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News Release

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July 29, 1993

INS Proposal for Asylum Reform

The Immigration and Naturalization Service (INS) today detailed plans to address various aspects of asylum reform in response to President Clinton's July 27 announcement.

Acting Commissioner Chris Sale said INS proposals include streamlining existing asylum processing, increasing the number of asylum officers, addressing the backlog, reducing the number of spurious and inactive claims currently clogging the system, and formulating plans for comprehensive reform.

Streamlining

INS plans to reduce processing time on asylum applications from the current 120 to 150 days to under 90 days for those scheduled for interview. New procedures will take effect in October 1993, to increase the productivity of Asylum Officers. An internal Department of Justice review will be completed soon, making recommendations for additional efficiencies within the current system.

Increased Asylum Officers

The President said the number of INS Asylum Officers will double to more than 300 by the middle of FY 1994. Additional officers will permit the INS Asylum Program to schedule all new applicants for interview and completion within 90 days. The Service hopes to eliminate the asylum backlog within four years.

Reducing Spurious and Inactive Claims

INS will also act to reduce the number of applications now being filed which lack specific information. At the same time, INS will contact cases in the backlog (filed prior to FY 1992), to identify inactive cases. Cases could be inactive because they've been abandoned, the applicant has obtained some other immigration status, or they've left the U.S. INS estimates that about 40,000 to 50,000 cases in its 300,000 backlog will be found to be inactive. Inactive cases will then be closed and removed from the backlog numbers.

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Comprehensive Reform

INS Acting Commissioner Sale today released 10 points INS is considering as possible elements of the comprehensive asylum reform ordered by the President. These elements are the starting point for consultations on asylum reform with non-governmental institutions.

While emphasizing that the proposed general elements are not final, Sale said they are indicative of the direction that such comprehensive reform may eventually take.

The reform package will be developed within a policy which is committed to affording legal protection for genuine refugees. "Through a process which is both fair and timely, meritorious applicants will be approved and family members abroad will be allowed to join them. At the same time, incentives for filing spurious claims will be reduced," Sale said.

The 10 elements being considered are as follows:

1. The current standards of eligibility for asylum and withholding of deportation should be reaffirmed and retained.
2. There should be an expedient way to exclude aliens attempting fraudulent or illegal entry into the United States through ports of entry, while minimum standards of due process would exempt genuine asylum-seekers from such procedures.
3. There should be a time limit on applying for asylum, with narrowly-defined exemptions if country conditions change.
4. Prospective applicants must cooperate in establishing a definitive identification.
5. There should be fees attached to asylum applications, which would be used to support asylum processing, with normal exemptions for those asylum-seekers unable to pay such fees.
6. Pursuant to necessary agreements, asylum-seekers arriving in the U.S. after passing through a country in which there would be access to a meaningful procedure for refugee status determination, should be returned to that country for asylum processing.
7. All administrative asylum processing, including any administrative appeal, should be completed in a timely manner through a unified system of asylum adjudication.

- more -

8. Asylum adjudication should be done only by specially-trained professionals with access to accurate country-of-origin information.
9. Work authorization should be given only to those approved for asylum.
10. After completion of the asylum adjudications process and appeals, comprehensive immigration and asylum reform must ensure the prompt removal of ineligible applicants from the U.S.

Sale said implementation of the streamlining proposals, and the doubling of the Asylum Officer Corps were top INS priorities under the President's program. At the same time, INS expects to meet the goal of developing a comprehensive reform package by the September 30 deadline set by the President.

Sale said the INS has also hired as a consultant, David Martin of the University of Virginia, a widely recognized authority on asylum and refugees. Martin is assisting in formulating the reform package.

#

The right balance on immigration

Americans have always treated their borders more as a threshold than a moat, consistently accepting large numbers of foreigners who arrive here seeking the opportunities that elude them at home. But as the number of economic migrants and political refugees grows, taxing our ability and willingness to absorb them, popular sentiment has turned stingy. Economic woes have likewise contributed to the urge to pull up the gangplank.

But Bill Clinton has resisted that sentiment, even as he has asked for tools to solve the real problems posed by the tide of supplicants. In his \$172 million plan for immigration, announced last week, he has kept the door to the outside world open, while proposing prudent ways to increase our control over whom we admit.

The United States, he recognizes, has both an interest in the enrichment provided by immigrants and a right to set reasonable terms for entry. The latter means dealing more effectively with asylum-seekers and illegal immigration.

Political asylum, offered to victims of persecution, is oversubscribed and often abused. Since the mid-1980s, the number of applicants has risen fivefold, creating a huge backload and putting a crushing

burden on the Immigration and Naturalization Service. All asylum-seekers must be given a fair chance to prove they qualify as refugees (as distinct from ordinary immigrants, who are admitted separately) which can take months. Most don't qualify and many disappear into the undocumented population.

Clinton wants to provide more INS officers for such cases, while speeding up the process of resolving claims, with quick deportation for those who don't qualify.

Illegal immigration has brought in some 2 million undocumented foreigners in the last decade. Clinton hopes to reduce it by toughening criminal penalties for smugglers and by spending \$45 million to hire and train 600 INS agents and acquire advanced equipment for monitoring the border. The only bad idea here is a proposal to combat smugglers by confiscating their assets and prosecuting them under racketeering laws—two tools that have generated too much abuse already.

But the President has struck the right balance between openness and control, declaring that "we want to stop illegal immigration so that we can continue opening our country to legal immigration." He has the right spirit and the right measures.

Chicago Tribune 8/1/93

The Dallas Morning News

Thursday, July 29, 1993

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With undocumented newcomers continuing to crash U.S. borders and fanatical newcomers abusing generous immigration and asylum laws, President Clinton's plan to shore up immigration law enforcement is prudent and welcome. But the president and Congress must also move swiftly to plug the loopholes in existing laws to discourage illegal immigration in the workplace.

In the rush to confront a deadly triad comprised of terrorists, ocean-bound alien smugglers called "snakeheads" and border smugglers called "coyotes," Americans should also be concerned about the danger of a reaction against immigrants themselves. Mr. Clinton struck just the right note when he noted that "We must say no to illegal immigration so we can continue to say yes to legal immigration."

The president's plan calls for Congress to appropriate \$172.5 million in 1994 so that the following measures can be taken:

- Hire up to 600 new agents for the Border Patrol and purchase needed equipment and technology.

