a good job.

Mr. CAMAROTA. Yes, because you want to get in line for the next amnesty, of course.

Mr. HOSTETTLER. Thank you very much.

Dr. Harrington, I want you to once again stipulate—reiterate the points you made with regard to net new jobs created over the last 5 years for native-born men.

Mr. HARRINGTON. Yeah, for native-born men over the last 5 years, all the—there has been no employment increase among native-born men between 2000 and 2005. The number of native-born men in 2005 that have a job has actually declined relative to its figure in 2000. That all the gains we had in male employment were among recent immigrants, that is, recent immigrant males that came into the United States after 2000.

Mr. HOSTETTLER. And that's historic.

Mr. HARRINGTON. That's historic——

Mr. HOSTETTLER. That's unprecedented?

Mr. HARRINGTON. This is unprecedented in the history of American labor markets.

Mr. HOSTETTLER. Thank you very much. I yield back the balance of my time.

Mr. SENSENBRENNER. The gentleman from Iowa, Mr. King.

[Applause.]

Mr. KING. Thank you, Mr. Chairman.

I'll direct my first question to Dr. Harrington. Do you have any numbers, Dr. Harrington, on percentage of dropout rates for American students and the trend of that over the last say couple of decades?

Mr. HARRINGTON. Yes, sir, we did some work for a group called the Business Round Table in Washington, D.C. where we estimated the overall size of the dropout population in the United States and we estimated that the status dropout rate for people age 16 to 21 in the U.S. is about 30 percent, ranged somewhere between 25 and 30 percent. The Manhattan Institute in New York City, using an entirely different methodology, also estimated a dropout rate in the United States of 25 to 30 percent.

Mr. KING. I saw that on the news one morning a couple of months ago and it was an astonishingly high rate and when I reflect back on what that means about those American students that are dropouts from high school and what their opportunities are if the low skill jobs are being swallowed up exclusively or statistically at least exclusively, by the influx of uneducated illegals.

Another question that I would direct, I think to you, Dr. Harrington, is do you have an opinion on what's essential work? And I think of it in these terms, if wages are being driven down and I can think in terms of a constituent I have that has a 24-row planter and he's as technical as you can be and he markets on the internet, he's an ag producer and he bought land in Brazil and he has 96 one-row cultivators down there, 96 people with a hoe, that he pays $3.00 to $4.00 a day. I've watched him use technology in Iowa, and cheap labor parks his equipment in Brazil. This phenomenon of non-essential work, when you have people that will work for say $3.00 to $5.00 an hour, to pick a number, is there more work that gets done that's hired that wouldn't be done otherwise, that people would either do themselves or let go? And how

much of this percentage of work that's being done by illegals in this country is essential versus some non-essential work?

Mr. HARRINGTON. Well, I think the evidence is pretty clear on this, that at the very bottom of the labor market, the contribution to output and GDP is quite low because the wage rates are low. So by definition, it's just not a very productive job. And it means a couple of things, it means that firms are slower to engage in technological innovation because they substitute low wage labor for more sophisticated technologies. That may, in the long run, actually inhibit productivity in the U.S.

But the second thing that happens is we're just seeing a lot of growth in off-the-books jobs, they're not really jobs. I was speaking to a construction worker and he said to me there's plenty of work out there, but not many jobs. And that means we're creating this whole informal, illegal sector of the economy that's really undermining work. And I would consider all that not only inessential, I would consider that illegal and immoral.

Mr. KING. I just paint a scenario here in a broader picture, what's a country to do? I firmly believe that we should establish an immigration policy designed to enhance the economic, the social and the cultural well-being of the United States of America. And that should be the mission for every country, for that matter and it has to be——

[Applause.]

Mr. SENSENBRENNER. The Chair has to remind the audience again about the rules about expressing support or opposition to what's said. Please follow them.

The gentleman from Iowa.

Mr. KING. Thank you, Mr. Chairman.

I'd ask you to look at this Nation as an overall economic vehicle that we have as essentially a huge lifeboat with about 300 million people in it. And you need people to row and people to bail and people to chart the course and somebody to cook the means, folks out there that essentially put their hands to the task of helping to drive this economic engine. And I look also across this 300 million people and out of them, we have 9.3 million between the ages of 16 and 19 who are simply not in the workforce, there are another 4.3 or so million on welfare, there are another—oh, let's see, there's a number between 65 and 70, there are about 4.5 million not in the workforce, kind of our vigorous senior citizen age there. When you add it all up including retired, you have 77.5 million non-working Americans. If you take the retirees out of there and pick that age, that vital age between 20 and 65, you're over 60 million non-working Americans. Now what kind of a Nation, if we were rowing this lifeboat along and we decided we needed some more people at the oars, and that's a questionable issue listening to this testimony this morning, but we pull across another continent somewhere and say let's load some more oarsmen on here because we need them versus take some people out of steerage, out of those 77.5 million that are not contributing to this economy and put them to the oars, put them to bailing, what's that mean to the overall picture of our economy when you're bringing on more people when you've got 77.5 million people not working in America? And I direct that to Dr. Camarota, please.

