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U.S. ECONOMY, U.S. WORKERS, AND IMMIGRATION REFORM

HEARING

BEFORE THE

SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

OF THE

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U.S. ECONOMY, U.S. WORKERS, AND IMMIGRATION REFORM

THURSDAY, MAY 3, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP,
REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Subcommittee met, pursuant to nall, at 3:22 p.m., in Room 2141, Rayburn House Office Building, the Honorable Zoe Lofgren (Chairwoman of the Subcommittee) presiding.

Present: Representatives Lofgren, Gutierrez, Jackson Lee, Sánchez, Davis, Conyers, and King.

Staff present: Ur Mendoza Jaddou, Chief Counsel; David Shahoulian, Majority Counsel; George Fishman, Minority Counsel; and Benjamin Staub, Professional Staff Member.

Ms. LOFGREN. The hearing of the Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law will come to order.

I would like to welcome the Immigration Subcommittee Members, our witnesses, and members of the public who are here today for the Subcommittee's seventh hearing on comprehensive immigration reform.

I would like first to apologize for our tardiness in beginning the hearing. We had a series of votes on the House floor. That is the bad news. The good news is those were the last votes for today, so we will not be interrupted further by matters on the floor.

In our first six hearings, we examined the need for comprehensive immigration to secure our borders, to address economic and demographic concerns, and for historical reasons. We examined the immigration reform in 1986 and 1996 in an effort to avoid the mistakes of the past. Last week, we considered the problems with and the proposed solutions for our current employment and worksite verification system. This Tuesday, we examined immigration point systems and whether such an immigration system is the right solution for our country.

Today we are turning our attention to the effects of immigrants on the nation's economy, with particular attention to the native-born workforce.

Recognizing the importance of this issue, the Subcommittee has gathered leading Government and academic experts to discuss the primary scholarship in this area. I am looking forward to the testimony from Government experts who will discuss the economic need for immigrant labor and the effect of immigrant workers on the em-

ployment and wages of native-born workers. We will then hear from a panel of labor economists and other witnesses who will further discuss the impacts of immigrant workers on the native-born workforce.

Some have raised concerns that immigrant workers undermine the welfare of native-born workers by reducing wages and raising unemployment levels. Applying basic rules of supply and demand, this argument appears convincing. The more workers there are, the more competition there is for jobs. Hence, the downward pressure on wages and fewer available jobs.

However, the experts on our panel today will explain to us that the majority of the scholarship indicates that simple economic arguments of supply and demand fail to reflect the economic complexities of the real world of immigration. They will explain that immigrants don't just fill jobs, they also create them in a variety of ways, thereby increasing demand for native-born workers and actually increasing wages throughout most of the economy.

The witnesses will also show that there is some downward effect on wages at some levels. However, the weight of the scholarship shows that this effect is much smaller than some have argued, even as small as 1 percent.

Thank you again to our distinguished witnesses for being here today to help us sort through what is a complex and very important issue for Americans, American jobs, and our economy.

[The opening statement of Ms. Lofgren follows:]

PREPARED STATEMENT OF THE HONORABLE ZOE LOFGREN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRWOMAN, SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

I would like to welcome the Immigration Subcommittee Members, our witnesses, and members of the public to the Subcommittee's seventh hearing on comprehensive immigration reform.

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The witnesses will also show that there is some downward effect on wages at some levels. However, the weight of the scholarship shows that this effect is much smaller than some have argued, even as small 1.1%.

Thank you again to our distinguished witnesses for being here today to help us sort through what is a complex and very important issue for Americans, American jobs, and our economy.

Ms. LOFGREN. I would now like to recognize our distinguished Ranking Member, Congressman Steve King, for his opening statement.

Mr. King?

Mr. KING. Thank you, Madam Chair.

I very much appreciate you holding this hearing in this ongoing effort legitimately to educate the Members of this Subcommittee and, by osmosis, Members of the broader Judiciary Committee, the Members of Congress and people across this country, so that we can continue with this dialogue and hopefully arrive at a policy that is good for the future of America.

But we all learned in school that Members of Congress debate policy and amend statutes to address the concerns of the American people. Protecting jobs and economic opportunity for Americans is one of the most important topics Congress must address.

A comprehensive immigration reform bill, like the one being discussed by the Senate, the Administration and the open-borders lobby, will not protect American jobs or the aspiration of so many Americans to better their lives. Importing millions of poorly educated foreign workers won't help our country but will only hinder its growth.

Americans are conditioned to believe that such immigrants are necessary to our economy, because they supposedly take jobs Americans will not do. The reality is employers hire desperate aliens who will work for much less than Americans, driving wages down and making it impossible for American workers to compete.

Even Alexander Aleinikoff, a very aptly named former Clinton administration INS official and current dean of the Georgetown University's Law Center, has stated that it is a myth to say that there is little or no competition between undocumented workers and American workers.

And what about the claims that there are jobs Americans won't do? That claim is a slap in the face to the millions of U.S. citizens who go to work every day, working those very same jobs side by side. In fact, even in the occupations that have the highest percentage of illegal laborers, the vast majority of workers are Americans. Seventy-nine percent of all service workers are native-born. And according to the Department of Labor, construction workers currently have an 8.6 percent unemployment rate.

Americans are willing to work at any job. The hottest, most difficult, dirtiest and dangerous job in the world is rooting terrorists out of Iraq. And Marines are doing that job for about $8.09 an hour.

We have 69 million Americans who are of working age but who are not in the workforce. There are 6.9 million working illegal immigrants. We would only have to recruit one-tenth of the Americans not in the workforce in order to replace the illegal labor in America.

Some say enforcement hasn't worked, so our only option is to amnesty millions of illegal immigrants. But enforcement has never been truly given a chance, because no Administration has taken it seriously.

Just 2 weeks ago, this Subcommittee held a hearing exploring the 1986 Immigration Reform and Control Act. Every witness and most of the Members present at the hearing agreed that while the amnesty portion of that bill was executed, the employer sanctions provision never was.

Now America's illegal immigration problem is worse than it was in 1986, and some are pushing to change the system. But we can't just change the system without regard to the effects of those changes on Americans.

Americans are our primary interest. The effect of importing millions of foreign workers at lower wages and fewer jobs is against the American citizens. I know we have academics testifying today who will claim the opposite. But you don't have to look any further than what happened after recent ICE worksite enforcement actions to see the practical effects.

After last year's enforcement actions at Georgia's Crider Inc, the company lost over 600 illegal workers. But Crider increased wages more than $1 an hour and within days hired 200 legal workers. They continue to fill positions with legal workers.

And just 3 weeks after the March 2007 ICE worksite enforcement action at Michael Bianco Incorporated in New Bedford, Massachusetts, 400 legal workers applied to fill the 361 positions left by illegal immigrants who were deported.

The companies were forced to raise wages and recruit local employees, many of whom had previously had a difficult time finding jobs.

The American dream means you are the driver of your own destiny, and you can work hard to be successful. But you can't work hard toward that dream if your job is taken by someone willing to work for lower wages, or if wages in an entire occupation are depressed by illegal immigration.

Our focus should be on creating an immigration policy that puts the interest of U.S. citizens first instead of the interest of citizens from foreign countries.

And I would add in my opening remarks that we have had some serious and intense discussions about how to go about these hearings. There is an empty chair down there because I have been denied a witness to this panel.

And I find no precedent in the history of this Immigration Subcommittee that would set that standard, but I do find that if we will be using the rules, it is important that the other side of this argument be heard.

And so I hereby formally ask unanimous consent to introduce this letter into the record, requesting a minority hearing.

And I thank you, Madam Chair, and I would yield back the balance of my time.

[The letter referred to is inserted in the Appendix.]

Ms. LOFGREN. Thank you, Mr. King. I will certainly review this letter and act according with the rules upon it.

I would like to note we have two distinguished panels today. The first is a panel of Government witnesses, and the second a panel of other distinguished Americans.

I will reserve opening statements for the Chairman of the full Committee, Mr. Conyers, who is delayed, and Mr. Smith, our Ranking Member, if he should attend.

First, I would like to introduce the Honorable Leon Sequeira, the Assistant Secretary for Policy at the U.S. Department of Labor. Mr. Sequeira was confirmed by the Senate to his post with the Labor Department in February of this year after having served as Deputy Assistant Secretary for 2 years. Mr. Sequeira came to the Department after having served as the Legal Counsel to Senator Mitch McConnell of Kentucky and as a Counsel to the Senate's Rules Committee. Like Congressman King, Mr. Sequeira was once a Bearcat at Northwest Missouri State University, and he later earned his law degree from George Washington University.

We are also pleased to have Dr. Patricia Buckley with us, the Senior Economic Advisor to the Secretary of the U.S. Department of Commerce. Dr. Buckley joined the Commerce Department in 1999 after having served as an economist for 10 years for the Manufacturers Alliance and for 2 years as an economist for Congress's Joint Economic Committee. She holds her bachelor's degree from Clemson University and her Ph.D. from Georgetown University.

Finally, I would like to welcome Dr. Peter Orszag, the Director of the Congressional Budget Office. Dr. Orszag began his 4-year term with the CBO on January 18 of this year, after having served as the Joseph A. Peckman Senior Fellow and Deputy Director of Economic Studies at the Brookings Institution. Prior to his work at Brookings, Dr. Orszag served as Special Assistant to the President for Economic Policy and the Senior Economic Advisor at the National Economic Council. Dr. Orszag earned his bachelor's degree from Princeton University and his master's and doctorate degrees from the London School of Economics as a Marshall Scholar.

We have distinguished people here.

Your written testimony will be made part of our official record. We do ask that you summarize your written statements in about 5 minutes so that we will have an opportunity to ask questions. These little machines have lights on them. When the yellow light comes on, it means you have got about a minute left. And when the red light comes on, it means your 5 minutes are surprisingly over.

So, Mr. Sequeira, if you could begin with your 5 minutes of testimony, we would be honored to hear it.

TESTIMONY OF THE HONORABLE LEON R. SEQUEIRA, ASSISTANT SECRETARY FOR POLICY, U.S. DEPARTMENT OF LABOR

Mr. SEQUEIRA. Thank you, Madam Chair. Good afternoon, Mr. King and Members of the Subcommittee. I appreciate the opportunity to testify today about the U.S. economy, our workforce needs and the importance of comprehensive immigration reform to our nation's continued economic prosperity.

The U.S. economy is healthy, resilient, and continues to grow. America's workers are among the most productive of any major in-

dustrialized economy, and demand for workers in the U.S. continues to be high.

In March, the economy gained 180,000 jobs, and there are now 146 million people currently working in the United States. That is a record high. There are now more people working than ever before in the country.

The latest data also show that there are 4.1 million job openings in the United States, with new job vacancies opening faster than they are being filled.

And we have an unemployment rate of 4.4 percent, which is well below the 5.7 percent average unemployment rate in the 1990's. These conditions suggest that employers continue to face a tight labor market.

Our economy has prospered and our labor markets have grown stronger as the number of immigrants in our labor force has increased.

Over the past 10 years, foreign-born workers increased from 10.8 percent of the civilian labor force to 15.3 percent. America now has 23 million foreign-born persons in the labor force helping to fuel the economy's growth.

Yet during this time, the national unemployment rate has declined. It was 5.4 percent 10 years ago, and it has declined significantly to 4.6 percent last year and, most recently, last month, 4.4 percent.

Contrary to the assertions of some, the growth of the foreign-born workforce has not produced significant adverse effects on native-born workers. Unemployment rates for all groups have gone down and wages have gone up.

Over the last decade, as the foreign-born workforce increased, average hourly earnings of production and non-supervisory workers increased 8.7 percent after adjustment for inflation.

And just as my forebearers came to the United States at the turn of the last century in search of economic opportunity and a better life for their children, immigrants continue to do the same today.

And immigrants are increasingly important to the strength of the U.S. economy. The U.S. workforce is aging, and we do not have native-born workers entering the workforce at the same rate as people are retiring.

Other industrialized nations in the world face the same problem. Continued immigration in the U.S. will allow us to maintain a higher ratio of workers to retirees than other major economies such as China, Japan, and Germany.

We also should not overlook the fact that immigrants contribute significantly to the innovation and entrepreneurship in our economy.

The challenge of finding qualified workers is likely to be much greater in the coming years. Unmet demand for highly skilled labor constitutes one of the foremost challenges confronting U.S. employers who are competing in a global marketplace.

The Department of Labor, through the Employment and Training Administration, has engaged the business community, educators and the workforce investment system to develop solutions to the workforce challenges facing high-growth industries.

We have targeted education and skills development and resources toward helping workers gain the skills they need to build successful careers in these growing industries.

We are transforming the public workforce system to partner with higher education to prepare the American workforce for these career opportunities.

And although these training programs are helping to fill the gap, the annual demand for workers far outpaces both the department's and State workforce agencies' ability to train and equip workers.

Because of domestic workforce shortages, employers often seek to hire temporary foreign workers. Under current law, the Department of Labor has an important role in a number of existing employment-based visa programs.

The department's role is to ensure that the employment of foreign workers does not adversely affect U.S. workers.

We oversee the labor certification process requiring employers to first test the labor market for able, available, and willing U.S. workers before they are permitted to attempt to hire foreign workers.

Only if an employer's effort to hire U.S. workers proves unsuccessful can they apply to hire foreign workers.

The department also protects U.S. workers by ensuring the wages that will be paid a foreign worker do not adversely affect the wages and working conditions of similarly employed U.S. workers.

We take very seriously our responsibility to ensure that our workforce, including foreign workers legally admitted under a temporary worker program, are fully protected by our nation's labor laws.

These efforts not only help protect foreign workers from exploitation but also help ensure that U.S. workers are not undercut by unscrupulous employers.

In conclusion, immigration fuels our economy, enriches our society, and enhances our global competitiveness through the influx of both high-and low-skilled workers.

Our current immigration system, however, is in desperate need of repair. Comprehensive immigration reform will help secure our borders, strengthen our interior enforcement efforts, and help meet the demand of labor to increase our strong economy.

The Administration is committed to working with Congress to ensure our immigration policies support continued growth of our nation's economy while also protecting American workers.

We look forward to continuing to work with you and your colleagues in the Senate on this important endeavor. Thank you again for the opportunity to testify.

[The prepared statement of Mr. Sequeira follows:]

PREPARED STATEMENT OF LEON R. SEQUEIRA

STATEMENT OF
LEON R. SEQUEIRA
ASSISTANT SECRETARY FOR POLICY
U.S. DEPARTMENT OF LABOR
BEFORE THE
HOUSE JUDICIARY SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

May 3, 2007

Madam Chairwoman and Members of the Subcommittee, thank you for the opportunity to testify today on the U.S. economy, our workforce needs, immigration, and the importance of comprehensive immigration reform to our Nation's continued economic prosperity.

Economic Case for a Temporary Worker Program and Immigration

The U.S. economy is healthy and resilient, and continues to grow. The growth of our Gross Domestic Product (GDP) has slowed somewhat to 2.1 percent over the year, in large part because of the slowing housing market. Yet, the downward effect of the housing market on GDP has moderated, and the U.S. labor market remains strong. America's workers are among the most productive of any major industrialized economy, and demand for workers continues to be high. The economy gained 180,000 payroll jobs in March, and payroll employment now stands at 137.6 million jobs. We have had 43 consecutive months of job growth for a total of 7.8 million net new jobs since August 2003. The latest data show 4.1 million job openings in the United States and an unemployment rate of 4.4 percent -- well below the 5.7 percent average unemployment rate in the decade of the 1990s. And unfilled job openings have increased by a third (over a million) since 2004, as new job vacancies have opened faster than they have been filled. These conditions suggest a tight labor market.

In a nutshell, our economy has prospered and our labor markets have grown stronger with the increased number of immigrants in our labor force. Over the past ten years, foreign-born workers increased from 10.8 percent of the civilian labor force to 15.3 percent,

helping to fuel our high rates of GDP growth. Yet, the national unemployment rate that was at 5.4 percent in 1996 was significantly lower at 4.6 percent in 2006 and lower still at 4.4 percent in the latest report. America now has 23.1 million foreign-born persons in the labor force.

While the number of immigrants as a percentage of the population might seem large, it is in fact far lower than other periods of heavy immigration in our history. Over the past ten years, 8.8 million immigrants added about 3.4 percent to the population. In contrast, throughout the 19th century, immigration added 6.2 percent to the population each decade, rising above 9 percent during the 1850s and 1880s, and immigration peaked at 10.4 percent of the population during the decade between 1901 and 1910. After 1910, immigration rates fell dramatically, merely adding 5.7 percent to the population during the 1911-1919 decade, further falling to 0.4 percent in the 1930s, and then slowly rising to a still low 2.0 percent in the 1970s. Immigration rates rose in the 1980s (3 percent) and 1990s (3.4 percent) and have since remained stable.

The growth of the foreign-born workforce has not produced significant adverse effects on native-born workers. During the last ten years, the unemployment rate for native-born workers fell from 5.4 percent to 4.7 percent. The unemployment rate for African-Americans has declined from 10.5 percent in 1996 to 8.3 percent today. While unemployment has gone down, wages have gone up. Over the last decade, as the foreign-born workforce increased, average hourly earnings of production and non-supervisory workers increased 8.7 percent after adjustment for inflation. In 2006, the median usual weekly earnings of foreign-born full-time wage and salary workers were $532, compared with $698 for the native-born.

There are three fundamental reasons why immigrants are important to our economy. First, the U.S. workforce is aging. Second, continued immigration will allow us to maintain a higher ratio of workers to retirees than other major economies such as China,

Japan and Germany. Third, immigrants contribute significantly to innovation and entrepreneurship in our economy.

Turning first to the aging of our labor force, there are 25.5 million persons in the labor force who are age 55 or older and who will be approaching retirement age in the next few years. This is up 59 percent from 10 years ago. And while the number of older Americans in the workforce is increasing, the number of young workers in the workforce has changed little. Those in the labor force who are 16-24 years old numbered 22.4 million in 2006, up just 5.7 percent from a decade earlier—less than one-tenth as fast as the growth among older workers. Clearly, the baby boomers are beginning to retire, and there is not a corresponding boom of native-born young workers entering the workforce to replace those retirees.

The challenge of finding qualified workers is likely to be much greater in the coming years. The U.S. population is projected to grow by 6.8 percent from 2007 to 2014, while the labor force is projected to grow 6.2 percent over that time, with immigration projected to be the main driver of population growth and hence labor force growth. Recent data shows that the immigrant labor force participation rate of 68.6 percent is higher than the 65.8 percent participation rate for native-born workers. The unemployment rate for foreign-born workers was 4.0 percent in 2006, lower than the average unemployment rate of 4.7 percent for native-born workers. Men make up a larger proportion of the foreign-born labor force, 60 percent, than they do of the native-born labor force, 53 percent. Significantly, the proportion of 25- to 54-year olds is higher for foreign-born workers (76 percent) than for the native-born labor force (67 percent).

Immigration also helps to maintain U.S. competitiveness with our trading partners. As I noted previously, the distribution of the foreign-born population is more highly concentrated in the working-age cohort than the native-born. The presence of our foreign-born population is a major reason the United States has relatively more workers per retirees than our major trading partners. While the ratio of working-age populations to the total populations of China, Japan, Germany and the U.S. are all projected to decline

in the coming years, the U.S. population will remain more balanced than those of our trading partners due to the immigrant component of our workforce.

Unmet demand for skilled labor constitutes one of the foremost challenges confronting U.S. employers who face growing competition from abroad. Companies reported about 4.1 million unfilled job openings as of the end of February 2007. Industries with high job opening rates include health care and social assistance, information industries, professional and business services, finance and insurance, accommodations, and food services. In 2006, the unemployment rate for health care and social assistance was just 3.0 percent, and for professional and technical services, the unemployment rate was 2.9 percent.

The Department of Labor, through the Employment and Training Administration, has engaged the business community, educators and the workforce investment system to develop solutions to the workforce challenges facing high-growth industries. We have targeted education and skills development resources toward helping workers gain the skills they need to build successful careers in these and other growing industries. We are transforming the public workforce system to partner and more closely connect with public and higher education systems to prepare the workforce of the 21st century with career opportunities and skills in these high job growth sectors. We are working to ensure that our youth and other workforce training programs have a strong educational component, since it is clear that employment opportunities increase exponentially with education credentials.

The unmet labor needs can be found at both ends of the occupational spectrum. Employers are finding shortages of workers to fill jobs that do not require a college degree. For example, despite a slowing housing market and a slower rate of hiring, the number of job openings in construction was higher in February 2007 than at any time in the last several years. This likely reflects the challenges that construction companies face in finding workers.

The tightening of the labor market at both ends is putting pressure on our employment-based visa programs. Among the 10 major occupational groups, employment in the two largest – professional and related occupations and service occupations – is projected to increase the fastest and to add the most jobs through 2014, providing about 60 percent of total job growth from 2004 to 2014. Sixteen of the 30 occupations projected to grow the fastest through 2014 (that is, projected to have the largest percentage change in employment) are health-related. Of the non-health-related occupations, six are computer specialist occupations, three are environment-related, and two are in teaching. Immigration meets these labor demands and helps to maintain our global, economic, competitive edge.

Foreign-born entrepreneurs also play a critical role in keeping our economy growing. A recent Duke University study [1] estimated that 25 percent of the technology and engineering companies started between 1995 and 2005 had at least one senior executive – a founder, chief executive, president, or chief technology officer – born outside of the United States. Immigrant entrepreneurs' companies employed 450,000 workers and generated $52 billion in sales in 2005, according to the study. The study came eight years after a University of California Berkley report that estimated that immigrants started about 25 percent of Silicon Valley technology companies. The Duke study found that percentage has almost doubled to 52 percent in 2005. The Duke researchers also found that foreign-born inventors living in the United States without citizenship accounted for 24 percent of patent filings last year, compared with 7.3 percent in 1998.

A few of the most prominent immigrant entrepreneurs who founded or co-founded companies in the United States include Indian-born Vinod Khosla of Sun Microsystems, Hungarian-born Andy Grove of Intel, French-born Pierre Omidyar of eBay, Taiwan-born Jerry Yang of Yahoo, and Russian-born Sergey Brin of Google. Together, these

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[1] Wadhwa, V.; Saxenian, A.; Rissing, B.; Gereffi, G. (January 2007) . *America's New Immigrant Entrepreneurs*. Published paper, Master of Engineering Management Program, Duke University; School of Information, U.C. Berkeley.

companies have a market capitalization of almost $370 billion and employ nearly 170,000 workers.

Immigrants have always contributed to our talent pool. From 1901 to 2005, about one-third of U.S. Nobel Prize winners in medicine and physiology were born abroad. Today over 40 percent of Ph.D. workers in computer, mathematics, architectural, engineering and science occupations were born outside the United States. These individuals make important contributions in their fields and play an important role in U.S. economic innovation and strength.

Department of Labor Role in Immigration

The Department of Labor's role in immigration is to ensure that the hiring of foreign workers does not harm American workers. Under current law, the Department has a limited but important responsibility in a number of existing employment-based visa programs including:

- high-skill professional workers (H-1B, E-3, H-1B1);
- crewmembers performing longshore work (D-1);
- permanent labor certification program ("green card");
- temporary non-agricultural workers (H-2B); and
- temporary agricultural workers (H-2A).

We protect American workers by ensuring employers first obtain the required labor certification before attempting to hire foreign workers. The Department also ensures that foreign workers do not adversely affect the wages and working conditions of similarly employed U.S. workers.

Under the H-2A and H-2B programs, the labor certification process ensures that the hiring of foreign workers does not occur without an employer first testing the labor market for able, available, and willing domestic workers. An employer must attempt to hire U.S. workers for job openings before applying to hire foreign workers with a temporary work visa. The Labor Department is responsible for verifying that an employer

who wishes to hire temporary foreign labor has properly complied with the labor market test. Under the H-1B program, employers must attest that they have met certain conditions and that the foreign worker has specific education, skill and wage levels.

Through audits, compliance assistance and enforcement, the Department also ensures that the wages of foreign workers do not undercut the compensation of U.S. workers both at the time of initial application to hire a foreign worker and throughout the duration of the foreign worker's employment here in the United States.

As you know, the Department of Homeland Security (DHS) and the Department of Justice are the federal agencies responsible for enforcing the nation's immigration laws. DHS also conducts screening and background checks, determines admissibility and adjudicates immigration benefits for foreign workers.

Current Status of Employment-Based Visa Programs

The current caps in the high-skilled H-1B visa category and the low-skilled nonagricultural H-2B visa program have not been able to meet demand. Each year, we receive inquiries from constituents, many writing through their Congressional office, about pending visas or requesting the reclassification of entire groups of workers from one visa category to another with available slots.

On April 1, 2007, U.S. Citizenship and Immigration Service (USCIS) began accepting petitions for Fiscal Year 2008 visas in the H-1B program. By the next day, April 2nd, the annual cap of 65,000 had been reached. To put this in perspective with the employer demand, in Fiscal Year 2006, the Department of Labor received 385,835 labor certification applications requesting 652,312 workers under the program. Of those, we certified 377,656 applications for 630,885 workers. Yet, the annual cap set by Congress permitted just 65,000 to be admitted to the U.S.

For the H-2B program, the annual visa cap is distributed in two allotments in an effort to provide some relief to employers who do not have a need for temporary workers until

later in the year. With a total cap of 66,000 visas for Fiscal Year 2007, the first installment of 33,000 visas was reached just over two months into the fiscal year on December 5, 2006, and the second installment of 33,000 visas was reached on March 16, 2007, just a few weeks after they became available. The total number of workers requested in Fiscal Year 2006 was 247,287 – about 239 percent more than what it was in 2000. Congress recently sought to alleviate the pressure on the annual H-2B cap by exempting returning H-2B workers from that annual cap. Despite this change, the demand for H-2B workers still exceeds the supply of visas.

Finally, the H-2A program, which brings in agricultural workers to perform temporary agricultural services on U.S. farms, does not appear to capture the demand for foreign workers in the agricultural sector. The total number of H-2A workers requested in Fiscal Year 2006 was 64,146, of which 59,112 were certified by the Department of Labor. It is estimated, however, that over half of the more than 2.2 million agricultural workers in the U.S. are undocumented.

These statistics demonstrate that the current system for hiring and admitting foreign workers does not meet the demands of certain industries. The Department of Labor has initiated regulatory reforms to streamline elements of the labor certification process. However, effective and long-term improvements in our system of admitting and tracking foreign workers and meeting the growing business demand will require legislative changes.

Worker Protections

The Department of Labor takes very seriously its responsibility to ensure that our workforce, including foreign workers admitted under a temporary worker program, is fully protected by our Nation's labor laws. These efforts not only help protect foreign-born workers from exploitation, but also help ensure that U.S. workers are not undercut by unscrupulous employers.

Conclusion

In his State of the Union address in January, President Bush reiterated his support for comprehensive reform of America's immigration laws by increasing border security, while maintaining the Nation's tradition of welcoming immigrants who enter the country legally.

Today's reality is that businesses all over the country are reporting difficulty in filling jobs, and the resulting drag on our economy keeps GDP growth below its potential. Immigration fuels our society and economy through the influx of workers at both the high-skilled and low-skilled levels. Immigration enhances our global competitiveness. Comprehensive immigration reform will not only secure our borders and bring illegal aliens out of the shadows, but also meet the labor demands of our strong economy. A multi-faceted solution driven by parents, schools, government, and the private sector is needed to help equip American workers to fill as many gaps as possible in the workforce. But the reality of an aging population means America's economy continues to produce more jobs than we have native-born persons to fill. The Administration is committed to working with Congress to ensure our immigration policies protect American workers and support continued growth of our Nation's economy.

We look forward to working with the Committee and its staff as well as your colleagues in the Senate on crafting a bill that is comprehensive in its approach and provides for our economy's labor needs without harming U.S. workers. Thank you for the opportunity to discuss this with you today.

Ms. LOFGREN. Thank you very much.

Dr. Buckley?

TESTIMONY OF PATRICIA A. BUCKLEY, Ph.D., SENIOR ECONOMIC ADVISOR TO THE SECRETARY, U.S. DEPARTMENT OF COMMERCE

Ms. BUCKLEY. Thank you, Madam Chair and Members of the Committee. It is my pleasure to appear before you today to present a brief statistical overview describing our foreign-born population.

These data provide support for a very simple conclusion: Immigration contributes to our current economic growth and is necessary to ensure our future prosperity.

Because of the largely complementary nature of those drawn to work in the United States, we as a nation realize real benefits. An important segment of those who come to the United States are here to create jobs, not to take jobs.

The size and wealth of this country continues to attract entrepreneurs, and the high rates of entrepreneurship among the immigrant population contributes to the dynamism of the U.S. economy, fostering both investment and employment.

However, even those who come to the United States in order to find employment create benefits for the existing population. And it is on this aspect of the economics of immigration that I would like to focus.

The population distribution of the native-born and the foreign-born are distinctly different.

Ms. LOFGREN. The members have these charts in their testimony.

Ms. BUCKLEY. Nearly 70 percent of the foreign-born are between the ages of 20 and 54, while less than 50 percent of the native-born fall in that category.

The educational distribution of the native- and the foreign-born are also different. And there are distinctions between naturalized citizens and non-citizen immigrants.

While only 12.7 percent of the native-born population does not have at least a high school diploma, that proportion is much higher for naturalized citizens and non-citizens.

However, at the other end of the scale, naturalized citizens have the highest proportion of those with a bachelor's degree and those with a graduate or professional degree.

In 2006, just less than 15 percent of the population was foreign-born. However, because of the demographic differences just shown, the foreign-born account for a larger proportion of the employed population. And that proportion has been growing over time.

In 1966, 10.6 percent of those employed in the United States were foreign-born. By 2006 that proportion had risen to 15.4 percent.