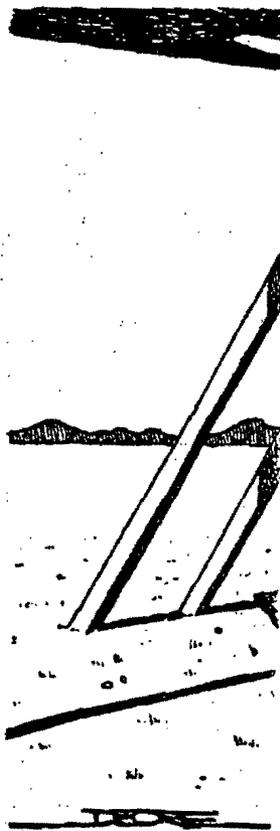
- Double the prison sentences for alien smugglers convicted under the Racketeer-Influenced and Corrupt Organizations Act,

authorize use of wiretaps in alien smuggling investigations, and expand the authority to seize the assets of smugglers.

- Expand computerized information gathering at U.S. embassies and consulates, and expand cooperative programs with foreign governments and airline companies to prevent improperly documented passengers from boarding aircraft headed for the United States.

Mr. Clinton's comments reflect a keener understanding of the problems and processes facing the federal immigration authorities than any previous president in memory. But the White House and Congress should now follow through in a bipartisan spirit to craft entirely new legislation designed to eliminate gimmicks in current asylum law.

Even though the Border Patrol must be beefed up, plugging fraudulent document loopholes in the existing employer sanctions law would be even more effective. Mr. Clinton knows immigration control is a long-term process; there is no "magic bullet." Employers and illegal job seekers should be sent a message that the laws will be enforced.

BABY JESSICA**Adoption battle points up flaws in system****Gramm sto**

I don't know why more from Sen. Phil (your revelations on h in your recent article lead me to believe the staff did not get the m the 1992 elections. The people want a change tics as usual."

Granted, he probe broken any laws, but for his personal agg sorely disappoint me: much in doubt con judgment as to what ate and what is not. man I would like country.

PAUL M.

Dr. Elders

The July 24 editor

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 27, 1993

REMARKS BY THE PRESIDENT,
THE VICE PRESIDENT AND THE ATTORNEY GENERAL
DURING IMMIGRATION POLICY ANNOUNCEMENT

Roosevelt Room

11:38 A.M. EDT

THE PRESIDENT: Thank you very much, ladies and gentlemen. I'd like to say a special word of thanks to the large number of members of Congress who are here today. I think I have the entire list. If I don't, the Vice President will amend it when I finish. But I see Senator Kennedy, Senator Simon, Senator Feinstein, Senator Boxer, Senator Graham and Congressman Brooks, Mazzoli, Schumer, Bryant, Fish, Kennedy, Lantos and Gilman. I think that's every member of Congress here.

Did I miss anyone? I missed Congressman Gallegly; I'm sorry.

Several weeks ago, I asked the Vice President to work with our departments and agencies to examine what more might be done about the problems along our borders. I was especially concerned about the growing problems of alien smuggling and international terrorists hiding behind immigrant status, as well as the continuing flow of illegal immigrants across American borders.

Following several weeks of intense efforts, including his personal involvement in resolving the recent alien smuggling incident with Mexico, the Vice President presented me with a report spelling out what we might do. I have reviewed that report and approved it. We have spoken to members of Congress, including those who are here today and others.

I want to particularly acknowledge Senator Kennedy, Senator Simpson, Congressman Brooks and Mazzoli for all their work on this issue over many, many years. We're also in debt to Senators Feinstein and Boxer for their aggressive work in trying to deal with this growing problem, especially in the state of California, and I want to state publicly how much I appreciate the work the Hispanic Caucus has done to ensure that a balanced approach is adopted in dealing with this issue.

The simple fact is that we must not -- and we will not -- surrender our borders to those who wish to exploit our history of compassion and justice. We cannot tolerate those who traffic in human cargo, nor can we allow our people to be endangered by those who would enter our country to terrorize Americans. But the solution to the problem of illegal immigration is not simply to close our borders. The solution is to welcome legal immigrants and legal legitimate refugees, and to turn away those who do not obey the laws. We must say no to illegal immigration so we can continue to say yes to legal immigration.

Today we send a strong and clear message. We will make it tougher for illegal aliens to get into our country. We will treat organizing a crime syndicate to smuggle aliens as a serious crime. And we will increase the number of border patrol, equipping and training them to be first class law enforcement officers.

MORE

These initiatives for which I am asking the Congress for an additional \$172.5 million in 1994 are an important step in regaining control over our borders and respect for our laws. When I made a commitment to combat this problem on June 18th, I announced a plan of action. This is the next step in fulfilling that commitment.

Some will worry that our action today sends the wrong message -- that this means we are against all immigration. That is akin to America closing its doors. But nothing could be further from the truth. Let me be clear: our nation has always been a safe haven for refugees and always been the world's greatest melting pot. What we announce today will not make it tougher for the immigrant who comes to this country legally, lives by our laws, gets a job, and pursues the American Dream. This administration will promote family unification. We will reach out to those who have the skills we need to make our nation stronger, and we will welcome new citizens to our national family with honor and with dignity.

But to treat terrorists and smugglers as immigrants dishonors the tradition of the immigrants who have made our nation great. And it unfairly taints the millions of immigrants who live here honorably and are a vital part of every segment of our society. Today's initiatives are about stopping crime, toughening the penalties for the criminals, and giving our law enforcement people the tools they need to do their job.

I'm also taking steps today to address the long-term challenges of reforming our immigration policy. I intend to appoint a new chair to the congressionally mandated Commission on Immigration Reform, and to ask the Congress to expand the Commission to include senior administration officials. I'm also asking our Attorney General, Janet Reno and the INS Commissioner-Designate, Doris Meissner, to make sure the INS is as professional and effectively managed as it can be. Under their leadership, I have no doubt that it will be.

With these efforts, I hope that we can begin a broad-based national discussion on this important issue and move toward significant resolution of the problems that plague all Americans. Now, I'd like to ask the Vice President to come forward with my thanks for his outstanding work to discuss the specifics of the initiative. (Applause.)

THE VICE PRESIDENT: Thank you. Thank you very much. Thank you, Mr. President. The centerpiece of these initiatives is a legislative proposal carefully drawn to protect the rights of legal immigrants while allowing us to speed up the exclusion of illegal aliens at ports of entry. Right now, thousands of aliens arrive each year at airports and other entry points without proper documentation.

What happens if, as they come off the airplane or off some smuggler's ship, they request political asylum? They're entitled to a range of administrative procedures that enable them to remain in the United States for many long months, or even longer. Of course, some deserve asylum. The facts show that most do not, under our laws. Many never even show up for hearings and immediately become part of the large and growing illegal alien population.