Mr. CAMAROTA. Right, and the trends look terrible. The share of less educated workers holding a job has declined dramatically in recent years. If all jobs went to the immigrants, it wouldn't necessarily be all bad news if the native pool was shrinking. It's actually growing and yet what's happening is these people are leaving the labor force entirely. So to stay with your analogy, now they're becoming increasingly dead weight. And that can't be good to have a lot of young men in particular standing around on street corners idle.

Mr. KING. Dr. Briggs, quickly, please.

Mr. BRIGGS. Well, I would certainly agree with that, but please also remember that all these entry level jobs, almost all of us at some time work in those entry level jobs, I certainly did. And these entry level jobs are not jobs that are just for low educated persons. Many people, teenagers, young people, that's how you begin. I set pins in a bowling alley, they don't do that any more, thank God. But that was how you start, that starts you on the trail of work and you've got to have access to so-called low income jobs, whether you're rich or poor. Many people work in this labor market, it's not just the low income people who are perpetually there. They are very important and I'm deeply concerned with, but a lot of people get their entry level work experience in these low entry level jobs and that's the way they gradually escalate themselves up to a worker, a full time worker.

Mr. SENSENBRENNER. The time of the gentleman has expired.

The Chair will recognize himself now to wrap up the hearing.

Mr. Conyers and I were in the Congress in 1986 when the Simpson-Mazzoli Immigration Reform and Control Act was passed. And I voted against it because I didn't think it would work. And I think in 20 years experience, a no vote was the correct one.

The linchpins of the Simpson-Mazzoli Bill were to give amnesty to the illegal immigrants who were in the country at that time and then to prevent more illegal immigration by setting up the employer sanction system.

Well, the amnesty was hugely successful and a lot of it was based upon fraudulent documents, according to then Attorney General Edwin Meese. And employer sanctions were never enforced.

And I think what this hearing has done today is to emphasize that there is going to be no immigration reform bill passed that will be effective, whether it's the Senate Bill or the House Bill, unless employer sanctions are enforced. And that means having a verifiable system to flush out the bad documents. It also means increasing the fines on those employers who do hire illegal immigrants, so that the fines are high enough to act as a deterrent. And with the House Bill and the $5000 apiece fine that I've referred to earlier, all you need to do is to have a couple of raids of employers who have 500 or more illegal immigrants. That's a $12.5 million fine and that will make front page news in every newspaper in the country and start acting as a deterrent to people doing that in the future.

I hear an awful lot about why the bill hasn't gone to conference. That's the Senate's fault, it's not our fault. And I said that earlier as well. The Senate also adopted a 124-page amendment in the middle of the night right before they passed the bill. And I'm one

who believes that the best disinfectant is sunlight and there's not a heck of a lot of sunlight in Washington, D.C. and there's a lot more sunlight in Evansville and in Dubuque and in El Paso and in San Diego than there is in Washington, D.C. And frankly, that's why we're having these hearings here.

The testimony that we've heard today has not been given in the Senate or the House, about the devastating impact of illegal immigration on employment, particularly on employment of low skilled people who are just entering the labor force. The illegal immigrants are taking their jobs away. And we really can't complaint about youth crime and drugs and all of the other illegal and bad social activities unless we provide jobs for the kids who are getting out of our schools, hopefully with a diploma, but including those that are not.

And I'm one who believes that it's better to pass no bill than a bad bill. The Senate Bill, in this respect, which I think is the linchpin of any effective immigration reform law, is sorely lacking because it doesn't deal with the issue of the bad actors who are employing illegal immigrants, largely off the books and paying them substandard wages and in many cases exploiting them.

I would hope that that's something that people of good will, whether they're for or against either of our bills, will agree on. And I think if we don't deal with this issue, we're going to end up striking out and having another problem that will be even worse that the country will have to face.

And I'm opposed to amnesty. I think amnesty is wrong because it awards somebody with citizenship eventually who has broken our law, in some cases to the detriment of those potential immigrants who wish to comply with our law, but we've had seven amnesties since 1986. If amnesty was the answer, those seven amnesties would have ended up solving the problem and we wouldn't be here today and I'd be on my boat in the lake west of Milwaukee in Wisconsin rather than working here in Evansville, Indiana.

But I'm also deeply concerned about the fact that the Senate Bill does goofy things like requiring people in private sector employment to pay amnestied illegal immigrants more than native workers and also the business of retroactive Social Security benefits of illegal benefits who used fake Social Security numbers to get jobs, which will be an 80 to 100 billion dollar hit on the Social Security trust fund that I think all of us realize is not all that healthy.

So I'd like to thank our witnesses today. I'd like to thank all of you for coming to listen to this hearing as well as my colleagues from near and far who have come to participate. I've learned a lot at this hearing, I hope that all of you, whether you're on this side of the dais or the other side of the dais, have also learned a lot.

So thank you again for participating in a very constructive hearing.

Mr. CONYERS. Mr. Chairman.