The addition of these workers into the workforce has allowed the rate of employment to grow about twice as fast as it otherwise would have during the period.

With the foreign-born making up a growing portion of the population, concerns have been raised about the degree to which foreign-born workers compete with existing workers.

Some argue that if the two groups of workers can substitute for each other, then absent other factors the increase in foreign-born workers would drive down wages and reduce job opportunities for the native-born.

However, a look at the geographic and occupational distribution sheds some light on this. The distribution of foreign-born is extremely geographically concentrated, and this is particularly noticeable if you look at the map through the lens of looking at it by congressional district.

On the occupational side of the distribution, here are a list of occupations where we have the highest proportion of foreign-born workers.

One thing that is noticeable about these types of jobs is they are location-specific. The worker needs to be where the work is.

With many types of jobs, especially in the production of tradeable goods, it doesn't really matter where you are. You are in direct competition with someone else other places in the country creating it.

But with these types of jobs, the worker needs to be co-located with the employer.

There is a large and growing body of literature that examines this issue. These data are only indicators of general trends but don't show causality or strong economic relationships.

These studies are in general agreement that the high-skilled workers do not negatively impact the native high-skilled workers and, on balance, provide a net gain for the economy as a whole.

The question remains, however, about the economic impact of immigration on the native-born workers with limited skills.

The most recent of the studies seemed to be drawing the conclusion that while the impact on the overall economy is very strong, there is, indeed, a small but significant impact on native-born workers with lower skills.

Even if this analysis is correct, however, and there is a negative impact on low-skilled workers, drastically restricting immigration would be a poor way to help those workers, since the overall impact of immigration is so strongly positive: a larger, strong economy, higher overall wages, and lower prices.

It would be more efficient to look at the root causes and improve the situation of those workers adversely impacted by improving access to educational and training opportunities.

Thank you.

[The prepared statement of Ms. Buckley follows:]

PREPARED STATEMENT OF PATRICA A. BUCKLEY

STATEMENT OF
PATRICIA A. BUCKLEY, PH.D.
SENIOR ECONOMIC ADVISOR
U.S. DEPARTMENT OF COMMERCE
BEFORE THE
HOUSE JUDICIARY SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY AND INTERNATIONAL LAW

May 3, 2007

Madam Chair and members of the Committee, it is my pleasure to appear before you today to present a statistical overview describing our foreign-born population. The data presented below can be summarized very simply: immigration has been a key contributor to our past growth and is necessary to ensure our future prosperity. The United States benefits from a growing, reliable workforce, and this workforce is likely to make a much larger contribution if all of our foreign-born workers have the security and stability that comes from operating within the law.

Capturing the Economic Impact of Immigration
The drivers of economic growth—labor force, investment, and productivity—are inter-related. Sufficient workers to support the expansion of new and existing business will encourage capital to flow toward, or remain in, nations with the labor to support those businesses. And without adequate capital investment, we would not be able to maintain our productivity growth rates.

An important segment of the foreign-born are not in the United States to find a job—they are here to create jobs. The high rates of entrepreneurship among the immigrant population contribute to the dynamism of the economy, fostering both investment and employment.[1] However, even those who come to the United States in order to find employment create benefits for the existing population and it is on this aspect of the foreign-born population that I would like to focus.

By providing additional workers that complement our native-born workforce, immigration offers the opportunity to generate more growth than could be generated internally. The distribution of our foreign-born population is distinctly different from the distribution of our native-born population with respect to age and educational attainment. These differences combine to produce an occupational distribution of the foreign-born that complements existing workers.

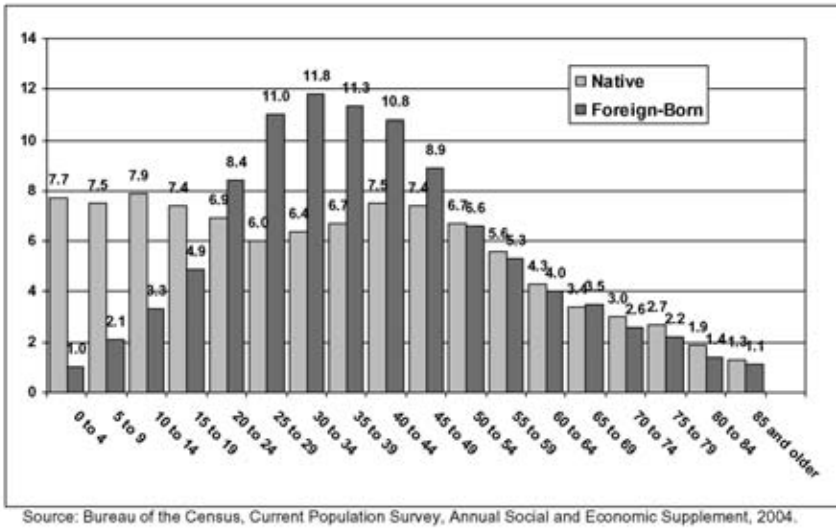
[1] For example, according to the Kauffman Foundation, "approximately 350 out of 100,000 immigrants started a business per month in 2005 compared to 280 out of 100,000 native-born Americans." Robert W. Fairlie, "Kauffman Index of Entrepreneurial Activity, National Report 1996-2005," Ewing Marion Kauffman Foundation, 2006. (This comparison in part may reflect the different age distribution of the two groups.)

Demographics
Immigration has shaped, and will continue to shape, the demographic profile of this country by altering age and educational distributions.

As shown in Figure 1, the foreign-born population in the United States is concentrated in the workforce age group. Nearly 70 percent of the foreign-born are between the ages of 20 and 54, while less than 50 percent of the native-born fall into that category.

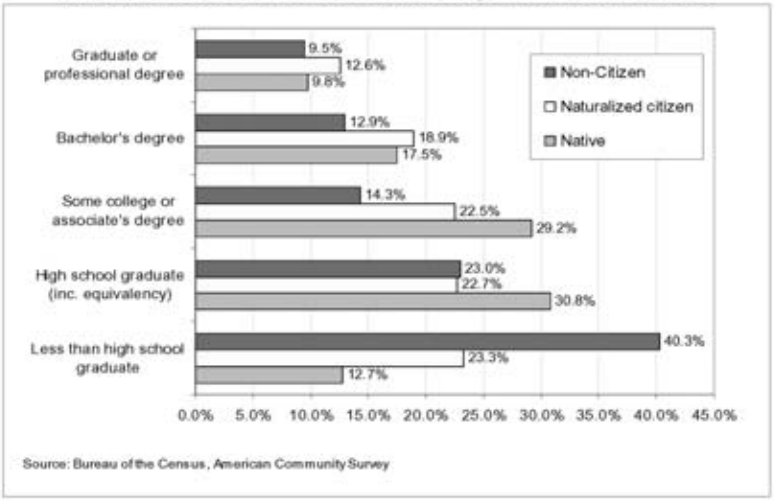
Educational attainment varies not only with birth status, but also with citizenship status. Figure 2 shows the distribution of educational attainment with the foreign-born population separated into those who are naturalized citizens and those who are not. While only 12.7 percent of the native-born population aged 25 and older does not have at least a high school diploma, the proportion is much higher for naturalized citizens (23.3 percent) and non-citizens (40.3 percent). At the other end of the scale, naturalized citizens have the highest proportion of those with a bachelor's degree (18.9 percent) and those with a graduate or professional degree (12.6 percent).

Figure 1: Population Distribution of the Native Born and Foreign Born: 2004



Source: Bureau of the Census, Current Population Survey, Annual Social and Economic Supplement, 2004.

Figure 2: Educational Attainment of Natives, Naturalized Citizens and Non-Citizens, Aged 25 and Above, 2005



The Labor Force

In 2006, 14.7 percent of the population was foreign born. However, as demonstrated by the demographic characteristics presented above, the foreign-born account for a larger proportion of the employed population. And the proportion has been growing over time. In 1996, 10.6 percent of those employed in the United States were foreign born. By 2006, that proportion had risen to 15.4 percent.

The addition of these workers into the workforce has allowed the rate of employment to grow about twice as fast as it would have otherwise. Of the 17.6 million net new workers during the period, 8.8 million were native workers, 4.1 million were naturalized citizens, and 4.7 million were non-citizens. The U.S. labor market accommodated these new workers quite well, as shown by the current (very low) unemployment rate of 4.4 percent.

With the foreign-born making up a growing proportion of the labor force, concerns have been raised about the degree to which foreign-born workers compete with existing workers. Some argue that if the two groups of workers can substitute for each other, then absent other factors, the increase in foreign-born workers would drive down wages and reduce job opportunities for the native born.

A look at the geographic and occupational distribution of the foreign-born may shed some light on this question.

Figure 3: Percent of Population Who Are Foreign Born by State, 2005

Source: Bureau of the Census, American Community Survey.

Figure 4: Percent of Population Who Are Foreign Born by Congressional District, 2005

Source: Bureau of the Census, American Community Survey.

As shown in Figure 3, the distribution of the foreign-born varies substantially from states with a very high proportion of foreign-born such as California (27.2 percent), New York (21.1 percent), and New Jersey (19.5 percent) to states with very low rates of foreign born such as Montana (1.8 percent), Mississippi (1.5 percent), and West Virginia (1.1

percent). And even within states, the proportion of the foreign-born population is highly concentrated when viewed by Congressional district (see Figure 4).

Table 1 shows the occupations where those who are foreign-born have a large share of the total employment. These are primarily occupations that are location-specific. That is, these workers must be located where demand for the labor is—at the construction site, farm, or healthcare facility. Therefore, the foreign born will only provide direct employment competition to the native born in the same general location, particularly in the short run.

Table 1:
Occupations with the Highest Proportion of Foreign-born Workers, 2005
(Percent)

Tailors, dressmakers, sewers	53
Graders and sorters (agriculture)	53
Miscellaneous personal appearance workers	52
Plasterers and stucco masons	52
Pressers, textile, garment, and related materials	49
Miscellaneous agriculture workers	49
Drywall, ceiling-tile installers and tapers	48
Sewing machine operators	48
Medical scientists	46
Maids and housekeepers	45

Note: The sample includes all employed individuals over the age of 15

Source: Bureau of the Census, American Community Survey.

Of course, these figures and tables do not by themselves answer the types of questions that are being asked about the impact of immigration on the U.S. economy. There is, however, a large and growing body of economic literature that examines these issues. These studies are generally in agreement that the addition of high-skilled workers does not negatively impact native high-skilled workers and, on balance, provide a net gain for the economy as a whole. There remain questions about the economy impact on native-born workers with limited skills.

The following two papers, which are generally taken to represent the extremes of the debate, are examples of the more extensive literature that examines the impact of immigration on wages from a number of perspectives:

- Combining data from the 1960 -1990 Censuses and 1998 -2001 Current Population Surveys, Borjas (2003)[2], who is the most pessimistic, found not only a large negative impact for native high school dropouts (8.9 percent), but also found small, but still negative, impacts for high school and college graduates.

- Using data from the 2000 Census, Card (2005)[3] found little impact on the wages of less-educated natives. Considering the local labor markets of large U.S. cities, Card found that "although immigration has strong effect on relative supplies of different skill groups, local labor market outcomes of low skilled natives are not much affected by these relative supply shocks." He noted that the wage gap between high school dropouts and graduates has remained constant since 1980, despite rising immigration.

A more recent piece of research by Ottaviano and Peri (2006)[4] attempts to refine the Borjas study by: (1) allowing for imperfect substitutability between foreign and native born to reflect possible differences in abilities or occupational choices within education and experience groupings and (2) allowing capital to adjust in response to a change in the supply of skills rather than holding it fixed. Ottaviano and Peri found "a positive and significant effect of the 1990-2004 immigration on the average wage of U.S.-born workers overall, both in the short and in the long run. This positive average effect resulted from a positive effect on wages of all U.S.-born workers with at least a high school degree and a small negative effect on wages of U.S.-born workers with no high school degree." The negative impact on those without a high school diploma was only 1.1 percent.

Looking Forward

It is clear that immigration will continue to play an important role in promoting economic growth in the future. This is particularly true given the aging of the populations in much of the world.

Over the past ten years, the labor force has grown by 1.2 percent per year. According to the Census Bureau, even at the current level of net migration, this growth rate will begin to slow. Without migration it will slow faster. As shown in Figure 5, this slowing, which is driven by the aging of the population, is also being experienced by most of our trading partners. However, because of immigration, past and future, the United States will

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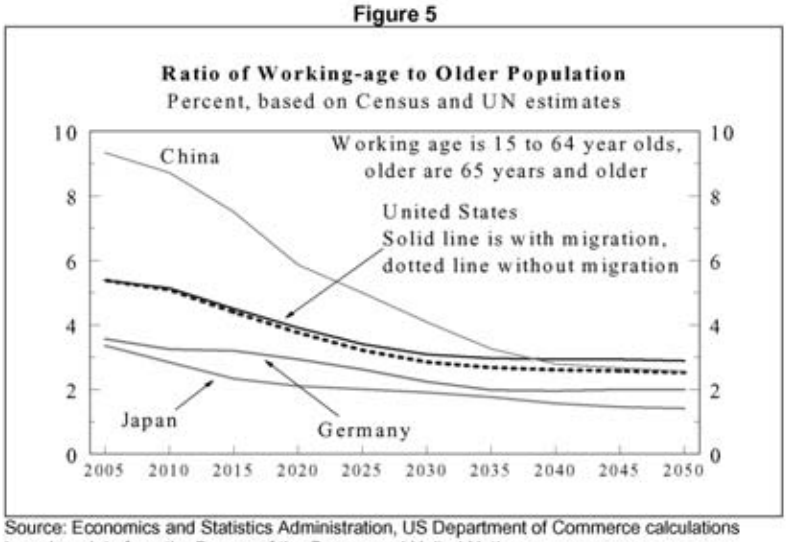
[2] George J. Borjas, "The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market," National Bureau of Economic Research, Working Paper 9755 (http://www.nber.org/papers/w9755).

[3] David Card, "Is the New Immigration Really so Bad?" National Bureau of Economic Research, Working Paper 11547 (http://www.nber.org/papers/w11547).

[4] Gianmarco I.P. Ottaviano and Giovanni Peri, "Rethinking the Effects of Immigration on Wages," National Bureau of Economic Research, Working Paper 12497 (http://www.nber.org/papers/w12497). Summary points from "Immigrants, Skills, and Wages: Measuring the Economic Gains from Immigration," Immigration Policy Center, March 2006.

maintain a more balanced population over the next 40+ years. And that should positively influence our potential for future economic growth.

Figure 5



Source: Economics and Statistics Administration, US Department of Commerce calculations based on data from the Bureau of the Census and United Nations.

Ms. LOFGREN. Thank you very much.

Dr. Orszag?

TESTIMONY OF PETER R. ORSZAG, Ph.D., DIRECTOR, CONGRESSIONAL BUDGET OFFICE

Mr. ORSZAG. Thank you very much, Madam Chair, Mr. King. Let me note that since this is the first time I am appearing before the Subcommittee as CBO director, I look forward to working with you over the next several years on the various issues that you face.

Ms. LOFGREN. So do we.

Mr. ORSZAG. Wonderful.

Since Dr. Buckley covered many of the simple facts about the immigrant population in the United States, I am going to try to focus in on the question that you raised at the beginning, Madam Chair, on the effects of immigrants on native-born workers and the evidence thereof.

And I am just going to skip to this chart, which I am not going to use quite yet.

The basic sort of Econ 101 logic that is put forward is that an increased supply of foreign-born workers will drive down wages for native-born workers, and we do need to keep that simple model in mind.

But there are many modifications or caveats that are important, other factors that can mitigate that basic insight.

So, for example, even at the same level of education, immigrant and native-born workers are unlikely to be perfect substitutes for each other, whether because of language skills, experience or other factors. That mitigates the wage effect on native-born workers.

Secondly, immigrants and native-born workers do not have the same education levels, and it is striking.

So this chart shows you—if you look at workers with education of 8th grade or less, only 1 percent of native-born workers have that little education.

Thirty-six percent of workers from Mexico and Central America in the United States have that amount of education.

As a result, 60 percent of workers in the United States with an 8th-grade or less education come from Mexico or Central America.

At the other end of the spectrum, among graduate degrees or very highly skilled workers, if you look at foreign-born from the rest of the world, not from Mexico and Central America, you also see a concentration among highly skilled workers from the rest of the world where the share of foreign-born workers from those other countries actually is somewhat more concentrated in that very high end.

So you have to be thinking about this kind of bimodal distribution, and the middle is much thinner among foreign-born workers.

Those differences in education levels are important because in many cases an increased supply of less-skilled labor can raise the demand for more medium-or high-skilled labor.

So for example, an increased supply of construction workers can create demand for architects, for supervisors at construction sites, and all sorts of other, more skilled workers. So the second thing is that the education mix is different.

Third, both employers and native-born workers themselves can adjust to the presence of foreign-born workers.

So in the presence of a greater supply of workers, firms can have a greater incentive to invest, and that can put upward pressure on wages, partially mitigating the sort of simple Econ 101 effects that we started with.

In addition, native-born workers can have an incentive, in the face of that effect, to obtain more education themselves, and that also can mitigate the effect.

When you put all these things together, it becomes an empirical question: What is the overall impact on native-born workers from the immigration that we have seen?

CBO's review of the relevant literature suggests that that overall impact is very modest, and that even if you look among the most heavily affected segment of the labor market—that is, among high school dropouts—the effect is still modest.

This comes from two major types of studies. The first is based on local areas, so you look where there is a higher concentration of immigrants relative to a lower concentration of immigrants across parts of the United States and examine differences in native-born labor market outcomes across those different areas.

That kind of analysis suggest modest effects, and in fact the most famous example of this is looking at unexpected flows of immigrants, in a study that David Card did—or I believe you are going to hear in your second panel about an example in Israel where there was an unexpected flow of immigrants, and you can then look at the impact on native-born workers. And those studies find very small effects.

There have been other studies mentioned that look at national level trends in immigrants over time and look at the impact on native workers over time.

Those have tended to find larger effects, but only because they don't control for various different things, including incarceration rates for workers, which can affect their labor market outcomes, including the imperfect substitutability of native-born and foreign-born workers, and including the incentive for firms to invest in the face of increased immigration.

So when you adjust for those kinds of things even at the national level, you again get quite modest results. And again, that is why CBO has concluded that the impact on the wages of native-born workers from immigration is modest.

A final point I want to make is just to highlight something else that Dr. Buckley emphasized, which is when you look to the future, labor force growth in the United States among native-born population is expected to slow dramatically because of the retirement of the baby boomers, and because of low fertility rates among native-born families.

If we just shut off immigration today, net immigration, close the borders, do not allow anyone in or out, if you look at the right-hand bar, between 2000 and 2050, the population between ages 15-64 would increase by only 10 million people.

That is clearly a very slow rate of workforce growth, and that would have significant effects on macroeconomic activity.

Thank you very much.

[The prepared statement of Mr. Orszag follows:]

PREPARED STATEMENT OF PETER R. ORSZAG

CBO TESTIMONY

Statement of
Peter R. Orszag
Director

The Role of Immigrants in the U.S. Labor Market

before the
Subcommittee on Immigration, Citizenship, Refugees,
Border Security, and International Law
Committee on the Judiciary
U.S. House of Representatives

May 3, 2007

This document is embargoed until it is delivered at 3:00 p.m.(EDT), Thursday, May 3, 2007. The contents may not be published, transmitted, or otherwise communicated by any print, broadcast, or electronic media before that time.

CONGRESSIONAL BUDGET OFFICE
SECOND AND D STREETS, S.W.
WASHINGTON, D.C. 20515

Madam Chair and Members of the Committee, I am pleased to appear before you today to discuss the role of immigrants in the U.S. labor market. My testimony draws from a paper that the Congressional Budget Office (CBO) issued in 2005.[1] At your staff's request, CBO has updated key findings from that study to incorporate recent data from the Census Bureau.

The United States is known as a nation of immigrants—a characterization that is more appropriate today than at any time since the 1930s. People immigrate to the United States for many reasons: to join family members, to seek better economic opportunities, to escape persecution, or simply to get a fresh start. The presence of so many people from other countries necessarily has important consequences for U.S. society. This testimony concentrates on one aspect of their presence that is of particular importance for the nation's economy: their role in the U.S. labor market.

The testimony addresses three topics, which are covered in more depth in the 2005 CBO report:

- The growth, characteristics, and earnings of the foreign-born workforce;
- The impact of foreign-born workers on the labor market; and
- Implications for the future as the baby boomers exit the labor force.

Foreign-Born Workers

Immigrants are a substantial and growing segment of the U.S. labor force. In 2006, 23 million workers—one in seven workers in the United States—were foreign born, and half had arrived since 1990. During the past decade, foreign-born workers accounted for half of the growth of the U.S. labor force.

In 2006, about 40 percent of foreign-born workers were from Mexico and Central America, and 25 percent were from Asia. To a considerable extent, educational attainment determines the role of immigrants in the labor market. Even as the number of native-born workers without a high school diploma is shrinking, the number of foreign-born workers without a diploma continues to increase. In 2006, among workers age 25 and older who lacked a diploma, nearly half were foreign born, and most were from Mexico and Central America. At the same time, many other immigrant groups were highly educated. The educational attainment of foreign-born workers from other regions was slightly higher than that of workers

1. Congressional Budget Office, *The Role of Immigrants in the U.S. Labor Market* (November 2005). CBO has issued a number of other reports on immigration, available at www.cbo.gov/publications/collections/immigration.cfm.

born in the United States; in particular, a higher percentage of those immigrants had taken graduate courses. Those differences in average educational attainment among immigrants by country of origin appear to reflect the basis on which foreign-born workers were admitted to the United States, rather than differences in educational levels in their home countries. For example, the average educational attainment among workers who came from India is roughly 16 years, even though the average educational attainment of the adult population in that country is well below the high school level; many workers from India were admitted to the United States because they had skills that were in demand.

Many workers from Mexico and Central America were employed in jobs that required little formal education. Workers from that region earned much less, on average, than did the typical native worker. In 2006, three-quarters of workers born in Mexico and Central America were employed in occupations that have minimal educational requirements, such as construction laborer and dishwasher; only one-quarter of native workers held such jobs. On average, the weekly earnings of men from Mexico and Central America who worked full time were 55 percent those of native-born men; women from Mexico and Central America earned about 60 percent of the average weekly earnings of native-born women.

Other foreign-born workers—that is, those who immigrated to the United States from places other than Mexico and Central America—were employed in a much broader range of occupations. A notable exception is their concentration in fields such as computer and mathematical sciences, which generally require at least a college education. For workers from the rest of the world, the average weekly earnings of men and women were similar to those of native-born men and women.

Impact on the Labor Market

The arrival of large numbers of immigrants with little education probably slows the growth of the wages of native-born high school dropouts, at least initially, but the ultimate impact on wages is likely to be modest. Recent estimates of the effect of two decades of growth in the foreign-born workforce on the average earnings of native high school dropouts have ranged from negligible to a reduction of almost 10 percent. The range of those estimates reflects, in part, the uncertainty surrounding what employers and native workers would have done if those foreign-born workers had not been present, either initially or after employers and workers had adjusted to the changes in opportunities that the influx of immigrants produced.

A flexible labor market will adjust over time to the presence of more foreign-born workers. An increased supply of labor should raise the return to investment in the United States, and increased investment, in turn, will tend to raise workers' productivity and earnings. Over time, that effect attenuates the downward pressure on wages for native-born workers. Over even longer time periods, some

of those workers may be motivated to obtain additional education to receive the associated increase in pay.

Implications for the Future

Immigrants have been—and in all likelihood will continue to be—a major source of new workers in the United States. Barring substantial shifts in demographic trends, immigrants and their descendants are expected to provide the majority of the nation's population growth during the next half century. Who immigrates to the United States and what those immigrants and their descendants do after their arrival will increasingly determine the size and skill composition of the U.S. labor force.

Appendix:

Charts Presented at the Hearing

Congressional Budget Office

The Role of Immigrants in the U.S. Labor Market

Peter R. Orszag
Director

Three Topics

- Foreign-Born Workers
- Their Impact on the Labor Market
- Implications for the Future as the Baby Boomers Exit the Labor Force

Size and Growth of the U.S. Labor Force (Workers age 16 or older), by Nativity, 1994 and 2006

	Number (Millions)		Growth, 1994 to 2006	
	1994	2006	In Millions	Percentage Change
Total	131.1	151.4	20.4	16
Native	118.1	128.3	10.2	9
Foreign Born	12.9	23.1	10.2	79
Mexico and Central America	4.6	9.2	4.5	98
Rest of World	8.3	13.9	5.6	68

Composition and Educational Attainment of the U.S. Labor Force (Workers age 16 or older), by Nativity, 2006

	Percentage of Labor Force	Average Years of Education
Total	100.0	13.5
Native	84.8	13.8
Foreign Born	15.2	12.3
Mexico and Central America	6.1	9.6
Rest of World	9.2	14.1

Geographic Distribution of Native- and Foreign-Born Workers Age 16 or Older, 1994 and 2006

Percent

	CA	NY, FL, TX, NJ, IL	Rest of Country	Total
		Distribution in 2006		
Total	100.0	100.0	100.0	100.0
Native	66.1	78.0	91.3	84.8
Foreign Born	33.9	22.0	8.7	15.2
Mexico and Central America	19.0	7.1	3.1	6.1
Rest of World	15.0	14.9	5.6	9.2
		Distribution in 1994		
Total	100.0	100.0	100.0	100.0
Native	72.5	84.8	95.8	90.1
Foreign Born	27.5	15.2	4.2	9.9
Mexico and Central America	16.0	4.3	0.8	3.5
Rest of World	11.5	10.8	3.4	6.3

Educational Attainment of the U.S. Labor Force (Workers age 25 or older), by Nativity, 2006

Percent

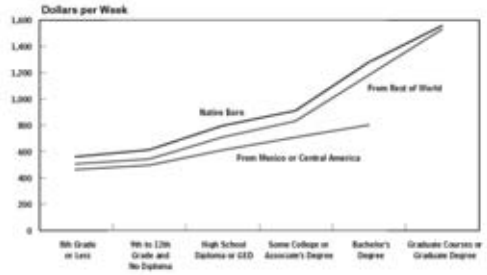
	All Levels of Educational Attainment	8th Grade or Less	9th to 12th Grade and No Diploma	High School Diploma or GED	Some College or Associate's Degree	Bachelor's Degree	Graduate Courses or Graduate Degree
Total	100	4	8	30	26	21	12
Native	100	1	5	31	30	22	11
Foreign Born	100	17	11	24	16	19	12
Mexico and Central America	100	39	21	26	11	5	2
Rest of World	100	5	8	24	20	27	16

Occupational Distribution of Workers Ages 25 to 64, by Nativity, 2006

Percent

Occupation Group	Native Workers	Foreign-Born Workers		
		Total	Mexico and Central America	Rest of World
Construction, Production, Cleaning, and Maintenance	14.8	29.4	49.5	16.8
Other Occupations	85.2	70.6	50.5	83.2
Total	**100.0**	**100.0**	**100.0**	**100.0**

Average Weekly Earnings of Full-Time Male Workers Ages 25 to 64, by Educational Attainment, 2006

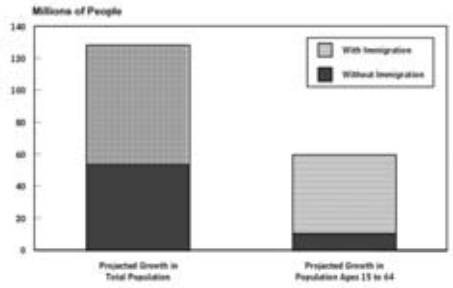


Differences in Average Weekly Earnings Between Foreign- and Native-Born Full-Time Male Workers Ages 25 to 64, 2006

Percentage Difference from Native-Born Workers with Native-Born Parents

	Unadjusted	Adjusted for Educational Attainment	Adjusted for Educational Attainment and Experience
Workers from Mexico and Central America	-45	-26	-24
Workers from Rest of World	0	-8	-8

Projected Effect of Immigration on Population Growth, 2000 to 2050



Ms. LOFGREN. Thank you very much, Dr. Orszag.

And thanks to all the panelists.

We will now begin questioning, 5 minutes per Member, and I will begin.

Dr. Buckley, I read the entire testimony of all the witnesses, but I was interested in your statements relative to job creation and some of the entrepreneurism, basically, that have been brought to us by immigrants.

And in Mr. Sequeira's testimony, he mentioned several individuals—Mr. Khosla, co-founder of Sun Microsystems; Andy Grove from Intel; Pierre Omidyar helped co-found eBay; Jerry Yang, founder of Yahoo; Sergey Brin, who founded Google—actually, all these people are from my county.

But I note that not all of them came as economic immigrants. I mean, Jerry Yang grew up in East San Jose. He came as a child. Sergey Brin was here, I mean, as a student, and certainly Google has made a lot of people rich and created a lot of jobs.

So when you are talking about this entrepreneurship, I assume that you are talking about the mix of immigrants coming in, not just people that, you know, sort of Soviet-style, we put a point system on, but just the whole rush of creativity that is sometimes created by an immigrant community. Is that——

Ms. BUCKLEY. I think that is exactly right. The spirit of dynamism in the United States is distinctly different than a lot of other countries.

People keep asking what the secret is to economic growth in the United States, and one of the answers is always we have people here who are willing to take risks.

There are lots of reasons for it, and a lot has to do with the way our financial systems are set up. People aren't permanently, for the rest of their lives, ruined if they try to start a business and fail. A lot of them live to start another one, and another one, until finally they succeed.

And part of the excitement that you see in this economy, I think, stems from just the very fact of our diversity. And this is why the whole immigration question going forward is going to be so critically important, because not only do these companies start those business, but businesses are part of an ecosystem.

