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ROLE OF IMMIGRATION IN STRENGTHENING AMERICA'S ECONOMY

HEARING

BEFORE THE

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

OF THE

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CONTENTS

SEPTEMBER 30, 2010

Page

OPENING STATEMENTS

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 1
The Honorable Steve King, a Representative in Congress from the State of Iowa, and Ranking Member, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law 2
The Honorable Lamar Smith, a Representative in Congress from the State of Texas, and Ranking Member, Committee on the Judiciary 4
The Honorable Anthony D. Weiner, a Representative in Congress from the State of New York, and Member, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law 5

WITNESSES

The Honorable Michael R. Bloomberg, Mayor of New York City, New York City Mayor's Office
Oral Testimony 7
Prepared Statement 10
Mr. Rupert Murdoch, Chairman and Chief Executive Officer, News Corporation
Oral Testimony 12
Prepared Statement 15
Mr. Jeff Moseley, President and Chief Executive Officer, The Greater Houston Partnership
Oral Testimony 20
Prepared Statement 22
Mr. Steven A. Camarota, Director of Research, Center for Immigration Studies
Oral Testimony 32
Prepared Statement 34

LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING

Material submitted by the Honorable Judy Chu, a Representative in Congress from the State of California, and Member Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law 60

ROLE OF IMMIGRATION IN STRENGTHENING AMERICA'S ECONOMY

THURSDAY, SEPTEMBER 30, 2010

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

The Subcommittee met, pursuant to notice, at 9:43 a.m., in room 2141, Rayburn House Office Building, the Honorable Zoe Lofgren (Chairwoman of the Subcommittee) presiding.

Present: Representatives Lofgren, Conyers, Jackson Lee, Waters, Chu, Gutierrez, Gonzalez, Weiner, Sánchez, Sensenbrenner, Lungren, King, Poe, and Harper.

Staff Present: (Majority) Ur Mendoza Jaddou, Subcommittee Chief Counsel; Traci Hong, Counsel; Tom Jawetz, Counsel; David Shahoulian, Counsel; Danielle Brown, Counsel; Reuben Goetzl, Clerk; (Minority) Andrea Loving, Counsel; and George Fishman, Counsel.

Ms. LOFGREN. So this hearing on the Subcommittee on Immigration Citizenship, Refugees, Border Security, and International Law will come to order. While we appreciate the press taking pictures of our witnesses, we would ask if they could recede a bit so that we may actually see them. Thank you very much, photographers.

I would like to welcome our witnesses, Members of the Immigration Subcommittee, and others who joined us today for the Subcommittee's hearing on the "Role of Immigration in Strengthening America's Economy."

Often lost among the passionate debate on immigration are the facts on immigrant entrepreneurs that generate billions of dollars for the U.S. economy and thousands of new American jobs.

Immigrants are nearly 30 percent more likely to start a business than non-immigrants. In California alone immigrants generate nearly one-quarter of all business income, nearly $20 billion. They represent nearly 30 percent of all business owners in California, one-fourth of business owners in New York, and one-fifth in New Jersey, Florida, and Hawaii. In New York, Florida, and New Jersey immigrants generate one-fifth of the total business income.

Immigrants are not only bringing more income to the economy, their businesses are creating new jobs. Businesses started by immigrants have a higher rate of creating jobs than the average for all businesses created by immigrants and non-immigrants combined, 21 percent versus 18 percent.

As a resident of California, I have long been familiar with the role immigrants play in growing the State's economy and creating jobs for Americans. Over half, 52.4 percent, of Silicon Valley startups had one or more immigrants as a key founder. Statewide, 39 percent of startups had one or more immigrants as a key founder.

Of the engineering and technology companies started in the United States from 1995 to 2005, 25 percent had at least one key foreign born founder.

Nationwide, these immigrant-founded technology companies produced $52 billion in sales and employ 450,000 workers in the year 2005.

Contributions of immigrants to the technology industry is only just the beginning. Immigrants own more than one-fifth of businesses in the arts, entertainment, and recreation industry nationwide. They own more than 10 percent of business in education, health and social services, professional services, retail, trade, and construction. Overall they own 12.5 percent of all businesses in the United States. Of businesses worth $100,000 or more in sales, immigrants own 11 percent of such businesses and 10.8 percent of all businesses with employees.

It is very important for Congress to review the facts on immigrant entrepreneurship and their contributions to growing the American economy and creating American jobs. This will help Congress to appropriately determine how best to structure immigration law to continue improving our Nation's economy.

I welcome today's witnesses who have unique perspectives on immigrant participation in the American economy, and I look forward to hearing from them today. I would now like to recognize our distinguished Ranking minority Member, Congressman Steve King, for his opening statement.

Mr. KING. Thank you, Madam Chair, and I want to thank the witnesses for appearing here today. I know you all have busy lives and important things to attend to, and yet perhaps I have sat through enough of these hearings now that I wonder why we are holding this one.

According to the hearing title, the outcome is already a foregone conclusion. That title is the Role of Immigration in Strengthening America's Economy. I would point out, too, that there has been, I believe, a concerted and willful effort to conflate the terms "immigration" and "illegal immigration" to where now America in normal conversation doesn't really know which we are talking about if there is a distinction in their minds at all.

But it is my understanding that the hearings are held in order to get information that will help us determine policy. So I will chalk up the name to overzealousness and listen to the witnesses.

I know that two of the witnesses here are already on record determining that immigrants help the economy and therefore we must legalize the entire illegal immigrant population in the U.S. Again, I draw that distinction between legal and illegal. But not everyone agrees. There are experts, including one who will testify today, whose research has found that low-skilled immigrants are actually a drain on the U.S. economy and amnesty is not a good idea.

One of these experts who is not here today is Robert Rector, the Senior Research Fellow at the Heritage Foundation. One of Mr. Rector's definitive studies was on the cost of illegal immigrants to Americans and legal immigrants. He looked at households that were headed by low-skilled immigrants and found that the average household headed by a low-skilled immigrant receives $30,160 per year in government benefits, and that is an average of course, but they pay an average of $10,573 in taxes. So the net cost to the taxpayer is $19,588 a year. Overall, the net cost to taxpayers is $89 billion a year. I think that makes a strong case that America has become now a welfare state and it is not the America that we think of a hundred and some years ago when people came here on their merits and had to provide their own input into the economy and find a way to take care of themselves.

So after that Rector went on to find that amnesty would have another staggering fiscal impact. He reasoned that once illegal immigrants became citizens they have the right to sponsor their parents for permanent residence with no yearly numerical limitation. These parents could then themselves become U.S. citizens and they would be eligible for two very expensive Federal programs, Supplemental Security Income and Medicaid. Rector estimates that the parents' participation in just these two programs would add $30 billion a year in costs to the Federal Government, and he goes to estimate that in all, should illegal immigrants receive amnesty, that governmental outlay in retirement costs, including Social Security, Medicaid, Medicare, and Supplemental Security Income alone would be at least $2.6 trillion.

So over the years this Subcommittee and the full Committee have examined the effects of immigration on States and localities on a number of occasions. San Diego, the full Committee explored the impacts that the Senate-passed Reid-Kennedy amnesty bill would have on American communities at the State and local level. We heard testimony that Los Angeles County is being buried with the health care, education, criminal justice, and other costs associated with illegal immigration.

We also heard from a witness from the University of Arizona Medical Center at Tucson, and I have been to visit that center on these immigration issues, who said that providing care to the uninsured, uncompensated poor and foreign nationals cost the hospital $30 million in 2006 and $27 million in 2005. He also related to me in my visit that the hospital has been filled up, and they have had to life flight the residents of Tucson to Phoenix because there wasn't room in their hospital because it was full of illegals.

And more than a decade ago, at a hearing on the same topic, Michael Fix of the Urban Institute told the Judiciary Committee that, and I quote, "There is a broad consensus in the research that the fiscal impacts of illegal immigrants; that is, their impacts on local, State and Federal taxpayers are negative, generating a net deficit when they are aggregated across all levels of government."

Despite the evidence already collected by this Subcommittee the majority has decided it is time to look at this issue again. Unfortunately for them the real expert on the panel today concludes the opposite of what the majority asserts.

And I would lay another piece of this out, and that is that as much as we might talk about the contribution to the economy and the growth in our growth domestic product, and I agree that any work productive work adds to that GDP, there is also a cost to sustaining citizens in this society and we have to balance those two things and take a look at how our culture evolves and what we are like as a people in future generations. That has been part of the considerations in previous immigration debates that this country has had, and it has been some of the foundation of the policy that has emerged and exists to this day.

So I would ask this, whatever the analysis of the economics, we have also the rule of law that to me is priceless, and so I will stand on the rule of law and I will take a consideration to the economic comments that are here today and see if there is a balance to the two, but I am certainly not going to sacrifice the rule of law for an economic interest because I think that is more important to this country.

Thank you, Madam Chair. I look forward to the testimony of the witnesses, and I yield back the balance of my time.

Ms. LOFGREN. The gentleman's time has expired. The Ranking Member of the full Committee, Mr. Smith, has an opening statement and is recognized for 5 minutes.

Mr. SMITH. Thank you, Madam Chair. America has a wonderful tradition of welcoming newcomers. We admit more than one million legal immigrants every year, which is almost as much as every other Nation in the world combined, and it is no surprise that so many people want to come here. We are the freest and most prosperous Nation in the world.

Immigrants have benefited America in many ways. They are laborers, inventors, and CEOs, and include one of our witnesses here today.

Our country is a better place because we have been able to attract so many highly skilled immigrants. We should continue to invite the world's best and brightest to come to America and contribute to our economic prosperity.

However, there is a right way and a wrong way to come into our country. Legal immigrants play by the rules, wait their turn, and are invited. Others cut in front of the line, break our laws, and enter illegally. Some people say that we need to pass a comprehensive immigration reform bill that includes amnesty for millions of illegal immigrants in the U.S., but citizenship is the greatest honor our country can bestow. It shouldn't be sold to lawbreakers for the price of a fine.

Amnesty will enable illegal workers to depress wages and take jobs away from American citizens and legal immigrants. In New York, for example, there are 800,000 unemployed individuals and 475,000 illegal immigrants in the workforce, and in Texas illegal immigrants in the workforce actually outnumber unemployed individuals. There are 1,050,000 illegal immigrants in the workforce and one million unemployed individuals. So we could free up hundreds of thousands of jobs for American workers in just those two States if we enforced our immigration laws.

Also, the Center for Immigration Studies estimates that low-skilled immigration has reduced the wages of the average native

born workers in a low-skilled occupation by 12 percent a year, or almost $2,000. Why would we want to put the interest of foreign workers ahead of the economic well-being of American workers?

There is another cost to illegal immigration besides lower wages and lost jobs. Taxpayers foot the bills for their education, health care, and government benefits. Overcrowded classrooms, long waits in hospital emergency rooms, and costly government services would only become worse if millions of illegal immigrants are legalized, and amnesty would further bankrupt the already strained Social Security System.

The Social Security Administration calculates that a typical unmarried illegal immigrant will receive between 15 and $20,000 more in retirement benefits than they pay into the system. A married illegal immigrant couple in which one spouse works can expect $52,000 more than they pay into the system. Paying Social Security benefits to illegal immigrants who receive amnesty could cost hundreds of billions of dollars and bankrupt the system.

Some say that the taxes illegal immigrants pay offset the cost of providing them education, health care, and government benefits, but at their low wages most illegal immigrants don't even pay income taxes and even when they do, their taxes don't cover other government services like maintaining highways, providing for our national defense, and taking care of needy and elderly. Every objective and unbiased study has come to this conclusion.

Those who support amnesty are clearly on the wrong side of the American people. A recent poll found that when given the choice of immigration reform moving, quote, in the direction of integrating illegal immigrants into American society or in the direction of stricter enforcement of laws against illegal immigration, end quote, 68 percent of those polled support stricter enforcement.

U.S. immigration policy should reward those who come here legally, not those who disrespect the rule of law. U.S. citizens and legal immigrants should benefit from our immigration policies. Illegal immigration already hurts American workers and American taxpayers. Amnesty for millions of illegal immigrants may be good for foreign countries, but it is not good for America.

Thank you, Madam Chair, and I yield back.

Ms. LOFGREN. Thank you, Mr. Smith. And Mr. Conyers has not yet arrived, so I think we will reserve his opening statement for his attendance.

As is our custom, we invite the Member of Congress whose constituents are witnesses to introduce them, and so I would like to turn to our colleague, Mr. Weiner, to introduce Mayor Bloomberg and Mr. Murdoch, and I will of course introduce the other two witnesses.

Mr. Weiner.

Mr. WEINER. Well, thank you, Madam Chair, and I welcome them both. I am unfamiliar with both of them, so I will read the prepared introduction you wrote.

Let me just first begin by welcoming the mayor of the City of New York, Michael Bloomberg, who is well-known obviously as the mayor of the city, but also is increasingly familiar to the halls of Congress, to the many issues that impact big cities and the many issues that impact our economy as a whole.

Bloomberg L.P., which he founded, provides financial news and information services to over 285,000 subscribers and it has 11,000 employees worldwide. He is someone that is never afraid to innovate, never afraid to think outside the box, and one who is unconstrained by traditional party politics. His taking on this issue is consistent with his efforts to persuade Congress to invest more in infrastructure, to persuade Congress to take stronger steps in fighting terrorism and crime in big cities, and I very much welcome him here today.

We are also joined by Rupert Murdoch, who is the Chairman and Chief Executive Officer of News Corporation, one of the largest diversified media companies in the world. He, too, is a large employer in my home city, and we are grateful for that. I am told he also is behind the Fox Broadcasting Company, although I only watch that when I am on it, and also the New York Post and many other publications. Mr. Murdoch is also, in addition to taking on this issue, is always someone who has been willing to share his expertise with Members of Congress and his considerable experience in the economies of other countries, and we very much welcome them both here.

I think what we will find, Madam Chair, and my colleagues, is as much heat is generated by the issue of immigration reform on shouting television shows and here in Congress, in fact there is a remarkable consensus among people who actually create jobs about the relatively easy steps that we can take to improve our immigration system, both for the benefit of our economy and also to the benefit of the people who are in that system, both those that have documentation now and those who seek it. And I always think, and I always talk to Mr. Gutierrez about this, that if you have got 10 regular Americans around the table and said here are the imperatives that we have, we want to create jobs, we want to have a system that works, we don't want anyone to jump over someone else, we could probably solve the immigration challenges relatively easily. If we leave the demagoguery at the door, if we tell the people on one side who want to provide amnesty for everyone we are not going to do that and the people on the other side who just want to say let's hire several hundred thousand immigration officers and go round up people we are not going to do that either, there is a broad swath in the middle of this country represented by the two men I just introduced who really do understand these problems are solvable if we roll up our sleeves, metaphorically and literally, and get to work.

But I want to thank these two gentlemen for being here, and we welcome their testimony.

Ms. LOFGREN. Thank you, Mr. Weiner, for introducing the two witnesses, and now I will introduce the remaining witnesses. Mr. Jeff Moseley is the President and Chief Executive Officer of the Greater Houston Partnership. The Greater Houston Partnership serves and is the primary business advocate for the 10-county Houston area dedicated to securing regional economic prosperity. Prior to joining the Greater Houston Partnership, Mr. Moseley served as CEO of the Office of the Governor for Economic Development and Tourism and as the Executive Director of the Texas Department of Economic Development. He was also elected to three

terms as the Denton County judge, and he has served with the Greater Houston Partnership as President and CEO since 2005.

Finally, I would like to introduce Mr. Steven Camarota. Mr. Camarota is the Director of Research at the Center for Immigration Studies in Washington, D.C. He has been with the Center since 1996. His focus is economics and demographics. Mr. Camarota holds a Ph.D., or I should say Dr. Camarota, from the University of Virginia in public policy analysis and a Master's degree in political science from the University of Pennsylvania. He has testified before Congress numerous times and has written many articles on the subject of immigration for the Center.

Mindful of our time, other Members of the Committee are invited to submit written statements for the record. We will also submit the written statements of each witness for the record, and we would ask that their oral testimony consume about 5 minutes. When the little machines on the desk turn yellow, it means you have consumed 4 minutes, and when it turns red it means your 5 minutes are up, but we will not cut you off in the middle of a sentence. We would ask that you try to conclude and summarize at that point.

So first we will turn to you, Major Bloomberg. Thank you so much for being here.

TESTIMONY OF THE HONORABLE MICHAEL R. BLOOMBERG, MAYOR OF NEW YORK CITY, NEW YORK CITY MAYOR'S OFFICE

Mr. BLOOMBERG. Chairwoman Lofgren and Ranking Member King, Ranking Member Smith, and Congressman Weiner, once again congratulations on your recent marriage. I am sure there is an act of Congress to say congratulations. And I did want to thank Representative—all of the New York delegation, one Republican in the New York City area and mostly Democrats, but all of them who understand the needs of our city.