Mr. SENSENBRENNER. Yes.

Mr. CONYERS. Could I ask unanimous consent that the American Immigration Lawyers Association letter be included in the record.

Mr. SENSENBRENNER. Without objection. And without objection, the Committee stands adjourned.

[The material referred to is published in the Appendix.]

[Whereupon, at 11:31 a.m., the Committee was adjourned.]

APPENDIX

Material Submitted for the Hearing Record

LETTER FROM THE ASSOCIATED BUILDERS AND CONTRACTORS, INC., SUBMITTED BY THE HONORABLE F. JAMES SENSENBRENNER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN, AND CHAIRMAN, COMMITTEE ON THE JUDICIARY

August 28, 2006

The Honorable James Sensenbrenner
Chairman, Committee on the Judiciary
United States House of Representatives
Washington, DC 20510

Dear Chairman Sensenbrenner:

On behalf of Associated Builders and Contractors, Inc. (ABC) and its more than 23,000 merit shop contractors, subcontractors, material suppliers and construction related firms nationwide, I would like to raise several key issues regarding the current immigration debate of great importance to our industry. I hope this information will be informative and useful during the committee's hearing, "The Reid-Kennedy Bill: The Effect on American Workers' Wages and Employment Opportunities."

Comprehensive immigration reform is vital to the success of our industry as well as to the economic and security needs of our nation. The construction industry has made, and will continue to make, overwhelming contributions to the U.S. economy. In 2005 alone, the industry's annual put-in-place volume of projects was worth more than $1.1 trillion. According to the Bureau of Labor Statistics, the construction industry will create 792,000 new jobs between 2004 and 2014. As such, the construction industry continues to outpace other industry sectors in employment growth over the last 12 years. In 1993, construction firms employed more than 4 million people, today; there are over 7 million employees in the industry, representing an increase of more than 50 percent in just over 10 years. The construction employment increase far outpaces overall U.S. employment growth, which was only 20 percent during the same period.

Despite the tremendous increase in the number of workers the construction industry employs, that number is expected to grow each year. As such, ABC's member companies continue facing an ever-growing worker shortage problem. Despite, ABC's continued efforts promoting workforce recruitment, education and training in the construction industry through school-to-work programs, college and university outreach, professional development of training staff and the building of a strong chapter delivery system, the industry still faces difficulty in filling jobs. Combined with an aging domestic workforce and historically low American birthrates, the construction industry's future labor needs are especially acute unless additional labor sources are identified.

An industry of this size demands significant human resources both now and in the future. As such, innovative ideas to immigration reform such as a new visa status along with a method for dealing with the undocumented workers currently in the United States, must be given time for thoughtful discussion by the House Judiciary Committee.

While ABC is very supportive of a guest worker program, we are troubled by a Senate bill provision that would greatly expand the Davis-Bacon Act (DBA) (40 U.S.C. §3141 *et seq.*). Specifically, the provision would require DBA prevailing wage rates for guest workers employed on private construction projects, despite well documented problems with the DBA wage determination process. Currently, the DBA only applies to federal construction projects and some federally supported projects. According to the U.S. Census Bureau the vast majority of construction work in the United States is done privately and includes most homebuilding. Already,

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any foreign workers currently in construction are covered by prevailing wage protections under the U.S. Department of Labor (DOL) foreign labor certification regulations, and a citation to the flawed and fraud-prone DBA wage determinations is ineffective. The Senate bill would greatly expand reliance on the flawed Davis-Bacon wage surveys, thus we encourage your committee to review this troublesome provision and make appropriate corrections during the Conference negotiations.

ABC recognizes the importance in fixing our broken immigration system, and believes that any viable remedy must be comprehensive in nature and must reinforce the rule of law while also addressing our nation's current and future economic needs. With your continued assistance and leadership we hope to reach a strong House and Senate compromise on the difficult subjects of undocumented workers and a temporary worker program.

Sincerely,

William B. Spencer
Vice President, Government Affairs

Cc: Members of the Committee on the Judiciary

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LETTER FROM THE AMERICAN IMMIGRATION LAWYERS ASSOCIATION, SUBMITTED BY THE HONORABLE JOHN CONYERS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN, AND RANKING MEMBER, COMMITTEE ON THE JUDICIARY

AMERICAN IMMIGRATION LAWYERS ASSOCIATION
918 F Street, NW • Washington, DC 20004 • (202) 216-2400 • Fax: (202) 783-7853

August 29, 2006

Representative John Conyers
Rayburn House Office Building, Room 2426
Washington, DC 20515

Representative Sheila Jackson Lee
Rayburn House Office Building, Room 2435
Washington, DC 20515

Dear Representative Conyers and Representative Jackson Lee:

As you know, throughout the summer, the House Judiciary Committee is holding a series of field hearings on immigration reform. At an upcoming hearing in Evansville, Indiana, the Committee will hear testimony on the potential impact of the Senate immigration bill (S. 2611) on American Workers' Wages and Employment Opportunities. I would like to take this opportunity to supplement the testimony presented at that hearing, and to provide you with further information on the likely economic impact of S. 2611.