So if I run a research lab and I can't get the workers I need to work in that lab, I am not just going to move a small facility overseas to hire those workers. I am going to move an entire set.

And companies like to be co-located with their customers and suppliers. So the chance of setting off an unfortunate chain reaction should not be minimized.

Ms. LOFGREN. If I may, have you studied that? Because anecdotally I have run into those situations in my county, which is high-tech—it is Silicon Valley—where sometimes you have key individuals, and you know, they are just looking for who is the smart guy to do something.

They don't care whether you are Hungarian or Chinese or whatever. They want you to become an American. But if they have identified somebody and they can't get that person, and it is key enough, they will move the whole outfit to a place where they can get people.

And Vancouver is one major example, since it is not that far a flight from Silicon Valley.

Has the Department of Commerce had the resources to study that phenomenon?

Ms. BUCKLEY. We don't have the data that could actually indicate that, but in connection with another project that we are undertaking on measuring innovation, we have talked to a collection of business leaders.

And it was amazing. In one of the questions we are asking them, why do you innovate in this country, and the whole chain and the ability to collaborate was very high on the list.

And I think a study done by IBM of CEOs points to the ability to collaborate as a key issue in how a multinational corporation chooses to locate its high-tech facilities.

Ms. LOFGREN. Right.

Mr. Sequeira, you have testified quite eloquently on the role, the positive role, that immigrants have played in our society. I want to ask you if you have thought about the comparison in that positive impact between people who are only on a temporary visa and people who are here and actually set down stakes and become assimilated.

Are the results going to be the same?

Mr. SEQUEIRA. I think both folks who come here permanently, that immigrate to the country, certainly make positive impacts, as the data shows. But that is not to say people who come here temporarily don't make an equally important impact.

The fact that they aren't permanent immigrants in no way diminishes the fact that they are filling jobs for which Americans, for whatever reason, have chosen not to take.

And, of course, temporary workers are not excluded from eventually becoming a permanent——

Ms. LOFGREN. Currently not. But one of the phenomena that we have seen, again in Silicon Valley, is somebody who comes, becomes a participant in an innovation, and then for whatever reason, sometimes immigration visa issues, actually has to go back—oftentimes, it is not even to their home country—to a competitor, and forms a competitive company with us instead of becoming an American.

My time has expired, and I am going to live by that rule.

Mr. King?

Mr. KING. Thank you, Madam Chair. I appreciate the yielding, and I do appreciate the hearing.

A lot of questions come to mind, and I want to also thank you all for your testimony and being here today.

One thing that does come to mind—and I direct my first question to Dr. Orszag. In reading through your written testimony, on page two you state that the growth of the wages of native-born high school dropouts, at least initially, the ultimate impact on wages is likely to be modest.

And as I listened to your testimony, and I hear different oral testimony, the effect was modest, the effect is still modest, and the impact on the native workers is modest.

And so I would ask you if you could clarify that. Is it likely to be, or is it? And then could you base your conclusion upon something so that I can better understand that?

Mr. ORSZAG. Sure. I wouldn't ascribe meaning to "likely to be" versus "is." I think the evidence suggests that the effects based on the immigrant pool that we have in the United States to date on the functioning of our labor market are modest.

Mr. KING. Okay. So you would make the definitive statement rather than likely, use the term likely.

Mr. ORSZAG. Yes.

Mr. KING. And I want to also ask you, are you familiar with the Heritage Foundation study that was done by Robert Rector and released about a month ago that analyzes, not just immigrants but without regard to the nationality or lawful presence, households headed by high school dropouts and the impact on our economy?

The short version of that is that a typical household headed by a high school dropout will pay about $9,000 in taxes, including fees on lottery tickets, and they will consume about $32,000 in services but have a net loss, annual loss, of $22,449 per household headed by a high school dropout.

It is actually marginally a little bit less if they are illegal because they use fewer services. Are you familiar with that? And that multiplies out to $1.3 million for every household for the lifetime of that household.

Mr. ORSZAG. I am familiar with some of his past work. I don't believe I have seen that particular study.

I would say that CBO is going to be in the near future releasing a paper on the effects of unauthorized immigrants on State and local governments, which is where you would expect the effect to be somewhat larger than at the Federal level.

Mr. KING. And I would ask you, since this is the individual who I think did the most definitive analysis of the Senate version of the immigration bill last year—his numbers hold up to this day as far as criticism that I have seen.

And I would ask you if you would be willing to sit down with him for a period of time and go through that study so I could have some level of confidence that your office understands the rationale behind that and give you, of course, an opportunity to either compliment it or criticize it, and at least evaluate it from an objective standpoint.

Mr. ORSZAG. Absolutely.

Mr. KING. I very much appreciate that, Doctor.

And then if I would then turn back, then, to Mr. Sequeira, as we discussed this, I just had this odd question come to mind. And you support the law of supply and demand?

Mr. SEQUEIRA. Certainly. Everyone does.

Mr. KING. That is kind of like the softball out there. But then explain to me how this works, if we can dump in tens of millions of people into the labor market, and they have a negligible effect on the wages of the people that are doing the work.

How can I reconcile that contradiction that appears to be at least a contradiction to me?

Mr. SEQUEIRA. I guess I didn't understand the question. The contradiction that——

Mr. KING. I can restate it, and that is if you believe in the law of supply and demand, and you dump in tens of millions of unskilled labor into an existing market, how do you reconcile that contradiction?

Mr. SEQUEIRA. I think most people come to that conclusion with the assumption that the economy—we are talking about a fixed size of the pie. And the economy grows. And there aren't a fixed number of jobs available.

Everyone who comes to America as an immigrant gets a job, but that doesn't mean they necessarily displace someone else in the marketplace. They may take a job that, in turn, leads to the creation of a job or two or three jobs.

So we are not talking about a fixed pie. It continues to grow, the economy, and the jobs.

Mr. KING. And if the pie grows faster than the increase of labor, then it would be a negligible effect, but doesn't that also diminish the expansion of the opportunities for wages to come up?

If you dump cheap labor into a marketplace, as that market grew, if you dump it in fast enough, it would prohibit the wages from going up, would it not?

Mr. SEQUEIRA. I am starting to tread in dangerous water sitting with two economists here.

Mr. KING. And I see them leaning forward here, and I guess I will say I am more interested in the next question I am about to ask than actually the answer. I am sorry. I am watching the yellow clock here, because I have one more I wanted to ask, I really would.

Also in your testimony, it says comprehensive immigration reform will not only secure our borders and bring illegal aliens out of the shadows but also meet the labor demands.

How does it secure our borders, and how do you get people to actually come out of the shadows? Some will come. But what about those that are concerned they won't be ratified?

Mr. SEQUEIRA. I think the biggest incentive to get people to come out of the shadows revolves around interior enforcement.

The president said it is a three-part plan. You have to secure the borders. You have to increase interior enforcement. And you create a workable temporary worker program.

And with aggressive interior enforcement and a workable temporary worker program, people can't essentially work in an underground economy. There has to be verification that you know the status of an individual before you hire them.

And if you have no opportunity to work in an underground economy, then your choice is to come out of the shadows and present yourself to the authorities, or you are going to have to return home.

Mr. KING. I just say the ones we want to probably won't. But I thank you.

And I yield back.

Ms. LOFGREN. The gentleman's time is expired.

I see the economists—maybe Mr. Conyers will ask you to answer Mr. King's question.

So I call on Mr. Conyers, our Chairman, for his 5 minutes of questions.

Mr. CONYERS. Could I wait until——

Ms. LOFGREN. You certainly may. I will defer to——

Mr. CONYERS [continuing]. The second panel? I haven't heard them, and I wish I had.

Ms. LOFGREN. That is fine.

We will go to Mr. Gutierrez.

Mr. GUTIERREZ. Thank you, Madam Chairwoman.

First of all, when was the last time we dropped tens of millions of people into our economy? To anybody. Tens of millions of people into our economy? I can't remember the last time. Anybody know the last time we dropped tens of millions of people into our economy? Okay.

How many undocumented workers are there in the United States, in the estimate of anyone on the panel?

Mr. SEQUEIRA. Ten million to 12 million.

Ms. BUCKLEY. Yes, according to Pew Hispanic Trust, 12——

Mr. GUTIERREZ. Okay, so 12 million.

Ms. BUCKLEY [continuing]. —12.5 million.

Mr. GUTIERREZ. And those undocumented workers in our country came over a period of how many years?

Ms. BUCKLEY. They broke out two groups—one, groups that have been here I think since before 2000, and the ones more recently—so it was over a very long period of time.

Mr. GUTIERREZ. Over a very long period of time. Twenty years?

Ms. BUCKLEY. Could be.

Mr. GUTIERREZ. Could be. But a very long—so what we know is that there is 10 million to 12 million over an extended period of time, so there hasn't been any tens of millions of people dumped into our economy instantaneously any time in recent history.

I want to go to wages and wages going up. Now, I just want to make a comment for the Members of the Committee.

I find it particularly interesting that people always use the issue of wages and that the wages will suffer for American workers, especially when the Congress of the United States has yet to increase the minimum wage, at least in the last 9 years. I particularly find it troublesome from people that are concerned about wages of American workers, but we can do nothing to impact our economy and to structure our economy for the wages of American workers.

They won't do anything about that, but when they see immigrants they say, "wages of American worker." So I just would like to ask for a little bit more consistency in terms of what we talk about here in the Committee.

Securing our borders. In order to secure our borders and to have a safer society—we have 12 million people—would one of the rationales be that we should know who these people are, and they should register for the Government, and therefore we would have a more secure society? Anyone?

Mr. SEQUEIRA. I think certainly, yes.

Mr. GUTIERREZ. Good. That is what I think.

And, you know, Madam Chairwoman, it is not all the time that I agree with the police. But we have the head of our border patrol, the chief of our border patrol, who has come before this Committee. And he has said, "The way you can help me, all right, secure our border is to have a new worker program to allow workers to come

to the United States." That is the head of our border patrol, the police.

I always find it interesting when Members of Congress and especially politicians who are always the friends of the police all of a sudden tend not to listen to the police when the police say something that doesn't fit into their particular scheme of things.

And lastly, I want to say the ones we don't want won't come out. Well, yes. Let's start with the ones that we can. That is who I want to come out. So then we can distinguish between them and enforce our laws on a smaller population of people because there is 12 million people that are legalized that our Government knows.

And lastly, as I don't want to take up the 5 minutes, I would like to say that I take a little bit of umbrage and this is a little personal. You know, my dad came with an 8th-grade education, my mom came with a 6th-grade education to this country, and their son is now a Member of Congress, and my sister is a school teacher.

They didn't understand the language. They only spoke Spanish. We grew up in a bilingual household. And obviously through some feat of magic, I learned English, since there were no English-only laws operating in this country as I was raised.

And indeed, all of my friends' parents—we always found it interesting that our parents spoke to us, as most immigrants, speaking the language of the country that they come from.

And I want to make it clear, my parents are from Puerto Rico, so they didn't have the immigration issue and the technicality of becoming citizens.

But in every other respect, they were poor, and they fled Puerto Rico during Operation Bootstrap because a whole community—that is why our census data will tell you there are more people who claim to be Puerto Ricans living in the United States than on the island of Puerto Rico.

In other words, they came here for the same reasons and under the same conditions and with the same socioeconomic conditions that low-skilled, low-wage workers come here to this country.

And yet this Congress is permeated with the sons and daughters of those very immigrants. So I think we should take that a little bit into account. I know it was a little personal, but I thought I should bring that relevancy to this hearing.

Thank you very much to the panel.

Ms. LOFGREN. Ms. Sánchez is recognized for 5 minutes.

Ms. SÁNCHEZ. Thank you, Madam Chairwoman.

I want to go back to Mr. King's question and allow Mr. Orszag an opportunity to address it.

If I am not mistaken, Madam Chair, the question was if bringing more workers into the United States, immigrant workers into the United States, taking into account the laws of supply and demand, how does that not drive down wages for native-born workers or take jobs away from native-born workers?

Could you please explain that apparent contradiction?

Mr. ORSZAG. Sure. The law of supply and demand doesn't tell you anything about what the size of an impact is. It suggests that if you have an increased supply of something, you normally drive

down the price or the wage of that something. But you can't tell from theory how big that effect is.

And in my oral remarks, I tried to walk through some of the reasons that would suggest that there might be more modest effects than you would sort of think ahead of time. And so, it ultimately becomes an empirical question, which is, how big is it?

When you look at the empirical evidence, the most credible evidence suggests that the effects are very small—and I will avoid all the weasel words, not likely—based on the available evidence are small.

Ms. SÁNCHEZ. Thank you. I appreciate your clarification of that.

Dr. Buckley, I understand from your testimony that immigrants have a substantially higher rate of entrepreneurship than native-born Americans, and that the high rates of entrepreneurship among the immigrant population contribute to the dynamism of the economy, fostering both investment and employment.

You described them, I think, as risk-takers. And I would tend to agree, figuring that people who are willing to leave their families, their language, their culture behind to come to a country and make or break it are definitely taking big risks.

When you are talking about immigrants having sort of a higher rate of entrepreneurship, I assume that you are not distinguishing between the different types of immigrants, whether it is family-based immigrants, employment-based or humanitarian-based immigrants. Am I correct in that assumption?

Ms. BUCKLEY. That is correct. And I would like to clarify that that is a study done by the Kauffman Foundation. That was not a study done by the Department of Commerce.

If I could add one more thing to Dr. Orszag's explanation, that is that when the supply curve shifts out, there is usually a shift out in the demand curve, because when people come here, they rent houses, they buy groceries, they buy cars.

So it is not only a shift in one of the curves. There is a shift in the other curve that occurs at the same time, which is why, absent doing fairly sophisticated econometric studies, you are not going to be able to distinguish between which one of those effects dominates.

Ms. SÁNCHEZ. Thank you. You also stated that immigration has been a key contributor to our past growth. In your opinion, do you think we could have achieved the levels of economic growth the last couple of years without the growth in the immigrant labor force?

Ms. BUCKLEY. Absolutely not. When you have half of your labor force growth coming from immigration, it is not logical to think that economic growth would have been the same without them.

Disentangling the exact impact would be very difficult to do because of the distributional issues. But if you just take a very simplified example that a combination of growth in labor force hours—that growth rate plus the growth rate of productivity gives you the potential growth rate of GDP.

If labor force is growing by 0.8 percent a year and it only grew by 0.4, adding it to the same productivity growth rates—I don't know how that would change—you would be reducing the growth in the economy by 0.4 percent per year.

But again, that is really rough, and without doing a lot of work pulling that number out would be very difficult.

Ms. SÁNCHEZ. But is it fair to just summarize and say that part of the economic growth that we have experienced has been due to immigration?

Ms. BUCKLEY. Yes.

Ms. SÁNCHEZ. Thank you.

Mr. Sequeira, in pressing a proposal to reform our immigration system, the Administration seems to be focused on very large expansions of temporary worker programs that don't seem to provide those workers with a way to become permanent residents.

Isn't it true that one of the significant benefits of immigration in America is the fact that immigrants help, often times, revitalize troubled communities or blighted communities?

They start new businesses that bring in important economic activities to neighborhoods and ultimate then integrate into the American community to become part of the American dream.

Mr. SEQUEIRA. I think, yes, that is certainly true for immigrants.

Ms. SÁNCHEZ. Okay. If we rely too heavily, though, on using temporary workers who have very little chance of becoming permanent members of our society, aren't we going to then lose those positive benefits that immigration brings?

Mr. SEQUEIRA. I think that is one conclusion that one could draw, but that at least seems to assume that there won't otherwise be other immigration going on. And I think that, certainly, the robust immigration we have had, legal immigration, over the past several years expects to continue, and maybe in some cases even increase.

And a temporary worker program would be separate and apart from that.

Ms. SÁNCHEZ. Madam Chair, I know my time has expired, but if I could just follow up with one last question directly related to this, and beg an additional——

Ms. LOFGREN. Without objection, the gentlelady is recognized for an additional minute.

Ms. SÁNCHEZ. Thank you.

My point being that workers who are simply coming here on some kind of short-term contract are going to have less incentive, would you think, to invest in our communities, to maybe buy a home, or build a business, or to learn English if at the end of the day they are not going to be able to stay and they are going to have to go home?

Mr. ORSZAG. I think that may be true for some, but also it is important to remember that we currently have temporary worker programs, and tens of thousands of temporary workers come into the country every year expressly just to work for short periods of time, likely to earn money to return to their home country, in agriculture, at the end of the growing season.

And they prefer to do that, because of the economic opportunities here. They come here and earn money and return to their home country where they live and where their family remains.

Ms. LOFGREN. The gentlelady's time has expired.

Ms. SÁNCHEZ. Thank you.

Ms. LOFGREN. Let me turn to Mr. Davis for his 5 minutes.

Mr. DAVIS. Thank you, Madam Chairwoman. And because some of us literally have planes to catch, I won't be able to be here for the second panel, so I will make my comments a little bit more global than they normally would have been.

I want to address this issue of competition for low-wage jobs. And I want to put it in the context of my region of the country, the American South, and our experience in the first 60 years of the 20th century.

At the end of the 19th century, there was a fair amount of cohesion between low-income Whites and Black descendants of slaves in the American South. They felt they had a lot in common. They were both poor. They felt they had a lot in common. They were both struggling to hold their family units together against all kinds of economic pressures. And they had a lot in common because they had significant shared histories of exclusion from the dominant social structures in their States.

And they were voting for the same candidates. The people they were voting for were winning elections. And Southern politics was becoming very progressive. And not everyone liked that. And some of the people with power who didn't like the progressive politics figured, "Well, how do we move history in a different direction? Well, maybe one way to do it is to start to break the cohesion down between low-income Whites and Blacks and get them mad at each other."

So this was the strategy that was employed in the South for the first 60 years of the 20th century: Go to low-wage Whites and say, "If you give political freedom, status and power to Blacks, they are going to crowd you. They are going to push your place at the pedestal, and there won't be as much to go around. After all, we are fairly poor in the South, and if more people can enter the circle of power, there will be more to go around for everybody."

And it was an argument that had a lot of force for the first 60 years, and then all of a sudden we start electing New South governors, and we got more progressive, and people started to think that kind of politics didn't work very well.

I mention all of that not just to give you a history lesson, but because I see echoes of it in what is happening in our politics today, frankly.

And I am distressed when I see people on either the extreme left or the extreme right, the Black community or the White community, Democrats or Republicans, go to African-Americans or low-income Whites and tell them they ought to be distressed about low-income migrants coming here and crowding out their space in the labor force.

You have all done a very good job making an economic argument that, first of all, the premise is wrong. But there is a broader political context here. This is destabilizing and dangerous in a community that cares to be cohesive. These kinds of arguments are destabilizing and dangerous in a community that cares to be cohesive.

And I want to follow up on Mr. Gutierrez's point. I like this idea of an emerging caucus around the interests of low-wage folks.

But if the caucus were to get together and to form a charter, I would suspect the following issues should be at the top of the agenda—minimum wage, because we haven't raised it in 9 years, and

in real purchasing dollars it is the equivalent of $3.50 today. That ought to be number one.

Number two ought to be expanding trade adjustment assistance so that we have a comprehensive program and not a narrow program for people who have been unfairly hurt by globalization.

Number three ought to be more spending on education in communities that can barely fund their own school districts.

Number four ought to be stronger health care, because we know the impact between health care and economic productivity.

And if I had time, I could give you another 15 or 20. And if I had a lot of time, I might get to number 21, which was, frankly, dealing with these kinds of issues.

So I would simply ask the panel to respond to this particular argument in the context of the minority community. Pick any city, pick Chicago, pick Atlanta, pick any large urban city with a minority population. Is there any empirical evidence whatsoever that immigration has contributed to unemployment among poor Black folks?

And as we used to say in the courtroom, let the record reflect that all three witnesses shook their heads no.

But who wants to comment?

Mr. ORSZAG. I would just comment that I would agree with the tenor of your remarks, that while immigration may have had some effect, there are other forces that are having a much larger effect on low-income native-born American workers, including technological changes.

And if you look at the combination of sluggish real income growth among lower-income households, and very high levels of earnings volatility, that combination, I think, is something that policy makers are rightly concerned about.

Mr. DAVIS. And I will follow up with this point, if I can ask the Chair's indulgence for an additional 30 seconds.

If you look at the American South, at the heavy concentrations of low-wage individuals, it is in the Mississippi Delta, the Alabama Black belt, and there is virtually no cognizable illegal immigration in those communities. It is point with a lot of zeroes behind it.

So again, facts are very, very helpful if we will only take the time to look at them.

Thank you, Madam Chair.

Ms. LOFGREN. The gentleman's time has expired. Thank you very much.

And we would now recognize the gentlelady from Texas for 5 minutes, Ms. Jackson Lee.

Ms. JACKSON LEE. Thank you, Madam Chair.

And again, let me offer my appreciation for the steady building blocks that we have worked to construct here as we move, probably somewhat swiftly, in the next couple of weeks toward confronting this important question.

Let me also thank the Ranking Member and the full Committee Chair. I think it is appropriate to acknowledge that the Chair has had an enormous civil rights victory today, Mr. Conyers, so this is a good day for us.

Let me acknowledge my colleagues, because each and every one has had a series of pointed questions, and apologize to the wit-

nesses. We were in another meeting dealing with that other issue called the Iraq war.

But I wanted to follow up on the line of questioning that I know some colleagues have already offered, but—Mr. Davis.

I have sat in this chair on the Immigration Subcommittee for, I think, calculating, about 6 years and faced a high degree of frustration that we were not moving. We were certainly listening to a lot of testimony when we had hearings on the H-1B visas and the capping.

And out of that, I listened to a wide array of opinions and also perceptions. And I think it is important, because you were so definitive in your response to Mr. Davis's question about whether there is an impact economically on, in a certain instance, low-income or African-Americans.

But there is perception. So I have heard testimony about engineers who have said that we have not been able to be hired in some of the technological fields, the fields of software writing, if you will, because of the color of our skin. That is an important question to answer.

And so in listening to that for 6 years, we worked to construct legislation that—I hope my colleagues will offer me the opportunity to be a witness in this Committee, because it does have a lot of interested parties. And that is around the question of being able to have a dual focus when we move forward on immigration reform—develop stakeholders in America who otherwise would not be.

Beyond telling Americans that, you know what, you are really not impacted by the influx of migrant workers—I believe they are not. I believe they are a crucial part of the economy.

And there is something to say that visas create work. H-1B visa-type visa holders may create work. But I think in creating stakeholders, you have got to assess rural areas that are underemployed or unemployed in high numbers, inner-city areas. You have got to have them become stakeholders.

Some way we have got to have the dual process of a worker program—I don't like temporary. I think people are here to work. And I question the Administration's definition of such—but to have a dual process and find the opportunity for a jurisdictional nexus to have job training, job recruitment and job retention, so you can answer the question of people who will put full-page ads to suggest something is being taken away.

And I would also say that I don't think we can be so finite and definitive, because each area is different. Somebody will come here and testify and say, "I was employed, and someone else came and took the job because they were bilingual," or construction sites, large numbers of Hispanics and not African-Americans.

So my question is let's deal with the issue of perception. Would you concede that many Americans, Anglo, African-Americans and others, might think new immigrants might be detrimental to them?

And do we not need to create some focus so that Americans can be stakeholders by saying alongside of comprehensive immigration reform, we have got a package of job training? It might be a nexus there. It might be through some of the revenue that comes out.

But you create this hand-in-hand relationship: "I am going to go along because it is good for us. They are working, we are working."

We have got to be able to deal with perception, because a lot of our votes on the floor are going to be lost in perception.

Would you care to answer that one question?

Mr. SEQUEIRA. Yes. I think that is the case. And as you will recall, a few years ago Congress did just that with the H1B program. And part of those fees do come to the Department of Labor and are——

Ms. JACKSON LEE. And we have got to make that better. It was not a really effective program. But go ahead.

Mr. SEQUEIRA. Yes, and that type of program, I think, works, and it certainly generates a lot of money that is a defined, dedicated revenue stream that can be used for exactly those type of products.

Ms. JACKSON LEE. Thank you.

Dr. Buckley?

Ms. BUCKLEY. I agree with you that the perception is there. I am not sure exactly what needs to be done about it. I am sorry, that is out of my area.

Ms. JACKSON LEE. But at least you say the perception—may I get Dr. Orszag very quickly?

Mr. ORSZAG. Sure. And I think you probably have more information about perceptions than I do, but based on my informal perception of perceptions, I think that perception is there.

Ms. LOFGREN. And on that note, the gentlelady's time is expired.

Ms. JACKSON LEE. So we need to work on it. Thank you.

Ms. LOFGREN. I want to thank the panelists for being here today. Your testimony has been very helpful, and your written testimony is really spectacular. We do appreciate it.

Without objection, the Members of the Subcommittee will have 5 legislative days to submit questions to you, which we will forward and ask, if you can, that you answer them as promptly as possible so they can be made part of the record.

We will now hear from our second panel of distinguished witnesses.

I am pleased, first, to introduce Dr. Gerald Jaynes, the Director of Graduate Studies in African-American Studies and professor of African-American Studies and Economics at Yale University. Professor Jaynes has taught at Yale since 1977, just 1 year after having received his Ph.D. from the University of Illinois. In addition to his renowned body of scholarship, Professor Jaynes served as Study Director for the Committee on the Status of Black Americans for the National Research Council here in Washington and head of the research project, "Immigration, Blacks, and Race Relations" sponsored by the Mellon Foundation.

We are also pleased to have Dr. Rachel Friedberg with us, a senior lecturer in economics at Brown University. Dr. Friedberg has taught at Brown since 1992. In addition to her work at Brown, she also serves as a faculty research fellow at the National Bureau of Economic Research, a fellow of the Stanford University Center for the Study of Poverty and Inequality, and an external fellow of the Center for Research and Analysis of Migration. Dr. Friedberg received her bachelor's degree from the University of Illinois and her Ph.D. in economics at the Massachusetts Institute of Technology.

Next, I would like to extend a warm welcome to Wade Henderson, the president and CEO of the Leadership Conference on Civil

Rights. Prior to his post in the Leadership Conference, Mr. Henderson served as the Washington Bureau Director of National Association for the Advancement of Colored People and the Associate Drector of the national office of the American Civil Liberties Union. Mr. Henderson also served as Counselor to LCCR's education fund and the Joseph L. Rauh Jr. Professor of Public Interest Law at the David A. Clarke School of Law at the University of the District of Columbia. Mr. Henderson holds his degrees from Howard University and the Rutgers University School of Law.

And I will just say that I am so personally honored to be in the presence of Mr. Henderson. It is an overwhelming honor to have someone of your reputation appear before us as a witness, and it is a personal thrill to me.

Finally, I would like to welcome our minority witness, Dr. Vernon Briggs, Jr., Emeritus Professor of Industrial and Labor Relations at Cornell University. A prolific scholar, Professor Briggs has additionally taught courses at Michigan State University, Harvard's John F. Kennedy School of Government, and the University of Texas at Austin. He has served as an advisor to a host of Federal agencies, among them: the Department of Labor; the Department of Health, Education and Welfare; and the U.S. Civil Rights Commission. He has served as a board member for the Center for Immigration Studies since 1987. He earned his bachelor's degree from the University of Maryland and his master's and doctorate degrees from Michigan State University.

Before we invite each of the witnesses to give their testimony, I noted at the outset of our hearing that we would reserve time for the Chairman of the Committee to make his opening statement. And as Mr. Conyers has joined us, I would invite him now to make his opening statement.

Mr. CONYERS. Thank you, Madam Chairman.

In view of the fact that this second panel has been waiting so long and I want to hear them so much, I ask unanimous consent to put my opening statement in the record, reading this one quotation from Frederick Douglass.

He said, "We should welcome to our ample continent all nations, kindred tongues, and peoples. And as fast as they learn our language and comprehend the duties of citizenship, we should incorporate them into the American body politic. The outspread wings of the American eagle are broad enough to shelter all who are likely to come."

And I would ask that that be put into the record, in addition to his speech from which that is drawn.

Ms. LOFGREN. Without objection, that will be done.

Mr. CONYERS. Thank you.

[The prepared statement of Mr. Conyers follows:]

PREPARED STATEMENT OF THE HONORABLE JOHN CONYERS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN, AND CHAIRMAN, COMMITTEE ON THE JUDICIARY

There is a concern that immigrants, both legal and undocumented, have undermined wages and working conditions for U.S. workers, especially in the low-wage sector. These are real concerns, and we must take them seriously in crafting a realistic immigration policy.

But these concerns can also be twisted and misused. I am very concerned that those who do not want immigration reform to succeed are trying to split minority

communities and coalitions through the use of proxies and fully-funded but false grassroots organizations. I am heartened to see that the Leadership Conference on Civil Rights and other groups are standing for unity and realistic immigration reform.

Nevertheless, immigration does pose some important questions. I am interested in hearing the panelists on several aspects of this issue:

> *First,* how can we harness the energy of these new immigrant communities while also ensuring opportunity for everyone, especially low-wage workers?
>
> *Second,* how can we ensure that immigration programs don't destabilize poor urban and rural communities that have fought so hard just to get back on their feet?
>
> *Finally,* how can we establish safeguards to help American workers while resisting efforts to split the minority communities apart on this issue?

On that note, I would like to remind everyone of the words of the great Frederick Douglass. Many may not recall that after the Civil War, rather than resting from his struggles against slavery and on behalf of the African-American community, Douglass turned his attention to immigration in a speech entitled "Our Composite Nationality."