The legislation we announce today will help bring this abuse of our laws to an end. It enables us to promptly exclude those undocumented aliens who do not have credible claims for political asylum. At the same time, we provide protection for those who genuinely fear persecution if they are returned to their countries of origin. For the focus of our approach to immigration must not be on closing borders, but on opening our hearts.

In addition to the expedited exclusion legislation, we are also proposing legislation aimed directly at the menace of alien smuggling by criminal syndicates. This measure will double prison sentences for convicted smugglers. It will make alien smuggling a predicate for the Racketeer Influence and Corrupt Organizations Act or RICO prosecutions. It will authorize use of wire taps in alien smuggling investigations. It will expand our authority to seize the assets of smugglers.

These provisions will apply equally to organized criminal boat smugglers as well as to the large scale organized gangs of so-called "coyotes" who bring thousands of illegal aliens across our southwest border every week.

Now, how do we prevent the illegal entry of undocumented aliens who have no reason to be in the United States? We will substantially increase funding for a range of administrative measures. It's time to make use of the full range of tools modern technology provides. For example, we will accelerate the automation of U.S. embassies and consulates as quickly as possible so they can better share information on people who should not receive visas -- terrorists, drug smugglers and felons, for example. We will also expand cooperative programs with foreign governments and airline carriers to make sure that improperly documented passengers are kept off airlines before they leave for the United States.

Finally, as a first step in slowing the flood of illegal immigrants who circumvent our understaffed and underequipped border patrol, we will significantly increase personnel, a kind of more-cops-on-the-beat approach. We will also give border agents the best possible equipment and technology. We're providing \$45.1 million for training and equipment, and up to 600 additional border patrol guards. That will improve their ability to interdict and return illegal aliens seeking to cross the border.

We will also increase and improve border patrol training and review procedures to make sure that people they apprehend are treated in accordance with the law.

Now I'd like to ask Attorney General Janet Reno to talk a little bit about the enforcement provisions in this legislation.

Attorney General Janet Reno. (Applause.)

ATTORNEY GENERAL RENO: This is an important step forward in dealing with what I believe will be one of the most critical issues that we face in this decade: how we maintain this nation's tradition of immigration while, at the same time, understanding and comprehending the burden that so many public services have felt as a result. I think we can do it, and I think this whole effort by the Vice President is a first step in recognizing the Immigration and Naturalization Service as a true partner with the Department of State, with law enforcement agencies, with other national agencies to effectively deal with the problem in a comprehensive way, not in a piecemeal way.

With respect to the border patrol, Senator Feinstein, Senator Graham, Senator Boxer have been saying, "When are you going to get more people?" And as I have said, we don't want to add people if we can't add them effectively. We've carefully reviewed this. We want to make sure that the equipment matches the people, that they are properly deployed, that they are used in the most effective manner possible.

With respect to the penalties, we want to increase the penalties for those who organize syndicates to smuggle people. We want to provide a full range of criminal investigative tools to do the job, and I think as a step towards addressing this critical

problem, we have come a long way. We have much to do, and what it will require of all Americans is that we work together to address this critical problem.

If I were to have seen the Dade County criminal justice system operate as the Immigration and Naturalization system has operated too often in the past in terms of review processes, I'm not sure it would have worked very well at all. We can do so much in terms of streamlining the effort, making it more effective, while at the same time ensuring due process for all people who are involved in the process. Thank you. (Applause.)

THE VICE PRESIDENT: One other point, and then we'll take a few quick questions before leaving. The President mentioned the members of the House and Senate who are here. As one who worked very closely with all of those involved in the interagency group putting this piece of legislation and this package together, I can say of what those in the Congress know very well. It would have been totally impossible without the expertise brought to bear by the Senators and Congressmen who have worked on this for so long. The consultations went extremely smoothly, there was a very effective and constructive dialogue and I just want to thank those members who have worked so hard on this.

We'll take a few questions.

Q With all due respect, sir, all of this has been tried previously. The Simpson/Romano/Mazzoli bill did make a similar attempt to this by increasing penalties, they increased funding, they increased border patrols, they increased penalties to employers, and yet, nothing happened. What leads you to believe that this time something might really happen?

THE PRESIDENT: Let me -- I want to give them a chance to answer. It's not true that all these things have been tried before. First, Senator D'Amato, I'm glad to see you. Thank you for coming.

It's not true that all these things have been tried before, and it's certainly plain to anybody with eyes to see that the border patrol is drastically understaffed -- breathtakingly understaffed. But there are also some new elements in this, and I think I'd let the Vice President and the Attorney General address them.

THE VICE PRESIDENT: Yes, the change in the exclusion provisions is brand new. The change in the investment in the information systems that will avoid a repetition of what happened when the sheik applied for a visa and then the office didn't have the information because even though the State Department did, it didn't have the information system to display it -- a lot of these things are brand new. They've never been done before, and it is a coordinated approach involving all of the players involved and the full keyboard, if you will. Every part of the issue is being addressed here.

Now, there are some things that are not addressed and the procedure the President outlined for addressing the longer-term problems is going to work just as well as this procedure worked. It's going to take more time, though.

Q How much of this counterterrorism provision was sparked by the World Trade Center Bombing, and how confident are you that the borders will be safe now from terrorists getting into the United States, if this proposed legislation is enacted?

THE PRESIDENT: I can answer the first part; maybe I should invite the Attorney General to comment on the second. There's

no question that the World Trade Center bombing has caused us to review a whole range of issues, not just involving immigration, in terms of our ability to deal with the whole threat of actual or potential terrorism. And when that happened, we began in earnest to review not only this issue, but the capacity of our law enforcement agencies to deal with it, and we will continue to do that. I think that I owe that to the American people; and that clearly had something to do with it.

ATTORNEY GENERAL RENO: With respect to the second part, no one can ensure anything, except that we are going to try our best. When I came into office, I found a service that too often did not communicate with law enforcement and vice-versa, that too often was not in communication with other state agencies and federal agencies. I think it's imperative that we bring everyone together to communicate to do everything that we can to address the critical issue of terrorism and to be as vigilant as possible. To ensure our borders at this day and time is a very difficult task, but it is one that is of the highest priority of this administration.

Q Mr. President, on the question of the reason illegal Chinese immigrants -- obviously, they involve three parties: the United States, China and Taiwan, because some of the ships are from Taiwan. So I wonder -- are you planning to personally discuss with leaders of China and Taiwan, maybe, in November APEC meeting in Seattle?