In particular, we urge you to consider a statement by Charles Kuck, life-long Republican and Vice President of the American Immigration Lawyers Association, on the effects of S. 2611 on the wages of American workers. Mr. Kuck's statement is available at http://www.aila.org/content/default.aspx?docid=20290.

Impact on American Workers' Wages and Employment Opportunities
Many Americans worry that employing immigrant workers decreases wages and employment opportunities for American workers. In fact, research has shown that immigration *raises* the average wage of native-born workers and that foreign workers rarely compete with native-born U.S. citizens for jobs. Moreover, the Senate immigration bill (S. 2611) includes provisions specifically intended to ensure that immigrants do *not* depress wages or displace American workers.

Did you know:

- Immigration raised the average wage of the native-born worker by 1.1 percent during the 1990s.

- Under S. 2611, employers who want to recruit temporary guest workers in the construction and service industries are required to first offer the jobs, at the prevailing industry wage, to U.S. workers. *Only if no qualified U.S. workers apply for the jobs can employers hire guest workers.*

- Requiring employers to hire guest workers at the prevailing industry wage prevents them from undercutting the market wage by hiring foreigners willing to work for less than U.S. workers.

For more information on the effects of S. 2611 on American workers, you may wish to review the Economic Policy Institute's issue brief, entitled Guest Worker Programs Should Include Strong Wage Protections for U.S. Workers.

For more general information on immigration and American workers, please see Immigrants, Skills, and Wages: Reassessing the Economic Gains from Immigration, a publication of the Immigration Policy Center.

Impact on Taxpayers: Understanding the CBO Report
Contrary to reports in the media and other sources, the August 18, 2006, CBO report on the likely fiscal impact of enacting S. 2611 does *not* indicate that it would cost $126 billion over the next ten years solely to create a pathway to legal status for undocumented immigrants already in the country and to expand pathways for legal immigration in the future. In fact:

- About $78 billion of the costs which the CBO attaches to S. 2611 are enforcement costs; that is, the price of hiring more Border Patrol agents, building more border fences, and creating a workable employment verification system.

- The remaining $48 billion in costs are associated, for the most part, with granting legal status to undocumented immigrants.

- However, as the CBO report also notes, the legalization component of S. 2611 would generate about $44 billion in additional income and payroll taxes and various fees—*almost entirely offsetting the costs of legalization.*

- In short, the *net* cost of S. 2611 would be roughly $83 billion, and about 94 percent of that cost stems from the bill's enforcement provisions, *not* legalization.

Thank you for turning your attention to the potential impact of S. 2611. Please feel free to contact us with any questions.

Sincerely,

Marshall Fitz
Director of Advocacy
American Immigration Lawyers Association

PREPARED STATEMENT OF THE KENTUCKY COALITION FOR COMPREHENSIVE IMMIGRATION REFORM AND THE CENTRAL KENTUCKY COUNCIL FOR PEACE AND JUSTICE

Prepared for House Judiciary Committee
Regional Hearings on Immigration
Evansville, Indiana August 29, 2006

Presentation Regarding Undocumented Immigrants
on behalf of the
Kentucky Coalition for Comprehensive Immigration Reform
(A coalition dedicated to just immigration policies for all immigrants)
and the
Central Kentucky Council for Peace and Justice
(A Council with over 30 member organizations)

Although this paper will refer to national research and trends it will focus on the issues with which our groups are most familiar—the effects of immigration in Kentucky.

I. Do Undocumented Workers take American Jobs and depress wages?

This has been a major concern with respect to the large number of workers in the United States who are here illegally—because they have overstayed their visas, are working with visas that do not permit them to work, or because they have crossed our southern border illegally. My presentation today will concentrate on the last group for two reasons: 1) the first groups are extremely difficult to identify and those groups have a wide range of skills that makes it difficult to assess their impact on any given economic sector, and 2) the majority of the immigration to Kentucky has been Hispanic and many of them are workers without the education that would prepare them for more skilled jobs. (It is also true that more educated workers or professionals who are undocumented have difficulty working in their profession if they are unable to speak English or are undocumented).

There is a national debate among economists regarding the impact of current immigration on jobs and wages. This debate has been very well summarized by Roger Lowenstein in the *New York Times Magazine* (July 9, 2006). Conventional economic wisdom says that an influx of new workers will drive down wages for competing workers. However, few economists find persuasive evidence or wages lowered by immigration. This is because immigrants tend to go to communities with low unemployment rates and stronger local economies and there is persuasive data that shows local economies are flourishing where there is an immigrant influx. In these communities immigrants contribute as workers, consumers, and, where they are allowed to, as taxpayers.