For just as we are discussing today, Douglass recognized that concerns about American jobs could be used to drive wedges among ethnic communities. He was concerned that prevailing sentiment would reduce immigrants to mere guestworkers who would be shut off from society and exploited by bosses. And he was especially concerned that such treatment of the immigrants would be used by the powerful to undercut the gains of Emancipation, split minority communities, and create a new slave class.

Frederick Douglass did not blame the immigrants themselves for this. He did not see them as a threat to the African-American community for which he had worked so hard. His time in slavery made him compassionate to the suffering of others, not hardened to their plight.

Douglass rejected those who claimed that immigrants would hurt America. He noted that they were the same "gloomy prophets" who had previously held that slaves had no capacity to be free. Instead, he spoke with pride of an America capable of accepting all who sought shelter in this country:

> "We should welcome to our ample continent all nations, kindreds, tongues and peoples; and as fast as they learn our language and comprehend the duties of citizenship, we should incorporate them into the American body politic. The outspread wings of the American eagle are broad enough to shelter all who are likely to come." [1]

I would ask that Frederick Douglass' landmark speech be made part of the record of this hearing in its entirety, because what he argued for almost 150 years ago remains true today. Through a controlled, orderly, and fair immigration system, we have a chance to ensure that our communities are not divided. We have a chance to ensure that, as Douglass suggested,

> "all here [shall] bow to the same law, speak the same language, support the same Government, enjoy the same liberty, vibrate with the same national enthusiasm, and seek the same national ends."

Ms. LOFGREN. Thank you, Mr. Conyers.

As you know, we have a little machine here. Your written testimonies will become part of the permanent record of this hearing. We would ask that you try and summarize your written testimony in about 5 minutes, and when the yellow light goes in it means you have got about a minute left.

So if we could start here with Dr. Jaynes, if you would begin, we would be honored to hear you.

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[1] Frederick Douglass, "Composite Nationality" (1867). Douglass Papers, Library of Congress, Box 22, Folder 18.

TESTIMONY OF GERALD D. JAYNES, Ph.D., PROFESSOR OF ECONOMICS AND AFRICAN-AMERICAN STUDIES, YALE UNIVERSITY

Mr. JAYNES. Thank you, Madam Chairwoman and Members of the Committee.

Well, first, as a veteran Econ 101 lecturer, I feel impelled to add a small point of clarification to the last panel discussion. That is that, strictly speaking, the law of supply and demand can be stated succinctly in the following way: that an increase in the supply of labor will decrease wages, holding all other relevant variables constant.

Now, all those other relevant variables, of course, haven't been held constant. And that is what leads to the complications involved in attempting to estimate what the effects on native-born workers have been of the immigration.

The majority of the—much more than simply the majority—the great preponderance of the methodologically sound studies have found that these effects are negligible at worst, and some have actually found that they are positive.

In general, studies have shown that the overall net effects of immigration on the United States as a whole have been a positive one. That is, immigrants produce more than they consume in terms of public services, which is the appropriate criterion to use when you are looking at this from the point of view of the United States as a whole.

Now, from the point of view of an individual community, you might be concerned about whether they are paying taxes and exceeding the services you are paying, but that would be for the community as an entity, as a part of the whole.

Now, there are in excess of 150 million workers in the U.S. labor force. So we can conclude that immigration has been a positive benefit overall and still understand that there can be winners and losers; that is, that there can be some communities who may have suffered negative losses, and there can be some groups of workers who suffered negative losses.

And then as a consequence, we can find all kinds of examples of groups of workers or individuals or communities who have suffered damages.

That is why academic economists and policy analysts do statistical studies, so that we won't be simply concerned with the anecdotal story that might tell us something about a particular case but doesn't give us good understanding of what is going on with the nation as a whole.

The concept that is used to justify using cost-benefit analysis to talk about whether something is overall effective than positive or negative for the nation, say, is called by economists the Hicks compensation principle.

And it can be succinctly summarized as saying the following. If the net benefit is positive, then the sum gains of all the winners is sufficient that they could compensate the sum gains of all the losers and still have something left over. Therefore, theoretically, everyone could gain.

In practice, however, the compensation is never forthcoming to the losers. As a consequence, the losers' voices are often shrill and standing up loudly to be heard.

One aspect of the debate over our immigration policy which I think is somewhat missing is that aspect which discusses how do we compensate those losers.

Yes, those same best studies find that the most disadvantaged, least educated workers in the workforce are modestly hurt in the labor market in terms of employment in some places and their overall wage packages.

So a just democratic society such as ours should place into a debate over immigration reform the idea that there would be a discussion as to how do we compensate those workers—not directly, of course, by sending them checks in the mail, but how do we put forth policies which will allow them to obtain training, education, possibly relocation?

How do we put that issue into the overall debate?

Secondly and lastly, with respect to this idea of compensation and the fact that there are gainers and losers, although the vast majority of we Americans in the economy as a whole gain from immigration, is the idea that there will also be some pockets of labor markets where immigration has a very detrimental effect.

There are some industries—for example, the meat packing, the poultry industry—where immigration has, indeed, deteriorated the conditions for workers to an extent that I would call it a national disgrace.

But one of the major reasons why that occurs is simply because the undocumented workers who now dominate the labor forces in those industries are being exploited by the employers themselves.

And if we allow the immigrant workers, documented or undocumented, to be exploited we do, indeed, ensure that some native-born workers are going to be exploited as well.

So we need to also be talking about the fact that any changes—temporary workers, guest workers, whatever we might want to call them, are going to have to have important safeguards which attempt to protect the integrity of our low-wage labor market for all workers, native-born, immigrants alike.

And that will require that we address issues such as minimum wage laws, granting protections to immigrant workers, and one of those special protections would be giving them the mobility to change employers, which is not always the case under temporary work visas, for example.

And we must give them a path to citizenship so that they can enjoy the prospect of being full beneficiaries of this great country. Thank you.

[The prepared statement of Mr. Jaynes follows:]

PREPARED STATEMENT OF GERALD D. JANES

Economic Effects of Contemporary Immigration

Gerald D. Jaynes
Professor of Economics and African American Studies
Yale University

Testimony Presented to the Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law
U.S. House of Representatives, Committee on the Judiciary, 110th Congress
May 3, 2007

Madame Chair and members of the committee, my name is Gerald Jaynes and I am Professor in the department of economics and in the department of African American Studies at Yale University. One of my major research interests during the past decade and a half has been immigration and its effects on race and ethnic relations and the economy. It is my pleasure to offer you my thoughts on the economic effects of contemporary immigration in the United States. Today I confine my remarks to the economy focusing on the net beuefits and costs of immigration and their distribution across various social groups.

As we all know, one of the more salient issues concerning this topic is the question of immigration's effects on the employment opportunities of native-born workers. For fear of providing fuel to some of their nastier opponents in the contentious debate over immigration, many supporters of immigration and immigrant rights are reluctant to acknowledge immigrations' deleterious effects on some native workers' labor market prospects. My position is that we can acknowledge that immigration probably hurts the employment and wages of some less educated citizens and still conclude immigration is a net benefit for the United States. The most methodologically sound estimates of the net effects of immigration on the nation conclude that the United States, as a whole, benefits from contemporary immigration. Properly measured, this conclusion means that during a period of time reasonably long enough to allow immigrants to adjust to their new situations, they produce more national income than they consume in government services.

Confusion about this issue is caused by some analysts failure to make appropriate distinctions between immigration's impact on specific local governments and groups and its impact on the whole nation. Although benefits of immigration, such as lower prices for consumer and producer goods and services, greater profits and tax revenues, accrue to the nation as a whole, nearly all of the costs for public services consumed by immigrants are borne by localities and specific demographic groups. As a consequence, although immigration has positive net benefits nationwide, the net benefits to some localities and specific interest groups can be negative. Even so, inappropriate methods of analysis have led some analysts to overstate the costs of immigration even at the local level. In particular, analyses that purport to measure the benefits of immigration by comparing taxes paid by immigrants to the cost of public services they consume are egregiously incompetent and misleading. A complete cost benefit analysis must compare the increase in national incomes to immigrant costs.

On average, Americans receive positive economic benefits from immigration, but, at least in the short run, residents of particular localities and members of certain groups may lose. Cost benefit analysis is only concerned with a comparison of aggregate costs and benefits; who bears the costs are not considered. But in any large-scale social reorganization, there are inevitably winners and losers. Economists call the welfare principle that legitimates cost-benefit analysis as a decision-making

criterion for social policy the Hicks Compensation Principle. Stated succinctly it merely says that if aggregate benefits of immigration exceed costs, the gains of all society's winners are sufficient to adequately compensate all society's losers. In theory, such payments from winners to losers would make everyone better off. In practice, such compensation is seldom forthcoming. Along with localities hosting disproportionately few immigrant residents but benefiting from the employment of many immigrant workers, owners of capital, and most consumers and workers gain at the expense of some native-born workers. Workers who lose are low-skilled, poorly paid, and disproportionately minority.

Democratic concepts of justice suggest the losses of a few should not override the gains of the many. Democratic concepts of justice also demand that society's least advantaged members should not be paying for the immigration benefits enjoyed by the entire nation. A democratic society benefiting from immigration and debatiug how to reshape its immigration policies should also be discussing social policies to compensate less-skilled workers through combinations of better training, relocation, and educational opportunities. It should also be debating how the federal government should address the unequal burdens of immigration among localities.

Labor Market Losers?

The charge that immigrants reduce the wages and employment of native-born Americans is one of the most contentious issues of the debate over immigration and "control of the U.S. border." Despite the highly organized and publicly visible forces touting evidence of immigrants' devastating effects on native workers and especially young minority workers, how immigrant workers affect native labor markets remains a topic of uneasy debate among both lay people and economists. Some people argue current levels of immigration are literally destroying communities because undocumented workers are driving blue-collar wages so low a middle class standard of living is becoming unattainable for many working Americans. Such arguments often claim foreign workers are particularly detrimental to the job prospects of young African-American men lacking high school diplomas. Yet, according to polls, at least until very recently, possibly a majority of American citizens believe otherwise. Many Americans are more likely to believe immigrants fill jobs that without them would remain vacant and that their labor is actually accelerating economic growth and expanding overall employment.

Consistent with these polls, rigorous analyses of the effects of immigration on less-educated native workers suggests these effects are relatively small and in any event secondary to other causes of less educated native workers' often dismal employment experience. As I have commented elsewhere, in addition to an abundance of anecdotal evidence showing immigrant "takeover" of specific jobs (Jaynes, 2000:23), both common sense and straightforward economic reasoning explain why some Americans say they believe immigrants lower wages and displace native-born workers from jobs. The common sense behind these fears emerges from the most basic priuciples of supply and demand; mass immigration of millions of migrants looking for work in a new country should exert a large and negative effect on the wage and employment opportunities of workers already in the country.

Recent Labor Market Experience of Yonng Males

Supply and demand theory is supported by the fact that the surge in immigration during the past thirty-five years occurred simultaneously with a large drop in the inflation-adjusted wages of less-educated American workers. The adverse trend in the wages of less educated men in particular, was

both absolute and relative to the wages of college educated men (Jaynes, 2006). As the average education levels of arriving immigrants declined significantly after 1980, the compensation of less-educated U.S. workers fell dramatically relative to wages of the highly educated. One way to understand the increases in earnings inequality is to compare the earnings of high school and college graduates. The earnings of full-time high school graduate men fell significantly compared to the earnings of college graduate men of the same age. Underlying the disadvantageous change in high school men's relative wages were two basic trends; while the inflation adjusted earnings of college graduates increased significantly after the mid-seventies, the inflation adjusted earnings of high school graduates at best stagnated and at times decliued.

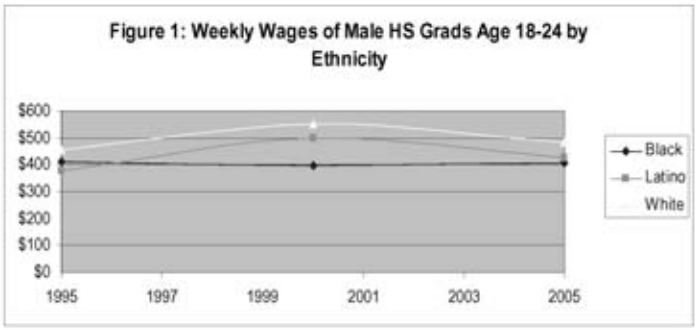
The largest reductions in earnings occurred among less educated men and women and for all races. During the decade and a half period encompassed by the early 1970s and the late 1980s, the earniugs of the poorest ten percent of working men fell more than 30 percent even as the earnings of the most affluent 40 percent held steady. To illustrate the point, between the years 1969 and 1984 (measuring in 1984 constant dollars) the mean weekly wages of white male high school graduates fell from $481 to $393; this was a reduction of 18 percent. The fall in mean weekly earnings among white male high school dropouts was much sharper; 37 percent. Sharp reductions in the already lower wages of comparably educated African American men decimated working conditions among young black males. During this fifteen year period, black male high school graduates mean weekly wages fell 22 percent, from $357 to $278, and for black male dropouts mean weekly wages were in a period of free fall dropping 32 percent, from $312 to $213.

Falling inflation-adjusted wages and rising earnings inequality was accompanied by increasing male joblessness, and as any one remotely familiar with the recent socioeconomic history of the United States knows, joblessness and low earnings were especially severe among young black males. Deteriorating wage opportunities had already precipitated severe reductions in young black men's employment during the decade of the 1970s, but incredibly their labor market position deteriorated even further during the 1980s. Overall, the unemployment rate of black men exceeded 20 percent during the early 1980s. At the midpoint of the eighties decade, the average black man aged 20 to 24 who had dropped out of high school earned only $146 per week when employed, unfortunately such black men had an unemployment rate of 45%. Their high school graduate counter-parts fared little better, averaging earnings of $165 per week. White dropouts that age earned a third more and faced half the unemployment rate, a situation still burdensome for their communities. The response to these catastrophically low wages was a marked detachment of many young black men from legal market employment. Thus, although in 1970, black high school graduates and college graduates ages 25-34 had similar employment rates (90% versus 90.4%), by 1985 high school graduates had an employment rate 13 percentage points lower (66.3% versus 79.6%). The employment rate of same age black high school dropouts during 1985 was 57.2%, more than 20 points lower than the college graduates. During 1970, even the drop outs had enjoyed an employment rate of 85%. An indicator of the extent to which these young men took recourse through black and gray market work is that the proportion of black high school dropouts in this age group reporting no earnings more than tripled, from 7% in 1970 to 23% in 1985.

More recent labor market experience of young American men has continued to bolster the claims of critics of immigration who say immigration deteriorates the employment prospects of African American males. The ten year period beginning in 1995 and ending with 2005 began with a healthy upsurge in employment and wages for the American people. Post-2000, some of the earlier wage gains were lost but wages remain higher than during the early nineties. A brief look at the wage experience of young black men during this ten-year period helps explain why criticism of immigration may be increasing from within the African American population. Unfortunately, the experience of African American men

in the age category 18 to 24 who are high school graduates and full-time workers has probably diminished the labor market expectations of disadvantaged young black men.

While the wages of full-time working white and Latino male high school graduates rose sharply during the economic boom between 1995 and 2000, the wages of similar black men were flat leading many African Americans to speculate that heavy Latino immigration during this period was indeed deteriorating employment and wage opportunities for black men. See Figure 1 which also illustrates the general deterioration in the wages of young American men of each group since 2000. The fact that the wages of young Latino men overtook the wages of similar young black men during this period merely flames the fires of discontent over immigration.



Source: Data calculated from CPS Annual Social and Economic Supplement, 2006, Table PINC-04; 2001 March Supplement, Table PINC-04; 1996, Table PINC-06A. Weekly wages of Full-time workers calculated as annual earnings divided by 52.

Facts concerning immigration such as those just reviewed bestow tremendous salience to Americans' escalating demands that Congress construct a wall about our international southern border to stem the tide of undocumented migrants. Some critics of immigration go further calling for the government to seize all illegal immigrants and deport them. In addition, they say, documented immigration should be severely limited and allowed only for highly educated and skilled applicants.

Assessing the Evidence of Immigrations' Labor Market Effects

One need not search hard to find disturbing evidence that recent immigrants may exert negative effects on sectors of the U.S. labor market. But how convincing is the evidence? Social scientists require stronger proof than mere correlation between arriving numbers of immigrants and deteriorating job market conditions for natives. After all the last four decades of U.S. history have encompassed a host of socioeconomic changes each of which offers an alternative explanation for the deteriorating economic circumstances of lower skilled workers. The specifics of the alternatives make the conjecture

especially salient for young black males. No remotely credible argument blames immigration for the large and near steady reduction in blue-collar jobs in the U.S. which began during the 1950s. Nor did immigration cause the weakening of labor unions, automation, growth of the computerized information economy, or deteriorating U.S. import-export balances that continue to suck up good paying jobs.

And, indeed, social scientists' rigorous statistical analyses initially stood upon its head the common sense of straightforward supply and demand theory. Until well into the 1990s, the great preponderance of rigorously desigued and executed studies of immigration's effects ou the ecouomic position of U.S. citizens concluded that the effects were either ambiguous and in any case negligible or that immigrants in fact had a positive effect on the employment and wages of natives. These results held for both skilled and unskilled native-born workers and for women, minorities, and whites. The one exception to the findings of no negative effects were recent immigrants who were found to be hurt by those who arrived behind them.

The counterintuitive results of this research were explained in the following terms. The job skills brought into the country by less-educated immigrants were complementary to the skills of higher educated and trained natives; therefore immigrants did not compete for natives' jobs. On the contrary, the rising supply of immigrant workers ready and able to work hard for low wages is said to spur the expansion of many existing firms and the growth of new firms able to profit from the low wages. The expanding firms based on low wage immigrant labor also hired more skilled native labor as their revenues grew. Janitorial services, car washes, and poultry processing plants with growing numbers of employees require more supervisors, clerical workers, accountants, etc. Using this literature, proponents of relaxed immigration policies argued that immigrants in fact improved the working position of natives.

More Recent Analyses

Dissatisfaction with the statistical methods used in early studies of the effects of immigration on the employment opportunities of natives led to the use of different models. Using more sophisticated statistical methods than the earlier literature, Borhas, Freeman, and Katz (1992) estimated that during the 1980s increased imports of goods produced with lower-skilled labor and rising immigration of lower-skilled labor were important contributors to the adverse turn in the weekly wages of American high school dropouts as they compared to the weekly wages of American college graduates. These authors estimated the "implicit" increase in the supply of lower-skilled labor within the U.S. that is consistent with the increased volume of U.S. imports and immigrant labor supply. They estimated 30 percent to 50 percent of the decline in the relative weekly wage of high school dropouts between 1980 and 1988 should be attributed to increased immigration and trade. Wilson and Jaynes (2000:22-3) decomposed the effects of immigration on geographic labor markets into separate effects of flows and stocks of immigrant workers. Their analysis also estimated separate effects for various native-born ethnicities and skill-education groups. They found that immigration flows across geographic areas were a negligible factor on the declining wages and employmeut of less educated native born workers. That finding is consistent with the no effects findings of earlier literature. However, they also found that the size of the immigrant population within a given area did have a modest negative affect on the employment of less educated African Americans.

More recently, Borjas and Katz (2005) have refined earlier methods even further and updated analysis of the effects of Mexican immigration on low skilled workers to cover the 1990s. They conclude that the large growth in immigration during the eighties and nineties (particularly the acceleration of low-skilled Mexican laborers) lowered the wages of native-born high school dropouts by

about 8 percent and exerted a modest influence in widening overall wage inequality within the U.S (2005: 37-38,Table 11, p. 63).

Special Labor Markets

Despite the relatively modest affects on natives' wages in the U.S. overall, there are obviously some job markets where immigrants exert significant influences on natives' job prospects. Meatpacking is a salient example of an industry where case study provides strong evidence that low-wage undocumented immigrant workers have displaced native-born workers. Always an especially dirty, physically demanding, and often dangerous occupation meatpacking jobs have historically attracted only the least educated members of the workforce. The industry has typically offered employment to large numbers of African Americans. Today immigrants dominate jobs in meatpacking and the undocumented are a significant force. During the late nineties, the Immigration and Naturalization Service estimated that undocumented workers composed 25% of the labor in meatpacking plants in Iowa and Nebraska. During the past two decades, immigrant labor has come to dominate the poultry industry in the southern states. In these earliest years of the 21st century, Latino immigrants are about three-fourths of the workers in the poultry plants located in northwest Arkansas, the vast majority of the remaining workers are from Southeast Asia and the Marshall Islands. Native-born workers are now rare.

Through the 1970s and into the eighties, larger meat packing firms were heavily unionized with nearly one-half (46%) of the industry's workers unionized. The larger unionized plants paid a wage premium and during 1982 the base wage rate of the largest union was $10.69 per hour ($22.33 per hour in terms of 2006 inflation adjusted prices). Rapid immigration of workers from Southeast Asia, Mexico, and Central America during the 1980s coincided with firm demands that workers accept wage cuts. Extremely turbulent employer-union relations in terms of strikes and corporate attacks on unions characterized the 1980s. During the period 1983-1986 there were 158 work stoppages involving some 40 thousand workers in cattle and hog plants. By 1987, the union percentage of the work force had been cut to 21% and wages were down to the $8 to $9 range in union and nonunion plants. A sharp decrease in workers' health and safety accompanied the collapse of the unions. Even though the meatpacking industry already had the highest rates of occupational injuries and illness of all U.S. industry, on the job illness and injury rates peaked in 1991 at 45.5 per 100 workers. Jobs in the industry deteriorated so badly that only the steady influx of cheap immigrant labor compensated for the extraordinarily high turnover rates reaching as high as 100 percent annually at some plants during the 1990s. Under these conditions, it is true that meatpacking plants have difficulties attracting native workers (Macdonald, et al, 1999:15-16). It is no wonder then, that many employers of less educated labor say they prefer immigrants over native born workers of any ethnicity. The immigrants, employers say, "show up on time' and "get along with the boss," a metaphor for do what they are told with out complaining no matter how distasteful it may be.

Further Policy Directious

What are the policy implications of findings that low-skill immigrants lower the employment opportunities of some less educated native workers? If the United States allocates much larger resources to border security to significantly reduce the number of undocumented workers while also tightening legal channels of immigration, would the reduction in immigrant workers result in more and higher pay jobs for American citizens? The easy answer is that the reduced labor supply would indeed raise wages and allow more employment of the native-born. However, as with any question of economic effects, the

demand side of the equation must also be considered. Undocumented workers with few legal protections take jobs for lower pay and do them under more undesirable working conditions. Such immigrant workers really lower employers' costs. Take away the immigrants and the resulting increasing wages with less pliable work forces will lower business profits. Where possible, a greater proportion of jobs will be outsourced. Some of the more marginal businesses that will have to pay higher wages to workers who are not as productive will not survive and the demand for less educated workers will likely decrease. The net effect is that wages and employment of native-born workers will likely rise, but not nearly as much as a simple comparison of raw numbers suggests.

Low-wage labor conditions unbecoming an affluent democratic society exist because in the present climate of migrant bashing there is little support for social and political action saying let's protect illegal workers. But this is short sighted, ultimately, if working conditions are allowed to deteriorate to levels where migrants are exploited, all labor with whom the migrants compete become exploited as well. This is true even if natives' exploitation materializes in the form of joblessness and poverty. The terms of the debate must be changed to a desire to protect the integrity of the nation's low-wage labor markets and the citizens working in them from conditions inconsistent with standards of living and values of justice in affluent representative democracies.

It is crucial that the nation adopts social policies designed to protect the rights and living standards of all low wage workers. Such policies need not require draconian migration polices that ban immigrants. Indeed, the worldwide globalization of markets ensures such migration will continue. However, migration must be better regulated to ensure numbers consistent with work conditions appropriate to the living standards in host countries. Wages consistent with standards of decency for the least remunerated workers will need to be supported by a program of explicit policies and reforms:

- minimum wage laws covering all workers
- enhancement of earnings by expanding the current Earned Income Tax Credit system to all citizen households who work fulltime
- Documented immigrant workers must be guaranteed reasonable paths to citizenship
- Protection of low wage markets through stronger enforcement of existing laws against undocumented migration
- To ensure labor conditions remain consistent with social values in an affluent democratic society, immigrants workers (guest workers) must be free to change employers

There are costs to instituting these policies. If employment conditions and compensation are increased enough to attract citizen workers, employers' profits will fall, and prices of some services and products will rise. This will necessarily raise strong opposition to these policies from obvious political constituencies. The simple fact that high migration of poor low skilled workers into more affluent geographic regions raise the profits of employers of less-educated workers explains why employers continue to clamor for more migrants and guest workers (documented or not). In so far as middle class households employ such labor to clean houses, landscape, do repair work or consume products and services priced lower because of the cheap labor, a wide spectrum of middle class and affluent citizens gain economically from migration. Other interest groups demand an end to all immigration claiming the migrants are devastating the employment prospects of young less educated native workers and depriving poor unassimilated minorities the opportunity to work themselves into the lower middle class.

Summarizing my testimony, the evidence supports the conclusion that from an economic standpoint immigration's broader benefits to the nation outweigh its costs. An assessment of the effects of immigration on the employment prospects of less educated native born workers is that the effect is negative but modest, and probably is significant in some specific industries and geographic locations. Important examples are meat packing in several areas of the south and midwest and certain types of construction work throughout the nation. However, it is just as likely that the relative importance of less educated young native worker's job losses due to the competition of immigrants is swamped by a constellation of other factors diminishing their economic status. A significant minority of our most disadvantaged young people persist in low educational achievement, dropping out of high school, and engaging in negative behaviors such as criminal activity. Substantial improvement of the economic status of disadvantaged young people will require considerable change in their social status on many other dimensions.

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Ms. LOFGREN. Thank you very much, Dr. Jaynes.

Dr. Friedberg?

TESTIMONY OF RACHEL M. FRIEDBERG, Ph.D., SENIOR LECTURER IN ECONOMICS, BROWN UNIVERSITY

Ms. FRIEDBERG. Thank you, Chairwoman Lofgren, Chairman Conyers, Ranking Member King and Members of the Subcommittee. Thank you for the opportunity to appear before you today.

When we think about the impact of immigration on American workers, there are two principal dimensions to consider, jobs and wages, or what an economist would call quantities and prices.

In my testimony, I will summarize what economists have learned about both. And let me begin with the bottom line. The academic literature has found that immigration does not have a negative effect on the employment of native-born workers.

There is some debate about the effect on wages, but most studies have found the effect to be small, ranging from small negative to small positive.

Now, in general, the field of economics has two things to offer, theory and evidence.

First, theory. Since it seems that principles of economics always bears repeating, when the supply of something goes up, its price will fall, and so will the price of things that are close substitutes.

But on the other hand, there will be an increase in the price of things that are used in combination with it, what we call complements.

So for example, if the supply of lettuce pickers in the United States increase through immigration, theory predicts that the wages of lettuce pickers will fall, and so will the wages of workers with similar skills.

But there will be an increase in the earnings of truck drivers, restaurant workers, supermarket stockers and all of the people who work together with lettuce pickers in getting lettuce to our dinner tables.

Theory predicts the same pattern for employment. Immigration will make it harder for native-born lettuce pickers and those with similar skills to find work, but it will also create more jobs for supermarket and restaurant workers and so on.

Finally, because immigrants not only work but, like everyone else, also spend money, the increased demand for goods and services will create jobs and raise wages throughout the economy.

Now, economic theory tells us about the direction of these three effects, negative effects on substitutes, positive effects on complements, and then what we call the scale effect, the positive effect overall.

But theory alone can't tell us anything about the magnitude. For that, we need data. And we need to directly observe cases of immigration and measure the changes that it brought about.

It is challenging to figure out how to do this right. One approach that has been used is to compare the wages and unemployment rates of people in cities with more versus fewer immigrants.

One issue here with this approach is that if we see cities with a lot of immigrants booming, we don't know if the immigrants

caused the economic boom or if it was the boom that attracted immigrants there in the first place.

Careful studies that account for this issue find no impact of immigration on the employment of the native-born and only a small impact on wages. The estimates are that roughly a 10 percent increase in immigration is found to lower wages by, at most, 1 percent.

A second approach does something similar, but rather than comparing across cities—say, Los Angeles versus Cleveland—it divides the national workforce into skill groups—say, comparing high school dropouts to college graduates—and asks have the native-born workers who are most similar to immigrants in terms of their education and skills—have those natives done worse than others.

These studies find somewhat larger effects on wages, with a 10 percent increase in immigration lowering native wages by about 3 percent.

A final approach analyzes cases in which history has given us something close to a lab experiment, cases in which a large number of people left one country for another, driven by forces other than the current state of the economy in their destination.

One famous example is the 1980 Mariel boat lift, when about 125,000 people left Cuba for Miami. The exodus occurred because people were suddenly allowed to leave Cuba, and Miami was the closest destination.

Following the boat lift, did natives in Miami do worse compared to natives in Houston or Los Angeles, what we can think of as the control group in this experiment?

The answer is no. Natives in Miami did not, in fact, have higher unemployment or slower wage growth than similar natives in other cities.

These findings have been supported by studies of other natural experiments from different countries and time periods, including France in the 1960's, Portugal in the 1970's, and my own work on the mass migration of Russians to Israel in the 1990's.

None of these studies finds a significant negative effect of immigration on native employment or wages.

So what is the bottom line of all of this labor economics research? There is no evidence of a negative effect of immigration on native employment. And while there is not a clear consensus about wages, most studies point to small effects.

Now, I have discussed Americans as workers, but that is not all we are. We are also consumers, employers and taxpayers. How does immigration affect us in these roles?

Well, as consumers, we benefit from the lower prices of goods and services that result from immigrant labor.

As employers—and in fact, as anyone with money in the bank—we gain from the higher return to capital that results from an increase in the size of the labor force. And as employers, we also gain from the increased demand for our products.