THE PRESIDENT: Well, let me say, first of all, I just talked to the Secretary of State last night, and he raised these issues personally in his conversation with the representative of the Chinese government recently. And we have enjoyed good relations with Taiwan, also. We intend to raise it with them. We intend to raise it at the highest levels with both countries and to seek their active and consistent cooperation. And I think, as you point out, without that cooperation, we will continue to have greater difficulties on this end. But I think they will help us more and I have no reason to believe that they won't. We're just going to have to work on it. We're going to have to have their help to do better.

Q Are you inviting them to the APEC meeting? Are you inviting President Li Teng-hui to the APEC meeting?

THE PRESIDENT: We are discussing with -- we also are discussing how we're going to deal with the APEC meeting, who is going to come from all the 15 countries. And, of course, who comes will be in part, I think, determined by how much we'll want to pursue this discussion there. But in terms of who will be there, that hasn't been finalized from their point of view.

Go ahead.

Q Mr. President, how do you depoliticize the asylum process? Because in the Reagan years, anybody from El Salvador was not considered to have a bona fide claim of asylum. In the Bush years, Chinese fleeing birth control policies were deemed to have a good claim for asylum. How do you make this more rational so that the American people and the foreigners both know what qualifies an asylum?

THE PRESIDENT: That's a very good question. I'm so glad you asked it. (Laughter.)

I think the answer is that we have to have criteria for enforcing this law that grows out of our laws that are based on policies rooted in laws enacted by the Congress. I think that is the answer.

Obviously, if Congress and the administration work with the Congress, if we decide that there's some policy that's so important for other reasons, for our other foreign policy concerns,

our human rights concerns -- you name it -- that we want to root that in our legal policy, then no one can accuse us of being arbitrary, because we will have gone through a deliberative process, the Congress will have made a judgment, we will all be on public record.

But I do think it's very important that immigrants from the world looking at us, and governments from the world looking at us, not believe that the President will wake up someday and decide that for some arbitrary reason we will enforce the immigration laws of the country in one way or another. Perhaps the Vice President and the Attorney General would like to make a comment about that, also.

THE VICE PRESIDENT: I'd like to add one brief point. This proposal does take the partisanship and the politics out of it. This is a bipartisan initiative. Republicans as well as Democrats are here from both the Senate and the House. And if I could summarize the basic tone of this initiative, I would use the words of Doris Meissner, who is the designee to head up INS, when she said not long ago, we want to stop illegal immigration so that we can continue opening our country to legal immigration. The two go together, and that's what this proposal is designed to do.

THE PRESIDENT: I think we've answered about all the questions we can. I'd like to close by reemphasizing that point. When I ran for President, I think in some ways the most rewarding part of the experience was having the opportunity to see just how many different countries and how many different ethnic groups have contributed to making America what it is today. We don't want to do anything to interrupt that. But we cannot continue to progress as a country unless we have a more vigorous response to this problem. I mean, we cannot -- and we don't want to cloud the two. This has nothing to do with our support for keeping the rainbow and the melting pot of America going and growing and enriching and strengthening this country.

But the kinds of practices that are manifest in who can get into this country on an airplane, what kind of illegal smuggling can go on, and the fact that our borders leak like a sieve -- those things cannot be permitted to continue in good conscience. It's not good for the American immigrants who are here legally in this country, for the American economy, for the cohesion of our society, or for the rule of law worldwide. And we're going to try to do better. This is a very good first step.

Thank you very much. (Applause.)

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THE PRESIDENT HAS SEEN 10/6

U.S. DEPARTMENT OF LABOR

DEPUTY SECRETARY OF LABOR
WASHINGTON, D.C.
20210

Can you talk
to Larson or

do I need to call
them? CLR
October 1, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: THOMAS P. GLYNN
SUBJECT: 60 Minutes Story on Immigration

~~Claims~~
BUT NO ONE ASKED
IF WE NEED THEM
FOR THESE ACT IONS
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BACKGROUND

We understand that this Sunday, October 3, CBS' 60 Minutes will air a segment that will likely be critical of current U.S. immigration law. The story will focus on the H-1B visa program and suggest that it has been used to the detriment of U.S. workers, by granting legal entry to temporary foreign workers irrespective of the availability of workers here. It also will likely highlight high-tech occupations in California and Massachusetts.

The problem is illustrated by a Massachusetts firm (Digital Equipment Corporation) that filed applications for more than 1,100 H-1B computer programmers and analysts after having announced and started to lay-off more than 1,600 U.S. workers, many in the same occupations. (It is not clear that this example will be used in the 60 Minutes piece.)

On September 15, Secretary Reich forwarded to you two memoranda, addressing the effect of U.S. immigration policy on the labor market and outlining actions taken by the Labor Department regarding this issue and in response to 60 Minutes' investigation. This memorandum is to offer a response to the 60 Minutes story.

DISCUSSION

We believe that 60 Minutes has spoken with U.S. workers who believe that they have been displaced or adversely affected by legal foreign workers, particularly those admitted for "temporary" employment which, in some cases, can be as long as six years. 60 Minutes has also spoken with industry associations, including the National Association of Computer Consulting Businesses, which likely have cited examples of unfair competition from employers of temporary foreign workers and highlighted layoffs by computer companies.

The story may present cases of abuses in which American workers are laid off and foreigners are admitted either under B-1 visas as "visitors for business" (administered by the Departments of State and Justice's Immigration and Naturalization Service(INS)) or under H-1B visas as "professionals" to be employed in "specialty occupations" (administered by the INS and Department of Labor).



ACTIONS TAKEN

Many of the current immigration issues stem from the Immigration Act of 1990 which was passed under the Bush Administration when the national unemployment rate was 5.5 percent and the unemployment rate in California was 5.6 percent. In contrast, today's unemployment rate of 6.7 percent nationally and 9.0 percent in California, leaves us saddled with a law that is predicated on quite different economic conditions.

After a thorough review, the Labor Department has identified administrative, regulatory and legislative actions to address the concerns and problems raised by U.S. immigration law and policy. We have:

- Sent to the Federal Register proposed regulations for the H-1B program (to be published Wednesday) which would enhance our ability to enforce employer compliance with the terms under which they obtain access to temporary foreign workers, restrict what payments employers can credit as wages, reduce the term of the visa from six to three years, and enable the Department to initiate investigations of employer compliance (the prior Administration issued regulations limiting enforcement to specific complaints from workers);

- Sent to Congress proposed technical amendments to the H-1B legislation which also would tighten up the program by disallowing employers' applications for H-1B workers when the employer has laid off U.S. workers in the same occupation in the last year, and by requiring certain employers to take timely and significant steps to recruit, develop, and retain domestic workers in these jobs;

- Continued efforts towards a broader set of legislative amendments to the H-1B program;

- Continued review of the question of employer sanctions, which raises a range of different considerations; and

- Communicated with the Secretary of State and Attorney General the need for coordinated interdepartmental action to address apparent abuses of certain temporary foreign worker visa programs for which the Department of Labor does not have any operational responsibility.

