

EXCLUSIVE

Memo Prepared For White House Contradicts Carter Administration Policy On Illegals

MEXICO

The chief outside consultant for the White House on the illegal alien issue has submitted a memorandum to President Carter and his staff which conclusively demonstrates that the principal assumptions of Carter's soon-to-be-announced program on illegals are false.

The memo, prepared by Prof. Wayne A. Cornelius of the Massachusetts Institute of Technology, a leading authority on problems of Mexican-U.S. immigration, summarizes all relevant studies and data on illegal aliens. The original studies are well known to key policy planners Ray Marshall of the Labor Department and Attorney General Griffin Bell. The memo itself has been read by Carter's White House advisors preparatory to final decision making. Yet all statements from the Administration itself and all press reports indicate that these known facts and studies have been systematically ignored.

The primary elements of the Carter program, due to be announced shortly, are:

- 1) civil sanctions against employers of illegals;
- 2) some kind of improved, even "counterfeit-proof" ID

system for workers seeking jobs;

3) stepped-up policing of the U.S.-Mexican border.

To make this sweeping package more palatable, Carter will include some form of "amnesty" for illegals who meet certain residency or property requirements. However observers have noted that only a relative handful of illegals will qualify, and those that do generally lack supporting records. Many will be concerned that if their documents are not accepted, they will be deported. There is also an outside chance that Carter will accede to a "temporary workers program" to appease Sen. James Eastland, (D-Miss) who controls immigration policy in the Senate.

The Carter proposals, in the estimates of most observers, will have devastating effects on the Mexican economy by closing off a critical "escape valve" for underemployed labor and eliminating an important source of income. Yet from inside accounts, it is reported that Marshall and Bell approached the question as a domestic issue and "factored out" foreign policy considerations in preparing recommendations for Carter. The Mexicans were only presented with copies of the Cabinet proposals when the deliberation process was well advanced.

Following are excerpts of the Cornelius memorandum made available to NSIPS this week.

A Critique Of The Policy On Undocumented Aliens Recommended By The Carter Administration's Cabinet-Level Task Force On Undocumented Aliens

by

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Wayne A. Cornelius
Massachusetts Institute of Technology

The program recommended by the task force appears to be based on three principal assumptions, all of which are challenged by existing evidence on undocumented aliens:

- (1) that undocumented aliens compete effectively with, and displace, large numbers of native American workers

- (2) that the benefits resulting from the aliens' contributions of low-cost labor and tax payments are offset by the "social costs" which result from their presence

- (3) that the increase each year in numbers of undocumented aliens entering the U.S. represents an increase in the total population of permanent alien residents

Do undocumented aliens take jobs away from native workers?

Thus far there is no direct evidence of large-scale displacement of native Americans by undocumented aliens in the labor market.

The author is Associate Professor of Political Science at M.I.T. and director of a 3-year NIH-sponsored study of undocumented Mexican migration to the U.S.

Studies in Texas and California have shown that Mexican undocumented aliens in no way compete with or displace native workers in the skilled labor market. In the unskilled or semi-skilled labor market, they work alongside Blacks and Chicanos, but in different types of jobs.

In most cases the jobs held by undocumented aliens are the least desirable in the U.S. labor market: They involve dirty, often physically punishing tasks, low wages, long hours, low job security, and little chance for advancement.

The same studies point out that few native Americans care to compete for these jobs, since in most states one can receive more income from welfare benefits than from working at a job of the type customarily held by undocumented aliens.

Most experts believe that *some* displacement of native workers occurs, but that the magnitude of the problem is considerably less than is commonly assumed, and it is likely to be limited to particular job categories (e.g., skilled construction worker), particular types and sizes of enterprises, and particular geographic areas.

Do undocumented aliens take more from the U.S. in social services than they contribute?

All available studies show that undocumented aliens from Mexico make amazingly little use of social services while present in the U.S., and that the cost of the services they do use is far outweighed — by a factor of nearly 25 to 1 in one study — by their contributions to Social Security and tax revenues. (Rates of service utilization are higher among aliens from other countries.) Studies have found that at least two-thirds of the Mexican aliens have Social Security, federal income, and other payroll taxes deducted from their wages while employed in the U.S.

Are undocumented aliens temporary or permanent residents?

The answer to this question is crucial, since many of the social and economic costs usually attributed to undocumented aliens are likely to develop only if the migration is of a permanent rather than temporary nature.

Studies show that the vast majority of undocumented aliens from Mexico maintain a pattern of seasonal or "shuttle" migration, returning to Mexico after six months or less of employment in the U.S. Nearly three-quarters of the Mexican undocumented aliens interviewed in various studies expressed no interest in settling permanently in the U.S. A higher proportion of aliens from other countries seem to become permanent residents.

While thousands of "new" undocumented aliens do enter the U.S. each year in search of work, the majority of these new entrants are temporary workers from Mexico. They do not represent an increment to the permanent-resident population of undocumented aliens.

EMPLOYER SANCTIONS LEGISLATION

(1) The need for the kind of sweeping, across-the-board employer penalty law proposed by the task force is

questionable, given the lack of hard evidence on job displacement.

If employer sanctions are to be imposed, they should be aimed at the kinds of jobs which are attractive to native workers. A blanket employer penalty law is not justified by existing evidence, and it may have negative consequences for the U.S. economy:

- (a) An across-the-board employer sanctions law may have a significant inflationary impact, reflected in higher consumer prices for all goods currently produced with alien labor (especially food).
- (b) Such a law may increase bankruptcy rates among small businesses. Existing studies show that more than half of Mexican undocumented aliens are employed in enterprises having 25 or fewer employees. Many of these small businesses have long been dependent on undocumented alien labor, and their survival may be jeopardized by a cut-off or severe reduction in the supply of such labor.