Less than three weeks ago, the Pew Hispanic Center released a study that found, "Rapid increases in the foreign born population at the state level are not associated with negative effects on the employment of native born workers." The Pew Study was based on the boom years of the 1990s as well as the period of recession and gradual recovery from 2000 through 2004. The Pew study provides further evidence that immigrants go to areas where they are needed and where economies are prospering. Under these conditions it is hard to determine if the immigrants help boost or ride the tide of flourishing communities. Correlations offer little information about causes. The Pew study concluded that neither the size of the foreign-born workforce nor the

relative youth and low levels of education appeared to have a "bearing on the employment outcomes of native born workers of similar schooling and age."

The Pew study did find a few states, where rapid growth in the foreign-born population was paired with employment rates lower than the national average. Kentucky was one of those states. Kentucky has almost always had a higher than average unemployment rate. Its Appalachian counties have been chronically poor and several other areas of the state tend to have low rates of employment. Yet, when studied county-by-county over the most vulnerable period in the Pew study which included a period of recession and beginning recovery (the 2000-2004 period) Kentucky shows the same trend as the national Pew study only more strongly. Namely the Kentucky counties that have received the most immigrants (whether measured in absolute number or in percentages) tend to have stronger growth in wages and lower unemployment that those parts of the state without significant immigration. This is clearly apparent in **Table 1** in the attachments to this document. While this does not prove that an immigrant influx does not slow wages among low wage workers, it does demonstrate that ***those counties in Kentucky with a stronger immigrant influx are those counties which tended to prosper most over the same period.***

II. Evidence Suggests Undocumented Status Lowers Wages?

Table 2 provides samples of salaries reported by immigrant workers in the Bluegrass area for various types of work. Except for fast food and what appears to be a few exploitative businesses, most are close to, or well above, the new proposed minimum wage of $7.25 an hour. There is also evidence of lower wages or working conditions in Central Kentucky (we lack data on other areas). This data is partially documented and partially anecdotal. Ironically the effects are mostly upon undocumented workers and it is their undocumented status rather than their numbers that appears to put them at risk. Often fear of losing work or revealing their undocumented status or their limited English and cultural understanding makes them more vulnerable to exploitation. Examples of exploitation fall into three categories

1) Efforts to cheat immigrant workers of their earned wages
2) Paying immigrants at a piece rate that virtually prohibits them from earning a fair wage.
3) Providing dangerous or substandard working conditions.

Efforts to cheat immigrants. There have been a number of efforts to cheat immigrants in Kentucky by not paying them full wages (i.e., paying less than an agreed wage, not paying them the same wage as native born workers, or not paying for their last pay period). Local attorneys, advocates, volunteers, and the Kentucky Department of Labor have done an excellent job of recovering many unpaid wages.

(Put Labor Department Data here if it Arrives in time)

Paying immigrants at a piece rate. The Bluegrass Farm Worker Health Center, many of whose staff speak Spanish, provides health care to a large number of immigrant workers in Central

Kentucky. Earlier this year they completed a survey 14,000 patients. Of those who worked in agriculture well over 50% reported work at some time in tobacco over the past 2 years. Tobacco is still a significant crop in Kentucky. The price for harvesting tobacco (10 cents a stick of 6 plants) has not been raised in almost 20 years. One must work extremely hard to make minimum wage cutting tobacco. Earlier this month a woman, who has worked for years as a migrant crop harvester, reported to the author of this report that she was able to cut about 45 sticks an hour at her best (she also said it was very hot and one co-worker had fainted and two left the fields because of rashes on their arms from the tobacco plants). At her best pace she made $4.50 cutting tobacco. Low tobacco wages survive only on the backs of undocumented workers.

As demonstrated by the plight of migrant farm-workers over many years it is extremely difficult to move wages based on piece work, especial when workers are very poor. The Immokalee Tomato workers (of Florida) can be proud that in March of 2006 they secured from Yum Brands a 1 cent per pound pass-through directly to their workers for harvesting tomatoes. The agreement followed a 4 year effort to promote a boycott of the Taco Bell chain. Yum Brands is based in Louisville, KY and is the parent company for Taco Bell, KFC, Pizza Hut, Long John Silvers, and A&W. Actually Kentuckians can be proud of the YUM Brands agreement. Advocacy groups in Kentucky supported the workers and many firms are far less responsive than Yum Brands. In today's world where it is so hard to see the connection between a final product and conditions of remote workers, moral forces rather than market forces are often more important in influencing wages.

Dangerous or substandard working conditions. A number of immigrant workers report working in conditions that clearly fail to meet standards of the Office of Health and Safety Administration (OSHA). Undocumented workers are unlikely whistle blowers. A number of us who work closely with the immigrant community have heard accounts of small factories that don't even have their equipment bolted to the floor so they can move quickly if they are investigated. Injuries to immigrant workers probably merit a detailed study in their own right. ***Only documented status will enable exploited workers to come forward and confront unjust wages and unsafe working conditions.***

III. Do We Need More Workers?

A wide number of economists and demographers make a case that America needs more workers. The need for skilled workers in select occupations is indisputable. America's rural health system would largely collapse, for example, without the recruitment of foreign born physicians. Ben Wattenberg, Senior Fellow at the American Enterprise Institute, notes the sharply declining birth rate in Western Europe, and the slower decline in the United States. He makes a powerful case that immigration is what keeps America growing and that a shrinking population means a weaker America.