Our system of immigration I think it is fair to say is broken, I think it is undermining our economy. It is slowing our recovery and really is hurting millions of Americans, and we just have to fix it. And I do believe that this is an issue where Republicans and Democrats can come together and Independents as well to find common ground. That has been our experience in forming what we call the Partnership for a New American Economy that Rupert Murdoch and I have started of business people and mayors around this country. We have members of every political background.

We believe that immigration reform needs to become a top national priority, and we are urging members of both parties to help us shift the debate away from emotions and toward economics because the economics couldn't be any clearer. Many studies have analyzed the economic impact of immigration. I will just touch briefly on seven key areas that come out of that data.

Since 1990 cities with the largest increase in immigrant workers have had the fastest economic growth. New York City is a perfect example. Immigrants have been essential to our economic growth in every single industry. Immigrants are a reason why New York City has weathered the national recession much better than the country as a whole.

This year we account for one out of every 10 private sector jobs created throughout the entire Nation, just New York City alone.

Second, immigrants pay more in taxes than they use in benefits. Immigrants come to America to work, often leaving their families behind, and by working they are paying Social Security taxes, supporting our seniors. Immigrants also tend to be younger and have a lot less need for Social Services. One wonders where some of this research comes from. It just does not jibe with what we see in New York City.

Third, immigrants create new companies that produce jobs. Studies show that immigrants are almost twice as likely as native born Americans to start companies, and from 1980 through the year 2005 nearly all net job creation in the United States occurred in companies less than 5 years old and many of these new companies have defined the 21st century economy, such as and Google and Yahoo and Ebay. They were founded by immigrants. Immigrants also create small businesses and in New York City we desperately need them to come and create the jobs that will put New York City people back to work.

And this is not a new story. History shows that every immigrant generation in the United States has fueled the economic engine that makes the United States the strongest economy in the world.

Fourth, more and more countries are competing to attract entrepreneurs and high-skilled workers. Chile is offering American entrepreneurs $40,000 and a 1-year visa to say to stay in the country. China has recruited thousands of entrepreneurs, engineers, and scientists to return and join the surging economies of Shanghai and Beijing. Yet in America we are literally turning them away by the thousands or making the visa process so tortuous that no one wants to endure it.

Fifth, the more difficult we make it for foreign workers and students to come and stay here the more likely companies will move their jobs to other nations. And just look what has happened in Silicon Valley. Many companies have not been able to get workers into the country and have been forced to move their jobs to Vancouver, Canada. And just as troubling, more and more foreign students are reporting plans to return home because of visa problems. We educate them here and then in effect we tell them to take that knowledge and start jobs in other countries. It makes no sense whatsoever. I have described this as national suicide.

Sixth, we know that our businesses need more high and low-skilled work labor that we are letting this country right now, and they are the ones that will provide the employees for the high-skilled jobs that we have to fill, and allowing companies to far more easily fill those jobs would be perhaps the best economic stimulus package Congress could create.

At the same time many other companies are seeking to fill low wage jobs that Americans just will not take, from fruit pickers to groundskeepers to custodians.

And seventh, and finally, creating a path for citizenship for illegal immigrants will strengthen our economy. Both the Cato Institute and the Center for American Progress have found that a path to legal status will add billions to our GNP in the coming decades.

So in summary, in the economy case for immigration couldn't be stronger and our Partnership for a New American Economy has adopted a core set of principles that we hope will guide the Members of this Committee by drawing up legislation. I don't think there is any doubt that we need to secure our borders. It is essential that America be able to decide who comes here, who we want, and who we don't. But it is impossible to secure our borders without an overall package of reforms that reduces demand and holds companies accountable to verify workers rights. No matter how many border people we send, if you take away the incentive to come here it will make that easy, and then we have to go and give visas to those that will create the jobs and keep our economy growing to keep America competitive in the global marketplace. We just have to recognize that our economy has changed and our immigration policy needs to change with it.

Thank you very much.

[The prepared statement of Mr. Bloomberg follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL R. BLOOMBERG

TESTIMONY BY MAYOR MICHAEL R. BLOOMBERG
THE ROLE OF IMMIGRATION IN STRENGTHENING AMERICA'S ECONOMY
U.S. HOUSE JUDICIARY COMMITTEE
SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

Thank you Chairman Conyers, Chairwoman Lofgren, Representative King, and members of the Subcommittee for this opportunity to discuss an issue vitally important to our country's future – and to every American who is out of work or looking for a better job.

Our broken system of immigration is undermining our economy, slowing our recovery, and hurting millions of Americans.

We have to fix it – and I believe this is an issue where Democrats, Republicans, and independents can find common ground. That's been our experience in forming the Partnership for a New American Economy, a coalition of business leaders and mayors from every political background, and from every economic sector.

We believe that immigration reform needs to become a top national priority. We're urging members of both parties to help us shift the debate away from emotions and towards economics – because the economics couldn't be any clearer.

Many studies have analyzed the economic impact of immigration; I'll touch briefly on seven key ideas that come out of the data.

First, since 1990, cities with the largest increase in immigrant workers have had the fastest economic growth. New York City is a perfect example. Immigrants have been essential to our economic growth, in every industry.

Immigrants are a big reason why New York City has weathered the national recession better than the country as a whole; this year, we account for one in every ten private sector jobs created throughout the entire nation.

Second, immigrants pay more in taxes than they use in benefits. Immigrants come to America to work, often leaving their families behind. By working, they're paying Social Security taxes that support our seniors. Immigrants also tend to be young and have less need for social services.

Third, immigrants create new companies that produce jobs. Studies show immigrants are almost twice as likely as native-born Americans to start companies. And from 1980 to 2005, nearly all net job creation in the United States occurred in companies less than five years old.

Many of the new companies that define the 21st century economy – such as Google, Yahoo, and eBay – were founded by immigrants. Immigrants create small businesses, too.

This is not a new story. History shows that every generation of new Americans has fueled the economic engine that makes the United States the strongest country in the world.

Fourth, more and more countries are competing to attract entrepreneurs and high-skilled workers.

Chile is offering American entrepreneurs $40,000 and a one-year visa to stay in the country. China has recruited thousands of entrepreneurs, engineers, and scientists to return and join the surging economies of Shanghai and Beijing.

Yet in America, we are literally turning them away by the thousands – or making the visa process so torturous that no one wants to endure it.

Fifth, the more difficult we make it for foreign workers and students to come and stay here, the more likely companies will be to move jobs to other nations.

Just look at what's happened in Silicon Valley. Many companies that have not been able to get workers into the country have been forced to move jobs to Vancouver, Canada.

Just as troubling, more and more foreign students are reporting plans to return home because of visa problems. We educate them here – and then, in effect, tell them to take that knowledge to start jobs in other countries. That just makes no sense whatsoever.

Sixth, we know that our businesses need more high- and low-skill labor than we are letting into the country. Right now, there are one million high-skill jobs that companies cannot fill, because they can't find the workers.

Allowing companies to far more easily fill those jobs would be perhaps the best economic stimulus package Congress could create. At the same time, many other companies are seeking to fill low-wage jobs that Americans won't fill – from fruit pickers to groundskeepers to custodians.

Seventh, and finally, creating a path to citizenship for illegal immigrants will strengthen our economy. Both the Cato Institute and the Center for American Progress have found that a path to legal status will add billions to our GDP in the coming decade.

The economic case for immigration reform couldn't be stronger, and our Partnership for a New American Economy has adopted a set of core principles that we hope will guide the members of this committee in drawing up legislation.

There's no doubt we need to secure our borders. It's essential that America be able to decide who we want here and who we don't.

But it will be impossible to secure the borders without an overall package of reforms that reduces demand and holds companies accountable for verifying workers' legal status.

To keep America competitive in the global marketplace, we must recognize that our economy has changed; our immigration policy needs to change with it. Thank you.

Ms. LOFGREN. Thank you very much, Mayor.
Mr. Murdoch, we would be pleased to hear from you.

TESTIMONY OF RUPERT MURDOCH, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, NEWS CORPORATION

Mr. MURDOCH. Thank you, Chairwoman Lofgren, Ranking Member King, and Members of the House Judiciary Immigration Subcommittee. I appreciate the opportunity to appear before you this morning to discuss the Role of Immigration in Strengthening America's Economy.

As an immigrant, I chose to live in America because it is one of the freest and most vibrant nations in the world. And as an immi-

grant, I feel an obligation to speak up for immigration that will keep America the most economically robust, creative, and freedom loving nation in the world.

Over the past 4 decades I have enjoyed all the benefits of living, working, and building a business in America. I have had the freedom to pursue my dreams, secure the best opportunities for my children, and to participate in the open dialogue that is essential to a free society.

Today America is deeply divided over immigration policy. Many people worry that immigrants will take their jobs, challenge their culture, or change their community. Others want to punish those who fled poverty or oppression in their native countries and came to the U.S. outside the legal system.

I joined Mayor Bloomberg in organizing the Partnership for a New American Economy because I believe that all Americans should have a vital interest in fixing our broken immigration system so we can continue to compete in the 21 century global economy.

While supporting complete and proper closure of all our borders to future illegal immigrants, our partnership advocates reform that gives a path to citizenship for responsible, law abiding immigrants who are in the U.S. today without proper authority. It is nonsense to talk of expelling 11 or 12 million people. Not only is it impractical, it is cost prohibitive.

A study this year put the price of mass deportation at $285 billion over 5 years. There are better ways to spend our money.

We need to do more to secure our borders. We can and should add more people, technology and resources to ensuring that we have control over who comes into this country, but I worry that spending alone will not stop the flow of illegal immigrants. The U.S. has increased border security funding almost every year since 1992, while at the same time the estimated population of illegal immigrants has more than tripled. That number only started to decline when our country hit a recession and there were fewer jobs. So our border security must also be matched with efforts to make sure employers can't hire illegal immigrants.

A full path to legalization requiring unauthorized immigrants to register, undergo a security check, pay taxes, and learn English would bring these immigrants out of a shadow economy and add to our taxpayers. According to one study, a path to legalization will contribute an estimated $1.5 trillion to the gross domestic product over 10 years. We are desperately in need of improving our country's human capital.

We want to bring an end to the arbitrary immigration and visa quotas that make it impossible to fill the labor and skilled needs of our country. We have to return to an America that is a magnet for many of the best young brains in the world. America needs to keep the door open to those who come here to get an advanced degree and then allow them to join the ranks of our most productive scientists, entrepreneurs, innovators, and educators.

Today we attract some of the world's smartest people to our shores, give them the best that American higher education can offer, and then put them on planes back to their own countries.

That is self defeating and has to stop. We need to make it easier for them to stay so they can make their contributions to America.

These are young people who are inventing the next generation of big ideas. In fact, a full 25 percent of all technology and engineering businesses launched in America between 1995 and 2005 had an immigrant founder, and these businesses have created hundreds of thousands of new American jobs.

As America's baby boomers approach 65, immigrants are helping to keep our workforce young and growing. Today more than 40 percent of our immigrant population is age 25 to 44. These are consumers who generate considerable spending on goods and services and housing.

In sum, America's future prosperity and security depends on getting our immigration policy right and doing it quickly. From all across the country, from the public and private sectors, and from every political persuasion, our partnership is bringing leaders together for one purpose: To ensure that America's doors remain opening so that our economy remains strong.

I appreciate the opportunity to share my views with you today, and I thank you for listening.

[The prepared statement of Mr. Murdoch follows:]

PREPARED STATEMENT OF RUPERT MURDOCH

Rupert Murdoch
Chairman and Chief Executive Officer
News Corporation

September 30, 2010

The Role of Immigration in Strengthening
America's Economy

Thank you, Chairwoman Lofgren, ranking member King and members of the House Judiciary Immigration subcommittee. I appreciate the opportunity to appear before you this morning to discuss the role of immigration in strengthening America's economy.

As an immigrant, I chose to live in America because it is one of the freest and most vibrant nations in the world. And as an immigrant, I feel an obligation to speak up for immigration policies that will keep America the most economically robust, creative and freedom-loving nation in the world.

Over the past four decades, I have enjoyed all the benefits of living, working and building a business in America. I have had the freedom to pursue my dreams, to secure the best opportunities for my children, and to participate in the open dialogue that is essential to a free society.

Today, America is deeply divided over immigration policy. Many people worry that immigrants will take their jobs, challenge their culture, or change their community. Others want to punish those who fled poverty or repression in their native countries and came to the U.S. outside the legal system.

Sadly, immigration has become a wedge issue that some partisan interests use to advance a political agenda.

I joined Mayor Bloomberg in organizing the Partnership for a New American Economy because I believe that all Americans should have a vital interest in fixing our broken immigration system so we can continue to compete in the 21st Century global economy.

While supporting complete and proper closure of all our borders to future illegal immigrants, our partnership advocates reform that gives a path to citizenship for responsible and law-abiding immigrants who are in the U.S. today without proper authority. It is nonsense to talk of expelling 12 million people. Not only is it impractical, it is cost prohibitive. A study this year put the price of mass deportation at $285 billion over five years. That's $57 billion a year. There are better ways to spend our money.

We need to do more to secure our borders. We can, and should add more people, technology and resources to ensuring that we have control over who comes in to this country. But I worry that spending alone will not stop the flow of illegal immigrants. The U.S. has increased border security funding almost every year since 1992, while at the same time the estimated population of illegal immigrants has more than tripled. The estimated population of illegal immigrants only started to decline when our country hit a recession and there were fewer jobs. So our border security must also be matched with efforts to make sure employers can't hire illegal immigrants.

By contrast, a full path to legalization – requiring unauthorized immigrants to register, undergo a security check, pay taxes and learn English – would bring these immigrants out of a shadow economy, and add to our tax base. According to one study, a path to legalization would contribute an estimated $1.5 trillion to the GDP over 10 years.

America is desperately in need of improving our country's human capital. We want to bring an end to the arbitrary immigration and visa quotas that make it impossible to fill the labor and skills needs of our country. We hope to return to an America that is a magnet for many of the best young brains in the world.

In higher education, for example, America needs to keep her door open to those who come here to get an advanced degree – and then allow them to join the ranks of our most productive scientists, entrepreneurs, innovators and educators. What we have now is silly and self-defeating. We attract some of the world's smartest people to our shores, give them the best that American higher education can offer – and then put them on planes back to their own countries. That has to stop. We need to make it easier for them to stay, so they can make their contributions to America.

These are young people who are inventing the next generation of big ideas and leading the way when it comes to technological innovation. In fact, a full 25 percent of all technology and engineering businesses

launched in America between 1995 and 2005 had an immigrant founder. In Silicon Valley, more than half of the new tech start-ups were founded by immigrants. These are businesses that have created hundreds of thousands of new American jobs.

As America's baby boomers approach 65, immigrants are helping to keep our workforce young and growing. Today, more than 40 percent of our immigrant population is aged 25 – 44, compared with 25 percent of U.S. – born residents.

Moreover, when it comes to growing the economy, new immigrants also mean new consumers. These consumers generate considerable spending on goods, services and housing.

In sum, America's future prosperity and security depends on getting our immigration policy right -- and doing it quickly. From all across the country, from the public and private sectors, and from every political persuasion, our partnership is bringing leaders together for one purpose: to ensure that America's doors remain open so that our economy remains strong.

I appreciate the opportunity to share my views with you today, and I thank you for listening.

Ms. LOFGREN. Thank you, Mr. Murdoch.

Now we would be pleased to hear from you, Mr. Moseley. We need your microphone on.

TESTIMONY OF JEFF MOSELEY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE GREATER HOUSTON PARTNERSHIP

Mr. MOSELEY. Good morning, Madam Chair, Representative King, Chair Conyers, and our good friend from Texas, Ranking Member Smith, Members of the Committee. Thank you for your leadership and for your commitment to reforming America's immigration laws.

As the chair introduced me, my name is Jeff Moseley and I serve as President and CEO of the Greater Houston Partnership, and I want to say thank you for allowing me to be a part of this very distinguished panel. A lot of pleasure to be with Mayor Bloomberg and Mr. Murdoch and Dr. Camarota.

I have submitted a written testimony, and these comments that I am giving is just a quick summary of the written statement. And while each of us may not agree on specifics, we certainly appreciate the fact that there is a conversation with the American people, a conversation that focuses on the role of immigration, a conversation on strengthening America's economy, and a conversation about fixing a broken immigration law.

The Greater Houston Partnership is a business association. We have 3,000 members, and these represent companies that do more than $1.6 trillion in annual revenues. The partnership seeks to bring a grassroots voice for the business community and for industry into this American dialogue, a voice that we recognize has quite frankly been missing from the debate.

During the last several years we have witnessed several failed attempts to pass immigration reform and admittedly, Madam Chair, the business community bears some responsibility for standing by the sidelines. So we are here today to commit to stand up and to make sure the business voice is a part of this reform process.