- Suspended all action to implement a related program -- the Labor Market Information (LMI) pilot program -- which would permit the admission of certain employment-based permanent immigrants, pending Congressional action on a current bill that would eliminate this requirement, and requested via a letter from the Secretary that Congressional Members act on a bill that would eliminate it.

Other relevant actions taken by the Administration include:

- Publication by the State Department and soon by the INS of new regulations tightening criteria for admission and employment of visitors-for-business under B-1 visas;

- Your proposal of new legislation to expedite deportation in certain circumstances and revise the system for granting asylum;

- Your nomination of Doris Meissner as Commissioner of the INS, and your charge to her in leading that agency; and,

Your proposal that the Administration be represented on the Commission on Immigration Reform which is tasked to evaluate the effects of the recent reform of our system of legal immigration by the Immigration Act of 1990.

PROPOSED RESPONSE

While I didn't see the 60 Minutes program, I am familiar with the problems with these special exemption programs in the current immigration law. When abused I think these programs raise questions in the minds of all Americans about the fairness of our immigration laws to American workers.

Since last Spring, Secretary of Labor Reich and my Administration have been working through regulatory and legislative channels to close the loopholes that allow companies to lay off American workers and then turn around and hire foreign workers as well as the loopholes on the enforcement side.

THE WHITE HOUSE
OFFICE OF THE CHIEF OF STAFF

CAROL RASCO

Tony LAKE:

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BILL BURTON
POLICY AND STAFF DIRECTOR

EDITORIALS

IMMIGRATION

Swell of newcomers distorts the workplace

For several years now, economists, lawyers and journalists have been among the most enthusiastic proponents of mass immigration.

But why do none of these groups ever advocate the annual importation of, say, 300,000 economists, 300,000 lawyers and 300,000 journalists? For the answer to this puzzle, read on. In 1990, Congress effectively raised the levels of *legal* immigration by at least 35 percent. Since then *illegal* immigration has been on the increase as well. Just as millions more job-seekers began to be imported, millions of U.S. workers were being dismissed as the economy stagnated.

Policy-makers mistook a jobs-skills mismatch for a labor shortage. To compound the blunder, they overlooked that the skills levels of between 20 million and 40 million U.S. workers considered to be functionally illiterate or subliterary needed to be upgraded. And they forgot that the majority of jobs being created today require high skills instead of low skills or no skills.

To be sure, immigration is not the fundamental cause of unemployment. Basically, the challenge lies with economic restructuring, a cyclical economic downturn, the down-sizing of the U.S. military and an educational system in crisis.

Still, mass immigration can make job searches more difficult. Newcomers today account for no less than 35 to 40 percent of labor force growth nationwide. By 1994, legal immigration provisions that became effective in 1991 are projected to have added 2.7 million additional foreign-born job-seekers to the labor force.



Second

In May 1992, the federal immigration service found 80 of 360 workers at Bo Pilgrim's chicken processing plant in Dallas to be undocumented. Engineers in Grand Prairie complain that green card holders are displacing them and driving wages down. The very lowest U.S. average earned income levels are often to be found along the Texas border, where workers have long had to compete with "trans-border commuters" from Mexico, along with visa violators and outright illegal border crossers.

Conversely, the levels of immigration were extremely low nationwide from the 1920s until the mid-1960s. U.S. job creation and real wages became the envy of the world. Tight labor markets catapulted women and minorities into job sectors that had previously been closed to them. Likewise, today's spot shortage of construction workers in the Dallas-Fort Worth area represents a genuine opportunity for legal workers — but only if builders and contractors give the labor market time to adjust and resist the temptation to hire illegal labor.

Fundamental economics says that if employers cannot find a sufficient number of workers, they will be obligated to raise their wage offers as an inducement to prospective workers. But if a flood of applications comes forward, the law of supply and demand will permit employers to lower their wage offer.

This most likely explains why the advocates for mass immigration tend not to lobby for the mass importation of, say, economists, lawyers and journalists, even as they applaud the entry of those who will compete with U.S. workers earning a fraction of their own salaries.

In contrast, where African-Americans once dominated the hotel cleaning industry jobs of Miami and Los Angeles, they have been largely displaced by immigrant workers willing to work for less, who recruit their friends and relatives in a phenomenon labor economists call "ethnic network recruitment."

Researchers in Chicago have found that employers increasingly prefer to hire illegal

newcomers over U.S. citizens of African descent. If that trend persists, or increases, it could exacerbate already frayed relationships between racial and ethnic groups. Experts project that 40 percent of all legal foreign workers who came in under the 1990 provisions will settle in Chicago, Los Angeles, Miami and New York, where such tensions already are high.

Significantly, in 1991, African-American unemployment in the top five states of immigrant settlement was 57 percent to 158 percent higher than average statewide unemployment. And in 1992, the top five states of immigrant settlement — including Texas — had unemployment rates 4 to 18 percent above the national average of 7.3 percent. Mass immigration alone cannot be blamed for all of these differentials, but it has played a key role.

America needs a system of immigration that meets its legitimate labor force needs. America does not need illegal immigration. Nor does it need a system of mass immigration that floods job sectors already teeming

with citizen job-seekers. These will only turn to welfare or crime if they cannot find work, thus increasing the current unfair burden on taxpayers. With meaningful reform in mind, Congress must do the following:

- It must shift the emphasis of our legal immigration system toward skills and education.

- It should restrict the family reunification provisions of the legal immigration system to immediate relatives — spouses and children. The current practice of also giving preference to adult



of a series

brothers and sisters should be stopped.

- It should introduce a tamper-proof national work eligibility card for everyone. Even liberal Sen. Paul Simon, D-Ill., recently joined conservative Sen. Alan Simpson, R-Wyo., in calling for a secure national ID card. Civil liberties arguments against this idea are much exaggerated. Other democratic countries use such cards — why can't we?

- It should direct the Labor Department to confirm labor shortage claims before decisions are made to raise the levels of immigration. Only then should the levels of legal immigration be raised. Only then should employers be permitted to fill positions with "non-immigrant" labor imported under temporary programs.