Finally, as taxpayers, on the one hand, immigrants use Government-funded services like schools and hospital emergency rooms, and legal immigrants also have some limited access to means-tested public programs.

On the other hand, immigrants pay taxes: payroll tax, income tax, sales, property, and so on.

How does the extra spending compare to the extra revenue? Some groups have immigrants clearly impose a fiscal burden on the cities and States where they live. But at the Federal level, the foreign-born are a net fiscal benefit.

Furthermore, estimates of the long-run impact of immigration on the overall fiscal balance suggest a positive effect as the children of immigrants who cost money today begin to work and pay taxes.

[The prepared statement of Ms. Friedberg follows:]

PREPARED STATEMENT OF RACHEL M. FRIEDBERG

Testimony of Rachel M. Friedberg, Ph.D.
Senior Lecturer in Economics
Brown University

before the

U.S. House of Representatives
Committee on the Judiciary
Subcommittee ou Immigratiou, Citizenship, Refugees,
Border Security, and International Law

Hearing on the U.S. Economy, U.S. Workers, and Immigration Reform

May 3, 2007

Thank you, Chairwoman Lofgren and Ranking Member King, for the opportunity to appear before the Subcommittee. I am a labor economist at Brown University. My research specialty is the economics of immigration.

When we think about the impact of immigration on American workers, there are two principal dimensions to consider: jobs and wages.

To summarize, the academic literature finds that immigration does not have a negative effect on the employment of native-born workers. There is some debate about the impact on wages, but most studies have found the effect to be small.

The field of Economics has two things to offer: Theory and evidence.

Theory

Economic theory predicts that, when the supply of something goes up, its price will fall. So will the price of things that are close substitutes. On the other hand, there will be an increase in the price of things that are used in combination with it, i.e., complements.

So for example, if the supply of lettuce pickers in the United States increases through immigration, theory predicts that the wages of lettuce pickers in the United States will fall. So will the wages of workers with similar skills. But there will be an increase in the earnings of lettuce growers, truck drivers, supermarket stockers, and restaurant workers, all of whom work with lettuce pickers to put lettuce on our dinner tables.

Theory predicts the same pattern for employment: Immigration will make it harder for native-born lettuce pickers and those with similar skills to find work. But it will also create more jobs for supermarket and restaurant workers.

Finally, because immigrants not only work, but also spend money, the increased demand for goods and services will create jobs and raise wages throughout the economy.

Economic theory tells us the direction of these various effects. However, theory alone cannot tell us anything about their magnitude.

Evidence

To gauge the size of these effects, we need data. We need to observe and analyze cases of immigration and the changes it brought about. It is challenging to devise an empirical strategy that adequately accounts for the complexity of the economic forces at play.

One approach compares the wages and unemployment rates of people in geographic areas with more versus fewer immigrants. One issue here is that if we see cities with a lot of immigrants booming, we don't know if the immigrants caused the economic boom, or if it was the boom that attracted immigrants there in the first place. When studies take into account the fact that immigrants seek out places with better opportunities, they still find no impact on native employment. The estimated impact on native wages is small. A 10% increase in immigration is found to lower wages by at most 1%. A concern with this approach is the possibility that the free flows of goods, workers, or capital within the country could spread immigration's consequences to other cities, blunting the cross-city variation in outcomes resulting from immigration.

A second empirical approach does something similar, but rather than comparing across geographic areas, it divides the national workforce into groups defined by their level of education and work experience. This approach then asks whether natives in education-experience groups into which there has been more immigration have had worse labor market outcomes, compared to other natives. These studies find somewhat larger effects on wages, with a 10% increase in immigration lowering native wages by 2-4%. Similar studies that take into account the increase in capital investment that takes place in response to immigration actually find a positive effect of immigration on native wages.

A final empirical approach analyzes cases in which history has given us something close to a lab experiment, cases in which a large number of people left one country for another, driven by forces other than economic conditions in their destination. One example is the 1980 Mariel Boatlift, when about 125,000 people left Cuba for Miami. This exodus occurred because people were suddenly allowed to leave Cuba, and Miami was the closest destination. Following the Boatlift, did natives in Miami do worse, compared to natives in Houston or Los Angeles or Atlanta (whom we can think of as the control group in this experiment)? The answer is no. Natives in Miami—including African-Americans— did not in fact experience higher unemployment, lower employment, or slower wage growth than similar natives in other cities.

These findings have been supported by studies of other "natural experiments" from different countries and time periods. These include the return of colonialists to France

following Algerian independence in 1962; a similar return migration of Portuguese colonialists from Africa in 1974; and my own work on the mass migration of Russian Jews to Israel in the early 1990s, which compares the outcomes of natives in occupations that received more versus fewer immigrants. None of these studies finds a significant negative effect of immigration on native employment or wages.

To summarize: The empirical literature finds no evidence of a negative effect of immigration on native employment. And while there is not a clear consensus about wages, most studies point to small effects.

Other Dimensions

Americans are not only workers. We are also consumers, employers, and taxpayers. How does immigration affect us in these roles?

As consumers, we benefit from the lower prices of goods and services that result from immigrant labor. As employers, we gain from the higher return to capital that results from an increase in the size of the labor force. This is true for other owners of capital as well, e.g., people with money in the bank or the stock market. Employers also gain from the increased demand for their products.

How do immigrants affect us as taxpayers? On the one hand, immigrants use government-funded services, such as schools and hospital emergency rooms. Depending on the state, legal immigrants who satisfy certain conditions also have some access to means-tested programs like TANF and Medicaid, and once naturalized, are eligible for the same public assistance as natives. On the other hand, immigrants pay taxes—income, payroll, sales, property, and so on.

How does the extra spending compare to the extra revenue? The evidence on this issue is not clear cut. Some groups of immigrants clearly impose a fiscal burden on the cities and states where they live. At the federal level, however, the foreign-born yield a net fiscal benefit. Furthermore, the positive effect at the federal level has been found to outweigh the negative effect at the state and local level. Estimates of the long-run impact of immigration on the overall fiscal balance suggest a positive effect, as the children of immigrants— who impose costs today— begin to work and pay taxes.

Ms. LOFGREN. Thank you, Dr. Friedberg.

Mr. Henderson?

TESTIMONY OF WADE HENDERSON, PRESIDENT AND CEO, LEADERSHIP CONFERENCE ON CIVIL RIGHTS

Mr. HENDERSON. Thank you, Madam Chair, Ranking Member King, Members of the Subcommittee.

I am Wade Henderson, president of the Leadership Conference on Civil Rights. The Leadership Conference is the nation's oldest, largest and most diverse civil and human rights coalition, with almost 200 national organizations working to build an America as good as its ideals.

I want to thank you for the opportunity to address what for many of us in the civil rights community consider one of the preeminent civil and human rights issues of the 21st century.

If I could ask your indulgence for just a minute, I do want to congratulate, however, Chairman Conyers for a significant civil rights victory today in the passage of the Local Law Enforcement Hate Crimes Prevention Act.

Congratulations. It is certainly a great accomplishment. So thank you.

I would like to start this discussion with a few general observations on the subject at hand.

First, the Leadership Conference agrees that our nation's immigration system is badly broken. It fails to keep up with economic realities. It does not keep track of who is here. And it does not give people sufficient incentive to play by the rules.

Our nation clearly needs sweeping changes to our immigration policies and procedures, and it needs them soon.

We also agree that among these changes, we also have to include more effective, but also more realistic and more humane, immigration enforcement. It is simply unrealistic to stretch fences across our borders. And we can't leave enforcement to groups like the Minutemen.

We can take more sensible measures like hiring more border patrol agents, making better uses of technology and working closely with Mexico against human and drug trafficking.

Third, the Leadership Conference strongly supports giving roughly 12 million undocumented immigrants in our country a way to come out of the shadows and to legalize their status.

The fight for justice, fairness and equal treatment under law and in the workplace, access to fair housing, proper medical care, good schools, and opportunity led to massive demonstrations that fueled the civil rights movement nearly 50 years ago.

Today, that fight permeates the immigration debate. And as a lifelong civil rights advocate, I do not see the legalization of undocumented immigrants as an economic issue. I see it as a moral one, and I believe it goes directly to our most fundamental understanding of civil and human rights.

Now, we do not condone the violation of immigration laws. But motives count for something.

And when we consider why most undocumented immigrants come here, motivated by a desire to escape economic or political hardships that native-born Americans today cannot fully under-

stand, it is clear to the Leadership Conference, and hopefully to everyone, that we should not treat them as fugitives.

They should not be so afraid of the police that they do not even report crimes. When they work, they should know that they will be treated safely and paid fairly. And if they drive, it is in everyone's interest to make sure that they are obeying the rules of the road.

And if they contribute and play by our nation's rules, they should live within the full and equal protection of the law.

Now, with these thoughts in mind, the Leadership Conference looks forward to the vigorous and thoughtful debate over the STRIVE Act.

And while the bill certainly needs to be improved in some areas, on the whole it represents a far more credible and pragmatic approach to fixing our nation's immigration system than H.R. 4437, the leading bill in the last Congress.

Turning more directly to the subject of today's hearing, I understand it was motivated in part by a recent advertisement that appeared in Washington newspapers and with an African-American purporting to blame immigrants for taking hundreds of thousands of jobs, and saying that legalizing undocumented workers would further devastate Black communities.

And while I certainly share the legitimate concerns about unemployment and underemployment among African-Americans, I do not share the simplistic and divisive view that immigrants are to blame or that they are stealing jobs from any community.

And I also think the situation is too complicated to be explained away in a one-page newspaper advertisement.

Moreover, to those who have asked whether the ad represents the genuine views of the African-American community, let me respond in the following way. Putting an ethnic face on a factual distortion does not make that distortion an ethnic position.

And for one thing, the employment crisis facing African-Americans began long before our nation took a more generous approach to immigration in 1965.

As you can see in my written statement, Black unemployment rates have always been twice as high as that for White workers. And they have stayed that way even as the percentage of our foreign-born population has increased.

This higher unemployment rate is, above all else, the result of structural racial discrimination, past and present, not only in the labor market but also in other aspects of society such as the housing market, education, and criminal justice.

And it is made worse by broader changes in the U.S. economy such as globalization and the movement of many types of jobs overseas.

As far as whether immigration aggravates the situation, economists, as you have heard, have not formed a real consensus. Even among experts who do think there is an impact, they disagree over its extent.

In the absence of significant evidence to the contrary, the Leadership Conference rejects the simplistic and divisive scapegoating of immigrants as reflected in the recent ad campaign that I mentioned earlier, and we urge the Subcommittee to do the same.

Now, at the same time, we do recognize that the displacement of unskilled native-born workers is possible and is perceived to be a real problem. And indeed, it has to be addressed in some way.

At the very least, the prospect of it has been used by restrictionists to drive a wedge between African-Americans and Latinos, or certainly to attempt to do that, and Asians as well.

As such, the Leadership Conference takes the underlying concerns very seriously. And earlier this year, we organized leaders from African-American, Latino and Asian communities, and other progressive groups, to discuss how best to address these issues in the ongoing debate over immigration.

We have followed that up by coming together in support of a statement of principles that we released today, urging Congress to take up, either as an amendment to comprehensive immigration reform or as a concurrent standalone bill, an analysis that we think will help in contributing to the debate.

The statement has been signed by prominent African-American, Latino and Asian civil rights organizations, distinguished scholars and progressive groups, all of whom recognize that while low-wage native American workers and immigrant workers historically have always been played off against one another, the reality is that all low-wage workers are exploited.

And I am going to conclude with one final statement, Madam Chair. African-Americans also take note of how consistently people show their concern for us across the board.

During last year's renewal of the Voting Rights Act, for example, the most important civil rights law we have, restrictionist voices that claim to be protecting African-Americans now stood squarely against us then.

Sadly, they have rarely been any more supportive when it comes to things like minimum wage, public education, Head Start, racial profiling, hate crimes—I could go on and on.

To anyone who looks closely and doesn't rely on full-page newspaper ads, it is clear that restrictionists are not now, nor have they ever been, friends of African-Americans in terms of our economic or political interests. And certainly, as a community, we take that into account in the analysis of any of these issues.

And thank you for the opportunity to be with you.

[The prepared statement of Mr. Henderson follows:]

PREPARED STATEMENT OF WADE HENDERSON

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**STATEMENT OF
WADE HENDERSON, PRESIDENT & CEO,
LEADERSHIP CONFERENCE ON CIVIL RIGHTS**

**HEARING ON THE U.S. ECONOMY, U.S. WORKERS,
AND IMMIGRATION REFORM**

**SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER
SECURITY, AND INTERNATIONAL LAW**

HOUSE COMMITTEE ON THE JUDICIARY

MAY 3, 2007

Chairperson Lofgren, Ranking Member King, and members of the Subcommittee: I am Wade Henderson, President and CEO of the Leadership Conference on Civil Rights (LCCR). I appreciate the opportunity to present to you the views of the Leadership Conference in today's hearing on the impact of immigration on U.S. workers and the U.S. economy as a whole.

LCCR is the nation's oldest and most diverse coalition of civil rights organizations. Founded in 1950 by Arnold Aronson, A. Philip Randolph, and Roy Wilkins, the Leadership Conference seeks to further the goal of equality under law through legislative advocacy and public education. LCCR consists of nearly 200 national organizations representing persons of color, women, children, organized labor, persons with disabilities, the elderly, gays and lesbians, and major religious groups. I am privileged to represent the civil and human rights community in submitting testimony for the record to the Committee.

Comprehensive Immigration Reform, a Matter of Civil and Human Rights

I would like to begin by noting what I hope are a few general points of agreement. First, I believe that everyone in this room can agree that our nation's immigration system is badly broken. It fails to keep up with economic realities, it fails to provide an orderly way to keep track of who is here, and it is so unfair and so burdensome that it fails to give people enough incentives to play by the rules. America's immigration system clearly need sweeping changes, and it needs them soon.

Second, I think we can also agree that in fixing our immigration system, we also have to include more effective – but also more realistic and more humane – immigration enforcement. Immigration enforcement is important, but it is simply unrealistic to attempt to stretch fences across our massive national borders, and we certainly cannot leave federal immigration law enforcement in the hands of private groups like the Minutemen. As a nation, we can take more sensible measures like hiring additional inspectors and border patrol agents, making better use of

technology, and working more closely with Mexico to cut down on problems like human trafficking and the drug trade.

Third, I would hope that we can also agree on the importance of giving the roughly 12 million undocumented immigrants, living and working in our country, a realistic way to come out of the shadows and legalize their status. As a lifelong civil rights advocate, I do not see this as an issue of economics. I see it as a moral one, and I believe it goes directly to our most basic understanding of civil and human rights.

It is easy to focus on the charge that undocumented immigrants have broken the rules in order to get here. We do not need to condone violations of our immigration laws. But as we do in most other circumstances, we should also look at *why* these individuals broke the rules. Motives count. And most of these 12 million people have broken the rules *not* to "steal jobs," to live off the government, or to take advantage of anyone else. Instead, most of them have been motivated, to the point where many have even risked their lives to come here, by the desire to escape economic or political hardships that few native-born Americans today could fully understand. And they are all too often enticed here by employers who are perfectly happy to use and abuse them in the process.

When we consider the motives of the bulk of the undocumented immigrants who live and work in our country, it is clear to LCCR – and hopefully to everyone – that our policies should not treat them as fugitives. For example, undocumented immigrants should not be so afraid of the police, due to their immigration status, that they even refuse to report crimes in their own neighborhoods. When they go to work, they – like every human – have a right to know they will be treated safely and paid fairly. If they drive on our roads, it is in the interest of everyone to make sure they have been insured, trained, and certified to obey the rules of the road. And regardless of how they may have initially come here, if they show a willingness to play by the rules and contribute to our economy and our society, we should have policies in place that will reward their hard work and allow them to enjoy the fullest protections of the law.

It is with these thoughts in mind that LCCR looks forward to a vigorous and thoughtful debate over the leading immigration reform proposal in the House, the STRIVE (Security Through Regularized Immigration and a Vibrant Economy) Act of 2007, H.R. 1645. While the STRIVE Act certainly needs to be improved in some areas, on the whole, it represents a much more credible and pragmatic approach to fixing our nation's immigration system than the leading bill in the last Congress, H.R. 4437.

Immigrants and the African-American Workforce

Turning more directly to the subject of today's hearing, I understand that it was motivated in part by an ad campaign by the Coalition for the Future American Worker, featuring civil rights advocate T. Willard Fair. In the ad, which has been placed numerous times in *The Washington Post* and *Roll Call*, Mr. Fair argues that immigrant workers are responsible for taking hundreds of thousands of jobs from African-American workers, and that legalizing undocumented workers would cause even further economic devastation in black communities.

I certainly share the legitimate concerns about unemployment and underemployment among African Americans. I do not, however, share the simplistic and divisive view that immigrants are to blame or that they are "stealing jobs" from any population of native-born Americans.

The situation facing African Americans is far more complicated than restrictionists suggest, and cannot be conveniently explained away in a one-page ad in *Roll Call* newspaper. For one, as economists such as Steven Pitts of the Center for Labor Research and Education at the University of California have pointed out, the employment crisis facing African Americans began long before our nation took a more generous approach to immigration policy in 1965. Looking at overall unemployment rates over the last 50 years, we see that the unemployment rate for African Americans has always been approximately twice as high as white Americans, and has remained approximately the same[1] even as the percentage of foreign-born Americans, relative to the population as a whole, has increased in the past several decades:

Year	Black Unemployment	White Unemployment	Black/White Unemployment Ratio
1956	8.3%	3.6%	2.3
1965	8.1%	4.1%	2.0
1975	14.8%	7.8%	1.9
1985	15.1%	6.2%	2.4
1995	10.4%	4.9%	2.1
2005	10.0%	4.4%	2.3

This employment crisis is primarily the result of both historical and contemporary racial discrimination, not only in the labor market, but also in other aspects of society such as housing markets, educational systems, and the criminal justice system. The higher rates – and the lasting stigmatic effects – of incarceration of African-American males are especially significant.[2] The situation has also been compounded by broader changes in the U.S. economy as a whole, including the globalization of the economy and the movement of many types of jobs overseas.

As to the question of whether immigration might play a role in aggravating the long-existing causes of African-American unemployment, economists who have studied the issue have not been able to establish any sort of consensus.[3] Even among experts who do think there is an impact, there is disagreement over the extent of this impact. For example, Bernard Anderson, an economist at the University of Pennsylvania's Wharton School, believes that while immigrants have probably taken some jobs previously performed largely by African Americans, there is also evidence that African Americans are less likely perform low-skill service jobs because they have largely moved on to take better-paying jobs or have retired from the labor force. The displacement that has taken place, Anderson argues, has not had a significant effect on the wages or opportunities of native-born workers.[4]

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[1] U.S. Department of Labor, Bureau of Labor Statistics; *also* Council of Economic Advisors, *Changing America: Indicators of Social and Economic Well-Being by Race and Hispanic Origin*, September, 1998, at 26.
[2] *See, e.g.*, Jenny Bussey and John Trasviña, *Racial Preferences: The Treatment of White and African American Job Applicants by Temporary Employment Agencies in California*, Discrimination Research Center, December 2003; Devah Pager, *The Mark of a Criminal Record*, AMERICAN JOURNAL OF SOCIOLOGY 108(5): 937-975.
[3] *See, e.g.*, Roger Lowenstein, *The Immigration Equation*, THE NEW YORK TIMES, July 9, 2006.
[4] *The Immigration Debate: Its Impact on Workers, Wages and Employers*, KNOWLEDGE@WHARTON, May 17, 2006 (located at http://knowledge.wharton.upenn.edu/article.cfm?articleid=1482).

In short, the truth is that economists simply do not – and probably cannot – know the full extent of the displacement of African-American workers by new immigrants. As such, LCCR rejects the sweeping, simplistic, divisive indictments of immigrants that have been offered by groups such as the Coalition for the Future American Worker, and we urge this subcommittee to do the same. At the same time, we do recognize that it is *possible* that unskilled, native-born workers have been – or could be – displaced by increased immigration. At the very least, the prospect of job displacement has been used by restrictionists to drive a wedge between African Americans and Latinos. For these reasons, LCCR does take the underlying concerns very seriously.

Earlier this year, LCCR organized a summit of leaders from African-American, Latino, and Asian communities to discuss how the concerns of low-income workers might best be addressed in the ongoing debate over immigration reform. The organizations and leaders involved in those discussions have followed up by coming together in support of a statement of principles and legislative recommendations that we are today urging Congress to take up as the debate over comprehensive immigration reform moves forward.

The full statement of principles has been attached at the end of my testimony, but I will briefly summarize them here. They call upon Congress to provide for:

- Better enforcement of antidiscrimination laws, through testing and other measures, and enhanced public education efforts to counter stereotypes about immigrants and African Americans;
- More open vacancy notification systems, to overcome the use of informal networks of friends and relations to fill low-wage jobs, which reduces job competition;
- Increased enforcement of workplace standards including fair wage and overtime requirements, safety and health and labor laws;
- Making it easier for workers to compete for jobs in other locations through better advertising of unskilled jobs and the allocation of resources to pursue and relocate for them; and
- More job skills, training and adult education opportunities for low-wage workers, including young people and high school dropouts.

We will be following up on these principles by fleshing them out into specific legislative proposals, and we urge Congress, as it considers immigration legislation, to include them in the debate either as an amendment or as a concurrent standalone bill.

Black vs. Brown in the Immigration Debate

Finally, Chairperson Lofgren, I would like to say more about the misperceptions about black-Latino relations to which Mr. Fair's ad unfortunately contributes. As with any controversial issue, and immigration is undoubtedly a controversial issue, there will inevitably be a wide variety of opinions within any community.

The relationship between the African-American community and immigrant communities has long been a complicated one. On one hand, as minority groups in America, they share a strong

common interest in fairness and equal opportunity. Indeed, because the immigrant community includes many individuals of African and Caribbean descent, African Americans do have a direct interest in fair immigration policies. For these reasons, the traditional civil rights movement was instrumental in eliminating discriminatory immigration quota laws in favor of more generous policies in the 1960s, and leading civil rights organizations have continued to speak out on behalf of immigrants' rights since then.

On the other hand, it is clear that many individuals represented by traditional civil rights organizations, particularly those who struggle the most to make ends meet, are concerned about the way their economic lives are affected by increased immigration. There is a fear among many that generous immigration policies result in unfair competition for jobs, as well as for other assets such as education and quality health care.

But contrary to what the Coalition for the Future American Worker ad might suggest, these concerns do not, on the whole, lead to any widespread resistance to the legalization of undocumented immigrants. Indeed, while they may be less enthusiastic than white or Latino voters, public opinion data shows that a majority (61 percent) of African-American voters support immigration reform that includes enforcement and a path to citizenship, with 42 percent supporting it strongly.[5]

On the whole, African Americans understand that it is inherently wrong to divide people along the lines of race or ethnicity or national origin, and that creating "us versus them" scenarios does not help anyone in the long run. If Congress does more to protect low-income, native-born workers as a part of immigration reform, consistent with the principles I outlined above, the numbers I have just cited would be even more favorable.

In closing, I would also like to add that civil and human rights organizations do take note of how consistently – or inconsistently, in this case – advocates for restrictive immigration policies show their concern for the welfare of African Americans on the whole. For example, during last year's reauthorization of the Voting Rights Act, the most important civil rights law governing our most important civil right, the same groups and individuals who claim to be protecting black Americans now stood squarely against us then, and at one point they even went so far as to prevent the reauthorization bill from coming to the House floor. Sadly, the same has often been true of restrictionist voices when it comes to matters such as education, Head Start, racial profiling, affirmative action, hate crimes, and a host of other issues that are of critical importance to the welfare of African Americans and other minority groups. To anyone who looks closely, and doesn't rely solely on full-page newspaper ads, it is clear that immigration restrictionists are not – and never have been – our friends.

This concludes my prepared remarks. Again, I want to thank you for the opportunity to speak before your subcommittee today. I look forward to answering any questions you may have.

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[5] Polls conducted by Lake Research Partners, April 19-28, 2004 among 800 likely voters; Lake Research and Tarrance Group, July 9-13, 2006 among 1000 registered, likely voters.

ATTACHMENT

Statement of Principles
Comprehensive Immigration Reform Must Protect *All* Workers

As the country finds itself at a critical point in the current debate over our broken immigration system, and how best to fix it, the undersigned organizations and individuals have come together to call on Congress to also address the issues, barriers, and challenges facing minorities as part of this important national discourse. We believe that immigration is a civil rights issue, requiring the attention of *all* Americans.

Throughout America's history, the challenges that have often arisen as part of what is an emotional debate around national immigration policy have centered on the impact of immigrants, whether legal or undocumented, on the native-born workforce. Today's debate is no different. Both the real and perceived challenges and barriers faced by *all* low-wage workers sadly prevent progress, and often lead to further division among minority groups and underserved populations.

There are some who seek to frame the debate in racial terms—as one of competition between minority native-born workers, particularly African-Americans, and immigrant workers, especially Hispanic and Asian immigrants. Such a superficial approach ignores the serious challenges facing *all* low-wage workers. To frame this debate solely in racial terms or simply as a question of numbers and enforcement, is to ensure that we will not confront and solve the underlying systemic causes.

As we work to enact comprehensive immigration reform, we need to look at issues facing *all* low-wage workers in the United States. Globalization, the changing American economy and other factors have led to a breakdown in the low wage employment sector. Despite the growing productivity of workers in the United States, and the strong profitability of U.S. companies, the wages and benefits available in millions of low-wage jobs have not improved.

We must pursue an agenda that serves the interest of *all* workers, especially those who are unemployed or employed in low-wage jobs, whether it is in the context of immigration reform or other efforts to improve the wages and benefits of low-wage workers. For example, increasing the minimum wage is one such initiative, unrelated to immigration reform, which will begin to address structural problems and lay the groundwork for improving the quality of low wage jobs. In the context of immigration reform, we seek to ensure that such reform helps to repair, rather than exacerbate both the short-comings of the current low-wage labor market, as well as the impact immigrants may have on job opportunities of native minority low-wage workers who are already facing challenges and barriers.

Consideration should also be given to the impact of new immigrants on local community social-service initiatives for low-wage families, including job assistance, access to affordable housing and housing assistance programs, education, and health care. Assessments of such programs should contemplate how to meet the challenges of delivering such services to *all* who need them in affected communities. Further, in addressing the challenges and barriers that low-income workers already face here in our country, the following principles should be incorporated in immigration and worker reform efforts:

- Strongly enforce antidiscrimination laws, through testing and other measures, and enhance public education efforts to address employer biases that too often typecast the "ideal" low-wage job candidates for particular jobs and exacerbate stereotypes of individual groups,

Statement of Principles
Comprehensive Immigration Reform Must Protect *All* Workers

including immigrants and African Americans, as qualified or interested in only certain low wage job opportunities.

- Establish a more open vacancy notification system to overcome the "informal" nature of using closed incumbent worker networks of friends and relations to fill low-wage jobs, which reduces real job competition and creates an inside-versus-outside labor market competition.

- Increase the enforcement of workplace standards including fair wage and overtime requirements, safety and health and labor laws; and enforce civil rights laws as they pertain to equal opportunity in hiring and advancement.

- Increase the ability of workers to compete for jobs in other locations through more effective advertising of these opportunities and through the allocation of resources to pursue and relocate for low-wage jobs; and

- Provide increased job skills, training and adult education opportunities for low-wage job candidates, including young people, or job candidates who have not completed a high school level education. In addition, provide for initiatives that assist in the creation, support for, and expansion of small business opportunities for existing and new residents.

- While the civil rights community may not be unified on the question of the need for a new visa program to replace the undocumented stream of workers, there is unity on the issue that if one is created, there must be strong labor, health, wage and safety protections, and there must be an opportunity for such workers to become legal permanent residents and get on a path to citizenship.

As the country debates comprehensive immigration reform, we have a unique and important opportunity to confront directly the above challenges. Congress must take into account the needs of low-income workers as it debates comprehensive immigration reform. Whether Congress can begin to offer solutions to the vexing problems facing low-wage workers as part of immigration reform or through other policy proposals, it should draw on the extensive research and expertise that already exists within the civil and human rights community.

Leadership Conference on Civil Rights/Leadership Conference on Civil Rights Education Fund (LCCR/LCCREF)

National Council of La Raza

Asian American Justice Center

National Association for the Advancement of Colored People (NAACP)

NAACP Legal Defense and Educational Fund, Inc.

National Association of Latino Appointed and Elected Officials (NALEO) Educational Fund

Center for Community Change

Lawyers' Committee for Civil Rights Under Law

National Urban League

Mexican American Legal Defense and Educational Fund (MALDEF)

Statement of Principles
Comprehensive Immigration Reform Must Protect *All* Workers

National Council of Churches

National Lawyers' Guild

Society of American Law Teachers

Hate Free Zone

Immigrant Legal Resource Center

Asian Law Caucus

Hon. Norman Y. Mineta

Bill Hing, Professor of Law and Asian American Studies, University of California, Davis

Mary Frances Berry, Professor of History, University of Pennsylvania

William Spriggs, Professor, Howard University

Maria Echaveste, Senior Fellow, Warren Institute on Race, Ethnicity and Diversity; and Lecturer, University of California, Boalt Hall School of Law

Frank Wu, Dean, Wayne State University Law School

Ronald Walters, Professor of Government and Politics, and Director, African American Leadership Institute & Distinguished Leadership Scholar, University of Maryland

Christopher Edley, Dean, University of California Boalt Hall School of Law

Dr. Ron Daniels, President, Institute of the Black World 21st Century

* Institutional affiliations shown for identification purposes only.

Ms. LOFGREN. Thank you very much.

Finally, Dr. Briggs?