As you have heard already from our distinguished witnesses, we are certainly all of immigrant stock and we recognize that America's immigration system today is just not working. The best solution toward reforming our laws require a bipartisan action of Congress, but this national debate really goes back to our earliest days as a Nation. I don't know if your history teacher taught you this, mine didn't, but apparently in the 1750's, while America was still a colony and part of the British Empire, Pennsylvania was seeing a tremendous number of German immigrants and they were arriving in droves. And guess what? They were opening their own schools and their own houses of worship. They had their own printing presses, which produced German language newspapers. Well, this was really too much for Americans of British stock to tolerate. Someone even as moderate as the reasonable Benjamin Franklin was positively undone over these German newcomers. In fact, he called them Palatine Boors, and he warned that if English speaking Pennsylvanians did not take drastic steps to preserve their language and culture they would find themselves submerged in a Teutonic tide. And Franklin said, why should Pennsylvania, founded

by the English, become a colony of aliens who will shortly be so numerous as to Germanize us instead of us Anglifying them and will never adopt our language or our customs any more than they can acquire our complexion.

Sounds familiar, doesn't it? It almost sounds as though Ben Franklin could be one of the news entertainers that take this very complex issue of immigration reform and take out and sensationalize the dialogue.

But we are here, Mr. King, to talk about how we can be a positive force in fixing this broken law, and we think that a law that does not recognize market forces or labor demand really is really doomed from the beginning.

In fact, in 1986 the intent of the Immigration Control and Reform Act was to make employers responsible for verifying the legality of the workforce. However, the current system by which employers are asked to determine if a worker is in fact authorized is no better than the Social Security card. Madam Chair and Members, this card was produced in the 1930's. This is what employers are asked to use to verify if a worker is authorized to work in the Nation. And as many will tell you, the forgeries are better than what the U.S. Government are producing, and so it puts the employer in a very, very difficult position.

We must strike a balance between securing our borders and safeguarding our prosperity. The Greater Houston Partnership recognizes the need to secure our borders. Make no mistake, we strongly support that.

But we also support an immigration law that will allow employers, through an efficient, temporary worker program, to recruit both the skilled and the unskilled immigrant workers where there is a shortage of domestic workers. We further believe that employers should be responsible for verifying the legal status of those that they hire.

Believe it or not, we believe that there should be penalties and fines for businesses that willfully and knowingly hire undocumented workers. To this end we support the creation of a fast, reliable employment verification system. We oppose laws that would increase civil and criminal penalties on employers that don't provide viable, legal options for hiring these skilled and semi-skilled workers.

Our partnership has 130 board members, and we unanimously have approved a resolution that has involved our involvement, and the America's immigration reform is a part of that creation.

I know my time has expired, Madam Chair. So I will withhold any further comments.

[The prepared statement of Mr. Moseley follows:]

PREPARED STATEMENT OF JEFF MOSELEY

Testimony of Jeff Moseley, President and CEO, Greater Houston Partnership, before the House Judiciary Committee
Subcommittee on Immigration, Citizenship, Refugees,
Border Security and International Law

Thursday, September 30, 2010 * 9:30 AM
2141 Rayburn House Office Building

Hearing on "Role of Immigration in Strengthening America's Economy"

Chairwoman Lofgren, Representative King, Chairman Conyers and our good friend from Texas, Ranking Member Smith, members of the Committee, thank you for your leadership and for your commitment to reforming America's immigration laws. My name is Jeff Moseley and I serve as President and CEO of the Greater Houston Partnership.

Thank you for allowing me to be a part of this distinguished panel and for inviting me to testify before you today. Even though each of us may not agree on specific legislative proposals – today or tomorrow – I am most grateful to the members of this Committee for helping us continue this important conversation with the American people; a conversation that focuses on the role of immigration in strengthening America's economy.

By way of introduction, the Greater Houston Partnership is a business association whose membership represents more than $1.6 trillion in annual revenues. Our organization seeks to represent a grassroots voice for business and industry in this dialogue – a voice we know has been missing from this debate. During the last decade we have witnessed failed attempts to pass immigration reform. Arguably, the business community bears some responsibility for these failures by standing on the sidelines.

We are all *of* immigrants and we each recognize that America's immigration system is broken. The best solution toward reforming our laws will require bipartisan action by the Congress.

America will be strengthened with a rational and sensible advancement toward resolution of this issue. Finding answers in a strict "enforcement only" approach will not settle the issue wisely and adherence to a fractured, existing "rule of law" will not allow us to confront reality. Those approaches, which do not recognize market realities and labor demands, are doomed to failure. We must move beyond the rhetoric on immigration and most importantly, we have an obligation to know the facts.

Not too far from here, in what would at one point be America's Capitol City one of our earliest public debates over our immigration policy began. This particular debate took place back in the 1750s while we were still part of the British Empire. Pennsylvania was a British colony, but German immigrants were arriving in droves, to the indignation and alarm of the English-speaking locals. The Germans were forming their own

communities, where they spoke their own language exclusively. They had their own schools and houses of worship – and even their own printing presses which produced German-language newspapers and other publications.

This was too much for Americans of British stock to tolerate. Even someone as moderate and reasonable as Benjamin Franklin was positively undone over the German newcomers. He called them "Palatine Boors," and warned that if English-speaking Pennsylvanians did not take drastic steps to preserve their language and culture, they would soon find themselves submerged by a Teutonic tide. Franklin said this: "Why should Pennsylvania, founded by the English, become a Colony of Aliens, who will shortly be so numerous as to Germanize *us* instead of us Anglifying *them*, and will never adopt our Language or our Customs, any more than they can acquire our Complexion."

Franklin actually endorsed a series of proposals designed to check the German advance. It particular, he agreed that no one should be appointed to public office who could not speak English properly, and that all deeds, contracts and legal documents be drawn up in English only. He further agreed that German immigrants should be encouraged to settle in other colonies, rather than Pennsylvania.

Does any of this have a familiar ring for 21st Century Americans?

I share this little-known episode from our history to help us put the issue of immigration in perspective. You and I know that immigration is not a new issue. It was around even before we became a nation. Even the very language used to frame the public debate on immigration has scarcely changed since Franklin's day. We have been warned again and again throughout our history that uncontrolled immigration will make us strangers in our own land.

Americans have always been ambivalent about immigration. On the one hand, we look with pride on the Statue of Liberty, lifting her lamp beside the golden door … extending an open invitation to the world's "huddled masses yearning to breathe free." On the other hand, we have had recurring nightmares that a too liberal immigration policy might cause us to be overwhelmed by people unlike ourselves: people who would steal our jobs; refuse to assimilate; who would not respect our laws, our language and our democratic way of life.

Periodically, these nightmares have produced outbursts of ugly, radioactive rhetoric. Franklin fretted about the Germans. Later generations of Americans fretted about the Irish and, after them, waves of immigrants from southern and eastern Europe.

In 1882, Congress passed a law to exclude the Chinese. In the mid-1890s – when the percentage of foreign-born residents of this country was actually higher than it is now – one of the arguments advanced in favor of women's suffrage was that giving women the vote would keep native-born Americans from being outvoted by immigrants.

In 1924, the National Origins Quota Act dramatically reduced immigration by restricting immigrants almost entirely to the "Nordics" of Western Europe. This was the law until 1965, when the Hart-Celler Act was passed. Under Hart-Celler, preference was based primarily on family reunification, professional skills or refugee status. This led to the arrival, for the first time in our history, of large numbers of non-Europeans to these shores.

Now it is time to update our immigration laws once again. Our current system simply cannot accommodate the millions of undocumented immigrants who have come to find work. Our system is broken. We have to look the facts squarely in the face and find a better way.

The 1986 Immigration Control and Reform Act, which is widely labeled a failure, was intended to impose upon employers the responsibility for verifying that all new hires are authorized workers under immigration laws. The concept that employers would no longer hire any individual that was not authorized to work in the United States was compelling and logically should have removed the powerful incentive that continues to attract foreign workers to the United States outside of any legal system.

However, as was recognized then, and again today, the current system by which employers determine worker authorization is no better than the documentation that the employer must rely upon, in this case the Social Security card, which is still printed on a low cost basis and has not been upgraded in any fashion since the inception of Social Security in the 1930's.

Just about every form of identification from a Passport to driver's licenses to credit cards have been technologically improved and yet the one document that employers must reply upon to determine who is authorized to work, is still so easy to forge that fraudulent Social Security cards are easily available and better in quality than the national Social Security card.

The other problem with the 1986 Act is that there was no provision for any legal basis upon which workers, particularly in low-skilled positions, could effectively enter the United States as evidenced by the fact that initially there was going to be zero-quota for low-skilled workers – a figure capped at 10,000 and subsequently reduced to 5,000 per year. The fact that the economy has absorbed as many as 12 million workers in the interim, primarily during times of unprecedented economic growth, shows how totally unrealistic an annual figure of 5,000 per year is.

Worse yet are the consequential effects to the very best legitimate entrepreneurs – those who follow the law, eliminate unauthorized workers from their businesses following independent worker verification audits, and are then forced to see dismissed employees work in tax-classified independent subcontractor opportunities where payrolls are in cash, taxes remain unpaid, worker hours are abusive, and employee benefits do not exist.

We believe that our work in Houston, Texas brings a unique perspective to the issue of immigration.

Houston is one of the most diverse metropolitan areas in the country. We are home to more than 3,000 international businesses, government offices and nonprofit organizations. 25 Fortune 500 companies are headquartered in Houston and more than half of the 100 largest non-U.S. corporations in the world have operations in our region. Some 85 foreign countries maintain consular offices in Houston. These are supported by a multitude of foreign trade and commercial offices, and by chambers of commerce and trade associations. Houston is the home of the Nation's strongest region and we proudly serve as an integral part of America's global economy with our rich oil and gas industry and refining.

There is no true ethnic majority in the Houston region, as no one group constitutes more than 50 percent of the population. Houston has the largest Nigerian population in the United States and the third largest Vietnamese community. More than one million Houstonians are foreign-born, with one in ten identifying Mexico as their country of origin. If you want to see what America will look like in the year 2060, according to the Census Bureau, look at Houston today. Every fifteen minutes, another immigrant arrives in the Houston area, ready to contribute to our economy.

New York City Mayor Michael Bloomberg and countless other leaders know well what the *Small Business Research Summary* of the SBA Office of Advocacy documented almost two years ago – immigrants are 30 percent more likely to start a business than are non-immigrants, and they represent 16.7 percent of all new business owners in the United States, making significant contributions to business income. Similarly, the respected *Kauffman Index* showed that among the fifteen largest metropolitan areas in the United States, Houston had the highest entrepreneurial activity rate in 2009. These statistics confirm, in fact, what the *Center for an Urban Future* and the research our very own Dr. Stephen Klineberg of Rice University have studied and shown – new business across the Houston region, sparked by growth of vibrant new business districts, have helped to diversify and strengthen the city's economy. And, as my good friend and colleague, Dr. Laura Murillo, President and CEO of the Houston Hispanic Chamber of Commerce, will proudly note, our region is home to 17 of the largest 500 Hispanic-owned firms in the country.

When you consider our economy, undocumented workers contribute an estimated $27.3 billion to our Gross Regional Product. That's more than 8 percent of total GRP. Undocumented workers contribute significantly to 16 different sectors of the Houston area's economy – including high-growth areas like construction, professional services, accommodation and food services and health care. Statewide, the Comptroller's office estimates that without these workers, the Texas labor force would shrink by 6.1 percent.

We tend to think of the immigration issue in terms of undocumented workers from Mexico coming North to take unskilled jobs at low wages. But the issue is actually

bigger than that. It includes the problem of visa shortages for highly-educated workers in white-collar professions like engineering.

The visa shortage hampers Houston companies that depend on engineers, because significantly more foreign-born students than Americans are completing higher degrees in engineering. According to the American Society of Engineering Education, foreigners account for half of all masters-level engineering students in the United States, and nearly two-thirds of all PhDs. However, as we have witnessed over a period of years during high economic growth, the shortage of H-1B visas prevents a greater number of them from finding long-term employment in the United States.

As a result, these trained engineers take their education from our country and return to their homelands. There, they find jobs with companies competing with the U.S. in the global market. In effect, we are training our competitors' work force.

Moreover, as members of the baby-boom generation retire in increasing numbers, taking their expertise with them, we are likely to need foreign-born workers with advanced degrees even more than we do now.

Speaking of the baby boomers retiring, the Bureau of Labor Statistics estimates that the number of people in work force aged 25 to 34 will increase by only three million between 2002 and 2012. During this same period, those workers aged 55 and older will increase by 18 million before leaving the work force for retirement. Even in today's economic climate, our workers are retiring faster than we can replace them, unless we hire immigrants.

Whether we are talking about unskilled or highly skilled workers, the fact is that Houston depends on immigrants, and so does this country as a whole. If we get this issue wrong, we are going to pay a steep price for our mistake. We must strike a balance between securing our borders and safeguarding our prosperity.

Because Houston's economy relies so heavily on immigrants, the Greater Houston Partnership saw the need for sensible immigration reform – particularly following the collapse of legislative proposals in past years. The Partnership's task force on this issue, chaired by Charles Foster, led to the creation of a non-profit organization called Americans for Immigration Reform.

The purpose of Americans for Immigration Reform, or AIR, is to build a broad national coalition in favor of immigration reform. This coalition cuts across ideological, social, economic and party lines; it includes employers, unions, academics, minority rights organizations, professional associations, free market advocates and concerned individuals; Chambers of Commerce, nationwide, joined Americans for Immigration Reform and our support continues to increase.

AIR has sponsored research on immigration issues. The organization provides reliable information to lawmakers, the media and the public. For example, AIR commissioned a

major study on the economic impact of undocumented workers on business activity in the U.S. The study was prepared by the Perryman Group, an independent economic and financial analysis firm based in Waco, Texas. The 70-page study was released in April 2008, and it documents the enormous contribution made by immigrants to our economy. This study can be found on the Web at www.americansforimmigrationreform.org.

The latest census data indicates that one out of every seven people living in the United States is an immigrant; approximately one-third of these are undocumented. The Perryman study estimated that there were currently about 8.1 million undocumented workers in the U.S. economy. More recently, in September 2010, the Pew Hispanic Center placed that figure at 7.8 million. If these workers were removed from the work force, the effects would ripple through many industries, and ultimate job losses would be even higher. The economy would also lose the enormous spending power of these millions of undocumented workers.

These conclusions fly in the face of the most popular arguments in favor of sending undocumented workers home. Popular rhetoric says that illegal aliens take jobs from Americans; depress wages; and burden taxpayers because they take advantage of free public education and social welfare programs – or else they commit crimes.

In fact, says the Perryman study, undocumented workers are major contributors to our nation's economy. Perryman found that as the domestic work force becomes older, more stable in number and better educated, the U.S. economy increasingly requires low-skilled workers. Immigrants and undocumented workers fill a number of important jobs in the U.S. – particularly in the services sector, construction and farming.

If all undocumented workers were removed from the work force, a number of industries would face an immediate and substantial shortage of workers. These shortages could be met only by paying wages sufficient to entice American citizens to take jobs far below their current educational and skill level. This would not be productive.

Even in today's economic climate, you and I recognize that if every single unemployed U.S. worker were to seek jobs in agriculture, hospitality, construction and other industries that utilize low-skilled workers, it would still be impossible to fill all of those positions even today with growing unemployment. Furthermore, that assumes that all jobs are fungible and that an unemployed worker in New York's financial sector would be willing to relocate to do agricultural work in California or construction work in Houston in spite of our mild weather.

A 2006 study by the University of California, Davis, reports that because immigrant workers tend to "complement" rather than compete with native workers for jobs, they contribute to productivity. That, in turn, means higher wages for native workers. This study is confirmed by a finding by the White House Council of Economic Advisors. A year after the University of California study, the Council of Economic Advisors concluded that roughly 90-percent of native-born workers experience wage gains from immigration – and these wage gains total between $30 billion and $80 billion a year.

The fact is that immigrants have always boosted the living standards of those who came before. Here, I'm reminded of a story about the wife of a college professor who complained to her husband, "If we lived a hundred years ago, we would have no problem getting servants." To which her husband wisely replied, "If we lived a hundred years ago, *we* would have been the servants."

The increase in enforcement that the Department of Homeland Security initiated in the last Administration, with continued appropriations from Congress, has worked. It has ended circular migration that worked informally in Texas and along our nation's southwest border for decades. Not too long ago Mexican workers would enter our country, work, remain close enough to our border and return home for the holidays. Today, those days are long gone. The rise of border enforcement has ironically caused the growth of a professional smuggling industry with high rates for human trafficking because we have fenced undocumented workers inside the United States.

As for the argument that immigrants are a burden on taxpayers, it is more likely that immigrants are net contributors to our tax base. The Perryman study cites evidence to the effect that between 50 and 75 percent of undocumented immigrants pay federal, state and local taxes. Their Social Security and Medicare payments directly support older Americans, while eligibility restrictions prevent the undocumented workers from enrolling in these and most other social programs. Undocumented workers also pay sales taxes and real estate taxes – either as homeowners or, indirectly, as renters.