- It should demand that all laws pertaining to workplace discrimination be enforced, including discrimination against U.S. workers.

- It should implement a Social Security number call-in verification system to reduce fraud and regulatory time for employers seeking to abide by the employer sanctions law.

- It should increase the number of special investigators in the federal immigration service by 125, with 12 support staff members. Effective enforcement is essential if employers are to enjoy a "level playing field."

- It should increase the federal prosecution of cases relating to employer sanctions fines. Assessing fines without collecting them does no good.

- It should impose jail penalties on egregious, repeat violators of the sanctions law.

Finally, Congress should ponder the advice of Jim Chenoweth, the director of corporate affairs for Dallas' Lone Star Steel Co. In a recent op-ed column in *The Dallas Morning News*, Mr. Chenoweth wrote: "Halt illegal immigration. U.S. job creation cannot nearly meet the flood of illegal job seekers. As long as the number of illegal immigrants exceeds the number of newly created jobs, we will continue to lose ground."

Sunday: The effect on crime.

SHORT TAKES

Study Finds Errors in Asylum Rulings

■ The Immigration and Naturalization Service's reformed asylum adjudication process is more professional and impartial than the networks of claims examiners it replaced, but still is understaffed, underfunded and needs management changes, according to the first independent study of the INS Asylum Officer Corps.

The study was conducted by the Harvard Law School Immigration and Refugee Program. It found that the new group of asylum hearing officers created in 1990 to hear claims of refugees seeking political asylum is staffed by some officers who are extremely knowledgeable about the law and others still struggling with the fundamentals.

In a review of more than 800 decisions, the Harvard study found errors of law or analysis in half of the cases. In addition, officers continued to rely primarily on State Department documentation of country conditions, often reflecting U.S. foreign policy interests to the detriment of the asylum-seeker.

Debrah Anker, a Harvard law lecturer who served as project research director, said, "This study shows that the asylum officer corps cannot be the sole forum for adjudicating asylum claims. It is critical to preserve the right to full and formal adjudication, based on a record that can be independently reviewed."

The reformed process replaced an INS asylum hearing system that had been criticized for inconsistencies in interview, decision-making and improper consideration of foreign policy.

The report recommended doubling the asylum officer corps so that applicants will be interviewed within 90 days of filing, granting permanent legal status to applicants whose cases have been pending for years, expanding case completion standards for asylum officers from three to five hours per case and developing performance ratings for INS officers.

Private Tolls on Interstates Discussed

with the government in an era of limited resources to invest in infrastructure, that method of enlisting private businesses to help is one of many areas to explore, his spokesman Steven Akey reported.

"We're not proposing anything," Akey said, reflecting Slater's comments. "Folks have been talking about many ways of alternate financing."

The 42,500-mile interstate system of highways and bridges, most of now toll-free, is decaying and needs repair.

Slater, a former chairman of the Arkansas State Highway Commission, discussed the possibility of establishing private tolls at a meeting with some reporters, according to Akey.

Letting private businesses establish tolls on interstates would have to be approved by Congress and by the state legislature in each area.

The New York Times said today that Slater did not mention any specific highways as likely candidates but noted that those in the worst repair are in the Northeast.

Slater estimated that \$200 billion is needed for highway maintenance and repair and another \$90 billion is needed for bridge repair, the paper said.

Babbitt Compromise Bid Challenged

■ Two national environmental groups are challenging Interior Secretary Bruce Babbitt's attempt to broker compromise in a controversial Southern California endangered species case.

The federal suit, by the Natural Resources Defense Council and the National Audubon Society, seeks to force the Interior Department to designate critical habitat for the California gnatcatcher, a tiny songbird that is threatened species. The suit also seeks to overturn federal approval of a 17-mile highway through gnatcatcher habitat.

Earlier this year Babbitt endorsed effort by state officials' developer

THE PRESIDENT HAS SEEN 9/20

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

SEP 15 1993

SEP 15 08:00

GS | Chavez | Rubin

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT B. REICH
SUBJECT: Immigration

Robert B. Reich

Looks like we need
more to fight
the H-1B program
even more

Following up on our recent conversation, attached are two ^{two other} memoranda discussing U.S. immigration policy, recent and related problems, and the pending 60 Minutes broadcast.

Why do we need
for a while —
Why can't
we suspend it

The first memorandum, which I sent to the NEC in early July, addresses certain labor market issues arising from current immigration policy. The second memorandum, sent to me by Deputy Secretary Thomas P. Glynn, is an update on the actions being taken.

Of course, we will be pleased to provide any additional information or assistance you may desire in this regard.

Attachments

Why should they
get 13 you, much
like 6?

cc: Robert Rubin, NEC
David Gergen
George Stephanopoulos
Mark Gearan

U.S. DEPARTMENT OF LABOR

DEPUTY SECRETARY OF LABOR

WASHINGTON, D.C.

20210

MEMORANDUM FOR THE SECRETARY

FROM: THOMAS P. GLYNN *T. Glynn*

SUBJECT: 60 Minutes Story on Immigration

Background

We understand that CBS' 60 Minutes is planning to air, perhaps as soon as September 19, a segment on how current U.S. immigration law harms U.S. workers, particularly in high-tech occupations. This segment will likely be quite critical and could further fuel the growing public interest in immigration issues. This is to describe what we know about the upcoming story, outline recent Department of Labor actions in the immigration area, and sketch a possible framework for the Administration's response to the story.

As best we have been able to ascertain, the 60 Minutes segment will suggest that even where workers are available in the U.S. labor market, foreign workers are being admitted legally to work in high-tech jobs, especially in the computer and engineering industries. This seems to occur most commonly in California and New England with foreign workers admitted for temporary stay as:

- "visitors for business" under B-1 visas, administered by the Departments of State and Justice's Immigration and Naturalization Service (INS), and as
- "professionals" to be employed in "specialty occupations" under H-1B visas, administered by the Department of Labor and INS.

60 Minutes Focus

We believe that 60 Minutes has spoken with U.S. workers who believe that they have been displaced or adversely affected by legal foreign workers, particularly those admitted for "temporary" employment which, in some cases, can be as long as six years. They also have spoken with industry associations, including the National Association of Computer Consulting Businesses, which likely have cited examples of unfair competition from employers of temporary foreign workers. The show may highlight the fact that under current law, certain foreign workers can be admitted without any prior test of the U.S. labor market and, perhaps, that U.S. employers can import these workers

even where they have or are laying off U.S. workers in the same occupations and locations. (It is reported that Digital Equipment Corporation, for example, may have laid off as many as 1,600 U.S. employees and shortly thereafter filed applications to authorize the importation of about 1,100 foreign workers in the same occupations.)