We are all aware of our changing national demography. The arrival of the "baby boomers" among our older citizens and the declining national birthrate means we have more retirees to support and fewer workers to support them. This is contributing to an impending crisis in Social Security and many pension plans. Undocumented immigrants have paid much into Social

Security but they will never collect Social Security. Illegal immigrants bolster Social Security by about 7 billion dollars a year. The amount of Social Security benefits that will not be claimed is now estimated at $600 billion. It is worth noting that permanent workers and citizens, not guest workers program, are most able to help Social Security, especially if the United States reaches a "totalization" agreement with Mexico. By such agreements US citizens working in other countries pay into our Social Security system and workers from the other countries pay into their own national system. The United States currently has such agreements with at least 18 countries.

Kentucky is a state with a declining birthrate (1.95 children per woman of childbearing age when 2.1 is a rate necessary to maintain the population). As seen in Table 3, Kentucky's increasing older population has resulted (in the 42 years between 1960 and 2002) in a growing convergence of the number of deaths and births. The Director of the Kentucky State Data Center notes that the percentage of children in Kentucky's total population is dropping sharply. While the Commonwealth's population grew by 2 million persons, or 100%, 1900 and 2000 , number of children in the Commonwealth increased by about 15,000 or less than 2%. ***Without migration from other states and immigrants, Kentucky's economy will not grow.***

How might Racism, Terrorism, and Misunderstanding be Shaping the Current Debate?

Samplings from local talk radio, letters to the editor, and other sources provides compelling evidence that raw racism is fueling a part of the anti-immigration argument. Totally unwarranted traits, diseases, and habits are attributed to undocumented immigrants. We have witnessed such nativist reactions in response to previous waves of immigration in this country. It is likely that the ancestors of many current members of Congress faced such prejudices on their arrival in this country. We also know that we have a history of unfortunate legislation in our past based on such misunderstandings. In a recent letter to the editor, an astute judge from rural Kentucky noted that harsh punishments such as those proposed for those who help undocumented immigrants in recent legislation have not existed in this country since the Fugitive Slave Act.

The 9/11 terrorists entered the United States legally, not via the Mexican border. Some known terrorist have been apprehended crossing our border with Canada. The steps we are taking to prevent the repetition of legal entry by terrorists, and the collaboration we have with Canada are not immediately visible to the public while images of walls, fences, National Guard, and "minutemen" at our Southern border are highly visible. No other actions to protect America have become most fixed in the public mind. Unfortunately this has link Hispanics with terrorism. During World Wars I and II the situation was different. We worked closely with the Mexican government to collaborate in detecting terrorists and at least one highly publicized German plot was discovered in Mexico. We did not protect ourselves with walls. Mexican workers were welcomed into the US during both wars and, like the more publicized "Rosie the Riveter", played a critical part in out war effort. The exaggerated link of terrorism and our southern border seems to have stirred anti-Hispanic feeling in parts of our country.

USA Today recently reported that Michael Chertoff, Secretary for Homeland Security, called for comprehensive immigration reform to help control our border with Mexico.

> He said the agency needs to focus on "the drug dealers, the criminals, even the terrorists" trying to sneak across the southern border. It can only do that, he said, if the majority of migrants crossing to find work are allowed to do so through a "guest worker" program.

We must take steps to boost the Mexican economy and cooperation with Mexico. Because so much anti-Hispanic and anti-Mexican feeling is expressed in American media it is creating a backlash in Mexico (as evident in the work of many Mexican political cartoonists). Many rural Mexicans also see themselves as hurt by the North American Free Trade Agreement (or perceive themselves to be hurt by it). A thorough review of NAFTA (and CAFTA), especially their agricultural provisions, is a critical element in the immigration equation. As a nation we have been jeopardized by the growing anti-American bent of several Latin American countries. We must take care that such a turn does not take place on our Southern Border. The closeness and the issues in the recent Mexican elections should give us pause. ***Careful collaboration with Mexico and other Central American countries should be a part of any comprehensive immigration effort and serves our national security interests.***

Our Goals for Comprehensive Immigration Reform

The current immigration crisis is complex. Efforts to squeeze it into simple political slogans can only lead to poor legislation—whether it is amnesty for the undocumented because "We are a nation of immigrants," or demonizing and criminalizing them because, "We will not reward illegal behavior." The fact that we have not addressed our labor needs or immigration issues in a timely fashion has made it more difficult. Throwing issues of terrorism into the mix only muddies the waters. It is time for good information, clear thinking, and a mix of hardnosed yet compassionate action.