It is true that the undocumented may turn up for medical care at hospital emergency rooms or free clinics. And it is true that if they have children, their children may attend public schools. The Perryman study acknowledges that many state and local public entities may experience a net deficit, depending on the specific services they offer. However, the report goes on to say that the present policies encourage the undocumented to work off the books – as part of the underground economy – resulting in them not paying their full share of taxes.

The answer is not to send these workers home, but to give them recognized legal status so that their contributions to the economy can be recorded, and they can be taxed for public services like every other member of the community.

Finally, recent studies of incarceration rates reveal that undocumented immigrants are actually less likely to commit crimes than the native-born. So the argument that they increase the crime rate has little foundation.

What is the bottom line, then?

You think subprime mortgages, the freezing of credit markets, and high priced energy have had a chilling effect on the economy? The Perryman study concluded that if all undocumented workers were removed from the U.S. economy, the immediate effect would be the loss of some 8.1 million jobs. Even if the economy adjusted, job losses

would still exceed 2.8 million. Moreover, our economy would lose $1.76 trillion in annual spending, and $651.5 billion in annual output. So even if we had the resources to round up and deport every undocumented worker in the country – which we don't – the consequences to our economy would be staggering. I am certain that this is not a policy anyone supports with today's economic climate.

Our current immigration system clearly does not work; we have to find a better way. And the theory that these workers should somehow take their place at the back of the line and enter this country legally defies logic. Because our current system only allows for 5,000 new unskilled applicants each year, at this rate, it would take 2,400 years just to facilitate the re-entry of the estimated 12 million undocumented residents of this country.

Let's be clear: While border states – Texas, California, New Mexico and Arizona – immediately feel the ramifications of our nation's slow response on immigration reform, this is not a regional issue. Americans for Immigration Reform advocates much the same package of solutions advocated by the Greater Houston Partnership: securing our borders; creating an efficient and effective program for those who want to be American and work in our economy; establishing a fast, reliable employment verification system; holding employers accountable for hiring employees with legal status; and developing a realistic policy for illegal immigrants already here. We seek an end to illegal immigration and a balance to our system of legal immigration which on one hand says "keep out" along our borders, yet a few miles inward our businesses have "help wanted" signs posted in their doorways.

And so today we encourage you to reform America's immigration laws. Beto Cardenas, executive counsel to Americans for Immigration Reform is here with me today and like many of you here, he worked tirelessly as general counsel to one of your colleagues, Senator Kay Bailey Hutchison, as Congress sought to address this issue in the 109th and 110th Congress. He and I, together with so many other leaders in America, are ready to work with each of you, regardless of partisan direction, because America must address the legal and economic aspects of the immigration issue and balance a resolution with a moral dimension as well.

We are political realists. We know that a careful balanced bill cannot pass Congress unless it has strong support from both political parties and the American public. No political party will want to pass this legislation to get all of the credit, or for that matter all of the blame, by itself. Getting this right is in the national interest. It is in our economic interest and it is the right thing to do.

As Americans, we profess to be a nation of equal justice under law. Our present immigration system is unjust. Because we don't have the means to deport all undocumented workers, it means that immigration officials cannot help but enforce the law arbitrarily, through sporadic raids and sweeps that catch some undocumented workers in the net and miss others. This is more than unfair. Often it causes, as my friends and colleagues Deacon Joe Rubio and Angela Blanchard will attest, real hardship,

such as when the American born children of undocumented workers come home from school to discover that their parents have been deported.

Similarly, as Maria Jimenez and Cesar Espinoza in Houston remind us each day, we cannot help but look upon Congress with confusion for their lack of action and acknowledgement toward the undocumented young children, brought to this nation as minors, who turn to education rather than crime, desire to work legally in our economy following graduation from our colleges or universities, or seek to defend our freedoms and Constitution by working to perfect their legal status in America with volunteer service in our Armed Forces.

In 2008, the Greater Houston Partnership held a dialogue on immigration. One of the speakers was His Eminence Daniel Cardinal DiNardo, himself the son of an immigrant father. Cardinal DiNardo brought home the moral dimension of the immigration issue with a quotation from the Bible. In Exodus 20, verse 22, God tells the Israelites: "You shall not molest or oppress an alien, for you were once aliens yourselves in the land of Egypt."

America is a nation of immigrants. Except for the Native Americans, every one of us here today is either an immigrant, or a descendent of immigrants. Some of us may have heard tales from our parents or grandparents about their struggles to make new lives for themselves here in America.

And yet, we are a nation today. Assimilation works. Why?

The English writer G.K. Chesterton once said that America is the only country ever founded on a creed.

What is that creed? Look at our Declaration of Independence:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty and the pursuit of Happiness ..."

Immigrants have always been drawn to this country by the promise of freedom and the opportunity to work hard and build a better life for themselves and their children. America is a nation today because of the enthusiasm with which our newcomers have embraced our creed. In effect, they have added their own signatures to the Declaration of Independence as they arrived.

It has been so from the beginning. And if good sense and good will prevail in our handling of the immigration issue today, it will remain so for the future as well.

What the business community requires, what the religious community wants, what Americans for Immigration Reform needs is less rhetoric and a common sense solution that both parties can support. We all want leaders that are willing to share that truth

rather than having the primary source of information be the entertainment industry that inflames, rather than explains, the reality and complexity of the immigration issue.

Again, thank you Madam Chair for holding this hearing today. We have failed to reform our immigration laws. If we continue to fail, we will find ourselves overwhelmed with the economic consequences I have outlined.

I am happy to answer any questions you may have.

Ms. LOFGREN. Thank you very much.

Dr. Camarota, we would be happy to hear from you now.

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

Mr. CAMAROTA. Well, first I would like to say that I would like to thank the Subcommittee for inviting me to testify today on this important issue. I have to say that I am getting over a bad case of pneumonia so if I cough a lot you will just have to understand. Maybe I will do it in dramatic fashion and add to the seriousness of my testimony.

My primary goal today is to clear up some of the confusion that often surrounds the issue of immigration and the economy. In particular, I will try to explain the difference between increasing the overall size of the U.S. economy and increasing the actual per capita GDP of the United States. I will also touch on the separate but a related issue of taxes paid versus services used, the impact on taxpayers.

Now, if we wish to know the benefit of immigration to the existing population, then of course the key measure is the per capita GDP of the United States, or I should say the per capita GDP particularly of the existing population, if that is what we want to know, not how much bigger immigration makes the U.S. economy, which it clearly does do.

We could see the importance of per capita GDP just by remembering that Mexico and Canada have very roughly the same size economies, but they are not roughly equally rich because Mexico has three times as many people and thus its per capita income is much lower.

Now, there is actually a very standard way in economics to calculate the benefit from immigration that actually goes to the existing population of people that is either the native born or the immigrants already here when you begin your analysis. It is based on a noncontroversial formula laid out by Harvard economist George Borjas. The method was used by the National Academy of Sciences in its 1997 study. It was used by the President's Council of Economic Advisors in their 2007 study. It is very much agreed on by economists.

Now, although the economy is much larger because of immigration, the formula shows that only a tiny fraction of that increased economic activity goes to the native born population. Based on 2009 data, this simple calculation shows that the net benefit to natives from immigration should be about one-fourth of 1 percent of GDP, or about $33 billion. Thus, the net benefit of immigration to the existing population is very small relative to the size of the economy.

Second, and this is very important, the benefit is entirely dependent on the size of the wage losses suffered by the existing population of workers. If there is no reduction in wages for the native born, there is no benefit. Now the wage losses suffered by American workers based on the same formula is about $375 billion, about 12 times bigger than the benefit, but what is important to understand is the wages don't disappear into thin air. They are retained either by employers in the form of higher profits or they get

passed on to consumers, or more skilled workers who aren't in competition with immigrants may benefit as well.

So the way it works out is that wages for those in competition with immigrants are reduced by about $375 billion, given the size of the immigrant population today, but the people who gain, the business owners and so forth, gain about $408 billion for the $33 billion net benefit.

Now, sometimes people say, well, I don't think Americans and immigrants compete ever for jobs, but the fact is that is not what the research shows. There are about 465 occupations in the United States, based on the Department of Commerce classification, and only four are majority immigrant. The vast majority of nannies, maids, busboys, and forth, meat packers, construction laborers, janitors in the United States are all U.S. born. And unfortunately, there has been a very troubling long-term decline in wages for less educated people who do this kind of work, and this is exactly what we would expect to see as a result of immigration. As immigration has increased, wages at the bottom end of the U.S. Labor market have generally fallen, which is certainly an indication that we don't have a shortage of that kind of workers.

Now, there is also the fiscal impact. When the National Academy of Sciences tried to look at this question, they found that the fiscal impact was enough to eat up the entire economic gain. So if you put the economic gain with the fiscal impact, you get no benefit at all, it would seem.

Now, the problem is you have also made the low income population poorer in the United States. They absorb a lot of that $375 billion in wage losses.

In conclusion, if we are concerned about low-skilled workers, and that is only one thing to think about, then reducing the level of immigration would certainly make sense, particularly unskilled immigration. Certainly we can do so secure in the knowledge that it won't harm the U.S. economy. At the very least, those who support the current high level of immigration should understand that the American workers harmed by that policy they favor are already the poorest and most vulnerable.

Thank you.

[The prepared statement of Mr. Camarota follows:]

PREPARED STATEMENT OF STEVEN A. CAMAROTA

Immigration and the U.S. Economy

Testimony Prepared for
House Judiciary Committee
Subcommittee on Immigration, Citizenship, Refugees,
Border Security and International Law

September 29, 2010

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Introduction

In my very brief comments I will touch on several key issues surrounding immigration and the economy. My goal will be to clear up some of the confusion that often clouds the immigration debate. In particularly, I will explain the difference between increasing the overall size of the U.S. economy, and increasing the per-capita income of Americans. Finally, I will touch on the issue of immigration's impact on public coffers.

Immigration and the Size of the U.S. Economy

Immigration increases the overall size of the US economy. Of this there is no question. In 2009 immigrants accounted for 15 percent of all workers. More workers and more people mean a bigger GDP. Immigrants are 15 percent of U.S. workers. They likely account for about 10 percent of GDP or more than a trillion dollars annually. However, this does not mean that the native-born population benefits from immigration. Basic economic theory shows that the overwhelming majority of this increase in economic activity goes to the immigrants themselves in the form of wages and other compensation. It is important to understand that the increase in the size of the economy is not, by itself, a benefit to the existing population. Moreover, immigrants who arrived in the last 10, 20 or 50 years are without question earning and living better on average then they would be had they remained in their home countries.

If the question is how much does the existing population benefit, then the key measure is the impact of immigration on per-capita GDP in the United States, particularly the per-capita GDP of the existing population. We can see the importance of per-capita GDP versus aggregate GDP by simply remembering that the economy of Mexico and Canada are similar in size. But this does not mean the two countries are equally rich because Mexico's population is roughly three times that of Canada's.

Benefits to Natives

There is a standard way of calculating the benefit from immigration, also referred to the as the immigrant surplus, that goes to the existing population. A 1997 study by National Academy of Sciences[1] which was authored by many of the top economists in the field, summarizes the formula for calculating the benefit (see pages 151-152). The NAS study updates an earlier study by the nation's top immigration economist, George Borjas of Harvard (see page 7) [2] In 2007 the President's Council of Economic Advisers (CEA) again used the same formula

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[1] Edmonston, Barry and James Smith Ed. 1997. The New Americans: Economic, Demographic, and Fiscal Effects of Immigration, Washington D.C.: National Academy Press. http://books.nap.edu/openbook.php?isbn=0309063566

[2] George Borjas. "The Economic Benefits of Immigration" *Journal of Economic Perspectives* Vol. 9, Num. 2, Spring 1995. http://www.hks.harvard.edu/fs/gborjas/Papers/Economic_Benefits.pdf

to estimate the benefit of immigration to Americans.[3] A blog by professor Borjas has a clear non-technical explanation of the calculation, from which I borrow heavily in this paper.[4]

The next gain from immigration can be estimated using the following formula:

Net gain from immigration as a share of GDP = - .5 * labor's share of income * wage elasticity * immigrant share of labor force squared.

"Labor share" refers to the percentage of GDP that goes to workers, which is usually thought to be 70 percent, the rest being capital. The immigrant share of the labor force is well known, and is currently 15 percent. "Wage elasticity" refers to the percentage change in wages from immigration increasing the size of the labor force by one percent. The size of the elasticity is a contentious issue. The NAS study assumed an elasticity of .3 and so will I in the calculation below. This means that each 1 percent increase in supply of labor caused by immigration reduces wages by 0.3 percent. Put a different way, if immigration increased the supply of workers by 10 percent, it would reduce the wages of American workers by 3 percent. Putting the values into the formula produces the following estimate:

0.24% =-50 * 70% * -0.3% * (15%*15%)

Thus the net gain from immigration is 0.24% of GDP. (Expressed as decimal it is .0024.) If GDP is $14 trillion, then the net benefit would be $33 billion. Three important points emerge from this analysis. First, the net effect of immigration on the existing population is positive overall, thought not for all workers. Second, the benefits are trivial relative to the size of the economy, less than one-quarter of one percent. Third, the benefit is dependent on the size of the wage losses suffer by the existing population of workers. Or put a different way, the bigger the wage loss the bigger the net benefit. Those who content that immigration has no impact on the wages of immigrants are also arguing, sometimes without realizing it, that there is no economic benefit from immigration.

The same model can be used to estimate the wage losses suffered American workers.

Wage loss as a fraction of GDP = - "labor's share of income" * "wage elasticity" * "immigrant share of labor force"* "native-born share of labor force.

Putting the numbers into the equation you get the following:

2.7% = -0.7 times -0.3 times 0.15 times 0.85

This is 2.7% of GDP or $375 billion in wage losses suffered by American workers because of immigration. This is not trivial. There is nothing particularly controversial about this

[3] "Immigration's Economic Impact" White paper June 20. 2007 http://georgewbush-whitehouse.archives.gov/cea/cea_immigration_062007.html

[4] "No Pain No Gain June 8 1997, http://borjas.typepad.com/the_borjas_blog/2007/06/index.html

estimate and its stems from the same basic economic formula as the one above. Think of it this way, labor is 70 percent of the economy, which is $14 trillion in total. If the elasticity is .3, and immigrants are 15 percent of the labor force, then wages will decline several percentage points (15 by .3). Thus the total wage loss must run into the hundreds of billions of dollars. If we are to accept the benefit that the model implies from immigration, then we must also accept the wage losses that the model implies.

The money that would have gone to workers as wages if there had been no immigration does not vanish into thin air. It is retained by owners of capital as higher profits or passed on to consumers in the form lower prices. The fact that business owners lobby so hard to keep immigration levels high is an indication that much of the lost wages is likely retained by them. Also, workers who face little or no competition from immigrants will not suffer a wage loss. In fact, demand for their labor may increase and their incomes rise as a result. For example, if you are an attorney or a journalist at an English-language news outlet in the United States you face very little competition from immigrants.[5] In fact, immigration may increase your wages as demand for your occupation rises. In contrast, if you a nanny, maid, bus boy, cook, meat packer or construction laborer, then the negative wage impact is likely to be large because immigration has increased the supply of workers in these sectors quite a bit. But overall, the gain to some workers, businesses and consumers is still slightly larger than the loss suffered by the losers; hence the tiny net benefit reported above.

Immigrant and Native Job Competition

Some may feel that there is no job competition between immigrants and native-born workers. The argument is often made, mostly by non-economists, that immigrants only do jobs Americans don't want. But analysis of all 465 occupations defined by the Department of Commerce shows that even before the current recession only four are majority immigrant. These four occupations account for less than 1 percent of the total U.S. workforce. Many jobs often thought to be overwhelmingly immigrant are in fact majority native-born. For example, 55 percent of maids and housekeepers are native-born, as are 58 percent of taxi drivers and chauffeurs, 63 percent of butchers and meat processors, 65 percent of construction laborers, and 75 percent of janitors are native-born. There are 93 occupations in which at 20 percent of workerss are immigrants. There are about 24 million native-born Americans in these high-immigrant occupations.[6] Thus, the argument that immigrants and natives never compete for jobs is simply incorrect. The real question is how have the poorest and the least educated American workers fared in recent decades as immigration has increased.