TESTIMONY OF VERNON M. BRIGGS, JR., Ph.D., PROFESSOR OF INDUSTRIAL AND LABOR RELATIONS, CORNELL UNIVERSITY

Mr. BRIGGS. Thank you, Members of the Committee. I would love to respond to some of the other people and the presentations of today, but maybe we will get to that a little bit later.

For over 40 years, Congress has been trying to respond to the unexpected consequences of the passage of the Immigration Act of 1965. Everything that the Congressmen sitting up there in 1965 said was not going to happen did happen.

The return of mass immigration was totally unpredicted. Neither political party takes any credit for it. It didn't happen because any one of them pushed for it. It happened because of an accident.

That is why they are great—as Father Hesburgh said, you have to be very cautious when you take immigration policy changes. There are unexpected consequences.

The foreign-born population was 8 million people in 1965. It is 36 million today—completely unexpected. I am not saying it is good or bad. I am saying it was unexpected. It was not what was supposed to happen.

Immigration is a policy-driven issue. That is why I urge you to consider the policy, which is what my life has been about, public policy. What you do makes a difference in this field.

A lot of times, you can do policy and nothing happens. In this field, it does happen. And quite often, things happen you didn't expect.

Samuel Gompers, America's foremost labor leader, in his autobiography wrote, "Immigration is, in all of its fundamental aspects, a labor issue"—a labor issue.

But no matter how people are admitted to the United States, what category they get in or how they come in, the adults join the labor force, and quite often their spouses and children eventually do, too.

Thus, the labor market impact of what is done must be a guiding consideration, not the only one, but a guiding one, when legislative decisions are made.

What is wrong with the existing immigration system? And I am quoting basically from the Commission on Immigration Reform, which every one of my recommendations follows—every one—chaired by Barbara Jordan, an African-American, lest anyone forget.

The major conclusion of the Jordan commission was that there was an incompatibility between the human capital being provided by our foreign-born population and that of the native-born population of the country as a whole. That is even worse—57 percent today.

Fifty-seven percent of the adult foreign-born population have only a high school diploma or less. That is where the impact is. And that is the people I defend, the low-wage workers of the United States of all races.

And that is the ones that are being most adversely affected by immigration policy, which is exactly what the Jordan commission concluded.

And every study that I know about impact of immigration on low-wage workers has said they are the ones who are adversely impacted. I don't dismiss that.

Some people say well, somebody else benefits. These guys lose. It is a negative—net gain. It is wrong.

Any public policy that hurts the poor, the low-income and, the minority and youth and women population of the United States, as a product of it, is a policy you have got to be deeply concerned about, that it disproportionately impacts.

The Clinton administration, the Council of Economic Advisors, which I quote, clearly stated that in their report, that "the relative supply of less educated persons has contributed to increasing income equality in the United States."

And today, the unemployment rate for people without high school diplomas is 6.8 percent. For the Black workers without high school diplomas today, it is 12.8 percent. Those are the ones still searching for jobs.

The second major problem of our immigration system, of course, is the massive abuse of this system. We have 36 million foreign-born persons. Twelve million are illegal. We have had seven other amnesties since 1986.

I supported the amnesty in 1986, strongly. That gets a lot of criticism. But that was the last amnesty that we should have ever had. And there should never be another one.

We have had seven since then, legitimizing 6 million illegal immigrants, so big that we can say maybe half the foreign-born population in the United States today is in here in defiance of the public policy. Something is wrong with the public policy when half the people that are in the country have broken the law coming in.

The losers when you have illegal immigration are the low-wage workers—United States—who have to compete in terms of their labor market for those jobs, and many of them become discouraged and leave the labor force. These are the people who need protection of the law the most.

Lastly, there is evidence that without any evidence of real labor shortages, in my view there is massive abuse of the temporary worker programs we already have today.

The massive expansion of visa programs for unskilled workers I think is unjustified, and certainly for even skilled workers is questionable.

What do we do to reform this? And these are exactly the commission—this is where immigration reform goes. I am not in favor of comprehensive immigration reform. I am in favor of real immigration reform.

And this is exactly what the Jordan commission said. The first thing we want to do is to begin to deal with this issue of incompatibility of human resources.

And they suggest that getting rid of those extended family categories—the three of them in which a lot of extended family members come in on the coattails of people who come in legally in the United States.

And that is what throws the system—the human resources out of kilter with the labor—the human resource needs of our population—to delete those categories.

And that reduces the chain migration effects, which is the most dangerous thing about the amnesty program, is the potential chain effects down the trail. If we follow the Jordan commission, that would diminish that issue.

It might make some support for amnesty more acceptable. But it is impossible to accept it today with that chain migration system—effects in the system.

And Barbara Jordan made it very clearly—the first thing that they recommend is that there, of course, be "no unskilled immigration under the legal immigration system." None. And that ought to be cut out.

What should we do to—I will be very quick here. What should we do, in terms of immigration reform? Strong enforcement of employer sanctions. It should be the centerpiece, as Father Hesburgh said it was supposed to be.

That should be the focus of everything we talk about: stronger enforcement. That is the first thing we must do; show this law is going to be enforced. Enforcement must become a reality. There must be no amnesty, for all the reasons I put down there, most importantly, the extended family categories.

And what it would do—and in my view, it could lead to a Marxian nightmare 10 years or 20 years from now when all the family reunification principles kick in of amnesty for 12 million people, and tens of millions of more persons come in on the coattails of those who have been given amnesty.

We can expect massive fraud in—so that even more will come in. We can expect that the low-wage labor market will simply be inundated, and this will disproportionately affect African-Americans, Latinos and all low-wage workers. They will be disproportionately affected by amnesty.

And finally, of course, it is inconceivable that the Department of Homeland Security could ever administer a massive amnesty program.

Well, I talk about non-immigrant labor, which I—be just with respect to guest worker programs, just in conclusion.

How can anybody in Congress be advocating for guest worker programs, when every commission—every commission—has said no guest worker programs for unskilled workers? How is it possible people could still be talking about this? And every reputable scholar who has studied guest worker programs, for the reasons I outlined in my testimony, has shown it always fails.

Well, there is a lot more that could be said, but I am outnumbered.

[The prepared statement of Mr. Briggs follows:]

PREPARED STATEMENT OF VERNON M. BRIGGS, JR.

Testimony before the
Subcommittee on Immigration
of the Judiciary Committee of
the U.S. House of Representatives
Washington, D.C.
May 3, 2007

REAL IMMIGRATION REFORM: THE PATH TO CREDIBILITY

Vernon M. Briggs, Jr.
Cornell University

For over 40 years, efforts have been made to respond to the unexpected consequences of the accidental revival of mass immigration that has followed the passage of the Immigration Act of 1965. Immigrants 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 and they totaled only 8.5 million people. There was absolutely no intention by policy makers of that era to increase the level of immigration. The post-World War II "baby boom" began pouring a tidal wave of new labor force entrants in the labor market that year and would continue to do so for the next 16 years. Moreover, the "War on Poverty" had been launched in 1964 and the Civil Rights Act of 1964 was passed. Both emphasized the need to focus on the employment needs of unskilled, poor and minority workers. Also, the infamous "bracero program" that had allowed the entry of temporary foreign workers from Mexico to do farm work had finally been terminated on December 31, 1964 because it had taken the agricultural labor market out of competition with the non-agricultural labor market.

Rather, the stated goal of the Immigration Act of 1965 was to rid the immigration system of the overtly discriminatory "national origins" admissions system that had been in effect since 1924. But as 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 once again released on an unsuspecting public.. By 2005, the foreign-born population had soared to 35.5 million persons (12.5 percent of the population) and there were over 22 million foreign born workers in the labor force (14.7 percent of the labor force).

The obvious conclusion from this continuing saga is that, when it comes to immigration reform, legislative changes should only be taken with the greatest of caution. While there is common agreement today that the existing immigration system needs changes, the reform responses should not be seen as an opportunity to placate the opportunistic pleadings of special interests groups. They should serve the national interest.

Immigration is a policy-driven issue. Policy changes do make a difference. Nearly any change has labor market implications—some large and some small. As America's most influential labor leader, Samuel Gompers, wrote in his autobiography: "Immigration is, in all its fundamental aspects, a labor issue." For no matter how immigrants are admitted or

by what means the enter the United States, most adult immigrants join the labor force following their entry as eventually do their spouses and children. Thus, the labor market impact of immigration policy changes must be a guiding consideration when legislative decisions are made.

The Major Reform Issues

At a time when the labor market of the nation is undergoing significant transformation in terms of its skill and educational requirements, there is a distinct difference between the human capital endowments (as indicated by educational attainment levels) of the adult native-born population and those of the native foreign-born population. Fully 33 percent of the foreign-born population has not competed high school and another 25 percent only have a high school diploma (compared, respectively to 13 percent and 34 percent of the native- born population. The foreign-born work force, therefore, is disproportionately concentrated in the low skilled segment of the nation's labor supply. As a consequence, their substantial presence has been repeatedly found by research to lower the wages of all low skilled workers. Likewise, as the Council of Economic Advisers during the Clinton Administration, found the increase in "the relative supply of less educated labor" caused by immigration has "contributed to increasing inequality of income" within the nation. Further, the unemployment rate for workers without a high school is reported by the U.S. Department of labor to be 6.8 percent in 2006 – with the rate for such black workers being 12.8 percent. Thus, there is ample evidence that prevailing immigration policy is not congruent with the labor market needs of the nation.

The second concern is the massive violation of the existing immigration system by illegal immigration. It makes little sense to debate the deficiencies and/or to consider additions to the extant system when mass violations of whatever is enacted go on year after year. The accumulated stock of illegal immigrants in 2006 is estimated to be close to 12 million persons, with the annual increase being 500,000 a year. Worse yet is the fact that these numbers exist despite the fact that anther 6 million illegal immigrants have had their status legalized as the result of the 7 amnesties that have been granted by Congress since 1986. Thus, it is not much of a stretch to conclude that almost half to the total foreign-born population of the United States today is either presently an illegal immigrant or was one in the past. The estimated 7.4 million illegal immigrants are concentrated in the low skilled segment of the labor force where they compete with over 42 million legitimate workers (i.e., the native born, naturalized citizens, permanent resident aliens, and temporary visa holders eligible to work) who are also mostly employed in low skilled occupations. Because the illegal immigrant workers will do whatever it takes to get a job, they become "preferred workers" for these jobs. The losers are the legal workers whose wages and incomes are depressed or who become unemployed as well as the others who become discouraged from seeking work and withdraw from the labor force. These are the persons who are most adversely affected by the unfair competition with illegal immigrant workers and who are in need of the protection of the law. But their voices continued to be ignored.

Lastly, despite the lack evidence of any labor shortages, the expanding use of non-immigrant labor programs and calls for new "guest worker programs" have raised concerns that immigration policy is being by special interests as a method of cheap labor recruitment. The number of visas issued for employment based non-immigrant workers has doubled from about 600,000 visas in 1994 to approximately 1.2 visas in 2005. The controversial H1-B visas for "specialty occupations" have tripled since 1994 – form 98,030 visa to 321,336 visas in 2005.

Reform of the Legal Immigration System

The logical starting point for efforts to change the legal immigration system is the recommendations of the U.S. Commission on Immigration Reform (CIR) in 1997. The findings of CIR were the product of six years of careful study that was backed up numerous public hearings; consultations with experts; and commissioned research studies – including the work provided by a special panel created by the National Research Council of the National Academy of Science. Collectively, its report represents the best and most impartial study ever done of the nation's immigration policies.

CIR concluded that the existing immigration system pays virtually no attention to the labor market in its design. For the most part, whatever human capital attributes most immigrants bring to the United States are largely incidental to the reasons for which they are admitted. Far too many bring far too little. Moreover the admission of one person can trigger the entry of additional extended family members who also typically have a paucity of human capital endowments as well.

To reduce this "chain migration" phenomenon, CIR proposed that the annual level of legal immigration be reduced (to 550,000 visas a year). To accomplish this, it recommended the deletion of most of the extended family admission categories that provide eligibility for additional family members after one person becomes a permanent resident alien or a naturalized citizen. CIR called for 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. It also recommended that the diversity visa slots (50,000 visas) be eliminated. The diversity lottery program also pays scant attention to any human capital characteristics of those it admits (i.e., they only need to have a high school diploma).

In accordance with its belief that immigration policy should move away as much as possible from the admission of unskilled immigrants and toward skilled immigrants, CIR also recommended that no unskilled workers be admitted under the employment-based admission categories. It recognized that the nation had a surplus of unskilled job seekers (as it still does today) and certainly should not admit more. As the Chair of CIR, Barbara Jordan, explained:

> "What the Commission is concerned about are the unskilled workers in our society. In an age in which unskilled workers have far too few opportunities opened to them, and which welfare reform will require thousands more to find jobs, The Commission

sees no justification to the continued entry of unskilled foreign workers—unless the rationale for their admission otherwise serves a significant interest, as does the admission of nuclear family members and refugees."

Illegal Immigration Reforms

There is little reason to debate changes in the nation's legal immigration system as long as its terms are regularly and massively violated by illegal immigration. The integrity of the entire system is in question and will remain tainted until its terms are strictly enforced. Three steps must be taken:

1. Employer sanctions – which were advertised as being the "centerpiece" of the strategies to combat illegal immigration when they were enacted in 1986 – must be made to work. A requirement to verify social security numbers (as recommended by CIR) must be made mandatory immediately while steps be initiated to establish a national counterfeit proof worker identification system are put into place. The card would not have to be carried with someone but only be produced at those times when one applied for a job or for some government benefit.
2. Enforcement must become a reality. Fines for violations of the employer sanctions system must be increased and used routinely. The same for criminal penalties for repeat offenders. By both deed and national publicity, the message must be made clear to the public that illegal immigrants will not work in the United States. Those apprehended will be fined too (if employed) and deported. More worksite inspectors and border patrol personnel hired and deployed and more detention facilities added.
3. There must be no amnesties given for those who have illegally entered the United States to work. There have been seven amnesties since 1986 when the first such amnesty was given. Another was even pending in the U.S. Senate on the infamous day of September 11, 2001 when terrorists attacked in New York City and Washington, DC. It was abandoned in the wake of those attacks because background checks as required of legal immigrants were never done for those who entered illegally.

   Illegal immigrants inflict harm on the American workers. Getting them out of the labor force is as important as keeping others from illegally entering the country. Only then will market forces be free to set the wages and working conditions without being artificially depressed and worsened by the presence of the shadow labor force who are not supposed to be even in the country to say nothing about not being in the labor force. Given another amnesty – especially on the unprecedented scale of the millions now in the U.S—would free them to move into other occupations and other geographic regions of the country not now infected by the presence of illegal immigrant workers. Moreover, if amnesty is given again to any significant number of those illegal immigrants now in the country, the potential family reunification implications of what the immigration system will provide once the amnesty recipient gains permanent resident status

and later naturalized citizenship are mind-boggling (certainly in the tens of millions of similarly low skilled extended family members).

Local communities will be devastated by the increase in the demand for government services and local taxes will have to be greatly increased to meet their needs which now will have been legitimized.

Massive fraud can be expected to add tens of thousands of additional amnesty seekers who do not qualify for whatever the eligible terms are, but who will also seek to be included. Who can be expected to stop them from trying?

The anticipated result will be that the low wage labor market will simply be inundated by job seekers. A Marxian nightmare for low skilled workers will be created. Wages for low skilled workers will stagnate and increases will likely be tied largely to the irregularity of increases in the federal or state minimum wage rates. Income disparity will rapidly worsen. Competition for low skilled jobs will be brutal and poverty rates will soar.

Finally, it is absolutely inconceivable that the U.S. Department of Homeland Security could ever administer the terms of any of the proposed amnesty programs (e.g., verifying their ability to speak English, checking their knowledge of American civics, seeing if they have paid their back taxes, affirming that they have not committed any crimes, confirming that all eligible males have signed up for the military draft, etc.) in any thing close to a competent manner and still do all of its multiple other immigration-related duties. It would be cheaper by far to spend a small fraction of what it will cost to administer an amnesty program on tooling-up worksite enforcement of employer sanctions and border management.

There simply cannot be anymore amnesties for those who have continued to violate the nation's immigration laws that ban their eligibility to be employed.

Non-Immigrant Policy Reform

Both CIR in 1997 and the earlier findings of the Select Commission on Immigration and Refugee Policy in 1981 stated unequivocally that there should not be anymore guest worker programs for unskilled workers. Their views reflected those of virtually every scholar who has studied the issue both in the United States and elsewhere. Such programs have uniformly proven to be administratively difficult to enforce; hard to stop once enacted; depress wages for those employed in impacted occupations; stigmatize certain jobs as being only for foreigners; and inevitably generate more illegal immigration.

As for skilled workers, proposals to enlarge the existing H1-B program in "specialty occupations" are coming largely from special interest lobbying campaigns sponsored by corporate interests. There is no demonstrable evidence of any chronic shortage that the workings of the nation's own training and educational institutions cannot overcome.

Corporations simply do not want to compete for such workers from the pool of American workers. The basic question is: why should the federal government use public policy to keep the wages of American workers from being paid what the nation's labor market would otherwise dictate?

The existing H1-B 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 in these occupations below what they would otherwise be and, also, whether the program is used to discriminate against older workers in these occupations who, if retrained to keep current with evolving technologies, would command higher salaries. The H1-B programs also conjure up negative images of abuse associated with the concept of indentured servitude for those employed under its auspices. If the visa holder is intending to try to use the H1-B program (as many are) as a means to legally immigrate to the United States under the employment-based admission preference, he needs to work for an American employer long enough for his employer to certify that he is needed for that job and that a qualified American worker is not available to do the job he is now doing.

If in fact there is any likelihood that a skilled shortage were to occur, rising wages should signal American youth and American training and education institutions of the opportunities to respond. Why dampen the signal system of a free market with an H1-B program designed primarily to undermine this mechanism and to deny American workers the opportunities to fill these skilled worker positions? It is long past time to reign-in this massively abused program. There is absolutely no national interest in expanding it.

Concluding Observations

In its final report to Congress in 1997, the Commission on Immigration Reform defined what "a simple yardstick" for "a credible immigration policy" is: "people who should get in do get in, people who should not get in are kept out; and people who are judged deportable are required to leave."

The standard cannot be clearer. Congress and the Administration at that time did not listen and, sure enough, things have gotten far worse.

It time to put aside the selfish pleas of special interest groups and to enact real immigration reform.

Although some of my recommendations address issues not mentioned by CIR, all are consistent with those about which it did speak. All are intended to assure that our immigration policies are fair but firm and that they are congruent with the welfare of the nation's most valuable resource: it labor force.

Ms. LOFGREN. Thank you, Dr. Briggs. And your full statement is a part of the record, and I have read it, and I hope the other Members have.

Before beginning the questions, I have decided to take my place at the end and defer to the Chairman of the full Committee, who is here, and let him begin with his 5 minutes of questioning.

Mr. Conyers?

Mr. CONYERS. Well, that is very kind of you, Madam Chair. I appreciate it very much.

Dr. Briggs, you caught me offguard this afternoon. It is late in the day.

You agree with Barbara Jordan, but the larger question is, would Barbara Jordan agree with you?

Mr. BRIGGS. I hope so.

Mr. CONYERS. Her successor is here, so that I know that conversation will be continued.

But I would like you to examine, sir—and I would like to continue this discussion in writing or in person out of the Committee—by introducing you to the statement of principles referred to by Wade Henderson and see how they compare with some of the views that you have expressed. There may be some areas of agreement.

And I would like unanimous consent to introduce these into the record at this time.

Ms. LOFGREN. Without objection.

[The information referred to is available in the form of an attachment to Mr. Henderson's statement.]

Mr. CONYERS. This is such a difficult program. We have all these organizations—the Coalition for the Future of the American Worker, the FAIR, NumbersUSA, all alleged civil rights organizations that are ready to pounce upon the fact that African-American workers at the bottom of the workforce—and yet the greatest unemployed: double the unemployment is a modest statement in some areas of our country. You can talk about 40 percent and 50 percent unemployment.

And so I thought we were going to really be able to get into this, but the restrictions of the 5-minute rule and the two panel and four or five witnesses a panel—let me just lay some things out.

And I would like to open our Committee office and my staff to all of you to make comments to me about this.

You see, immigration can't be solved without a lot of other economic factors being addressed, if not resolved. And I am glad to hear that we are talking about winners and losers.

I make a point, too, in my little set of notes. Our colleague, Maxine Waters of California, on this Committee, a sterling Member, she told me—and I didn't know I was going to repeat this in public. But she told me that all of a certain kind of job in Los Angeles—I don't know if it was bus drivers or hotel workers, I don't know what it was—but she said every single position that had an African-American worker has been replaced by what appears to be an immigrant worker.

And it is a serious problem, because I need to be made more comfortable in this discussion. And believe me, this Committee is holding three times as many hearings on this bill than any of our other Committees are meeting.

I mean, it is a highly industrious activity because of the complexity. But if immigrants are taking low-paying wages, somebody had the job before they got it. So you know, here all of you on—we are going to see each other and talk this thing out.

But I may not be seeing all of you, Dr. Jaynes and Dr. Friedberg and Dr. Briggs, as much as I will be seeing others about this.

But in my simplistic way of thinking, somebody got replaced. Now, who did they get a job from? Or what happened to them? Where did they go?

And I can't resole my position on the complex formation of a bill. I think we need major reform.

Okay, next point—and you can all answer these after I get these—well, I only have two points. A full employment policy. Now, the last time I was working on full employment was with the Humphrey-Hawkins Full Employment and Balanced Growth Act.

Coretta Scott King came up here. They were about to dump it in the Senate. And we were able to get it into law. I must say it has never been used in the law. It is still sitting up there.

But to talk about how we are going to resolve this huge workforce relocation without talking about a massive training and creation of new jobs strikes me as something that we ought to be very careful about.

Now, my time has expired, and I can do one of two things: Ask for your time, or——

Ms. LOFGREN. Or we would ask for unanimous consent to allow the witnesses to address the Chairman's questions.

Mr. CONYERS. Or that. That is a probably more realistic——

Ms. LOFGREN. And of course, since we are the Chairmen, there is unanimous consent.

Mr. CONYERS. I had forgotten there was that option as well.

Now, let me ask Wade Henderson to begin a discussion, a critique, of what has been going on here from my perspective.

Mr. HENDERSON. Well, Chairman Conyers, you have raised, I think, one of the most important questions in the debate of the day, which is how does one explain the perception that Congresswoman Sheila Jackson Lee alluded to with the first panel, which is that even though the evidence would suggest there is no displacement of workers as between undocumented workers and native-born workers who hold low-paying jobs, low-wage workers, there is certainly anecdotal evidence to suggest that.

The problem you alluded to, for example—and whether it is the hotel industry or the construction industry—is an issue of great concern to many in the civil rights community and, as you might imagine, to communities with low-wage native-born workers, whether it is African-American or legal immigrant workers or others. There is real concern.

Bernard Anderson, Dr. Bernard Anderson, formerly of the Department of Labor during the Clinton administration, the first tenured African-American professor at the Wharton School of Economics, has looked at these issues over the years and analyzed comparative data. We allude to it in our testimony.

He suggests that there is some evidence that workers who held those jobs previously moved up the economic ladder and made

available new slots that were then filled by a new generation of workers.

There is some evidence to support that as well. The notion that workers today won't do jobs that previously they once did is true but only to the extent that wages are inadequate and insufficient to attract them to do the work.

There are real factors of exploitation involved and real structural discrimination.

And I would say to you that the phenomenon that African-Americans have experienced throughout our obviously complex history with our own country—which is that there have been instances where African-American workers are preferred in certain subservient jobs, in contrast to native-born White workers.

But as they become aware of their own rights and choose to exercise those rights, either by forming unions or being more outspoken and challenging employer practices, they are then replaced by undocumented workers who follow a pattern of subservience more akin to the earlier experiences of African-Americans before they became fully aware of their rights.

So I mean, there are, indeed, complex patterns of behavior and job circumstances that can't entirely be explained with economic analysis and data alone. But we are looking into those issues.

We are working closely with economists. We are working with our friends in organized labor and a broad variety of unions.

And we are trying to determine whether a supplemental set of economic initiatives, like those which we have outlined in the principles you alluded to, might be able to help, either incorporated in an immigration bill or a standalone supplemental bill.

Mr. CONYERS. Thank you so much.

Mr. HENDERSON. Thank you.

Mr. CONYERS. Dr. Jaynes, can you help me sleep more comfortably tonight after having been in this hearing? What is your guidance for us up here?

Mr. JAYNES. Well, Congressman Conyers, I actually am familiar with the data, in fact, that you gave with respect to Los Angeles, and it is the hotel industry.

Two things about that. First, you can always find these particular examples where you could point to something like that and attempt to extrapolate it across the entire country, but that is precisely what the studies are showing, that the extrapolation doesn't really work.

Where you can find a negative impact like that, you can find several positive impacts which sort of wash it out. Now, of course, that wouldn't necessarily make people in Los Angeles happy if they had lost jobs.

But the other component to that is it is not simply a case of one day you woke up and there were a lot of African-Americans working in this industry and on Wednesday morning they were all replaced by Latino workers.

This has been an expanding industry in Los Angeles. And by and large, Latino workers are the ones who have been getting the jobs as it expands.

Now, part of what Mr. Henderson just said, that African-Americans are, indeed—as the older ones leave the labor force and

younger ones come in, they are better educated, they have other levels of skills, and they are taking other kinds of jobs.

So all of that tends to explain it. That doesn't mean that there aren't any African-Americans who wanted jobs in the hotel industry in Los Angeles and didn't get them. There indubitably must be some.

But overall, I don't think that the major problem with respect to African-American employment in Los Angeles or anywhere else is due to immigration.

One other point about this perception thing. It is true that African-Americans, when you look at polling data—and I am talking about polling data not just recently, but polling data going back to the early 1990's—it is true that African-Americans are more likely to say that immigrants take jobs from native-born Americans.

However, two further points. That is still a minority of African-Americans saying that. And secondly, even though African-Americans say that, they are more likely than others to still look positively toward immigration and immigrants.

Mr. CONYERS. Glad to hear all of your comments.

And thank you, Madam Chairman.

Ms. LOFGREN. Thank you, Mr. Chairman.

I now recognize Mr. King.

Mr. KING. Thank you, Madam Chair.

Mr. Henderson, in reviewing your testimony—and I direct you, if you could, to page five of your testimony, at least as I count those pages, you have a paragraph that begins, "In closing, I would like to add that civil and human rights organizations do take note of how consistently or inconsistently"—and I would ask you to focus on this phrase—"inconsistently in this case advocates for restrictive immigration policies show their concern for the welfare of African-Americans."

That phrase "in this case"—could you inform this panel as to whom that refers to or what entity that might refer to?

Mr. HENDERSON. I don't think it refers specifically to any entity, Congressman King. What it says, in effect, is that African-Americans as a community look at the totality of positions taken by those who both support our positions and those who would seek to oppose them.

And what we have found is that there is a fundamental inconsistency. There are many who would use the——

Mr. KING. And I did read that testimony, and I heard you in your testimony where you already presented that orally.

And as I look at this, you state that immigration restrictionists have been opposed to Head Start, are for racial profiling, apparently, against affirmative action and against hate crimes, and the list goes on.

Mr. HENDERSON. Yes.

Mr. KING. But I would direct your attention to the paragraph above that that says, "African-Americans understand that it is inherently wrong to divide people along the lines of race or ethnicity or national origin, and that creating us-versus-them scenarios does not help anyone in the long run."

Would you acknowledge that there are people of good will and people of good intellect that believe that these policies that you ad-

vocate actually divide people along the very lines that you have identified that I just read to you?

Mr. HENDERSON. No, I reject that, Mr. King. Quite frankly, I think——

Mr. KING. Okay. And then you—okay. I hear your answer to that.

Mr. HENDERSON. Okay.

Mr. KING. Now I would ask you, then, that as I read this—from my side of this view, as I read this, this is a thinly veiled allegation of racism.

Mr. HENDERSON. Not at all.

Mr. KING. And I would ask you, do you believe that——

Mr. HENDERSON. That is your term, not mine.

Mr. KING. Okay, then I will ask you a direct question.

Mr. HENDERSON. That is your term, not mine.

Mr. KING. Do you believe that the people who are immigration restrictionists, by your definition, are racists?

Mr. HENDERSON. I was quite precise in the language I chose to use, Mr. King. What I said——

Mr. KING. So was I, Mr. Henderson.

Mr. HENDERSON. Well, what I said was that immigration restrictionists have practiced wedge politics, divisive politics, and I think it is harmful to the country.

Mr. KING. Would you, though, answer my precise question?

Mr. HENDERSON. Which is?

Mr. KING. Which is, do you believe that immigration restrictionists are racist?

Mr. HENDERSON. No, I never used that term.

Mr. KING. Do you believe they are?

Mr. HENDERSON. I am not going to characterize——

Mr. KING. In other words, you won't say you don't believe they are. You won't answer me.

Mr. HENDERSON. Well, I think that group indictments and group libel are inappropriate.

Mr. KING. Then I will ask you specifically. Do you personally believe that?

Mr. HENDERSON. I am responding. I am responding to your question.

Mr. KING. You are, I agree.

Mr. HENDERSON. I don't think you asked a question about whether we believe that restrictionists in their entirety are racist. If you ask me about an individual who has taken a particular position, I would answer that based on——

Mr. KING. I have taken these——

Mr. HENDERSON [continuing]. The best of my ability.

Mr. KING [continuing]. Particular positions, so I will ask——

Mr. HENDERSON. But I will not—I will not——

Mr. KING [continuing]. You about me. Do you believe that?

Mr. HENDERSON [continuing]. Make a group libel. I will not make a group libel, notwithstanding your view.