60 Minutes requested an on-camera interview with you last May, but was satisfied with an off-camera background interview with staff, who described the efforts we are making to tighten the H-1B program regulations as well as our efforts to initiate legislative changes in this program. 60 Minutes has asked for periodic updates on our progress with these efforts, with special interest in legislation. They have not renewed their interview request, and we are not aware of any other interviews they may have conducted with Department of Labor staff.

Many of the current issues involving our system of legal immigration flow from the passage of the Immigration Act of 1990 when the national unemployment rate was 5.5 percent, and the unemployment rate in California was 5.6 percent. At that time, therefore, there may have been labor shortages in some high-tech occupations. Today, with a 6.7 percent national unemployment rate, and 9.0 percent unemployment in California, we are saddled with a law that is predicated on quite different economic conditions.

Department of Labor Actions

At your direction, the Department has been thoroughly reviewing its immigration responsibilities. We have identified steps that can be taken administratively, and through regulatory and legislative changes, to address the concerns and problems identified in your July 2 memorandum to the members of the National Economic Council (NEC).

To update the initiatives outlined in your memorandum to the NEC:

- ▶ The Department suspended further action on the rulemaking relating to our current legal obligation to implement a Labor Market Information (LMI) pilot program as a basis for admitting certain employment-based permanent immigrants until the Congress has an opportunity to act on the pending legislation which would eliminate this requirement. On May 14, 1993, you sent a letter to Congressional Members requesting action to eliminate the existing requirement relating to the pilot LMI program for selecting employment-based immigrants (copy attached).
- ▶ We are finalizing proposed regulatory changes for the H-1B program governing the admission of foreign "professionals" for temporary employment in "specialty occupations." Our

proposed regulations would tighten up the H-1B program primarily by enhancing our ability to enforce employer compliance with the terms under which they obtain access to temporary foreign workers. In addition to the changes outlined in your memorandum to the NEC, we are also proposing regulatory changes to specify what payments can be credited as wages by employers and give the Department authority to investigate employer compliance where we have reason to believe that violations may be occurring, even absent a complaint from a potentially aggrieved party. The prior Administration had decided to limit the Department's authority, by regulation, to conduct such investigations only based on complaints. We are also proposing to limit the validity period of approved employer applications to three years (down from six). These proposed rules are currently at OMB, but we expect that they will be published within the next week.

*attach
mat*

- ▶ We developed the proposed technical legislative amendments to the H-1B program discussed in your memorandum to the NEC. These amendments are also in Administration clearance, being negotiated at present with the Office of the U.S. Trade Representative (USTR). They are also intended to tighten up the H-1B program by disallowing employers' applications for H-1B workers when the employer has laid off U.S. workers in the same occupation in the last year, and by requiring certain employers to take timely and significant steps to recruit, develop, and retain domestic workers in these jobs.
- ▶ We also developed a broader set of proposed amendments to the H-1B program legislation which is currently being coordinated and negotiated with the INS and USTR. The resulting package will soon be forwarded to the National Economic Council for decisions on its specific provisions.
- ▶ Last June, you communicated with the Secretary of State and Attorney General to urge coordinated interdepartmental action to review current immigration policy and take meaningful, timely steps to address apparent abuses of certain temporary foreign worker visa programs for which the Department of Labor does not have any operational responsibility. (Copies of those letters are attached.) In particular, you urged revision of the criteria for admission and employment of temporary foreign "visitors for business" admitted under B-1 visas. State has already published proposed changes to their B-1 regulations, and we understand that the INS soon will do so.

Framework for Response to 60 Minutes Story

In framing the Administration's response to the story, we are aware of a number of actions that can be cited as evidence of our

appreciation of and intention to address the problems likely to be highlighted, including:

- The publication by the Department of State and [soon] the INS of proposed new regulations tightening the criteria for admission and employment of visitors-for-business under B-1 visas;
- The publication by the Department of Labor of proposed new regulations tightening the criteria for temporary admission and employment of foreign professionals under H-1B visas;
- The incorporation in pending legislation (the technical amendments currently awaiting action by the House) of a measure to no longer require Labor to test an LMI pilot program for selecting permanent, employment-based immigrants;
- The President's proposal of new legislation to expedite deportation in certain circumstances and revise the system for granting asylum;
- The President's announcement of his intent to nominate Doris Meissner as Commissioner of the INS, and his charge to her in leading that agency; and,
- The President's proposal that the Administration, including the Department of Labor, be represented on the Commission on Immigration Reform which is tasked to evaluate the effects of the recent reform of our system of legal immigration by the Immigration Act of 1990.

While we still need to look more carefully at the question of employer sanctions, which raises a range of different considerations, the Administration's decisive actions in response to the problem of illegal immigration now make it possible for decisive action on the problems deriving from our current system of legal immigration.

Attachments

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

MAY 14 1993

The Honorable Joseph R. Biden, Jr.
Chairman
Committee on the Judiciary
United States Senate
Washington, D.C., 20510

Dear Chairman Biden:

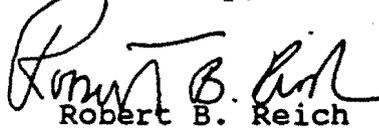
I am today requesting that the requirement for a Labor Market Information Pilot Project be removed from the Immigration Act of 1990. Since that Act became law, the Nation's economy has changed. Unemployment has increased, including in the highly technical fields, as a result of such things as the restructuring of some major U.S. corporations and defense reductions.

These changes have been demonstrated by the overwhelming adverse comments received during the rulemaking process. It has become readily apparent that such a project may adversely affect U.S. workers employed or seeking employment in highly skilled occupations.

This amendment, eliminating the labor market pilot project, will provide proper protection and increased employment opportunities for U.S. workers presently seeking employment. My staff will work closely with the Committee staff to provide any necessary assistance.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,


Robert B. Reich

PLEASE NOTE: Identical letters were sent to:

Senators Kennedy, Simpson, Kassebaum, and Hatch

Congressmen Brooks, Mazzoli, Ford, Fish, McCollum, and
Goodling

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

JUN 17 1993

The Honorable Janet Reno
Attorney General
Department of Justice
Washington, D.C. 20530

Dear Attorney General Reno:

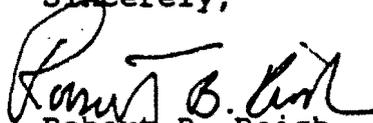
Recently there has been considerable public interest and media attention in the matter of employers bringing foreign workers into the United States for employment under the B-1 visitor for business visa category. In light of current economic conditions, I ask that you suspend, in a manner consistent with our international obligations, the provision in the Operations Instructions of the Immigration and Naturalization Service governing B-1 visitor for business visas that relate to the admission of professionals as "B-1 in lieu of H-1B."