Deterioration at the Bottom of the Labor Market

There has been a long-term decline in wages, even before the current recession, among

[5] "Jobs Americans Won't Do? A Detailed Look at Immigrant Employment by Occupation" Center for Immigration Studies Memorandum. Steven Camarota, Karen Jensenius. August 2009 http://www.cis.org/illegalimmigration-employment

[6] "Jobs Americans Won't Do? A Detailed Look at Immigrant Employment by Occupation" Center for Immigration Studies Memorandum. Steven Camarota, Karen Jensenius. August 2009 http://www.cis.org/illegalimmigration-employment

the less-educated. Hourly wages for those who have not completed high school declined 22% in real terms (adjusted for inflation) from 1979 to 2007. Hourly wages for those with only a high school education declined 10% in real terms from 1979 to 2007.[7]

The share of less educated adults holding a job has been deteriorating for some time. This is true even before the current recession. From 2000 to 2007 the share of adult natives (ages 18 to 65) without a high school diploma holding a job fell from 54% to 48%. For those with only a high school education, the share employed fell from 73% to 70%. By 2009 it was down to 43% for those without a high school diploma and 65% for those with only a high school education. There is a huge supply of less-educated people available as potential workers. In 2007, before the recession, there were more than 22 million native-born Americans (18 to 65) with no more than high school education who were not working. By 2009 that number was 26 million.[8]

If there was a tight labor market and unskilled workers really were in short supply, then we would expect that wages to rise for the less-educated. We would also expect that the share of these workers holding a job would be climbing. But even before the current recession, this was not what has happening. The deterioration in wages and employment for the less-educated is the kind of pattern we would expect to see as a result of immigrant competition.

Fiscal Impact of Immigration

The impact of immigration on public coffers is not directly part of a discussion on immigration and the economy. But when thinking about the overall effect of immigration on our pocketbooks, the taxes paid and services used by immigrants is an important issue. It may be the most important issue. The previously mentioned National Academy of Sciences (NAS) study estimated that the net fiscal drain (taxes paid minus services used) from immigrant households in 1997 was $11 to $20 billion a year. At the same time, using the same formula discussed above, the NAS study estimated a net economic benefit of $1 billion to $10 billion a year from immigration. Thus, the estimated fiscal drain was larger than the economic benefit. (Today the economic benefit and fiscal drain are larger reflecting our larger economy and government.)

It also must be remembered that there is still of wage losses for less-skilled workers. The NAS study indicated that the wages of the poorest ten percent of American workers were reduced by 5 percent as a result of immigrant-induced increases in the supply of labor.

More recent analysis indicates that the fiscal costs of immigration remain large. Census Bureau data indicate that one-third of those without health insurance in the United States are either immigrants (legal or illegal) or U.S.-born children (under 18) of immigrants. One-four of children living in poverty in the United States has an immigrant father. In 2008, 53 percent of immigrant households with children used at least one major welfare program, primarily food

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[7] The State of Working America 2008/2009 by Lawrence Mishel, Jared Bernstein and Heidi Shierholz Economic Policy Institute. Table 3.16 page 166.

[8] All figures for employed are based on the author's calculation of employment and labor force participation from the public use files of the Current Population Survey in the third quarter of 2000, 2007 and 2009.

assistance and Medicaid.[9] These fiscal costs are incurred despite immigrant's high rates of labor force participation. Their high welfare use rates and the resulting fiscal drain they create stem from the fact that a large share have relatively little education. About one-third of immigrants who arrive as adults have not graduated from high school. The modern American economy offers limited opportunities to such workers. This fact, coupled with a welfare state designed to help low income workers with children, is the reason for the above statistics.

Conclusion

When thinking about immigration it is important to recognize that its impact on the size of the economy is not a measure of the benefit to natives. There is no question that U.S. GDP is significantly larger because of immigrant workers. However, a larger economy is entirely irrelevant to the key question of whether the per-capita GDP of natives is higher because of immigration. Efforts to measure the impact of immigration on the per-capita GDP of Americans, using the standard economic model, show that the benefit is trivial relative to the size of the economy. Perhaps most important, these trivial gains are the result of reduced wages for American workers in competition with immigrants. These workers tend to be the least educated and poorest already. If there is no wage reduction, then there is no economic gain. Finally, the tiny economic gain is probably entirely offset by the fiscal drain immigrants create on tax payers.

In the end, arguments for or against immigration are as much political and moral as they are economic. The latest research indicates that we can reduce immigration without harming the economy. Doing so makes sense if we are very concerned about low-wage and less-educated workers in the United States. On the other hand, if one places a high priority on helping unskilled workers in other countries, then we should continue to allow in a large number of such workers. Of course, only an infinitesimal proportion of the world's poor could ever come to this country even under the most open immigration policy one might imagine. Those who support the current high level of immigration should at least understand that the American workers harmed by the policies they favor are already the poorest and most vulnerable.

[9] Figures come from the March 2009 Current Population Survey, which asks about health insurance coverage and welfare use in the prior calendar year. It also asks where respondents' parents were born. Thus, indentifying the children of immigrant parents is a simple calculation.

Ms. LOFGREN. Thank you very much, and thanks to all of the witnesses for your testimony.

Now is the time when Members of the Subcommittee have an opportunity to pose questions to our witnesses, and I would turn first to the Ranking Member of the Subcommittee, Mr. King, for 5 minutes and whatever questions he may have.

Mr. KING. Well, thank you, Madam Chair. It is interesting testimony. I was watching the witnesses as they listen. I would first

ask Mayor Bloomberg, what did you think of Dr. Camarota's testimony and how would you respond to the presentation that he has made?

Mr. BLOOMBERG. I am not a——

Ms. LOFGREN. Could you turn your microphone on, please.

Mr. BLOOMBERG. I am not an expert on the whole country. I can just tell you about New York. I run a city of 8.4 million people, 40 percent of which were born outside of the United States and 500,000 we think are undocumented.

Number one, Mr. Camarota must have a different cohort that he is studying. If you take a look at this country, if we have 11 or 12 million undocumented, it is because there are jobs that are going unfilled here. We did have comprehensive immigration reform in 1986 with no teeth whatsoever.

Mr. KING. Thank you, Mayor. I am sorry, my clock is ticking.

I see that is in your testimony, the statements that you made and there is references to studies, but it doesn't say which studies would be rebuttals to Dr. Camarota. Do you know which studies you referenced?

Mr. BLOOMBERG. Yeah, the study is what goes on every day in New York City. Rupert and I together employ about 75,000 people, so we know a little bit about job creation. And he is an immigrant, I am an immigrant to New York from Boston. I don't know whether that makes me a real immigrant or not. But I can just tell you in New York City the issue is not the undocumented, the issue is how we create jobs for the people in New York who are unemployed and can't find jobs.

Mr. KING. And when you use the term "immigrant" in your testimony, does it mean, does it include illegal immigrant?

Mr. BLOOMBERG. It does. And the reason we have illegal immigrants here is because of Congress' inability and unwillingness to pass laws where employers can figure out who is documented and who isn't. And it is just duplicitous for Congress to sit there and say they shouldn't do it and then not give them the tools.

All of us have the problem of trying to figure out whether or not that Social Security card was bought for 50 bucks or issued by the Federal Government.

Mr. KING. It seems to be universal here among the witnesses that—or at least unanimity about closing and securing the borders. I see that in your testimony, Mr. Murdoch's, I believe it was in Mr. Moseley's testimony, and I don't know that Dr. Camarota addressed that.

Here is where the tension is in this. We have more than a generation of promises to enforce immigration law, and that includes specifically securing the border. And as I hear this presentation, it includes also that same promise, but why should Americans—I am going to ask Mr. Murdoch this question—why should Americans accept a promise again that we would enforce immigration laws in exchange for a path to citizenship to people that, if I remember your language in here, was for people that were illegals who are responsible and law abiding. I think that actually precludes those people from being included in that, but why should Americans accept that promise again? There have been empty promises going

far back to not quite—I think Dwight Eisenhower is the last man that actually followed through on enforcement.

Mr. MURDOCH. Congressman——

Ms. LOFGREN. Could you turn your microphone on, please, Mr. Murdoch?

Mr. MURDOCH. I am sorry.

With respect, you don't have to accept any promises. You are the people who make the laws in this country, and you are the people who have to make sure they are enforced. It is not up to me as a private citizen. I will support you if you do it of course. But you say why should you accept a promise. It is up to you to keep the promise.

Mr. KING. Okay, let me respond to that, and it is this, that I have been in the business now and closing out my eighth year of seeking to embarrass the Administration into enforcing immigration law. I mean, Congress can't enforce the laws, we can only appropriate or not appropriate, set the policy and then seek to embarrass the Administration into enforcing if they don't have the will, and it has gotten worse.

So I appreciate your point and your testimony.

I turn to—watching the clock tick—Dr. Camarota. Here is the tension, and I just ask the question this way, and that is we have a net cost that I talked about in my opening statement of 19,000 and a half for the immigrant costs of—the low-skilled immigrant costs of Dr. Robert Rector's testimony, or his study. And you have your economic analysis here that makes sense to me, and you make the point that—and I have said often—that we need to be in the business of increasing the average annual productivity of our people.

Now, but the question that comes back is how many are too many? How much can this country sustain? No one seems to be asking the question of when have we opened our borders too much so that we get—the overburden of this economy can't recover from it. Do you have any numbers on that? Do you have an analysis of it? Do you have an opinion of it?

I mean, I would just imagine this, that if we let a billion people into America next year that would bury us. We would not be able to sustain that and it would change our culture forever. So where is the line, in your opinion? Do you have any analysis that addresses that?

Mr. CAMAROTA. Well, like most people, I just think that we should have an immigration policy that seeks to benefit the existing population of the legal immigrants and the natives here, and we should try as much as possible to avoid hurting the people at the bottom. There is about 24 million people with no education beyond high school, these are working age people, who are currently not working in the United States. Their situation has gotten worse and worse. And to keep flooding the unskilled labor market with immigrant works just doesn't make sense from that point of view.

Mr. KING. Thank you. Thank you, all the witnesses. Madam Chair, I yield back.

Ms. LOFGREN. The gentleman's time has expired. I would recognize now the gentlelady from California, Ms. Waters, for 5 minutes for questions unless she would like to defer.

Ms. WATERS. Well, no. Thank you very much, Madam Chair, very much for holding this hearing. And I thank our witnesses here today, Mayor Bloomberg and Mr. Rupert Murdoch, Moseley and Camarota.

I think that the outline of your proposed immigration reform approach is a good one and it really mirrors pretty much what many of us have been discussing here in Congress. I don't see any great difference in what appears to be evolving here. But I am curious about one thing.

Mr. Murdoch, both you and Mr. Bloomberg have the possibility of doing a lot of education. You are very powerful, with your media networks, and you are able to disseminate a lot of information, and to flame issues. And for Mr. Murdoch, it does not appear that what you are talking to us about today and the way that you are discussing it is the way that it is discussed on Fox, for example.

Why are you here with a basically decent proposal, talking about the advantage of immigrants to our economy, but I don't see that being promoted on Fox. As a matter of fact, I am oftentimes stunned by what I hear on Fox, particularly when you have hosts talking about anchor babies and all of that. Explain to me, what is the difference in your being here and what you do not do with your media network?

Mr. MURDOCH. Ms. Waters——

Ms. WATERS. I can't hear you.

Ms. LOFGREN. Could you turn your microphone on, please?

Mr. MURDOCH. I am sorry.

Ms. WATERS. Yes.

Mr. MURDOCH. We have all views on Fox. If you wish to come and state these views, we would love to have you on Fox News.

Ms. WATERS. No, I don't want to be on Fox News. That is not what I am talking about. I am talking about——

Mr. MURDOCH. We don't censure that or take any particular line at all. We are not anti-immigrant on Fox News.

Ms. WATERS. What do you do to promote the same views that you are here talking with us about? How do you see that?

Mr. MURDOCH. We do it in the Wall Street Journal every day.

Ms. WATERS. I beg your pardon?

Mr. MURDOCH. We do it in the Wall Street Journal every day.

Ms. WATERS. Not really.

Mr. MURDOCH. I can't——

Mr. BLOOMBERG. Let me also say Rupert is one of the founders of our coalition of mayors and business people to encourage Congress to give us comprehensive immigration reform so that we can get the people that we need to create the jobs that are——

Ms. WATERS. Mr. Major, I appreciate that. And that is why I started out by saying, I am very grateful that you guys are here and what you are saying, but I am trying to point out the contradiction between Mr. Murdoch being here saying these wonderful things about immigration reform and the contribution that immigrants make to our economy and our society, and I don't see you promoting that in any way with all of the power and ability that you have to do that. And I am trying to find out what is the difference, what is the contradiction, why don't you use your power to help us to promote what you are talking about?

Mr. MURDOCH. Well, I would say that we do with respect—we certainly employ a lot of immigrants on Fox, and in all arms of Fox, but you are talking about Fox News. We have many immigrants there, and we do not take any consistent anti-immigrant line. We have certainly debates about it from both sides.

Ms. WATERS. So let me just be clear about what you are saying. You are saying that the position that you have with this coalition that you guys are leading is a position that you are an advocate for and you would support daily with your ability to disseminate news and information, you think you are doing that?

Ms. LOFGREN. The witness can answer. The gentlelady's time has expired.

Mr. MURDOCH. I have no trouble in supporting what I have been saying here today on Fox News and would go do so personally, nor would a great number of the commentators on Fox News.

Ms. WATERS. Thank you, Madam Chair. Mr. Murdoch, I would just suggest that you do that. Thank you so very much.

Ms. LOFGREN. The gentleman from Texas, the Ranking Member of full Committee, is recognized for 5 minutes.

Mr. SMITH. Thank you, Madam Chair. Mayor Bloomberg, you and I agree that highly skilled immigrants do create businesses, do create jobs and we need to welcome more of them. You had this statement—this sentence in your statement: There are one million high-skill jobs that companies cannot fill because they cannot find the workers.

To my knowledge, we have only had 39,000 applications for the highly skilled H-1B visas and I just wondered what your source was of one million.

Mr. BLOOMBERG. We have done a survey of high-tech companies of what the needs are for doctors in this country. Doctors and nurses, for example——

Mr. SMITH. If you can share that survey with us, because you would assume that if they had the need they would be applying for these visas, and that doesn't seem to be the case.

Mr. BLOOMBERG. No, we would be happy—one of the problems we are having, I can just tell you in my company, is that when we try to get overseas workers to come here, a lot of them say, I don't need the aggravation of going through the American bureaucratic process at the border, and I don't want to go to a country that is less welcoming.

Mr. SMITH. For good or for bad, we do need to have individuals who want to come to this country fill out forms. We just can't let everybody in.

Mr. BLOOMBERG. Nobody is suggesting that we shouldn't do that.

Mr. SMITH. Okay. Give me the study that seems to conflict with the actual actions about high-tech companies themselves, if you would.

Mr. Murdoch, I have a study that is going to be delivered in just a minute because there was an independent study done that actually showed that Fox was the most fair of all television news programs. If you are coming from a liberal perspective, it might seem conservative. But to the objective observer, Fox actually has both sides more often than the three networks, and I will put that in the record in just a minute.

My question, Mr. Murdoch, is this, and let me preface it by saying I know you are familiar with the E-Verify program that is used by businesses to make sure that they hire legal workers. The Federal Government uses it, 13 States use it, over 200,000 businesses voluntarily use the E-Verify program. And I am hoping that the businesses you own also use the E-Verify program, which is about 95 percent accurate. The 5 percent are either people in the country illegally or fraudulent Social Security cards. But you don't have to answer if you don't want to, but maybe let's just say I encourage you to have your businesses use the E-Verify. -

Mr. MURDOCH. We do not have any illegal immigrants on our payroll.

Ms. LOFGREN. Could you turn your microphone on please, Mr. Murdoch?

Mr. MURDOCH. I think I can guarantee you that we have absolutely no illegal immigrants on our payroll.

Mr. SMITH. Okay. And is that because of the E-Verify program or——

Mr. MURDOCH. On my personal payroll or anything.

Mr. SMITH. How do you know that to be the case? Do you screen them out using the E-Verify program?

Mr. MURDOCH. Certainly.

Mr. SMITH. Okay, great. Good to hear.

Mr. Moseley, your testimony reminded me not only of the influence of immigrants and their contributions but of the fact that in San Antonio, my hometown, in the early 1900's there were street signs in three languages. The first language was German, the second language Spanish, and the third language was English. And so we can all appreciate our heritage in that respect.

Mr. Camarota, let me ask a couple of questions to you, and that is—two questions. First of all, who is hurt by our current immigration policies and who might be hurt if we were to suddenly legalize say 12 million people? So two separate questions there.

Mr. CAMAROTA. Immigration has a much larger affect on the bottom end of the U.S. Labor market. For example, 5 percent of attorneys in the United States are foreign born and less than 1 percent are illegal. Maybe 8 percent of journalists in the United States are foreign born. So they don't face much job competition, but it looks like around 40 percent of maids and housekeepers are foreign born. And similar statistics for, you know, taxi drivers, 25 percent of janitors are. So they are the people who are hurt, nannies maids, busboys. These are mostly people who have a high school degree, or they are people who didn't graduate from high school. And their situation looks terrible over the last 3 decades in terms of real wages, in terms of benefits, and in terms of the share holding a job, which is what exactly what we exact if immigration was adversely affecting them.