The stories of individual immigrants and their families vary enormously. Data from the Kentucky Farm Worker Health Survey indicates that 73% of immigrants in Central Kentucky are male and many of them have as a goal, "To earn money and return home." Some immigrants came with their families; some have married and established families here. Undocumented immigrants are at various stages of integration into our society. ***Many undocumented immigrants are so intertwined with American citizens (who are their spouses, siblings, children or in-laws) that it is impossible to neatly sort out their situation with a one-size-fits-all immigration law.***

This year about 65,000 children of undocumented immigrants will graduate from US high schools but lack opportunities for higher education or the documentation to seek employment in the US. Most of these youth speak excellent English and are thoroughly "Americanized." Some have been here most of their lives and have only a rudimentary grasp of their native tongue. We recently listened to a girl who has been here since she was 5 and was valedictorian of her high school class, but she has no documents to support a future for her in our country. Before the

"immigrant crisis," a bipartisan bill called the Dream Act was proposed as a means to offer hope to such young people. ***The Dream Act is as important now as when it was first introduced and should be enacted.***

We believe that any immigration bill that sets strong penalties for illegal immigrants without an opportunity to work in the US for a fixed period will drive many immigrants into the shadows, foster a growing underground economy, and make it extremely difficult to police the small criminal element (estimated at about 8%) in the immigrant population. It runs the risk of sending the parents of many children to their parents' country of origin even when those children are US citizens and they (and often their families) are thoroughly integrated into our communities. Title VII of the McCain Kennedy Bill can be improved, but it remains the best solution in current proposed legislation for sorting out the many immigrant stories or a more just and individualized basis.

There must be a means by which undocumented immigrants can obtain limited working rights with meaningful documentation. Workers must make application for status, document their situation, provides references when possible, have a sponsoring employer, clear police checks, and pass medical exams. The McCain Kennedy Bill provides meaningful cash payments for those who have violated the law. Comprehensive immigration reform legislation must address our needs for additional workers in the United States over the long term. We can profitably chose from among those currently undocumented or overstayed immigrants who have demonstrated strong work records, good conduct, English proficiency, and a solid assimilation to our society. ***We should offer such foreign born immigrants who meet stringent demonstrated qualifications, a path to citizenship.***

With means to check the Validity of Social Security Cards and a solid, verifiable identity system for workers without Social Security cards, meaningful efforts can be made to police employers. Workers with status and advocates for workers with status will be in a much better position to confront unjust working conditions. ***We must stop employers who cheat and exploit their employees or create unsafe and inhumane working conditions.***

Of special importance are provisions to allow the immediate families of documented workers to join the worker and/or allow workers to return home to visit their families. A story that is all too common is that of a Kentucky worker who was legally in the United States and who had a very responsible job. After several years of failure to get his wife and children to join him, his wife and three children entered the US illegally. The children were doing well in US schools and two additional children were born here. When the smallest was still an infant the wife's mother became deathly ill. The wife returned to her home country to be with her dying mother and stayed for the funeral. She was apprehended and briefly jailed then deported when trying to cross the border to return to the US and her family. She is still trying to get back to her husband and children. She has no chance of entering legally and as a person once deported she can never gain legal status. We have to act carefully to prevent a system of legislation that creates such situations.

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The Website of the Kentucky State Data Center (ksdc@louisville.edu)

This document was prepared by T. Kerby Neill, Ph.D. with invaluable assistance from Ron Crouch, MSSW, MBA of the Kentucky State Data Center at the University of Louisville. The report has been reviewed by members of the executive committee of the Central Kentucky Council for Peace and Justice and members of the board of the Kentucky Coalition for Comprehensive Immigration Reform. Members of both groups made invaluable suggestions and editorial improvements to the document.

Table 1
Economic Status of Kentucky Counties with
Highest Numbers or Percentages of Hispanic Immigrants 2000 to 2004

Counties	Total 2000	Hisp 2000	% Hisp	Total July 2004	Hisp 2004	% Hisp	Avg. Inc. 2000	Avg. Inc. 2004	% Wage Increase	Immig. % Rank	Immig. # Rank	
Kentucky	**4,041,769**	**59,939**	**1.48%**	**4,145,922**	**77,055**	**1.86%**	**$28,174**	**$32,534**	**15.48%**			
Jefferson	693,604	12,370	1.78%	700,030	16,025	2.29%	$33,116	$38,553	16.42%		**1**	4.9
Fayette	260,512	8,561	3.29%	266,358	12,259	4.60%	$30,015	$35,490	18.24%	**2**	**2**	4
Kenton	151,464	1,669	1.10%	152,890	2,176	1.42%	$30,036	$35,132	16.97%		**8**	4.6
Boone	85,991	1,702	1.98%	101,354	2,461	2.43%	$33,297	$38,455	15.49%		**7**	4.2
Warren	92,522	2,466	2.67%	97,168	3,161	3.25%	$26,483	$30,261	14.27%	**9**	**3**	4.3
Hardin	94,174	3,159	3.35%	96,066	3,113	3.24%	$27,672	$32,266	16.60%	**10**	**4**	5.4
Daviess	91,545	845	0.92%	92,587	1,052	1.14%	$25,602	$29,117	13.73%			5.1
Campbell	88,616	765	0.86%	87,256	873	1.00%	$26,908	$29,475	9.54%			4.7
Madison	70,872	685	0.97%	76,208	844	1.11%	$23,814	$26,941	13.13%			6.5
Christian	72,265	3,494	4.83%	70,649	3,112	4.40%	$28,772	$35,708	24.11%	**4**	**5**	6.4
Graves	37,028	888	2.40%	37,401	1,449	3.87%	$24,892	$26,940	8.23%	**5**	**9**	7.1*
Shelby	33,337	1,505	4.51%	37,219	2,819	7.57%	$27,223	$31,293	14.95%	**1**	**6**	4
Meade	26,349	567	2.15%	28,300	702	2.48%	$23,102	$28,062	21.47%			5.4
Woodford	23,208	695	2.99%	23,961	1,058	4.42%	$27,916	$31,390	12.44%	**3**	**10**	3.6
Wayne	19,923	291	1.46%	20,400	495	2.43%	$18,488	$22,274	20.48%			5.6
Bourbon	19,360	503	2.60%	19,623	657	3.35%	$25,110	$29,051	15.69%	**8**		4.7
Henry	15,060	339	2.25%	15,771	411	2.61%	$21,196	$24,500	15.59%			4.4
Webster	14,120	268	1.90%	14,130	536	3.79%	$25,695	$29,395	14.40%	**7**		4.5
Monroe	11,756	170	1.45%	11,660	247	2.12%	$19,388	$22,780	17.50%			5.2
Carroll	10,155	330	3.25%	10,344	396	3.83%	$30,905	$36,495	18.09%	**6**		5.4
Clinton	9,634	118	1.22%	9,558	202	2.11%	$17,343	$22,332	28.77%			6.8