Mr. KING. Do you believe, then, that I am a racist?

Mr. HENDERSON. Why would I believe that, sir?

Mr. KING. I read this, and I will tell you that I am often told how people interpret what they read. I am telling you how I interpret that.

And I am asking you if you could give me a clear answer to that, and you said you reject that people of good will can disagree on that.

Mr. HENDERSON. Congressman King, I don't know you nearly well enough to make a determination of your personal views on issues of race.

Mr. KING. I agree with that.

Mr. HENDERSON. I would hesitate to make a comment about whether you are or are not racist. Only you, I think, could make that determination in the context at hand.

Mr. KING. If I hadn't made that determination, I wouldn't have had enough guts to ask you that question, Mr. Henderson, and I appreciate your response to it.

Mr. HENDERSON. Thank you.

Mr. KING. And I would then—let's see. Would you, then, draw a distinction between legal and illegal immigration?

Mr. HENDERSON. I draw a distinction between legal immigration and undocumented immigration. The answer is yes, I do draw a distinction.

Mr. KING. And you think there should be some consideration and policy for those two.

Mr. HENDERSON. Certainly, I think that the United States, as any sovereign nation, has the responsibility to control its immigration policies. I believe that is an inherent responsibility of sovereignty.

Mr. KING. I appreciate that distinction.

And I turn to Dr. Jaynes. And I am going to give you just a very quick scenario here, and that is I recall reading a study—it was in the Des Moines Register some years ago—where they had gone into the city of Milwaukee, in a neighborhood, and studied 36 square blocks, all households in those 36 square blocks.

And that was a neighborhood that had migrated up to Milwaukee from the South about the same time that the Okies went to California during the Depression era and up to World War II, to take those good union jobs that were in the breweries and those kind of jobs that were there in Milwaukee.

And they interviewed every household, and it was African-American households in each one of those, because that was the neighborhood that they chose, and there wasn't a single working male head of household in those 36 square blocks.

And so, you know, as I listened to the Chairman's discussion about this and the anecdotal evidence, this is one of those studies that I have read that is more than anecdotal.

And I want to encourage people to be working that are in this country that are people that are lawfully present here. When I see a study like that, I don't know how to explain that.

And I would ask if you could do that for this panel, please.

Mr. JAYNES. Well, I think I maybe missed something in your explanation. You said that the study was done during the Depression?

Mr. KING. No, they migrated there during the Depression and this study was done——

Mr. JAYNES. Oh, they migrated during the Depression.

Mr. KING [continuing]. About 6 years or 7 years ago when the study was done, so it would be second-or third-generation people that had—in that neighborhood.

Mr. JAYNES. Well, what you are trying to—you are asking me to give an answer to the fundamental question for the low-income African-American population; that is, what explains low levels of labor force participation that has been going on over approximately the last four decades?

Mr. KING. Yes.

Mr. JAYNES. We have nothing close to the time allowed here for me to go into that. If you wanted me to actually give you an answer to that, I could send you something in writing.

Let me say, however, that the fact that that question persists and exists is precisely one of the major reasons why one would say let's look at the facts that such low labor force participation, joblessness, unemployment levels have existed even before the 1965 Immigration Reform Act—or not reform act, but the 1965 Immigration Act.

And it is one of the less technical reasons why one might believe that contemporary immigration is not the fundamental reason why we have low levels of employment and low wages among less-educated African-Americans.

Mr. KING. I would just say quickly, Dr. Jaynes, that I understand the economics but I don't understand the sociology. And I would look forward to—if you would, very seriously, help enlighten me on the sociology of that question that you offered. Appreciate it very much.

And I thank you, Madam Chair, and I yield back.

Ms. LOFGREN. Thank you.

I would yield now to Members who have planes to catch. And first, our colleague, Mr. Gutierrez.

Mr. GUTIERREZ. You are wonderful, Madam Chairwoman. Thank you so much for calling this hearing and allowing me to address this very distinguished panel next.

I would like to say, first of all, thank you for your written testimony. It is going to help us immeasurably as we look at this issue, and so I thank all of the members of the panel, because I know it is late on a Thursday, and you have been wonderful to come here and speak to us.

I would think, Madam Chairwoman, we might want—just an idea, just a suggestion—we might want what comes as evidence here, is to have a broader conversation, because I think some of the underlying things here are about race, and how it is we get along, and how it is we perceive each other outside of the debate of immigration, and how that impacts our relationships both here in the Congress and in our greater community.

And so I know that African-Americans and Latinos—I mean, we need to respond to these ads, and we need to have an honest conversation amongst ourselves so that we can bridge those kinds of gaps, as we have done—as Mr. Henderson has so clearly stated we have done in the past, and how we have voted, the values we have

represented and defended here in the Congress of the United States, because regardless what is on that ad, history shows that we have so much in common.

We have fought for so many of the same things. I mean, let me just say thank you to Mr. Henderson and the organization and organizations that he represents and those that he worked for before, because those that had his job before him made it possible for me to be a Member of Congress.

Obviously, my parents raised me well, gave me a great education. But someone fought for civil rights legislation, for voting rights legislation, which led to creations of districts in which I could be competitive.

And we continue. I would just like to say that I think we need to have that conversation. If this panel moved me to nothing else—you know, I am so happy that someone took the ad on.

And it is opening up a series of questions for me of what we need to do as a community of people within the Congress of the United States.

Let me just say the following. I don't know if the restrictionists and the nativists are guided by prejudice, are guided by hatred.

I can only say that history tells me that when the Irish arrived, they said they were the hungry, uneducated people who came to our shores that were going to undermine our society because they weren't White Anglo-Saxon Protestants.

I think they were wrong about the Irish, and I think history has shown that to be wrong.

The New York Times at the turn of the century wrote in one of their editorials, "Only by the rule of law can we hope to contain these people," referring to Italian immigrants to this nation. You know, once we said to the Chinese, "Build our railroads," and then we excluded them specifically.

So politics—politics—and the use of race and prejudice and bigotry and some of those more base instincts as human beings that we unfortunately still have to deal with, have been used within the immigration debate throughout the history of our nation. And that is something that is undeniable. And so as America grapples with this, it is going to have to, obviously, take other things under consideration.

I would like to say, lastly, look, we create, Dr. Briggs, hundreds of thousands of low-skilled, low-wage jobs every year in this country. That is just a fact.

And as an industrialized nation, we have a better-educated, better-equipped community of people that is getting better-educated. That is a good thing. That is a society that is fulfilling its responsibility to those of us that are members of it. The people are getting better education.

But our economy is creating other kinds of jobs. It is the reality of our system. Yet we have 5,000 visas for low-wage workers.

We share a border, the longest uninterrupted border between a Third World nation and an industrialized nation. It is part of our hemisphere.

And we had better understand, because many of the same people who today are restrictionists on immigration reform and against comprehensive immigration reform were the first to extol the val-

ues of NAFTA, and integrating our economics, and allowing products to cross the border.

But with that crossing of products and industry and in that globalization, which we all believe is good at the end game, are going to come communities of people that are impacted.

And history has shown us that people, especially those in—agricultural workers, as been done in Mexico, we cannot—how do you expect, under NAFTA, for workers in Mexico, which have two or three acres, to compete with our agri-industrial business in Kansas?

Of course, we are the best at putting corn out there. We are the most efficient. They have suffered greatly. So winners and losers.

I want to make sure that as we have this conversation, Madam Chairwoman, that we take—and that we have—you know, we not simply say there are going to be winners and losers.

Let's look for winners. Let's look for the best that we can. And I thank the members of the panel immensely for their contribution here this afternoon.

Ms. LOFGREN. The gentlelady from Houston and the successor to the Barbara Jordan seat in the Congress, Sheila Jackson Lee.

Ms. JACKSON LEE. Madam Chair, you honor me, but we all pay tribute to the Honorable Barbara Jordan, who the very esteemed Chairman of the full Committee had the distinguished role of being on this other body, the Judiciary Committee, during her tenure. And I am reminded of the kind words that she offered about John Conyers.

And I thank the Chairwoman as well for yielding to me. I got an e-mail about a plane about to depart, so I thank you for that. I will pose some questions.

Let me acknowledge a point of personal privilege, Dr. Jaynes, as a graduate of the college at which you now teach, I am very proud that you are here. I won't give you the year that I graduated from Yale, but I am delighted that the African-American Studies Department is still going strong.

Judge Leon Higginbotham said that race matters. And I join with my colleagues. I think this is a vibrant, vigorous discussion, and I would encourage maybe a roundtable briefing.

I am going to offer, Mr. Henderson, that the principles become a construct. Frankly, I believe that there can be a dual partnership with comprehensive of immigration reform and travel on the same legislative vehicle.

The reason why I say that is that we have focused our attention today, Dr. Briggs, and we have used African-Americans, Hispanics—but going to parts of Ohio, parts of Appalachia in West Virginia, and a number of other areas, and we can cite others of low economic levels who will be moved by the suggestion that I am being put out because new workers are here.

Frankly, I think that our economic policies are really the ruin of our existence. We stopped manufacturing. I mean, that was the level of integration into a better life.

As the immigrants came in the 1800's and then in the 1900's, some of them moved into the Rust Belt, and they began doing the kind of large manufacturing, and they became at least the underpinnings of the middle class.

And many were African-Americans who had come from the South. So we know that if the turning of the economy has a certain bend to it, making things with your hands or building things—the Detroit phenomenon—we know that people are employed, and employers will not care who you are.

But the idea is that our work has changed. And in the course of our work having changed, society has been, if you will, unsympathetic to young African-American males, to the creation of single families, to drug addiction and other elements.

But I do want to make the point that this is a broad question. It impacts people of all economic levels. So I want to raise this quick point.

Dr. Jaynes, quickly, you indicated that you are ready to concede, at least, that immigration probably hurts the employment and wages of some less educated persons, but you still conclude immigration is a net benefit to the United States, and I do, as well.

Do you then think that, as we move for comprehensive immigration reform, as we look at some of the principles that Dr. Henderson has offered, that we can look to job creation, job retention, nondiscrimination, wage increase so that we get the pool of workers that feel left out, even though, as I said, it is perception rather than, in many instances, reality?

Can we move that along as we move comprehensive immigration reform?

Mr. JAYNES. Yes. I absolutely believe that that should be part of the entire debate and process.

Ms. JACKSON LEE. Dr. Briggs, I note that you use the word amnesty. It just gets me, and I respect—might I say, if the honorable Barbara Jordan had lived, one thing I always understood, she was a listener. She grew with the issue. She understood the Constitution. And she was eloquent on the words we, the people.

And I know that she had the chairmanship of that Committee and talked about an I.D. card, but she also had the broadness of embracing people.

We have leaders of industry—construction, agriculture and service workers—who believe that their particular industry would collapse without the broadness of the workers that we need here. What would you do with those industries, service and otherwise, who need that employment base?

And have you read the basic legislative initiatives that do not define this as amnesty? It defines it as a process, an orderly process.

But just answer the question about these industries who are utilizing this new workforce.

Mr. BRIGGS. Well, an amnesty is an amnesty. I mean, you could change the words, but it is still an amnesty.

But the question you asked——

Ms. JACKSON LEE. In your mind, but I understand we disagree on that. But just how would you address the question of the large need of a workforce in these areas?

Mr. BRIGGS. Employers want cheap labor. And that is what illegal immigrants give. The question that is before—most of what has been said here today is absolutely irrelevant to this question of illegal immigrants on the labor force.

Illegal immigrants are preferred workers. When you put them into competition—and if an employer can have them—our business men are not evil. They are pragmatic.

If you give me people who are glad to work for $5 an hour, or $5.15 an hour, because they make $5 a day in Mexico, I want those people. I don't want American workers.

And that is what anybody, regardless of their race—it is impossible to compete with illegal immigrants. Of course they say that—but I will tell you this. I don't think Americans are going to stop eating just because—if they had to pay a little bit more to agricultural workers. I got in this——

Ms. JACKSON LEE. Well, may I reclaim my time?

Would the Chairwoman just indulge me an additional minute just to answer the gentleman?

Ms. LOFGREN. Without objection.

Ms. JACKSON LEE. And I will leave it at this.

Dr. Briggs, I can step away from this seat and come down and shake your hand and say we can work together. Let me tell you why. I think you are not listening.

In the course of the testimony here, everything you said a new comprehensive immigration reform will cure. One, increase of wages. Two, a non-discriminatory workplace. Three, the recruiting of workers from all over, giving people the opportunity—American workers, for example—you want to be in the agriculture business in the—I want to put a scientific terminology to it—the gathering of products.

Do you want to be in the service industry? Do you want to be in the construction industry? All of those opportunities—we are trying to cure the cancer of illegal immigration.

Mr. BRIGGS [continuing]. Guest worker program.

Ms. JACKSON LEE. Let me reclaim my time.

Mr. BRIGGS. Because it will not—it will lower wages.

Ms. JACKSON LEE. Let me reclaim my time, and I appreciate your intensity. I am not putting any names on anything. One, we have 12 million or a number undocumented. And what I am saying to you is we will cure the ailment by documentation.

And therefore, no one on this panel is arguing for low wages, so I thank you. I want to work with you.

Ms. LOFGREN. The gentlelady's time——

Ms. JACKSON LEE. Dr. Henderson, I just——

Ms. LOFGREN [continuing]. Has expired.

Ms. JACKSON LEE [continuing]. I would just finish on this point. This is an excellent construct. I believe it needs to be in conjunction with the traveling vehicle, because that will bring forward the people who, if you will, have bought into the myth that their jobs are being lost.

And I thank the gentleman. I would love your answer, but I yield back to the——

Ms. LOFGREN. The gentlelady's time has expired.

I am going to be very quick, because the hour is late. But I do want to just follow up with Dr. Friedberg very carefully on her analysis.

And I was interested in the economic analysis that I have read, talking about some industries where there is heavy participation of

immigrant labor—for example, in the landscaping industry and some others—and the assertion being made that actually I think I—just the way I have lived, I have observed, is that at some point, rather than raise wages, you eliminate the industry.

And I will just give you an example. I mean, growing up in California, I didn't know anybody who had ever hired anybody to mow their lawn other than a kid for 50 cents. Now, everybody has a landscaping service that they pay.

So you know, I think that is a—and if it was a lot more—there is a limit to how much you will pay. I mean, at some point you will go buy your own lawn mower and go back to the way it used to be.

So I thought that was an interesting piece of the testimony. I also wanted to talk about, and have you explain, the Mariel boat lift study, because I am fascinated by that.

We had how many? Thousands of Cubans who came, but they came legally, and I don't understand—if you could just detail the specifics of who didn't get displaced and how that could happen.

Can you explain that?

Ms. FRIEDBERG. Well, the Mariel boat lift study, which was done by David Card, analyzed the 125,000 Cubans who came to Miami and compared them—excuse me, looked at the outcomes of native-born workers in Miami, and compared them to similar workers in similar cities.

So he broke workers down into groups—White, African-American, Hispanic and earlier waves of Cubans—and looked at cities that had similar demographic and economic characteristics—Houston, L.A., Atlanta, and Tampa.

And basically, he compared what happened to the natives in Miami compared to the similar natives in other cities, and found virtually no effect on the wages or unemployment rates of less-killed workers in any of these groups.

Ms. LOFGREN. Well, how could that be?

Ms. FRIEDBERG. So the first part, the study, is what empirical economists are good at. The next part is somewhat speculation. Further research is needed to see exactly what are the mechanisms that enabled the economy to absorb such a large number of immigrants.

Some ideas are, first, that production techniques are flexible, so in places where there is a large supply of less-killed workers, we see that firms shift—find ways to use those workers in order to increase efficiency and lower cost.

And second, to some extent, immigrants and natives are almost never perfect substitutes.

If you think about it, even when on paper they have the same education and experience, the native-born worker has English as a native language, American education, American work experience, networks of people for, you know, job networks, informational networks. So you know, that is something also that economists are looking into.

But the fact that the economy is able to absorb a large number of immigrants is something that the research has found, and the mechanism for that is something that the research is working on.

Ms. LOFGREN. I would just like to thank all the panelists and note that as we have gotten the testimony about how immigrants who are risk-takers have actually increased the economic activity of the United States, and your eloquent testimony, really, about not allowing divisiveness to defeat that opportunity for the United States—as we listen to this testimony, I have been thinking about the other roles we have on the Judiciary Committee.

And some of the testimony and efforts that we have made to address the issues of racism and poverty—and Bobby Scott in particular, our Chairman of our Crime Subcommittee, addressing the issues of especially African-American young men who are disproportionately incarcerated.

And the issue that we—as a country, we are doing nothing about that—nothing about that. And preventing the creation of Google is not going to address that issue. But it is an issue that our country needs to resolve.

And so I am actually very appreciative of the time you have spent here.

And in addition to coming up with a comprehensive approach to the immigration issues that we face, I am now beginning to understand that this may also lead us, finally, to have a more vigorous effort to address these other issues, these typically American issues that we have for so long ignored.

So on that note, I will note that we will—may have additional written questions that we will send to each of you, and we would ask—the record will be open for 5 days, and we ask that if we send you questions, if you are able to respond promptly we would appreciate that very, very much.

I would note that next week we have two additional hearings. On Tuesday at 9:30 in this hearing room, we will have a hearing on the role of family-based immigration in the U.S. immigration system. And on Friday morning at 9 a.m., again in this room, we will have a hearing on the impact of immigration on States and localities.

Thank you very, very much for your participation.

This hearing is adjourned.

[Whereupon, at 5:40 p.m., the Subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, AND MEMBER, SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

Today marks the sixth hearing in a series of hearings dealing with comprehensive immigration reform. This subcommittee previously dealt with the shortfalls of the 1986 and 1996 immigration reforms, the difficulties employers face with employment verification and ways to improve the employment verification system. On Tuesday May 1, 2007 we explored the point system that the United Kingdom, Canada, Australia, and New Zealand utilize. Today the focus of the discussion turns to the U.S. economy, U.S. workers and immigration reform

Let me start by stating that in order to achieve a practical, and sensible resolution to this debate about comprehensive immigration reform we have to get past the tremendous amount of devisive, hurtful, and untruthful rhetoric that has clouded the discussion. That is why today's hearing is so important. We will get past the myths, and try to uncover the truth. So I ask my fellow members to look beyond the rhetoric, roll up your sleeves, listen to what our witnesses have to say about the effect of the immigration population on the U.S. economy and workers, and take the next step towards a solution.

There is a grave misconception that foreign-born workers are a drain on our economy (i.e.—public schools, hospital emergency rooms, and public assistance programs) when in actuality studies have shown that this is not the case. These are hard-working individuals who hold multiple jobs, and although they may send money back to their home countries, they must still be able to provide for their own groceries, housing, transportation, and other basic needs here in the United States. This means an entire population of workers who shop at our grocery stores, utilize our public transportation, eat at our restaurants, and shop at our malls. Also, many individuals in the construction, agriculture, and service industries will tell you that the potential loss of this workforce will have a devastating impact on our national economy.

The most popular stereotype about the low-skilled foreign workers is that they are taking jobs from native-born workers. Unfortunately, many individuals in the anti-immigration camp have sought support from the black community, by pitting Latinos against blacks. Yet, the focus ought to be on the employers who exploit foreign born workers at the expense of native born workers. Further, studies show that the effect of immigrant workers on native-born workers is minimal at best. Fact of the matter is that since the passage of the Civil Rights Act, the black middle class has seen substantial growth, thus the argument that immigration is having a disproportionate effect on blacks is in part a disingenuous argument. Studies have shown that the influx of Cubans to Miami in the early eighties did not have a negative impact on the wages of blacks living in Miami.

In conclusion let me state that comprehensive immigration reform is an issue that I have been taking head on since 2000. That is why I introduced the Save America Comprehensive Immigration Act of 2007. As you know I come from the great state of Texas, a border state. I have first hand knowledge of the wonderful contributions that the immigration population has made to the greater Houston community. This is why I have no fear, reservations, or brutal misconceptions about the immigrant population that some may have. I hope my colleagues in Congress heed my message and carefully consider the facts, and not the myths.

LETTER FROM A MAJORITY OF THE MINORITY MEMBERS OF THE SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW REQUESTING A MINORITY DAY OF HEARING TO THE HONORABLE ZOE LOFGREN, CHAIRWOMAN, SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

JOHN CONYERS, JR., Michigan
CHAIRMAN

LAMAR S. SMITH, Texas
RANKING MINORITY MEMBER

U.S. House of Representatives
Committee on the Judiciary
Washington, DC 20515–6216
One Hundred Tenth Congress

May 3, 2007

The Honorable Zoe Lofgren
Chairwoman
Subcommittee on Immigration, Citizenship,
Refugees, Border Security & International Law
House Judiciary Committee
102 Cannon
Washington, DC 20515

Dear Chairwoman Lofgren,

Pursuant to House Rule XI clause (2)(j)(1), we hereby request that the minority Members of the Subcommittee on Immigration, Citizenship, Refugees, Border Security & International Law be granted a minority day of hearing on matters relating to the U.S. Economy, U.S. Workers, and Immigration Reform.

Although the testimony of the government panel you have assembled will likely be valuable, it is essential that the Committee examine perspectives other than those of the government. Because we have been effectively denied the witness of our choice on one of today's panels, we feel that a minority day is our only option to ensure that we create a balanced record.

Pursuant to the House Rules, you will find the signatures of a majority of the minority Members of this Subcommittee below.

Sincerely,

Steve King
Ranking Member
Subcommittee on Immigration,
Citizenship, Refugees, Border Security
& International Law

Elton Gallegly
Deputy Ranking Member
Subcommittee on Immigration,
Citizenship, Refugees, Border Security
& International Law

Bob Goodlatte

Dan Lungren

Randy Forbes

Louie Gohmert

"THE COMPOSITE NATIONAL" BY FREDERICK DOUGLASS, SUBMITTED BY THE HONORABLE JOHN CONYERS, JR., CHAIRMAN, COMMITTEE ON THE JUDICIARY

As nations are among the largest and the most complete divisions into which society is formed, the grandest aggregations of organized human power; as they raise to observation and distinction the world's greatest men, and call into requisition the highest order of talent and ability for their guidance, preservation and success, they are ever among the most attractive, instructive and useful subjects of thought, to those just entering upon the duties and activities of life.

The simple organization of a people into a National body, composite or otherwise, is of itself and impressive fact. As an original proceeding, it marks the point of departure of a people, from the darkness and chaos of unbridled barbarism, to the wholesome restraints of public law and society. It implies a willing surrender and subjection of individual aims and ends, often narrow and selfish, to the broader and better ones that arise out of society as a whole. It is both a sign and a result of civilization.

A knowledge of the character, resources and proceedings of other nations, affords us the means of comparison and criticism, without which progress would be feeble, tardy, and perhaps, impossible. It is by comparing one nation with another, and one learning from another, each competing with all, and all competing with each, that hurtful errors are exposed, great social truths discovered, and the wheels of civilization whirled onward.

I am especially to speak to you of the character and mission of the United States, with special reference to the question whether we are the better or the worse for being composed of different races of men. I propose to consider first, what we are, second, what we are likely to be, and, thirdly, what we ought to be.

Without undue vanity or unjust depreciation of others, we may claim to be, in many respects, the most fortunate of nations. We stand in relation to all others, as youth to age. Other nations have had their day of greatness and glory; we are yet to have our day, and that day is coming. The dawn is already upon us. It is bright and full of promise. Other nations have reached their culminating point. We are at the beginning of our ascent. They have apparently exhausted the conditions essential to their further growth and extension, while we are abundant in all the material essential to further national growth and greatness.

The resources of European statesmanship are now sorely taxed to maintain their nationalities at their ancient height of greatness and power.

American statesmanship, worthy of the name, is now taxing its energies to frame measures to meet the demands of constantly increasing expansion of power, responsibility and duty.

Without fault or merit on either side, theirs or ours, the balance is largely in our favor. Like the grand old forests, renewed and enriched from decaying trunks once full of life and beauty, but now moss-covered, oozy and crumbling, we are destined to grow and flourish while they decline and fade.

This is one view of American position and destiny. It is proper to notice that it is not the only view. Different opinions and conflicting judgments meet us here, as elsewhere.

It is thought by many, and said by some, that this Republic has already seen its best days; that the historian may now write the story of its decline and fall.

Two classes of men are just now especially afflicted with such forebodings. The first are those who are croakers by nature—the men who have a taste for funerals, and especially National funerals. They never see the bright side of anything and probably never will. Like the raven in the lines of Edgar A. Poe they have learned two words, and these are "never more." They usually begin by telling us what we never shall see. Their little speeches are about as follows: You will never see such Statesmen in the councils of the nation as Clay, Calhoun and Webster. You will never see the South morally reconstructed and our once happy people again united. You will never see the Government harmonious and successful while in the hands of different races. You will never make the negro work without a master, or make him an intelligent voter, or a good and useful citizen. The last never is generally the parent of all the other little nevers that follow.

During the late contest for the Union, the air was full of nevers, every one of which was contradicted and put to shame by the result, and I doubt not that most of those we now hear in our troubled air, will meet the same fate.

It is probably well for us that some of our gloomy prophets are limited in their powers, to prediction. Could they command the destructive bolt, as readily as they command the destructive world, it is hard to say what might happen to the country. They might fulfill their own gloomy prophesies. Of course it is easy to see why certain other classes on men speak hopelessly concerning us.

A Government founded upon justice, and recognizing the equal rights of all men; claiming higher authority for existence, or sanction for its laws, that nature, reason, and the regularly ascertained will of the people; steadily refusing to put its sword and purse in the service of any religious creed or family is a standing offense to most of the Governments of the world, and to some narrow and bigoted people among ourselves.

To those who doubt and deny the preponderance of good over evil in human nature; who think the few are made to rule, and many to serve; who put rank above brotherhood, and race above humanity; who attach more importance to ancient forms than to the living realities of the present; who worship power in whatever hands it may be lodged and by whatever means it may have been obtained; our Government is a mountain of sin, and, what is worse, its [sic] seems confirmed in its transgressions.

One of the latest and most potent European prophets, one who has felt himself called upon for a special deliverance concerning us and our destiny as a nation, was the late Thomas Carlyle. He described us as rushing to ruin, not only with determined purpose, but with desperate velocity.

How long we have been on this high road to ruin, and when we may expect to reach the terrible end our gloomy prophet, enveloped in the fogs of London, has not been pleased to tell us.

Warnings and advice are not to be despised, from any quarter, and especially not from one so eminent as Mr. Carlyle; and yet Americans will find it hard to heed even men like him, if there be any in the world like him, while the animus is so apparent, bitter and perverse.

A man to whom despotism is Savior and Liberty the destroyer of society,—who, during the last twenty years of his life, in every contest between liberty and oppression, uniformly and promptly took sides with the oppressor; who regarded every extension of the right of suffrage, even to white men in his own country, as shooting Niagara; who gloats over deeds of cruelty, and talked of applying to the backs of men the beneficent whip, to the great delight of many, the slave drivers of America in particular, could have little sympathy with our Emancipated and progressive Republic, or with the triumphs of liberty anywhere.

But the American people can easily stand the utterances of such a man. They however have a right to be impatient and indignant at those among ourselves who turn the most hopeful portents into omens of disaster, and make themselves the ministers of despair when they should be those of hope, and help cheer on the country in the new and grand career of justice upon which it has now so nobly and bravely entered. Of errors and defects we certainly have not less than our full share, enough to keep the reformer awake, the statesman busy, and the country in a pretty lively state of agitation for some time to come. Perfection is an object to be aimed at by all, but it is not an attribute of any form of Government. Neutrality is the law for all. Something different, something better, or something worse may come, but so far as respects our present system and form of Government, and the altitude we occupy, we need not shrink from comparison with any nation of our times. We are today the best fed, the best clothed, the best sheltered and the best instructed people in t he world.

There was a time when even brave men might look fearfully at the destiny of the Republic. When our country was involved in a tangled network of contradictions; when vast and irreconcilable social forces fiercely disputed for ascendancy and control; when a heavy curse rested upon our very soil, defying alike the wisdom and the virtue of the people to remove it; when our professions were loudly mocked by our practice and our name was a reproach and a by word to a mocking earth; when our good ship of state, freighted with the best hopes of the oppressed of all nations, was furiously hurled against the hard and flinty rocks of derision, and every cord, bolt, beam and bend in her body quivered beneath the shock, there was some apology for doubt and despair. But that day has happily passed away. The storm has been weathered, and portents are nearly all in our favor.

There are clouds, wind, smoke and dust and noise, over head and around, and there always will be; but no genuine thunder, with destructive bolt, menaces from any quarter of the sky.

The real trouble with us was never our system or form of Government, or the principles underlying it; but the peculiar composition of our people, the relations existing between them and the compromising spirit which controlled the ruling power of the country.

We have for along time hesitated to adopt and may yet refuse to adopt, and carry out, the only principle which can solve that difficulty and give peace, strength and security to the Republic, and that is the principle of absolute equality.

We are a country of all extremes—, ends and opposites; the most conspicuous example of composite nationality in the world. Our people defy all the ethnological and logical classifications. In races we range all the way from black to white, with intermediate shades which, as in the apocalyptic vision, no man can name a number.

In regard to creeds and faiths, the condition is no better, and no worse. Differences both as to race and to religion are evidently more likely to increase than to diminish.

We stand between the populous shores of two great oceans. Our land is capable of supporting one fifth of all the globe. Here, labor is abundant and here labor is better remunerated than any where else. All moral, social and geographical causes, conspire to bring to us the peoples of all other over populated countries.