Mr. SMITH. You say in your testimony that $375 billion in wage losses are suffered by American workers because of immigration. How do you reach that figure?

Mr. CAMAROTA. Well, it is a pretty straightforward formula, and like you said, it is what the National Academy of Sciences use. It is called a factor proportions approach, pretty straightforward. You have to estimate what you think the impact is on wages, then you

have to know what fraction of the economy are workers; that is, wages, and then you can estimate the overall size of that impact. And then you can also estimate what are the gains that come from that impact.

But the important point, if you are interested in the losers, is that a lot of that lost wages is absorbed by people at the bottom end of the labor market, and a lot of winners are the most educated. They are people with a college degree. They are like journalists and lawyers. They are owners of capital, and that is something we should be thinking about.

Immigration is primarily a redistributive policy from people at the bottom sort of to everybody else, and it depends on how you feel about that, but that is a big question that needs to be answered.

Mr. SMITH. Thank you, Mr. Camarota. Thank you, Madam Chair.

Ms. LOFGREN. The gentleman's time has expired. I would turn now to the gentleman from Chicago, Mr. Gutierrez, for 5 minutes.

Mr. GUTIERREZ. Thank you very much. First, I want to thank you all for taking time. I want to give a special thanks to Mayor Bloomberg for visiting with me on Martin Luther King's birthday in Chicago. It was a wonderful meeting. It was a quiet meeting, but it was a productive meeting. And you told me then you were going to engage mayors and others in a campaign to bring about comprehensive immigration reform to fix our system. And you know something, you have done it and I a congratulate you and tell you that I wish you Godspeed in all of your endeavors.

And to the men sitting immediately to the left of you, to Mr. Rupert Murdoch, I thank you for being here this morning and for joining with Mayor Bloomberg in this effort. I think it is an important effort from the business community to talk about how it is we transform America and make it a vital, energetic, economic engine of the future.

Mr. Moseley, I look forward to coming back and visiting with you back in Houston. You have a wonderful group of people.

Again, who do we have here this morning? Businessmen, men who create jobs of commerce and industry. And that should be the focus, I think, about a lot of the debate around immigration.

Let me just say, look, the good thing about the three proponents of comprehensive immigration is that we don't deny the fact that undocumented workers do reduce the wages of American workers. Nobody is going to deny that fact. So how do we fix it? Well, when we legalize all of the workers, the salaries of all of the workers rise at the same time, and you have fairness and parity. As long as you have an underclass of people that is exploited, you know who benefits? Unscrupulous employers and others, and the wages go down.

I like the fact that businessmen have come here, one of the few times businessmen have come here to say I figured out a way to increase wages for American workers because that is essentially what they have said here today. So we don't disagree with that.

But they come with a fundamental, I think, fairness in saying we are going to secure—I heard Mr. Murdoch say, We are going to secure our borders, and that is critical and essential to any comprehensive immigration bill. I heard them say we are going to have a verification system that punishes corporations and companies.

That is what they said. I have got businessmen coming here telling me, I want a law to punish businessmen who hire undocumented workers here in the United States of America.

I think that is what is wrong with the debate. We don't listen to one another, and we don't listen and find that common ground which does exist in our debate.

And lastly, we have people who come here with some sensible, because here is one thing, E-Verify? Madam Chairwoman, we had a hearing here. We spent millions of dollars, and here is what we found about E-Verify. In half of the instances, it had a false reading. That means you are just as likely to hire an undocumented worker as not if you use E-Verify even though the government has said that that is the—it is not the road. The road is to bring everybody and take those, as Mr. Murdoch has suggested earlier today, those that are law abiding, and by that we mean yes, they have an immigration problem but in every other instance they are just as much Americans as everyone. They need a piece of paper. Because in 2004, what did we read? We read about that young Corporal Gutierrez, the first to die—illegally entering the United States and the first to die in Iraq. Let us tell.

So I just want to transition back to you, Mr. Murdoch, and ask you a question because I think it is like that.

What is it? That proverbial 9,000-pound gorilla that is in the room, elephant that is in the room. I wake up really early sometimes. 6:10 in the morning in Chicago means I have got to get up at 4:15 so I can get down to Fox News for those 30 seconds that I am there in the morning. And I have gotta tell you I have been on many programs. I am invited all the time, and I take the opportunity. And I don't do it because I believe that somehow I am going to reach voters that like Mr. Gutierrez that day. The phone calls I get back at my office are not positive phone calls generally when I am on Fox News.

Now, I just want to share with you that I am happy you are here. I thank you for everything, but I have to tell you that many times, how do we find that we tell the story of Corporal Gutierrez on Fox News more often? How do we tell these stories so that there is more of a balance, so there is security and we get to talk, because I see many times—I just share with you and I speak to you as someone who welcomes you, who embraces your effort to say to you as your partner in this effort that we do more.

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

We will turn now to Mr. Poe for his 5 minutes of questions.

Mr. POE. Thank you, Madam Chair.

For some reason I don't understand why some of the witnesses do not make the distinction between people that are here legally from other countries and people that are here illegally from other countries. There is a difference between people that are here legally, came the right way, did the right thing, even waited, and those people who just flaunted the laws and other reasons and came into the United States and now expect us to give them amnesty.

I want to make it clear. I think amnesty is a bad idea. History has proven it hasn't worked. So what do we do? The proposal is

let's do it again. Maybe the results will be different. I don't think so.

Houston area, just a couple of that statistics. Eighteen percent of the people in county hospitals in Houston, Texas, are illegally in the United States. Sixty-seven percent of the births in LBJ County Hospital over the last 4 years, 67 percent, are born to mothers who are illegally in the United States.

Now, somebody pays for that. And who pays for it? It is citizens and it is legal immigrants.

I represent southeast Texas, and these are about real people. I have an individual who runs a carpet laying business. He is a legal immigrant. He hires legal immigrants. They all got here the right way. They are all paying taxes, including him. But his competition is down the road where a person hires only illegals, undercuts the legal immigrant and what he is paying the legal immigrants that work for him and putting him out of business.

Now, that is the competition. It is not between Americans and immigrants. In this case, it is between legal immigrants and people that are here illegally. And that is because nobody is being held accountable for being here illegally. And the employer is not being held accountable for knowingly and intentionally hiring folks so he can undercut whoever his competition may be.

And so I see a distinction and I think we have to resolve that issue. This is a three-part problem, and I have always seen it as three parts.

The first solution is we have to stop folks coming here without permission. It is called border security. We don't have border security. If you believe we have border security, I will take you to the Texas-Mexico border and you can watch for yourself. Of course it is not safe down there. You won't want to go down there. But we don't have border security, we need to have it, including, as I believe, the National Guard if necessary.

But the second issue is not what do we do with the illegals that are here. The second issue is we have got to reform the immigration system. In my opinion, it is a disaster. It takes too long to get people in here the right way. My office spends more time on immigration issues helping people come into the United States the right way than it does any other issue except military issues.

So the model, the immigration model we operate under, in my opinion, doesn't work. We gotta fix that. That is the second thing that has to be done.

What do we do with the people that are here? Well, many of them we talk about amnesty and making citizens out of them. Not all of them want to be citizens. They just want to have the opportunity to work in the United States. But they don't want to be citizens. They aren't asking to be Americans. So we can't lump them all into the philosophy we need to make citizens out of them because they have been here so long. I don't agree with that at all.

But we go after the employers and make sure that they are held accountable and the attrition and not being able to work in the United States unless you have permission to be here, that might solve part, not all of the problems.

So it is a three-part process. I think we can solve those problems in that way.

Mayor, I want to ask you one question. Do you make a distinction between people here legally—just a second. Let me ask the question, Mayor.

Mr. BLOOMBERG. Congressman, I think you laid it out better than I could have possibly laid it. There are three prongs here. We have to do it.

What frustrates the American public and the reason you see the frustration in the polls, both to throw the incumbents out on both sides of the aisle, is that we can't understand why you guys complain about immigrants coming over the borders illegally and then don't do anything about it. It is a Republican and Democratic President that you have talked about here who have not stopped illegal immigrants, they have not put the forces at the border we need, and we have not given the business community the tools they need to stop the demand. It is a supply and demand problem.

Number two, we do not give the visas we need. This country is hollering out for doctors because we won't give green cards to the doctors that we train and we need. You couldn't be more right.

And number three, you have this problem of 11-odd million people here who are undocumented, who broke the law to get here—and incidentally so did their employers who encouraged them to come, so did Congress that passed immigration reform in 1986 without any teeth, of all of the duplicitous things it has ever done. Yes, we have a problem. Let us do something about it. But anybody that thinks that we are going to go and deport 11 million people, it is just literally impossible.

Mr. POE. Reclaiming my time. Excuse me, Mayor, I am reclaiming my time.

May I have unanimous consent for 1 minute?

Ms. LOFGREN. The gentleman is recognized by unanimous consent for an additional minute.

Mr. POE. Thank you, Mayor. You didn't hear me say anything about deporting anybody. It is a three-part process. Just a second, Mayor, I am talking. Sorry.

Just go to the first one. What do you think about putting the National Guard on the border? Do you support a concept like that or not to secure the border?

Mr. BLOOMBERG. I support the Federal Government putting whatever resources they need, and I don't know whether that should be the National Guard or Homeland Security. That is not my job. I don't know that. But they should have forces on the border.

But you will never be able to put enough forces there unless you end the demand, and that is where companies hire undocumented and the companies say that they can't tell the difference, and Congress does not help them in being able to tell the difference and having a penalty if they break the law as well. People are coming in and breaking the law and the people who are hiring are breaking the law and we should be after both. I think you are 100 percent right.

Mr. POE. Thank you, Mayor. I yield back.

Ms. LOFGREN. The Ranking Member of the full Committee wanted to be recognized for a unanimous consent request.

Mr. SMITH. I would like to ask unanimous consent to put into the record a study by the nonpartisan Center for Media and Public Affairs that found that coverage on Fox News was more balanced than any other network and also a public policy polling survey that found that half of Americans trust Fox 10 percentage points more than any other. And a separate poll by McLaughlin and Associates found that 36 percent of Americans list Fox as the most trusted source of news about politics and government, by far the highest total of any network. ABC, CBS, NBC, and MSNBC each received less than 7 percent.

That is a long UC.

Ms. LOFGREN. It is a very long UC. I would note that although I am sure that Mr. Murdoch is pleased by the comments, the relevance to the hearing is a bit tenuous, but without objection, the surveys will be made part of the record.

[The information referred to follows:]

******** COMMITTEE INSERT ********

Ms. LOFGREN. I would now turn to the gentlelady from Texas, Ms. Jackson Lee, for her 5 minutes of questions.

Ms. JACKSON LEE. Madam Chair, I think it is appropriate to thank you for your continuing persistence. We have been on this journey I believe for a long time and in your leadership. I think we can count, if you will, tens upon tens of hearings on this issue.

To the gentlemen who are gathered, thank you so very much for your presence here today, and I have to express, Mayor Bloomberg, a sense of pride having first started out my educational tenure at New York University for a brief period of time but certainly having the great affection for the city, but proudly now with the City of Houston, expressing a great sense of pride in the greater Houston partnership, their leadership, and Jeff Moseley for frankly taking the lead.

I will answer the question. Congress should do something. Lamar Smith knows that we sit together on this Committee myself as the Ranking Member and Lamar Smith during that time as the Chairman on the Subcommittee on Immigration, and frankly we should have done something then.

It is difficult to bark and have no teeth. Congress has been barking. We have been in conflict. We have opposed each other, the two distinct sides of the aisle, if you will, and done nothing.

And I would ask myself the question, how many National Guard and border security can you put at a border and think anything is going to occur for people who are struggling and desperate and are coming into this country to work?

So it is a chicken-and-egg situation and frankly you need a system of laws that allows people to enter the country fairly so that you can stop the onslaught of those of who say I am simply coming, and we know it is because during this recession, Mayor, Jeff, and to all of you, you have seen a downsizing of sorts of those coming across the border. They want to work.

So I think the question that I would like to build on and the series of questions is one, I think the business community has a remarkable opportunity to be able to speak eloquently to this issue that we must do something. Mayor Bloomberg, you have communities in the City of New York that live alongside of each other and

it is called the "little this" and the "little that" in terms of communities. They develop business and tourists come there because of the enrichment of the diversity of New York City.

So my question is to you, first of all, is how do we get past the enforcement-only concept, which does not work? If we go to the border of Mexico, we will find bloodshed on the Mexican side as it relates to drugs as much heavy equipment and enforcement that that poor government has implemented. They tell us we have to stop being consumers. They have a point.

What is your input about enforcement—only?

Mr. BLOOMBERG. Congresswoman, I thought actually Congressman Poe laid it out. There are three issues here, and unless you address all three issues at the same time, you cannot solve the problem. It will just be another photo op and another chance to pander for Congress. Congress has got to stand up and do something and the American public, if there is any message coming out of what looks like what is going to happen in November, it is that the public is tired of Congress talking about things and not doing anything. You have got to get border security, which means enforcement but also reducing the demand. You have got to give the visas to people that we need to grow our economy, to provide medical care, to create jobs, and you have got to do something about 11 million people who broke the law admittedly to get here, but did so with the outright complicity of Congress and the business community.

And unless you do all three at the same time, Congresswoman, we are going to be here talking about this again and again and again.

Ms. JACKSON LEE. You cannot do law enforcement only.

Mr. BLOOMBERG. You cannot do law enforcement only.

Ms. JACKSON LEE. I have occasions to agree with my good friend from Texas, but I do believe that we are not going to get away from looking at the benefit side of the question and enforcement is not the only issue.

Mr. Murdoch and Mr. Moseley.

Mr. Murdoch, I will come on Fox News if, as Mr. Lamar Smith has indicated, that you are overly fair. But I think the story needs to be told as you are fair, you have to be convincing to your viewers. I don't know how convincing you have been to your viewers.

But the question is you have your story to tell of immigration success, and I would ask the question do you have one thing that you think the Congress should immediately address?

And Mr. Moseley, would you talk about the business investment and are you familiar with the EB-5 employment based? That is something that has been a valuable tool that is in complete confusion. Tell us how Houston has benefited on this question of that kind of investment.

Mr. Murdoch, can you give us what you think should be the first attack or approach that we need to have the American dream for immigrants as you have secured?

Ms. LOFGREN. The gentlelady's time has expired. So we will ask the witness to answer briefly.

Mr. MURDOCH. I am sorry?

Ms. JACKSON LEE. You have indicated that the American dream is now part of your life. What should Congress do, who should we be impacting as it relates to fixing the immigration system? What should be the first thing we should do? You recognize you are undocumented here in this country. You want us to find a way for pathway to citizenship for them? You want us to get more visas for those who come in that are professionals? What do you want us to do?

Mr. MURDOCH. All of the above, I think. Obviously we know about the enforcement has to be done, at the same time whether it be at the border or whether it be against employers hiring illegal people.

But you know we are in urgent need in this country. Our education system is failing us very badly. Thirty-five percent of children in high school are dropping out and dropping out and committed to the underclass for life. That is another national scandal. And there is so much to do in this country if you want to restore the American dream.

Ms. JACKSON LEE. But not deportation of the 11 million.

Mr. MURDOCH. I am not for deporting 11 million, no.

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

Ms. JACKSON LEE. May I yield an additional 30 seconds for my constituent from Houston to answer?

Ms. LOFGREN. Yes, you may.

Ms. JACKSON LEE. Thank you, Madam Chair.

Mr. MOSELEY. Congresswoman, Madam Chair, Houston is putting in place the EB-5 application to Homeland Security. That is a tool that we are very pleased the U.S. Government has fine-tuned over time to allow foreign investors to strategically invest in census tracks that have high unemployment. This follows a model that worked very well for Chinese capital that was leaving Hong Kong about a decade ago when there were questions about the central party taking over Hong Kong, and that money went to Canada and Australia because our law wasn't as flexible as it is now. So we are very pleased that EB-5 is going to allow foreign investors to come and invest in the American economy and grow jobs through that investment.

Ms. LOFGREN. Thank you very much. The gentlelady's time has expired, and we will recognize now the gentlelady from California, Ms. Sánchez, for 5 minutes.

Ms. SÁNCHEZ. Thank you, Madam Chair, and I want to thank our panelists for being here this morning to talk about this issue.

I want to begin with Mayor Bloomberg. There is a lot of debate in Congress and there has been for quite some time over what the best solution is, and while people fight over what the best solution is the status quo continues, and I am of the personal opinion that the status quo is simply not acceptable any longer. But I am interested in knowing if you think that it is a better idea to try to fix our immigration system through a series of stand-alone bills or whether or not you favor a comprehensive approach that would try to hit all the parts at once.

Mr. BLOOMBERG. Congresswoman, it just depends on whether you want it to work or not. If you don't want it to work, do separate

ones and I guarantee you we will be back here 10 years from now. If you want to fix the problem, you have to do it all together.