Kentucky's 10 most populous counties (in yellow) were first selected. Then all other counties with a percentage of Hispanic immigration above the state average (green) were added.

Of Kentucky's 10 most populous counties, 6 were above average in immigration. All 6 were above average in positive economic indicators (in pink)--either higher increases in wages over the period or lower rate of unemployment (4 in both). Of the 11 smaller counties with above average immigration, 10 are above the state average in at least one of the positive economic indicators.

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Table 2

Sample Starting Salaries Reported by Hispanics from Central Kentucky

Type of Employer	Salary Range
Horse Farms	$10 to $15
Cleaning (Houses, Offices, Hotels, Motels)	$8.00
Fast Food Chains	$6 to $6.75*
Kitchen work	$7 to $9
Painting	$9 to $15
Construction	$7 to $15
Tobacco cutting (at 10 cents a stick)	$4 to $10 (rare)
Possibly Exploitative Factories (with substandard safety practices)	$6.50 to $7

* The averages for adjacent states--TN and OH--are $6.60 and $6.47 respectively (source PayScale.com). One KY worker reported that his restaurant paid Hispanics $0.25 less to start, but this was not checked for verification.

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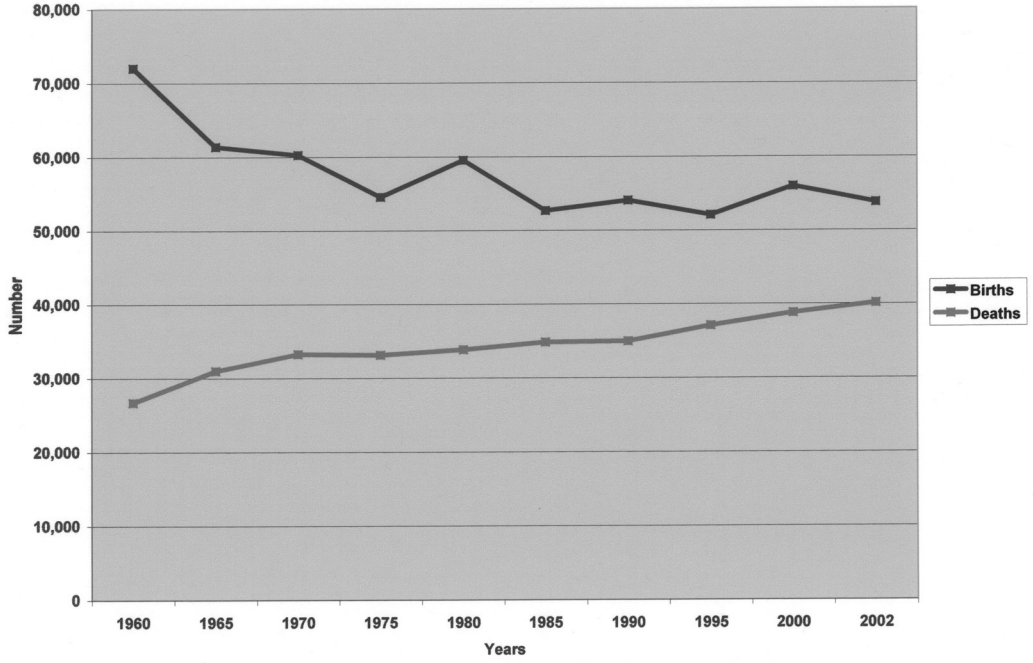
Table 3

Trends in Kentucky Births and Deaths from 1960 to 2002