(2) The benefits of such a law in terms of reducing unemployment in the U.S. may be minimal.

- (a) The mere fact that large numbers of undocumented aliens manage to find jobs in this country does *not* demonstrate that these jobs would be available to native workers if employers were prevented from hiring undocumented aliens; many of these jobs would be eliminated through mechanization or bankruptcy of the enterprises involved, and many others would not be filled by employers (especially jobs in small businesses unable to absorb higher labor costs).
- (b) Nor is it clear that native workers could be induced to take the jobs currently held by undocumented aliens, given the particular disadvantages of these jobs, and the competing alternatives of welfare and unemployment compensation. Two major programs undertaken in 1975-1976 by the INS and the State Human Resources Development Agency in Los Angeles and San Diego to fill jobs vacated by apprehended undocumented aliens failed in their efforts to recruit native workers for these jobs, reportedly because of low-wage scales, long hours, and the menial nature of the work involved.

For these reasons, few experts believe that an employer sanction law would have an appreciable impact on the rate of unemployment in the U.S....

Hysteria Over Illegals Fanned By New York Times

Major sections of the United States press have undertaken a campaign to propagandize the "menace" of illegals in preparation for the Carter Administration's package of controls on illegals. James Reston of the New York Times, in particular, has allocated himself a special role in this regard. "He simply comes unglued"

on the aliens issue, one knowledgeable observer has noted.

Other press, notably the Baltimore Sun and the Christian Science Monitor, are only a step or two behind. So far only the Wall Street Journal has forthrightly denounced the Carter proposals as "scapegoating" based on evidence which is "mostly nonsense." The following are representative passages of the New York Times campaign.

New York Times, Feb. 17, column by James Reston, "The Poverty of Power":

What the Mexicans do with their population, of course, is none of our business — until they cross the U.S. border. But...illegal Mexicans, according to the U.S. Labor department, now number about eight million, more than the total number of U.S. unemployed...

In a country that was prepared to do its own work and pay attention to what's happening to it, this would be a howling political crisis...

New York Times, April 3, from "Open Border Strains U.S.-Mexico Relations," by James P. Sterba:

While the two men (President Carter and President López Portillo) were exchanging toasts, agents of the United States Drug Patrol, Drug Enforcement, Customs and other agencies were fighting a futile holding action against a flood of Mexican aliens, brown heroin, marijuana, manufactured goods, plant and animal pests, and human diseases streaming across the sparsely patrolled Mexican frontier.

New York Times, April 24, from "Illegal Aliens Pose a Growing Problem" by James P. Sterba:

Federal agents apprehended and expelled today more than 2,000 foreigners who had entered the United States illegally. It was not the least bit unusual. It happens every day. Only the numbers change. They keep getting bigger.

...For U.S. officials at home and abroad, these have become grim but necessary rituals in an increasingly crowded world...To the worlds' poor, "huddled masses," now more numerous than ever, the United States has increasingly said, "No vacancy." But that has not stopped them. They have come anyway, entering illegally and threatening the very economic and social systems that lured them.

'Soft-Line' Solution: Rural Work Camps

Many critics of the "hard-line" approach to Mexican illegals in the U.S. call for dealing with the "disease" and not its "symptoms" by expanding Mexican employment opportunities. Some suggest a "temporary worker program" in the U.S. that would admit hundreds of thousands of Mexicans on a seasonal basis for four to six

month menial labor jobs. Others wish to create centers of labor-intensive rural production in Mexico. All reject as a solution Mexican development based on advancing skill levels and technology.

The Labor Party in Mexico denounced any attempt to solve the employment problem in Mexico with regressive labor-intensive rural work programs and has instead called for massive capital-intensive development in both rural and urban areas.

The U.S. Labor party and the Mexican Labor Party have issued complementary programs calling for the complete opening of the border to Mexicans seeking skilled employment in the U.S. Both parties have noted that under conditions of minimally necessary capital expansion and modernization in the U.S., the U.S. workforce could easily absorb — in fact, would have to absorb — large numbers of "illegals" in productive job categories. Those workers who chose to return to Mexico, when similar productive jobs opened there, would thereby be a critical trained industrial cadre force to speed rapid industrial expansion in Mexico.

The following rural-labor proposal by Mexican investigator Jorge Bustamante, reflective of the anti-development, soft-line approach is excerpted here as presented at a "Fronteras 76" border conference in San Diego in November 1976, has been circulated widely:

1. Creation of "units of production" of foodstuffs. Within the existing framework and policies of Mexican federal programs for development of the rural areas, a selection of strategic locations will be made for the establishment of units of production of food products. These will include the organization of systems of production based on labor intensive rather than capital intensive means for the processing of farm products.

2. Sources of capital. The initial sources of capital for these production units would be either the Mexican government directly or international agencies which finance development programs. The main reason for this is the traditional Mexican reluctance to participate in "foreign aid" programs.

3. U.S. imports as an immigration policy. The production of these units located in Mexico would be destined to the United States programs of foreign aid in food products to countries with whom agreements of this nature have been established. The purpose of this is two-fold: to provide a source of capitalization that will not be dependent upon the forces of international marketing on the one hand, and to provide conditions of stability to the production units for the programming of long term patterns of production on the other...

6. An additional concerted program for adjustment of migratory status for undocumented immigrants in the United States. This measure would correspond to the roots of the problem of undocumented immigrants located in the United States namely, U.S. labor demands. The main task of the U.S.-Mexico concerted actions in this regard would be to orient those who do not qualify for adjustment of migratory status toward the production units in Mexico.