I also think from a political point of view probably the only way that you would get it through Congress and through the White House is one comprehensive bill where everybody gets something, not everybody gets everything they want.

Ms. SÁNCHEZ. Thank you, Mr. Bloomberg.

Mr. Murdoch, I am interested in knowing and I am pleased to see you here today talking about this issue. How you feel about some of the anti-immigrant positions that are promoted by your network on issues like Arizona's recent immigration law?

Mr. MURDOCH. I don't think we do take an anti-Democratic position. We are very happy to welcome any Democrats onto Fox News.

Ms. SÁNCHEZ. No, I didn't say anti-Democrat. I said anti-immigrant stances on legislation such as the Arizona law.

Mr. MURDOCH. Well, I would not agree with that, but I will certainly go back and look at it.

Ms. SÁNCHEZ. Do you favor Arizona's approach to immigration?

Mr. MURDOCH. My position on immigration is what I stated earlier, what I have restated here again. I am totally pro-immigrant.

Ms. SÁNCHEZ. I appreciate the answer.

Mr. Moseley, one of the arguments that is often thrown about, particularly by many of my Republican colleagues here in Congress, is that illegal immigrants are bad people, that they should do it the legal way or do it the right way. And I am interested in knowing in your experience and perhaps experience of working with other businesses on the issue of immigration reform, do you think that our current immigration system is efficient? Do you think that it allows businesses to plan prospectively for future labor needs? Do you think that it is timely? Do you think it is well-tailored to fit the business needs in our country? Can you shed any light on that.

Mr. MURDOCH. No, I think it is terrible. I think the fact is we are missing a huge opportunity to be draining the best brains out of Asia and Europe to come and contribute to the human capital of this country and therefore the financial capital of everybody.

Ms. SÁNCHEZ. Thank you. Mr. Moseley.

Mr. MOSELEY. We would feel like the law is entirely broken. It is helter-skelter, and it is really catch is as catch can. There is an important time, as you heard testimony this morning, to really thoroughly take a look at the law. It is outdated. It needs to be contemporized. So the challenges are real, but the opportunities are tremendous.

And one of the things that is not being discussed, and I think is left out of the calculus is that the American workforce is by and large getting to an age where there will be massive retirements. So the question becomes who shall do these jobs. If we look at Japan, which is demographically the oldest Nation in the world, which is also a closed community, their choice is they have to export their jobs because they are not importing their workforce.

So we will come to that point where we are realizing the workforce is providing tremendous opportunities to those of us who are looking toward retirement, and the realities are dramatic. Now in the skilled workforce, we hear this regularly and often in Houston,

particularly in the engineering community, where engineers are starting to retire and there is a huge need to find these workers to come in. Otherwise we have to export our jobs.

Ms. SÁNCHEZ. I appreciate you talking about that specific point. I am just going to drill a little bit deeper on that.

My understanding is that the birth rates in this country are not of a replacement rate, and yet we have a large number of the workforce that is getting ready to retire in the not too distant future. So if we are not replacing ourselves by having children, there is going to be a huge labor gap, and the question becomes where do we get those folks from.

My understanding also is that many of the students that we teach and learn at our universities and many of skilled professions oftentimes come on student visas. After they have been here and obtained their degrees and they want to stay, then our immigration system effectively kicks them out of the country and says go back to where you came from.

Does it make any sense to make that investment in the workforce and then send them out of the country?

Mr. MOSELEY. No, we would argue that the DREAM Act should be enacted very quickly. We have had some incredible stories in the Houston area where children really have no choice. They are brought to this country as infants. They are educated with public taxpayer dollars all the way through university and cannot find a job because they are not legally documented. This is a tremendous resource for our workforce.

Ms. SÁNCHEZ. Thank you very much, and Madam Chair, I yield back.

Ms. LOFGREN. The gentlelady's time has expired. I would recognize now the gentleman from California, Mr. Lungren, for 5 minutes.

Mr. LUNGREN. I am sorry. I had to go away for something else.

I have been informed, Mr. Murdoch, you have referred several times to the fact that the Simpson-Mazzoli bill didn't have any teeth. I was here and we voted on it. It had teeth. It was never enforced, which I guess is the same thing.

But that being the case, is there not a context in which we have to consider any legislation with respect to immigration? And that context is formed in part by the failure of Congress and subsequent Administrations to enforce the Simpson-Mazzoli bill.

When I worked on that bill and delivered the Republican votes to pass that bill, one of the big arguments was that we had a balanced bill. We had the largest legalization in the history of the United States and we had enforcement. The legalization program worked fairly well. The enforcement was an absolute disaster.

Doesn't that set a context in which to the world it has been said the United States will have these legalization programs every generation and therefore after if we have a similar legalization now, put people on the pathway to citizenship, won't that inevitably send a message that, well, even though they promised to enforce it in the future, the history has been that they have legalizations maybe every 20 years, so isn't there an incentive for people to violate the law to come to the United States with the expectation that there will be a legalization in the future?

Mr. Murdoch.

Mr. MURDOCH. Well, that is a problem of reputation, I guess. No, I think you have to start somewhere. You can't just say well, we haven't done it in the past so why shouldn't people trust us. You have got to start somewhere and make sure they do trust you by constant enforcement.

Mr. LUNGREN. Let me ask another question for you and Mr. Bloomberg, and that is are the American people so out of—are the American people so disconnected with the reality that you and Mr. Bloomberg have expressed here that that is the reason why they, at least in the polls I have seen, reject the notion of a legalization program that would allow people who have come here illegally to get in front of the line of those who have waited to come here legally under the system.

Mr. BLOOMBERG. You keep talking about Congress not doing anything and you are asking us. You guys should sit down together and say we have had Republican and Democratic Congresses and Presidents and you don't do anything. And then you say well, people think you are not going to do anything. So do something.

Mr. LUNGREN. No, that is not my question. That was not my point at all. My point is are the American people so disconnected with the facts that you presented; that is, of the, it appears, unvarnished positive aspect of immigration, whether it is legal or illegal, that benefits our economy, that raises our GNP, that that is the reason why they believe that there is a distinction between legal and illegal immigration and its impact on their standard of living and the economy and the society in general?

Mr. BLOOMBERG. Congressman, I think this is all about leadership. We need immigrants. That is the future of this country, and whether the public understands that or not, it is Congress' job to lead and to explain to them why our—we are going to become a second rate power in this world unless we fix our public education system and fix immigration.

Mr. LUNGREN. Mayor Bloomberg, you have repeated that several times. That was not my question. My question was are the American people misguided in terms of their view of the fact of unvarnished benefit of immigration irrespective of whether it is legal or illegal, or is there a valid position taken by the majority of Americans that there is a distinction between legal and illegal immigration without then deciding what we should do?

That is my question.

Mr. BLOOMBERG. There is no question. You are right. There is a difference. People understand the difference and they want Congress to solve both problems. More legal immigrants, stop the illegal immigrants from coming here and do something about those who are already here. And I thought Congressman Poe really summed it up really nicely and Congresswoman Jackson Lee as well.

Mr. MURDOCH. May I just add, Congressman. Excuse me, Madam Chairman.

You said that Americans were against illegal immigrants going ahead of legal ones.

Mr. LUNGREN. Right, correct.

Mr. MURDOCH. No one has suggested that. That may be some pollster, the way they ask the question. You can get any result from a poll if you know how to ask the question.

Mr. LUNGREN. I am sorry. That is not my point. My point is that when you talk about a pathway to citizenship as it has been articulated in the programs presented by the Congress and the previous Administration, it results in people who violated the law getting in front of people who had not violated the law.

Mr. MURDOCH. They shouldn't be in front of them.

Mr. LUNGREN. Well, that is an important point.

Mr. BLOOMBERG. I don't think anybody thinks they should.

Mr. LUNGREN. Well, I beg to differ with you. The way a number of the proposals come forward when people are put on the path to citizenship, let us say they are from Mexico. Right now it takes 10 years to get—if you get in line in Mexico, you are going to have 10 years before you are going to have an opportunity to come to the United States. If you are in the Philippines, it is as much as 18 years. If we have a program that says because you have been in the United States illegally for X-amount of time, we are going to give you a special program by which you end up being able to go on the path to citizenship before those periods of time, it does result in people getting in the front of the line.

Look, I provided the votes for the legalization last time. I want to see us work out a situation, a solution. The problem is that details often will determine whether or not you do have the reality of getting in front of the line or not and whether the American people will then be with us—yeah, we have to lead but I want the American people to be with us so that we have a successful law so we can take care of the problem.

That is the point I am trying to make.

Mr. BLOOMBERG. If you would like to work on an agreement, I would be happy to help you to do it.

Ms. LOFGREN. The gentleman's time has expired. I would turn now to the gentleman from New York City, Mr. Weiner.

Mr. WEINER. Thank you very much. I think you gentleman are seeing how some of the demagoguery around this issue really stops this issue at a point, and Mr. Murdoch and Mr. Mayor and Mr. Moseley—Mr. Moseley, isn't it Houston? You are sure it is Houston?

Mr. MOSELEY. I am pretty sure it is Houston.

Mr. WEINER. You know, Richard Florida in his books and writings about the creative class talks about what makes successful cities and what makes successful suburbs as well. And he talks about the idea of creating social networks where people from around the world and around countries want to come to be with other people who have the same level of creativity and the same energy, and that is how cities like New York and Houston are made and that is how companies like Fox are made and the like.

Can you talk perhaps, Mr. Mayor, you can start, about the idea that some of this debate that goes on creates an environment where people say you know what, I am a brilliant programmer in hydrobod, I am going to stay in hydrobod now. Or I am a brilliant creative writer and maybe I won't come to the United States now because there is this environment of frankly intolerance that kind

of emerges in this debate that that division between legal and illegal, documented, undocumented just becomes a general sense that we have become a country in our national dialogue that sounds very much that we don't want anyone coming here and how that impacts.

And perhaps Mr. Mayor, as a jumping off point, you talked recently at a townhall meeting in Forest Hills about a common sense idea that if you come in here and you want to create jobs, we want you, and that kind of a welcoming thing. But can you talk a little bit, whether it is from attracting people to a business like Bloomberg or News Corps or to a city like Houston, how this environment that does strike people as frankly being unwelcoming in a global economy people will stay in other countries and help them become more successful.

Mr. Mayor, perhaps you can start.

Mr. BLOOMBERG. There is a great danger that we will lose the reputation as the land of the free and the home of the brave. Congressman Sánchez, let me address one thing. I know it is on Anthony's time, but You talked about the birth rate. What you are looking at—you are going in the right direction but I think you are going slightly the wrong number.

Look at the rate of kids going through the public school system that have the skills because whether we have the bodies is not the issue. We need bodies that have skills, and that is the other part, the other leg of this.

The Congressman is right. We are not as attractive to an awful lot of people. They are afraid to come here. They are afraid that if they are legal here somebody is going to look at the color of their skin or the way they speak or the language they speak and go after them just because they are different.

America is a land that for the last 235-some-odd years people have come here, they have given up their language from home, they have adopted English, they have adopted American customs. We forget it just takes a generation to do it, but we are desperate in this country as employers to get the highly educated people but also those people at the other end of the spectrum who are willing to take jobs that nobody else will take. And if there is an issue as to whether that exists, just take a look. The 11 million undocumented generally have the low-skilled jobs and they are here because there is demand, and that demand is not being filled by people who are already in this country.

Mr. WEINER. Mr. Murdoch, do you want to add anything to that?

Mr. MURDOCH. No. No. I agree entirely.

Mr. WEINER. Also, it seems to me that we also have an odd dynamic now that because of our focus that solely looking at enforcement and solely at this notion of let's try to figure out a way to round up the undocumented in some way that we actually are creating immigration laws that keep people in rather than keeping them from coming in. And I say that because I think a lot of people in our economy would not mind coming to the United States, taking temporary and seasonal jobs, and then returning to their home country. I think a lot of people would not mind having that type of relationship. And in many cases they can't do that right now because of the way that we have structured our immigration laws.

Mr. MURDOCH. I think that in many instances in Silicon Valley, particularly the Indians, have come and made great contributions for 10 or 15 years and then seen greater opportunities back in India while having contributed to America a lot first.

Mr. WEINER. We also saw, in furthering Ms. Sánchez's point, there a lot of people come here, go to college here, take advantage of our education system, and then because of again because of a lot of the rhetoric and a lot of just a general sense that the legal immigration system is also in disrepair say you know what, I don't want the aggravation. I will take less money to be in my home country.

Let me make one final point, and I think that Mayor Bloomberg touched upon this. If you think of the DNA of a person who says I am going to get up from my home country, I am going to pack my bags, kiss my family goodbye, take my skills over to the United States, go to Houston or go to New York or go take a job with News Corps, and you put all those people with that similar type of energy and desire to make things better, you almost by definition have a population of people that are going to do much better and that is why.

But I think in just yielding back to the chair, what you have seen here in a microcosm from my colleagues on the other side is why this debate has been stalemated. It is so easy to demagogue this issue. You can probably get applause in any town hall meeting in this country by saying, They broke the law, they ought to go, and the conversation stops.

Real mature law making—and it won't happen between now and the first Tuesday in November—involves all of us saying you know what? There are some things that Mr. Smith wants perhaps on his side that I find troublesome. There are things I want from my experience as a New York City Member of Congress that he may find troublesome.

I believe that the American people realize there is a lot of area of agreement on this issue, and if this panel helps us get there, then it would certainly be worth the morning.

Thank you, Ms. Lofgren, for having the hearing.

Ms. LOFGREN. Thank you, Mr. Weiner.

The gentleman from Texas, Mr. Gonzalez, is now recognized.

Mr. GONZALEZ. Thank you very much, Madam Chair.

Doctor Camarota, you seem to stand for the proposition that—and for the most part it would be the undocumented worker, the illegal resident takes jobs from Americans, number one, and secondly, depress wages.

So what the Mayor has been saying is that I think he recognizes that we are pretty much on the same page on securing our borders, doing something to give some sort of reliable verification system to the employers. But the issue still remains that we have, by some estimates and numbers, 12 million illegal workers and their families in the United States. It seems to me that you are saying it is those particular workers that are depressing the wages and costing the jobs and such.

Now, the only way, I am just assuming, to remedy that situation is to get rid of the 12 million workers and their families or whatever we have out there. I mean, is that accurate in what I am say-

ing in representing your position? I mean, what do we do with the individuals that are here?

I think Mayor Bloomberg keeps coming back to that and saying look, the issue here is what are we going to do with the folks that we have got here. We have got to take care of that. We have got to work on the others.

Now, my Republican colleagues believe that we won't do anything. We will pass the law and we will do what we did in 1986 simply by not enforcing the employer sanctions part of it. I don't believe that.

But is that what you are proposing, we need to do something about the 12 million that are here, and what do we do? I guess that is my question. What are you proposing we do?

Mr. CAMAROTA. If you are asking an economic question——

Mr. GONZALEZ. No, no.

Mr. CAMAROTA. Or a policy question——

Mr. GONZALEZ. It all translates to money one way or another at the end of the day.

So let's just hear what do you do with the people that are here in the United States today that don't enjoy legal status?

Mr. CAMAROTA. I think the first thing you are going to have to do is take the several years and put in place an enforcement regime that isn't just about the border, right? You are going to have to go after the employers who hired them.

Mr. GONZALEZ. I know that. I already know that. Let's go and raid the workplace, let's go and put the employer in jail along with the worker. We can do all that. Is that what you are proposing? Are you proposing to do something about this workforce that you say has such a detrimental effect on the economy of the United States of America? I am asking you what is your solution?

I will tell you what our solution is. Congressman Gutierrez was here a minute ago. It is an earned pathway to legalization. You don't get in front of the line. You are here. I understand what my colleague Mr. Lungren is getting at.

But there is a huge political equation, which if I still have 30 seconds at the end of my 5 minutes, I will tell you where all of this is going. It is all about where you are politically and what you fear what the future might hold for your party. That is what this is all about.

But Let's talk about the best interest of the American people. What do you want to do with the 12 million undocumented residents and their families?

Mr. CAMAROTA. Let me be clear. If your concern is taxpayers and if your concern is people at the bottom end, encouraging as many of those illegal aliens to go home—If your concern is about the illegals, letting them stay is the best. That is the choice you have to make.

Mr. GONZALEZ. So you say that this is going to be one of those self-selection things where people will one day just say, well, I have been here 12 years, I have children here that are citizens. I have a job and such because obviously I have been able to be kept employed by someone, a willing and able American citizen that violates the law every day. You are saying that the answer is just for

these 12 million folks to voluntarily go back to wherever they came from. Are you really suggesting that?

Mr. CAMAROTA. I am suggesting we enforce the law.

Mr. GONZALEZ. Doctor Camarota, if it is not voluntary, and I will tell you right now, it is not going to be voluntary.