Europe and Africa are already here, and the Indian was here before either. He stands today between the two extremes of black and white, too proud to claim fraternity with either, and yet too weak to withstand the power of either. Heretofore the policy of our government has been governed by race pride, rather than by wisdom. Until recently, neither the Indian nor the negro has been treated as a part of the body politic. No attempt has been made to inspire either with a sentiment of patriotism, but the hearts of both races have been diligently sown with the dangerous seeds of discontent and hatred.

The policy of keeping the Indians to themselves, has kept the tomahawk and scalping knife busy upon our borders, and has cost us largely in blood and treasure. Our treatment of the negro has slacked humanity, and filled the country with agitation and ill-feeling and brought the nation to the verge of ruin.

Before the relations of these two races are satisfactorily settled, and in spite of all opposition, a new race is making its appearance within our borders, and claiming attention. It is estimated that not less than one hundred thousand Chinamen, are now within the limits of the United States. Several years ago every vessel, large or small, of steam or sail, bound to our Pacific coast and hailing from the Flowery kingdom, added to the number and strength of this new element of our population.

Men differ widely as to the magnitude of this potential Chinese immigration. The fact that by the late treaty with China, we bind ourselves to receive immigrants from that country only as the subjects of the Emperor, and by the construction, at least, are bound not to [naturalize] them, and the further fact that Chinamen themselves have a superstitious devotion to their country and an aversion to permanent location in any other, contracting even to have their bones carried back, should they die abroad, and from the fact that many have returned to China, and the still more stubborn [fact] that resistance to their coming has increased rather than diminished, it is inferred that we shall never have a large Chinese population in America. This however is not my opinion.

It may be admitted that these reasons, and others, may check and moderate the tide of immigration; but it is absurd to think that they will do more than this. Counting their number now, by the thousands, the time is not remote when they will count them by the millions. The Emperor's hold upon the Chinamen may be strong, but the Chinaman's hold upon himself is stronger.

Treaties against naturalization, like all other treaties, are limited by circumstances. As to the superstitious attachment of the Chinese to China, that, like all other superstitions, will dissolve in the light and heat of truth and experience. The Chinaman may be a bigot, but it does not follow that he will continue to be one, tomorrow. He is a man, and will be very likely to act like a man. He will not be long in finding out that a country which is good enough to live in, is good enough to die in; and that a soil that was good enough to hold his body while alive, will be good enough to hold his bones when he is dead.

Those who doubt a large immigration, should remember that the past furnishes no criterion as a basis of calculation. We live under new and improved conditions of migration, and these conditions are constantly improving. America is no longer an obscure and inaccessible country. Our ships are in every sea, our commerce in every port, our language is heard all around the globe, steam and lightning have revolutionized the whole domain of human thought. Changed all geographical relations, make a day of the present seem equal to a thousand years of the past, and the continent that Columbus only conjectured four centuries ago is now the centre of the world.

I believe that Chinese immigration on a large scale will yet be our irrepressible fact. The spirit of race pride will not always prevail. The reasons for this opinion are obvious; China is a vastly overcrowded country. Her people press against each other like cattle in a rail car. Many live upon the water, and have laid out streets upon the waves. Men, like bees, want elbow room. When the hive is overcrowded, the bees will swarm, and will be likely to take up their abode where they find the best prospect for honey. In matters of this sort, men are very much like bees. Hun-

ger will not be quietly endured, even in the celestial empire, when it is once generally known that there is bread enough and to spare in America. What Satan said of Job is true of the Chinaman, as well as of other men, "All that a man hath will he give for his life." They will come here to live where they know the means of living are in abundance.

The same mighty forces which have swept our shores the overflowing populations of Europe; which have reduced the people of Ireland three millions below its normal standard; will operate in a similar manner upon the hungry population of China and other parts of Asia. Home has its charms, and native land has its charms, but hunger, oppression, and destitution, will desolve these charms and send men in search of new countries and new homes.

Not only is there a Chinese motive behind this probable immigration, but there is also an American motive which will play its part, one which will be all the more active and energetic because there is in it an element of pride, of bitterness, and revenge.

Southern gentlemen who led in the late rebellion, have not parted with their convictions at this point, any more than at others. They want to be independent of the negro. They believed in slavery and they believe in it still. They believed in an aristocratic class and they believe in it still, and though they have lost slavery, one element essential to such a class, they still have two important conditions to the reconstruction of that class. They have intelligence and they have land. Of these, the land is the more important. They cling to it with all the tenacity of a cherished superstition. They will neither sell to the negro, nor let the carpet baggers have it in peace, but are determined to hold it for themselves and their children forever. They have not yet learned that when a principle is gone, the incident must go also; that what was wise and proper under slavery, is foolish and mischievous in a state of general liberty; that the old bottles are worthless when the new wine has come; but they have found that land is a doubtful benefit where there are no hands to it.

Hence these gentlemen have turned their attention to the Celestial Empire. They would rather have laborers who will work for nothing; but as they cannot get the negroes on these terms, they want Chinamen who, they hope, will work for next to nothing.

Companies and associations may be formed to promote this Mongolian invasion. The loss of the negro is to gain them, the Chinese; and if the thing works well, abolition, in their opinion, will have proved itself to be another blessing in disguise. To the statesman it will mean Southern independence. To the pulpit it will be the hand of Providence, and bring about the time of the universal dominion of the Christian religion. To all but the Chinaman and the negro, it will mean wealth, ease and luxury.

But alas, for all the selfish inventions and dreams of men! The Chinaman will not long be willing to wear the cast off shoes of the negro, and if he refuses, there will be trouble again. The negro worked and took his pay in religion and the lash. The Chinaman is a different article and will want the cash. He may, like the negro, accept Christianity, but unlike the negro he will not care to pay for it in labor under the lash. He had the golden rule in substance, five hundred years before the coming of Christ, and has notions of justice that are not to be confused or bewildered by any of our "Cursed be Canaan" religion.

Nevertheless, the experiment will be tried. So far as getting the Chinese into our country is concerned, it will yet be a success. This elephant will be drawn by our Southern brethren, though they will hardly know in the end what to do with him.

Appreciation of the value of Chinamen as laborers will, I apprehend, become general in this country. The North was never indifferent to Southern influence and example, and it will not be so in this instance.

The Chinese in themselves have first rate recommendations. They are industrious, docile, cleanly, frugal; they are dexterious of hand, patient of toil, marvelously gifted in the power of imitation, and have but few wants. Those who have carefully observed their habits in California, say they can subsist upon what would be almost starvation to others.

The conclusion of the whole will be that they will want to come to us, and as we become more liberal, we shall want them to come, and what we want will normally be done.

They will no longer halt upon the shores of California. They will borrow no longer in her exhausted and deserted gold mines where they have gathered wealth from bareness, taking what others left. They will turn their backs not only upon the Celestial Empire, but upon the golden shores of the Pacific, and the wide waste of waters whose majestic waves spoke to them of home and country. They will withdraw their eyes from the glowing west and fix them upon the rising sun. They will cross

the mountains, cross the plains, descend our rivers, penetrate to the heart of the country and fix their homes with us forever.

Assuming then that this immigration already has a foothold and will continue for many years to come, we have a new element in our national composition which is likely to exercise a large influence upon the thought and the action of the whole nation.

The old question as to what shall be done with [the] negro will have to give place to the greater question, "what shall be done with the Mongolian" and perhaps we shall see raised one even still greater question, namely, what will the Mongolian do with both the negro and the whites?

Already has the matter taken this shape in California and on the Pacific Coast generally. Already has California assumed a bitterly unfriendly attitude toward the Chinamen. Already has she driven them from her altars of justice. Already has she stamped them as outcasts and handed them over to popular contempt and vulgar jest. Already are they the constant victims of cruel harshness and brutal violence. Already have our Celtic brothers, never slow to execute the behests of popular prejudice against the weak and defenseless, recognized in the heads of these people, fit targets for their shilalahs. Already, too, are their associations formed in avowed hostility to the Chinese.

In all this there is, of course, nothing strange. Repugnance to the presence and influence of foreigners is an ancient feeling among men. It is peculiar to no particularly race or nation. It is met with not only in the conduct of one nation toward another, but in the conduct of the inhabitants of different parts of the same country, some times of the same city, and even of the same village. "Lands intersected by a narrow frith, abhor each other. Mountains interposed, make enemies of nations." To the Hindoo, every man not twice born, is Mleeka. To the Greek, every man not speaking Greek, is a barbarian. To the Jew, every one not circumcised, is a gentile. To the Mahometan, every man not believing in the prophet, is a kaffe. I need not repeat here the multitude of reproachful epithets expressive of the same sentiment among ourselves. All who are not to the manor born, have been made to feel the lash and sting of these reproachful names.

For this feeling there are many apologies, for there was never yet an error, however flagrant and hurtful, for which some plausible defense could not be framed. Chattel slavery, king craft, priest craft, pious frauds, intolerance, persecution, suicide, assassination, repudiation, and a thousand other errors and crimes, have all had their defenses and apologies.

Prejudice of race and color has been equally upheld. The two best arguments in its defense are, first, the worthlessness of the class against which it was directed; and, second; that he feeling itself is entirely natural.

The way to overcome the first argument is, to work for the elevation of those deemed worthless, and thus make them worthy of regard and they will soon become worthy and not worthless. As to the natural argument it may be said, that nature has many sides. Many things are in a certain sense natural, which are neither wise nor best. It is natural to walk, but shall men therefore refuse to ride? It is natural to ride on horseback, shall men therefore refuse steam and rail? Civilization is itself a constant war upon some forces in nature; shall we therefore abandon civilization and go back to savage life?

Nature has two voices, the one is high, the other low; one is in sweet accord with reason and justice, and the other apparently at war with both. The more men really know of the essential nature of things, and on of the true relation of mankind, the freer they are from prejudices of every kind. The child is afraid of the giant form of his own shadow. This is natural, but he will part with his fears when he is older and wiser. So ignorance is full of prejudice, but it will disappear with enlightenment. But I pass on.

I have said that the Chinese will come, and have given some reasons why we may expect them in very large numbers in no very distant future. Do you ask, if I favor such immigration, I answer I would. Would you have them naturalized, and have them invested with all the rights of American citizenship? I would. Would you allow them to vote? I would. Would you allow them to hold office? I would.

But are there not reasons against all this? Is there not such a law or principle as that of self-preservation? Does not every race owe something to itself? Should it not attend to the dictates of common sense? Should not a superior race protect itself from contact with inferior ones? Are not the white people the owners of this continent? Have they not the right to say, what kind of people shall be allowed to come here and settle? Is there not such a thing as being more generous than wise? In the effort to promote civilization may we not corrupt and destroy what we have? Is it best to take on board more passengers than the ship will carry?

To all of this and more I have one among many answers, together satisfactory to me, though I cannot promise that it will be so to you.

I submit that this question of Chinese immigration should be settled upon higher principles than those of a cold and selfish expediency.

There are such things in the world as human rights. They rest upon no conventional foundation, but are external, universal, and indestructible. Among these, is the right of locomotion; the right of migration; the right which belongs to no particular race, but belongs alike to all and to all alike. It is the right you assert by staying here, and your fathers asserted by coming here. It is this great right that I assert for the Chinese and Japanese, and for all other varieties of men equally with yourselves, now and forever. I know of no rights of race superior to the rights of humanity, and when there is a supposed conflict between human and national rights, it is safe to go to the side of humanity. I have great respect for the blue eyed and light haired races of America. They are a mighty people. In any struggle for the good things of this world they need have no fear. They have no need to doubt that they will get their full share.

But I reject the arrogant and scornful theory by which they would limit migratory rights, or any other essential human rights to themselves, and which would make them the owners of this great continent to the exclusion of all other races of men.

I want a home here not only for the negro, the mulatto and the Latin races; but I want the Asiatic to find a home here in the United States, and feel at home here, both for his sake and for ours. Right wrongs no man. If respect is had to majorities, the fact that only one fifth of the population of the globe is white, the other four fifths are colored, ought to have some weight and influence in disposing of this and similar questions. It would be a sad reflection upon the laws of nature and upon the idea of justice, to say nothing of a common Creator, if four fifths of mankind were deprived of the rights of migration to make room for the one fifth. If the white race may exclude all other races from this continent, it may rightfully do the same in respect to all other lands, islands, capes and continents, and thus have all the world to itself. Thus what would seem to belong to the whole, would become the property only of a part. So much for what is right, now let us see what is wise.

And here I hold that a liberal and brotherly welcome to all who are likely to come to the United states, is the only wise policy which this nation can adopt.

It has been thoughtfully observed, that every nation, owing to its peculiar character and composition, has a definite mission in the world. What that mission is, and what policy is best adapted to assist in its fulfillment, is the business of its people and its statesmen to know, and knowing, to make a noble use of said knowledge.

I need to stop here to name or describe the missions of other and more ancient nationalities. Ours seems plain and unmistakable. Our geographical position, our relation to the outside world, our fundamental principles of Government, world embracing in their scope and character, our vast resources, requiring all manner of labor to develop them, and our already existing composite population, all conspire to one grand end, and that is to make us the make perfect national illustration of the unit and dignity of the human family, that the world has ever seen.

In whatever else other nations may have been great and grand, our greatness and grandeur will be found in the faithful application of the principle of perfect civil equality to the people of all races and of all creeds, and to men of no creeds. We are not only bound to this position by our organic structure and by our revolutionary antecedents, but by the genius of our people. Gathered here, from all quarters of the globe by a common aspiration for rational liberty as against caste, divine right Governments and privileged classes, it would be unwise to be found fighting against ourselves and among ourselves; it would be madness to set up any one race above another, or one religion above another, or proscribe any on account of race color or creed.

The apprehension that we shall be swamped or swallowed up by Mongolian civilization; that the Caucasian race may not be able to hold their own against that vast incoming population, does not seem entitled to much respect. Though they come as the waves come, we shall be stronger if we receive them as friends and give them a reason for loving our country and our institutions. They will find here a deeply rooted, indigenous, growing civilization, augmented by an ever increasing stream of immigration from Europe; and possession is nine points of the law in this case, as well as in others. They will come as strangers, we are at home. They will come to us, not we to them. They will come in their weakness, we shall meet them in our strength. They will come as individuals, we will meet them in multitudes, and with all the advantages of organization. Chinese children are in American schools in San Francisco, none of our children are in Chinese schools, and probably never will be, though in some things they might well teach us valuable lessons. Contact with these yellow children of The Celestial Empire would convince us that the points of human

difference, great as they, upon first sight, seem, are as nothing compared with the points of human agreement. Such contact would remove mountains of prejudice.

It is said that it is not good for man to be alone. This is true not only in the sense in which our woman's rights friends so zealously and wisely teach, but it is true as to nations.

The voice of civilization speaks an unmistakable language against the isolation of families, nations and races, and pleads for composite nationality as essential to her triumphs.

Those races of men which have maintained the most separate and distinct existence for the longest periods of time; which have had the least intercourse with other races of men, are a standing confirmation of the folly of isolation. The very soil of the national mind becomes, in such cases, barren, and can only be resuscitated by assistance from without.

Look at England, whose mighty power is now felt, and for centuries has been felt, all around the world. It is worthy of special remark, that precisely those parts of that proud Island which have received the largest and most diverse populations, are today, the parts most distinguished for industry, enterprise, invention and general enlightenment. In Wales, and in the Highlands of Scotland, the boast is made of their pure blood and that they were never conquered, but no man can contemplate them without wishing they had been conquered.

They are far in the rear of every other part of the English realm in all the comforts and conveniences of life, as well as in mental and physical development. Neither law nor learning descends to us from the mountains of Wales or from the Highlands of Scotland. The ancient Briton whom Julius Caesar would not have a slave, is not to be compared with the round, burly, a[m]plitudinous Englishman in many of the qualities of desirable manhood.

The theory that each race of men has come special faculty, some peculiar gift or quality of mind or heart, needed to the perfection and happiness of the whole is a broad and beneficent theory, and besides its beneficence, has in its support, the voice of experience. Nobody doubts this theory when applied to animals and plants, and no one can show that it is not equally true when applied to races.

All great qualities are never found in any one man or in any one race. The whole of humanity, like the whole of everything else, is ever greater than a part. Men only know themselves by knowing others, and contact is essential to this knowledge. In one race we perceive the predominance of imagination; in another, like Chinese, we remark its total absence. In one people, we have the reasoning faculty, in another, for music; in another, exists courage; in another, great physical vigor; and so on through the whole list of human qualities. All are needed to temper, modify, round and complete.

Not the least among the arguments whose consideration should dispose to welcome among us the peoples of all countries, nationalities and color, is the fact that all races and varieties of men are improvable. This is the grand distinguishing attribute of humanity and separates man from all other animals. If it could be shown that any particular race of men are literally incapable of improvement, we might hesitate to welcome them here. But no such men are anywhere to be found, and if there were, it is not likely that they would ever trouble us with their presence.

The fact that the Chinese and other nations desire to come and do come, is a proof of their capacity for improvement and of their fitness to come.

We should take council of both nature and art in the consideration of this question. When the architect intends a grand structure, he makes the foundation broad and strong. We should imitate this prudence in laying the foundation of the future Republic. There is a law of harmony in departments of nature. The oak is in the acorn. The career and destiny of individual men are enfolded in the elements of which they are composed. The same is true of a nation. It will be something or it will be nothing. It will be great, or it will be small, according to its own essential qualities. As these are rich and varied, or poor and simple, slender and feeble, broad and strong, so will be the life and destiny of the nation itself.

The stream cannot rise higher than its source. The ship cannot sail faster than the wind. The flight of the arrow depends upon the strength and elasticity of the bow; and as with these, so with a nation.

If we would reach a degree of civilization higher and grander than any yet attained, we should welcome to our ample continent all nations, kindreds [sic] tongues and peoples; and as fast as they learn our language and comprehend the duties of citizenship, we should incorporate them into the American body politic. The outspread wings of the American eagle are broad enough to shelter all who are likely to come.

As a matter of selfish policy, leaving right and humanity out of the question, we cannot wisely pursue any other course. Other Governments mainly depend for secu-

rity upon the sword; our depends mainly upon the friendship of its people. In all matters,—in time of peace, in time of war, and at all times,—it makes its appeal to all the people, and to all classes of the people. Its strength lies in their friendship and cheerful support in every time of need, and that policy is a mad one which would reduce the number of its friends by excluding those who would come, or by alienating those who are already here.

Our Republic is itself a strong argument in favor of composite nationality. It is no disparagement to Americans of English descent, to affirm that much of the wealth, leisure, culture, refinement and civilization of the country are due to the arm of the negro and the muscle of the Irishman. Without these and the wealth created by their sturdy toil, English civilization had still lingered this side of the Alleghanies [sic], and the wolf still be howling on their summits.

To no class of our population are we more indebted to valuable qualities of head, heart and hand than the German. Say what we will of their lager, their smoke and their metaphysics they have brought to us a fresh, vigorous and child-like nature; a boundless facility in the acquisition of knowledge; a subtle and far reaching intellect, and a fearless love of truth. Though remarkable for patient and laborious thought the true German is a joyous child of freedom, fond of manly sports, a lover of music, and a happy man generally. Though he never forgets that he is a German, he never fails to remember that he is an American.

A Frenchman comes here to make money, and that is about all that need be said of him. He is only a Frenchman. He neither learns our language nor loves our country. His hand is on our pocket and his eye on Paris. He gets what he wants and like a sensible Frenchman, returns to France to spend it.

Now let me answer briefly some objections to the general scope of my arguments. I am told that science is against me; that races are not all of one origin, and that the unity theory of human origin has been exploded. I admit that this is a question that has two sides. It is impossible to trace the threads of human history sufficiently near their starting point to know much about the origin of races.

In disposing of this question whether we shall welcome or repel immigration from China, Japan, or elsewhere, we may leave the differences among the theological doctors to be settled by themselves.

Whether man originated at one time and one or another place; whether there was one Adam or five, or five hundred, does not affect the question.

The grand right of migration and the great wisdom of incorporating foreign elements into our body politic, are founded not upon any genealogical or archeological theory, however learned, but upon the broad fact of a common human nature.

Man is man, the world over. This fact is affirmed and admitted in any effort to deny it. The sentiments we exhibit, whether love or hate, confidence or fear, respect or contempt, will always imply a like humanity.

A smile or a tear has not nationality; joy and sorrow speak alike to all nations, and they, above all the confusion of tongues, proclaim the brotherhood of man.

It is objected to the Chinaman that he is secretive and treacherous, and will not tell the truth when he thinks it for his interest to tell a lie.

There may be truth in all this; it sounds very much like the account of man's heart given in the creeds. If he will not tell the truth except when it is for his interest to do so, let us make it for this interest to tell the truth We can do it by applying to him the same principle of justice that we apply ourselves.

But I doubt if the Chinese are more untruthful than other people. At this point I have one certain test,—mankind are not held together by lies. Trust is the foundation of society. Where there is no truth, there can be no trust, and where there is no trust there can be no society. Where there is society, there is trust, and where there is trust, there is something upon which it is supported. Now a people who have confided in each other for five thousand years; who have extended their empire in all direction till it embraces on e fifth of the population of the glove; who hold important commercial relations with all nations; who are now entering into treaty stipulations with ourselves, and with all the great European powers, cannot be a nation of cheats and liars, but must have some respect for veracity. The very existence of China for so long a period, and her progress in civilization, are proofs of her truthfulness. But it is said that the Chinese is a heathen, and that he will introduce his heathen rights and superstitions here. This is the last objection which should come from those who profess the all conquering power of the Christian religion. If that religion cannot stand contact with the Chinese, religion or no religion, so much the worse for those who have adopted it. It is the Chinaman, not the Christian, who should be alarmed for his faith. He exposes that faith to great dangers by exposing it to the freer air of America. But shall we send missionaries to the heathen and yet deny the heathen the right to come to us? I think that a few honest believers

in the teachings of Confucius would be well employed in expounding his doctrines among us.

The next objection to the Chinese is that he cannot be induced to swear by the Bible. This is to me one of his best recommendations. The American people will swear by anything in the heavens above or in the earth beneath. We are a nation of swearers. We swear by a book whose most authoritative command is to swear not at all.

It is not of so much importance what a man swears by, as what he swears to, and if the Chinaman is so true to his convictions that he cannot be tempted or even coerced into so popular a custom as swearing by the Bible, he gives good evidence of his integrity and his veracity.

Let the Chinaman come; he will help to augment the national wealth. He will help to develop our boundless resources; he will help to pay off our national debt. He will help to lighten the burden of national taxation. He will give us the benefit of his skill as a manufacturer and tiller of the soil, in which he is unsurpassed.

Even the matter of religious liberty, which has cost the world more tears, more blood and more agony, than any other interest, will be helped by his presence. I know of no church, however tolerant; of no priesthood, however enlightened, which could be safely trusted with the tremendous power which universal conformity would confer. We should welcome all men of every shade of religious opinion, as among the best means of checking the arrogance and intolerance which are the almost inevitable concomitants of general conformity. Religious liberty always flourishes best amid the clash and competition of rival religious creeds.

To the minds of superficial men, the fusion of different races has already brought disaster and ruin upon the country. The poor negro has been charged with all our woes. In the haste of these men they forgot that our trouble was not ethnographical, but moral; that it was not a difference of complexion, but a difference of conviction. It was not the Ethiopian as a man, but the Ethiopian as a slave and a covetted [sic] article of merchandise, that gave us trouble.

I close these remarks as I began. If our action shall be in accordance with the principles of justice, liberty, and perfect human equality, no eloquence can adequately portray the greatness and grandeur of the future of the Republic.

We shall spread the network of our science and civilization over all who seek their shelter whether from Asia, Africa, or the Isles of the sea. We shall mold them all, each after his kind, into Americans; Indian and Celt; negro and Saxon; Latin and Teuton; Mongolian and Caucasian; Jew and Gentile; all shall here bow to the same law, speak the same language, support the same Government, enjoy the same liberty, vibrate with the same national enthusiasm, and seek the same national ends.

Sources:
Douglass Papers, Library of Congress, microfilm reel 14.

LETTER FROM ERIC N. GUTIÉRREZ, LEGISLATIVE STAFF ATTORNEY, MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND TO THE HONORABLE ZOE LOFGREN, CHAIRWOMAN, SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

May 2, 2007

The Honorable Zoe Lofgren
Chair
House Judiciary Subcommittee on Immigration
2426 Rayburn Building
Washington, DC 20515

Dear Chairwoman Lofgren:

In 2001, Mexican President Vicente Fox and U.S. President George W. Bush met to discuss a binational relationship in which hard-working Mexican nationals living in the United States could legalize their status and future workers could contribute to our economy and return freely to Mexico.

As the House Judiciary Subcommittee on Immigration holds a hearing to examine the nexus between the economy, workers, and immigration reform, the Mexican American Legal Defense and Educational Fund (MALDEF) respectfully asks you to consider the following critical facts regarding the impact of immigrant workers upon the United States economy:

- ***Mexican Immigrant Workers Are Integral to U.S. Economic Growth.*** The portion of Mexican immigrant workers in the U.S. workforce has doubled during the past decade as they have become more integral to the nation's economic growth. While other immigrant groups also perform these essential worker jobs, the size of the Mexican population makes its impact on the U.S. economy more quantifiable.

- ***Mexican Immigrant Workers Are Filling Needed Jobs in New Geographic Areas.*** Mexican immigrant workers are becoming increasingly important in locations throughout the nation not previously known for large immigrant populations, including southern states such as Georgia, Mississippi, and Tennessee.

- ***Many New Jobs Will Not Require Advanced Education.*** Nearly 43 percent of all job openings by 2010 will require only a minimal education, at a time when

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> native-born Americans are obtaining college degrees in record numbers and are unlikely to accept positions requiring minimal education.[1]

Comprehensive immigration legislation must balance the economic needs of U.S. employers, labor protections for essential immigrant workers, and the effects of any new worker program on U.S.-born workers.

MALDEF is encouraged by the Committee's recent progress and is confident that the collective experience and expertise of its members will enable it to successfully enact bi-partisan comprehensive immigration reform. The Latino community, whose interests we represent, expects Congress to enact feasible and humane immigration policies that will restore the rule of law and enhance security, reunite families, protect workers, promote citizenship and civic participation, and help local communities.

Sincerely,

Eric M. Gutiérrez
Legislative Staff Attorney

[1] American Immigration Law Foundation, *Mexican Immigrant Workers and the U.S. Economy: An Increasingly Vital Role*, September 2002

ANSWERS TO POST-HEARING QUESTIONS POSED BY THE HONORABLE STEVE KING FROM THE HONORABLE LEON R. SEQUEIRA, ASSISTANT SECRETARY FOR POLICY, U.S. DEPARTMENT OF LABOR

U.S. Department of Labor

Assistant Secretary for Policy
Washington, D.C. 20210

August 21, 2007

The Honorable Zoe Lofgren
Chairman
Subcommittee on Immigration, Citizenship, Refugees,
Border Security, and International Law
Washington, DC 20515

Dear Madam Chairman:

Please find attached my response to the question you forwarded following my May 3, 2007 testimony before your Subcommittee.

Sincerely,

Leon R. Sequeira
Assistant Secretary for Policy

Question Submitted by Rep. Steve King:

1. **If you emphatically opposed the Administration's comprehensive immigration reform proposal, would you have been free to testify to that effect during the hearing?**

Answer: Chairman Lofgren extended an invitation for me, as the Assistant Secretary for Policy at the Department of Labor, to testify before the subcommittee about the U.S. economy and immigration, and I was not asked to testify about my views on the Administration's comprehensive immigration proposal.

ANSWERS TO POST-HEARING QUESTIONS POSED BY THE HONORABLE STEVE KING FROM PATRICIA BUCKLEY, PH.D., SENIOR ECONOMIC ADVISOR TO THE SECRETARY, U.S. DEPARTMENT OF COMMERCE

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

July 17, 2007

The Honorable Zoe Lofgren
Chairwoman, Subcommittee on Immigration,
Citizenship, Refugees, Border Security, and
International Law
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515-6216

Dear Chairwoman Lofgren:

Thank you for the opportunity to answer additional questions with regard to the Subcommittee's hearing on the economics of immigration, held May 3, 2007.

Representative King asked "If you emphatically opposed the Administration's comprehensive immigration reform proposal, would you have been free to testify to that effect during the hearing?" My answer is a simple "Yes."

If you have any further questions, please do not hesitate to contact me or have your staff contact Nat Wienecke, Assistant Secretary for Legislative and Intergovernmental Affairs, at (202) 482-3663.

Sincerely,

Patricia Buckley, Ph.D.
Senior Economic Advisor
to the Secretary of Commerce
U.S. Department of Commerce

cc: The Honorable Steve King

ANSWERS TO POST-HEARING QUESTIONS POSED BY THE HONORABLE STEVE KING FROM PETER R. ORSZAG, PH.D., DIRECTOR, CONGRESSIONAL BUDGET OFFICE

CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Peter R. Orszag, Director

June 27, 2007

Honorable Zoe Lofgren
Chairwoman
Subcommittee on Immigration, Citizenship,
Refugees, Border Security, and International Law
Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Lofgren:

Thank you for the opportunity to testify at the May 3 hearing on the U.S. economy, U.S. workers, and immigration reform. Attached please find my response to the question for the record submitted by Ranking Member King.

Please call me if you have any questions or if I can be of further assistance.

Sincerely,

Peter R. Orszag

Attachment

cc: Honorable Steve King

Response to Question for the Record for CBO's May 3, 2007 Testimony on the U.S. Economy, U.S. Workers, and Immigration Reform Before the House Jndiciary Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law

Question by Honorable Steve King. If you emphatically opposed the Administration's comprehensive immigration reform proposal, would you have been free to testify to that effect during the hearing?

Response. CBO does not offer policy recommendations, and as CBO Director, I do not favor or oppose specific proposals. Instead, CBO is responsible for evaluating the effects of any proposal, including the Administration's immigration reform proposal, on the budget and economy.

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