Mr. CAMAROTA. It fell by a million——

Mr. GONZALEZ. We have all been on Earth longer than 12 years and we know that it is not going to be a voluntary situation.

So what you are saying is deportation is the only other thing?

Mr. CAMAROTA. No. I am not saying deportation. If you can't take a job, you can't access public benefits, if you get the cooperation of local law enforcement, if you penalize people for overstaying visas and all these other things, you can increase them going home.

Mr. GONZALEZ. If there is another way of maybe incorporating and assimilating this huge population which would be good for all Americans, why not grant them some sort of legal status that allows them to have legal rights, then maybe they won't depress the wages, because they do have legal remedies. They can't be exploited.

And if you believe the whole answer is about a verification system, you have got to come to Texas. And some of my fellow Texans, including the Ranking Member, we come from the same city. Now when we have our positions and we express them you wouldn't believe we are from the same city. That is what party affiliation will do to you in America today.

But the truth is what you are proposing is unrealistic. It is not workable. Yet what we are proposing actually will address some of your very serious concerns about depressed wages. It addresses the concerns of a needed labor force.

Mr. CAMAROTA. That is what you are missing. The basic economics. If you add workers to the bottom end of the U.S. labor market, regardless of legality, you push down wages. That can be very bad for business.

Mr. GONZALEZ. I think you might have a heck of a good argument. But you still have people that are in this country today that are not going to voluntarily absent themselves because you have got Americans giving them the jobs. We need to do something about those individuals. And I understand where you are coming from, but it is not reality based.

Ms. LOFGREN. The gentleman's time has expired, and we turn now to the gentlelady from California, Ms. Chu.

Ms. CHU. Mr. Murdoch, you have been such an outspoken advocate for fair and sensible immigration reform policies, policies that would certainly take care of the challenges that we face today and ensure that we face tomorrow challenges. I have before me a Wall Street Journal op-ed that you authored in that so eloquently described the contributions that immigrants and children of immigrants make to our society every day, and I would like to enter that into the record for today's hearing.

Ms. LOFGREN. Without objection, it will be entered into the record.

[The information referred to follows:]

Let Us Give Thanks To Our Immigrants
Op-ed
Wall Street Journal
November 24, 2004
By Rupert Murdoch

When B.C. Forbes sailed for America from Scotland in 1904, he was following a course well worn by generations of Scots.

I know how the founder of Forbes magazine must have felt. The Murdochs originally hail from the same part of Scotland. Today, we are part of the most recent wave of immigrants attracted by the bright beacon of American liberty.

These days, it's not always easy to talk about the benefits of immigration . Especially since 9/11, many Americans worry about borders and security. These are legitimate concerns. But surely a nation as great as America has the wit and resources to distinguish between those who come here to destroy the American Dream -- and the many millions more who come to live it.

The evidence of the contributions these immigrants make to our society is all around us -- especially in the critical area of education. Adam Smith (another Scotsman) knew that without a decent system of education, a modern capitalist society was committing suicide. Well, our modern public school systems simply are not producing the talent the American economy needs to compete in the future. And it often seems that it is our immigrants who are holding the whole thing up.

In a study on high school students released this past summer, the National Foundation for American Policy found 60% of the top science students, and 65% of the top math students, are children of immigrants . The same study found that seven of the top award winners at the 2004 Intel Science Talent Search were immigrants or children of immigrants . This correlates with other findings that more than half of engineers -- and 45% of math and computer scientists -- with Ph.D.s now working in the U.S. are foreign born.

It's not just the statistics. You see it at our most elite college and university campuses, where Asian immigrants or their children are disproportionately represented. And a recent study of 28 prestigious American universities by researchers from Princeton and the University of Pennsylvania found something startling: that 41% of the black students attending these schools described themselves as either immigrants or children of immigrants .

The point is that by almost any measure of educational excellence you choose, if you're in America you're going to find immigrants or their children at the top. I don't just mean engineers and scientists and technicians. In my book, anyone who comes here and gives an honest day's work for an honest day's pay is not only putting himself closer to the American Dream, he's helping the rest of us get there too.

As Ronald Reagan said at the Statue of Liberty, "While we applaud those immigrants who stand out, whose contributions are easily discerned, we know that America's heroes are also those whose names are remembered by only a few."

Let me share some of these names with you.

Start with Eddie Chin, an ethnic Chinese Marine who was born a week after his family fled Burma. You've all seen Cpl. Chin. Because when Baghdad fell, he was the Marine we all watched shimmy up the statue of Saddam Hussein to attach the cable that would pull it down.

Or Lance Cpl. Ahmad Ibrahim. His family came to the U.S. from Syria when the first Gulf War broke out. Now Cpl. Ibrahim hopes to be deployed to Iraq -- also as a Marine -- to put his Arabic language skills in the service of Corps and Country.

Or what about Cpl. José Gutierrez, who was raised in Guatemala and came to America as a boy -- illegally! Cpl. Gutierrez was one of the first Marines killed in action in Iraq. As his family told reporters, this young immigrant enlisted with the Marine Corps because he wanted to "give back" to America.

So here we have it -- Asian Marines, Arab Marines, Latino Marines -- all united in the mission of protecting the rest of us. Isn't this what Reagan meant when he said that the bond that ties our immigrants together -- what makes us a nation instead of a collection of individuals -- is "an abiding love of liberty"? So the next time you hear people whinging about what a "drain" on America our immigrants are, it might be worth asking if they consider these Marines a drain.

Maybe this is more clear to businessmen because of what we see every day. My company, News Corporation, is a multinational company based in America. Our diversity is based on talent, cooperation and ability.

Frankly it doesn't bother me in the least that millions of people are attracted to our shores. What we should worry about is the day they no longer find these shores attractive. In an era when too many of our pundits declare that the American Dream is a fraud, it is

America's immigrants who remind us -- by dint of their success -- that the Dream is alive, and well within reach of anyone willing to work for it.

We are fortunate to have a president who understands that. Only a few days ago, the White House indicated that it intended to revive an immigration reform which the president had first offered before 9/11 and tried to revive back in January.

Politically speaking, a guest-worker plan is no easy thing. But as President Bush realizes, we'll never fix the problem of illegal immigration simply by throwing up walls and trying to make all of us police them. We've tried that for a decade or so now, and it's been a flop. What we need to do first is to make it easier for those who seek honest work to do so without having to disobey our laws. Fundamentally that means recognizing that an economy as powerful as ours is always going to have a demand for more workers.

Such a policy would benefit us all:

• It would help those who want nothing more than to work legally move out of the shadows.

• It would help our security forces stop wasting resources now spent on hunting down Mexican waitresses and start devoting them to tracking the terrorists who really threaten us.

• It would help the economy by providing America with the labor and talent it needs.

Given the tremendous pressures on President Bush and the considerable opposition from within his own ranks, the politically expedient thing for him to do would be to drop it. But he hasn't, and I for one am encouraged by his refusal to give in.

The immigrant editor B.C. Forbes spent much of the 20th century championing the glories of American opportunity. We who have arrived more recently likewise will never forget our debt we owe to this land -- and the obligation to keep that same opportunity alive in the 21st.

Mr. Murdoch is chairman and chief executive of News Corporation. This is adapted from a speech he gave last Thursday, in acceptance of the 2004 B.C. Forbes Award.

Ms. CHU. Thank you.

With so much on your plate why have you chosen to direct so much energy to this issue?

Mr. MURDOCH. I am just a concerned citizen. I devote a lot of energy to a number of public issues and this is one of them.

Ms. CHU. In your written testimony you state that it is nonsense to talk of expelling 12 million people and citing a study by the Center for American Progress. You note that it would cost $285 billion over 5 years to forcibly remove our entire undocumented population and continue our border and interior enforcement efforts.

But is it really the extent of the cost to our society? I mean, speaking as a businessman, what would it mean to our country's economy if 12 million employers and employees, all of whom are consumers who generate spending on goods and services and housing, disappear from our society over the next 5 years.

Mr. MURDOCH. What would happen if?

Ms. CHU. If these 12 million employers and employees disappeared from our society over the next 5 years.

Mr. MURDOCH. I think it would be a disaster. I am not for that.

I don't know what article you put in there, but I would just like to say it was at least 3 years before I had anything to do with the Wall Street Journal.

Ms. CHU. Okay.

Mr. MURDOCH. I am not responsible. I haven't seen it. I may agree or I may not. I don't know what it says.

Ms. CHU. Well, actually let me take this wonderful op-ed that you did for the Wall Street Journal before you owned it and say that it talks about your—how you were an immigrant and how the Murdochs were immigrants.

Mr. MURDOCH. Yeah, sure.

Ms. CHU. And how the Murdochs were immigrants. And it talks about the less tangible ways in which the immigrants benefit our society.

You talk about Eddie Chen, an ethnic Chinese Marine who was born a week after his family fled Burma and that when Baghdad fell he was the Marine that we all watched shimmy up the statue of Saddam Hussein to pull it down.

And you talk about Lance Corporal Ahman Abraham and how he wanted to put his Arabic language skills in the services of our country and how he came from Syria and hoped to be deployed to Iraq.

And you talked about Corporal Jose Gutierrez, who was raised in Guatemala and came to America as a boy illegally. Corporal Gutierrez was one of the first Marines killed in action in Iraq. And as his family told reporters, he enlisted with the Marine Corps because he wanted to give back to America, and yet he was one of the first Marines that was killed in action in Iraq.

And so you describe the entrepreneurial spirit and the ingenuity of many of the immigrants who want to give not only to the economy but also in other ways to America.

And so in what ways did immigrants like Corporal Gutierrez benefit our country.

Mr. MURDOCH. I think people come here of course basically maybe for economic reasons but for a lot more. I think that they believe in the freedom they are going to have here, they believe in the American dream, they believe that their children are going to have an opportunity to do a lot better than they have done. And I don't think there is any question about the motivation.

The only thing I would add is that what Congressman Weiner said earlier, that there has been so many demagoguery about this there is really danger outside the world that people don't believe the American dream is still here waiting for them. I don't know that that has gone as far as he says yet, but there is a real danger of it.

Ms. CHU. In fact with all the impassioned discussion about this issue, how do we have a level-headed discussion about immigration?

Mr. MURDOCH. Well, I think we have had a reasonably level-headed discussion this morning. We have had different points of view. Clearly we have got to get together. Someone has got to start it. We are trying to start something, but in the end it is going to have to come from the White House trying to draw the parties together and find some good compromise system which we can all get behind.

I mean, this is a matter of major national policy, and it cannot be done without the President being involved and the Senate and the Congress and business leaders, union leaders, everybody.

Ms. CHU. Thank you.

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

I would like to just ask a couple of closing questions.

I certainly want to give credit to our colleague, Mr. Lungren, for the work he put in in 1986 on the last bill. I wasn't in the Congress at that time. There has been criticism of what happened since then. Oftentimes the criticism is focused on the enforcement effort, but I have always thought that one of the issues really is that there was no provision to meet the economic needs of the United States in the bill.

And Mr. Moseley, in your testimony, your written testimony, you point out that there is just 5,000 permanent resident visas a year for skilled individuals who lack a college degree. Now, we have a population in the United States of 310 million people and there are 5,000 skilled visas a year for everything. I mean ag, everything.

How realistic is that figure, that 5,000 figure a year, to meet the economic needs of the United States for skilled immigrants? Would that even meet Houston's needs?

Mr. MOSELEY. Madam Chair, it really is not realistic, and quite frankly, it may not have been realistic when it was adopted back in the day.

There are even 140,000 unskilled workers that are allowed, but they are allowed to bring in spouses and children so you can do the calculus on that nationwide. The law just is not reflective of the need for a workforce to take care of the economy of the United States.

We have actually hired Dr. Ray Perryman, and he went to the question that has been asked across different venues today, and the question is what would happen if 12 million workers were not a part of the American workforce? And Dr. Perryman concludes that you would see an immediate loss of some 8.1 million jobs. So the 12 million are producing about 8.1 million jobs. And of the 8.1 million, eventually those could be absorbed, as my colleague here would talk about, and you would still have 2.1 million jobs lost. And the impact to our economy would be $1.76 trillion.

Ms. LOFGREN. I thank you for that testimony.

Mayor Bloomberg, we do appreciate, we know how difficult it is. Many of us served in local government and being mayor of a big city is a hard job, so we appreciate that you took your time this morning to be here with us and also the time that you are spending with this partnership to advance this issue.

You know, some people suggest that because the economy is terrible now—and it is, we are fighting to improve this economy—that it is the wrong time to discuss immigration. But your testimony was that immigration actually saved New York with stimulation of the economy.

Can you just briefly describe how that worked?

Mr. BLOOMBERG. Madam Chairman, I can't speak with authority on anyplace outside of five boroughs of New York City, but I can tell you that we think we have roughly 500,000 undocumented. They have a very low crime rate because they don't want to go near the INS. They pay taxes, 75 percent of them pay taxes. There is withholding and there is no place to send the refunds. The Social Security Administration's chief actuary actually estimated that Social Security will go bankrupt 6 years earlier if you didn't have the undocumented in this country. But the undocumented, because they pay Social Security but they don't get any benefits.

In New York City, the undocumented typically are young people who come here to work. They don't bring their children, so they don't use the public schools. There are some exemptions, but generally that is true. They are young people who work.

People that work aren't using the hospitals. Most of us use most of our medical care in the last few years of our life, and these are people who are of working age that come here.

And lastly, every study we have ever done says they take jobs that nobody else will take. Not totally. I am sure you can find some exceptions. But generally speaking, the undocumented are critical to our economy, and the fact that New York City's economy is doing better than the rest of the country, our unemployment rate is now lower than the country's as a whole, life expectancy is now higher in New York City is now higher than the country as a whole, we created 10 percent of all of the private sector jobs in this country in the last 10 months, says we are doing something right.

And what is right is we have attracted not just from overseas but from the rest of the country immigrants who want the chance to participate in the great American dream. That is the great strength of New York City. And I, for the life of me, don't understand why other people don't look at it and say maybe they should try it. It might not be right for the rest of the country. I am not here to preach for them. I am telling you our experience in New York City.

Ms. LOFGREN. I appreciate that very much.

As Mr. Weiner mentioned earlier, I often think of some of the traits of Americans that we value the very most—optimism, risk taking, entrepreneurship, commitment to family—those are really the traits of immigrants that really define our country. And to turn our back on our rich immigrant tradition is just deadly for the future of our country. And to be afraid of that is really to lack faith in the strength of our country.

Mr. BLOOMBERG. It is national suicide.

Ms. LOFGREN. I agree. I come from Silicon Valley, and we have, as I say, half the businesses in the Valley were started with an American born someplace else, and I agree that we need those people creating jobs to lead us out of this bad economy.

I am hopeful that you have seen today that there is not unanimity on this Committee and certainly in the Congress and really

even in the country on this subject. But I do believe that your presence here and that of others who have been here—we had growers and union last week; we had faith-based individuals. We can pull together with the help of all of you, and create a reform that will serve this country, which is what we have all pledged to do when we become Members of Congress.

So I would like to note also for the record, and we thank——

Ms. JACKSON LEE. Madam Chair, can I have a personal privilege for 30 seconds.

Ms. LOFGREN. Yes.

Ms. JACKSON LEE. I thank the chairwoman very much. We have had these hearings, Madam Chairwoman, and I just want to make this point to the four witnesses and particularly to Mr. Moseley because if we were having viewers look at this hearing, some would have consternation by saying all they are talking about is immigrants and I need a job.

I think the point I was trying to make, Mr. Moseley, is when we have investments such as an EB-5, Mr. Murdoch, to the Mayor, and I hope Mr. Camarota will look at his numbers, we create American jobs and as well Americans fair well.

Can I get a quick answer Mr. Moseley, do Americans fair well and jobs are created when we have a reasoned immigration system that is contrary to the Arizona law that scares people and sends tourism away?

Mr. MOSELEY. Yes.

Ms. JACKSON LEE. Thank you very much, Madam Chair.

Ms. LOFGREN. The gentlelady yields back.

I would just like to close by noting that we have had a number of hearings, and although we appreciate Dr. Camarota's testimony today, I would also like to draw the attention of the public to the other testimony we have received that is really quite contrary to his testimony, specifically in May of 2007, where a number of economists reached very different conclusions than he has. All of the testimony we have ever received is on our Web site, and I would invite Members to look at it.

I would again like to thank every member of the witness panel today. Many people do not realize that the witnesses who come before the Congress are volunteers. They are volunteers to inform us and to help us do a better job for our country. I am hopeful that in the coming months we will have an opportunity to come together to have a comprehensive immigration plan that solves the problems that have been outlined, that is good for America, that creates a better economy and lots of jobs.

So thank you very much. The record will be open for 5 days. If additional questions are posed, we would ask that you answer them, and we thank you once again.

This hearing is adjourned.

[Whereupon, at 11:45 a.m., the Subcommittee was adjourned.]

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