There is increasing unemployment of U.S. workers in professional and highly technical fields as a result of defense reductions and the downsizing and restructuring of some major corporations. The continued admission of B-1 professionals outside of the numerical limitations and labor market protections provided for under the H-1B visa classification may be adversely affecting job opportunities for U.S. workers.

I understand that the State Department recently sent a cable to all diplomatic and consular posts clarifying that it is inappropriate to use a B-1 in lieu of H-1B visa for professionals coming to work for a U.S. company which has merely contracted with a foreign company for their services. I believe this is a positive step, but more forceful action may be warranted. I am very concerned, especially in today's labor market, that we have adequate employment opportunities and protections in place for U.S. workers.

Your early consideration of this request will be much appreciated.

Sincerely,


Robert B. Reich

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

JUN 17 1990

The Honorable Warren M. Christopher
Secretary of State
Department of State
Washington, D.C. 20520

Dear Secretary Christopher:

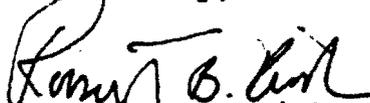
Recently there has been considerable public interest and media attention in the matter of employers bringing foreign workers into the United States for employment under the B-1 visitor for business visa category. In light of current economic conditions, I ask that you suspend, in a manner consistent with our international obligations, the provision in the Notes to State Department's Foreign Affairs Manual governing B-1 visitor for business visas that relate to the admission of professionals as "B-1 in lieu of H-1B."

There is increasing unemployment of U.S. workers in professional and highly technical fields as a result of defense reductions and the downsizing and restructuring of some major corporations. The continued issuance of B-1 visas to professionals outside of the numerical limitations and labor market protections provided for under the H-1B visa classification may be adversely affecting job opportunities for U.S. workers.

I understand that the State Department recently sent a cable to all diplomatic and consular posts clarifying that it is inappropriate to use a B-1 in lieu of H-1B visa for professionals coming to work for a U.S. company which has merely contracted with a foreign company for their services. I believe this is a positive step, but more forceful action may be warranted. I am very concerned, especially in today's labor market, that we have adequate employment opportunities and protections in place for U.S. workers.

Your early consideration of this request will be much appreciated.

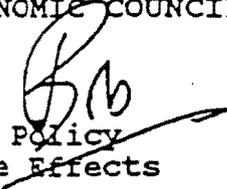
Sincerely,


Robert B. Reich

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

MEMORANDUM FOR THE NATIONAL ECONOMIC COUNCIL

FROM: ROBERT B. REICH 
SUBJECT: U.S. Immigration Policy
and its Workforce Effects

I. The Problems

In assessing immigration policy, three labor market issues are paramount:

(1) There is concern that the large number of immigrants during a sustained period of high unemployment may be affecting the employment opportunities of U.S. workers. These concerns are sometimes exaggerated, but may be on target in areas or occupations in which immigrants are intensively concentrated. Labor market effects should be considered when evaluating the overall impact of immigration policies.

(2) Immigrants are often subjected to abusive working conditions. These conditions can be particularly deplorable for illegal immigrants but there is increasing evidence that legal temporary nonimmigrants are being subject to abuse as well.

(3) There is also increasing evidence that certain features of temporary nonimmigrant employment programs are functioning poorly and leading to unintended consequences. Because of the Department of Labor's administrative responsibilities for aspects of these programs, abuses associated with these programs are of particular concern to us. Many of the abuses have occurred under the H-1B program¹.

 In Massachusetts, one firm has filed applications for more than 1,100 H-1B computer programmers and analysts after having announced and started to lay-off more than 1,600 U.S. workers, many in the same occupations.

¹ The H-1B program allows admission of "professional" nonimmigrants for temporary employment in "specialty occupations."

- From October 1991 to May 1993, there were at least ten California computer companies that laid off from 100 to 2,000 workers but each applied for at least 25 H-1B visa slots.
- We have found systematic underpayments of required wages in most of the H-1B investigations we have conducted. Recent immigration reforms may have made it easier for such abuses to occur.
- While annual H-1B admissions are capped at 65,000, one university alone has filed applications for 10,000 such workers.
- We have also seen reports, especially from California, that individuals admitted as "visitors for business" under B-1 visas are circumventing the H-1B program and also are replacing U.S. workers in the computer industry in large numbers, mostly through out-sourcing arrangements with job contractors. This nonimmigrant program is administered by INS and the Department of State.

II. Background

In FY 1992, we estimate that at least several million people entered the United States who could become active labor market participants:

- There were nearly one million permanent immigrants, the vast majority of whom were adults. Most of these immigrants were not admitted through employment programs.
- There were 4.3 million temporary nonimmigrants admitted into the country who could potentially have some connection to the labor market. Of these, 2.8 million were temporary admissions for business (many of whom were in the country for very short periods of time or were repeat visitors). More than 400,000 of the temporary nonimmigrants were explicitly admitted as workers.
- In 1989, it was estimated that there were two million undocumented immigrants in the United States. This figure is almost certainly higher today. Some of these illegal migrants are children, but most are presumably part of the labor market.
- Overall, the proportion of immigrants legally admitted specifically for employment purposes is relatively small -- representing only about 10 percent of the 5.3 million legal

permanent and temporary admissions -- but many more migrants are active in the labor market.

During the 1980s, as the economy grew and new (albeit relatively low wage) jobs were being created, the influx of large numbers of migrants to the U.S. caused relatively little public concern. Moreover, the economic activity, talents, and drive of these new entrants can substantially benefit the U.S. economy and create the potential for economic growth.

As the economy changed in recent years, however, and in light of current trends in downsizing of industries that require a relatively highly-skilled workforce -- exacerbated by the continuing shrinkage of defense-based industries -- we can expect immigration-related problems to continue to emerge and public concern to escalate in parallel. For example, in 1990 when our system for admitting legal immigrants and nonimmigrants was last revised, the national unemployment rate stood at 5.5 percent. It subsequently grew much higher and has -- despite recent improvements -- stubbornly remained at a level near 7 percent.

We have already begun to see signs of growing problems. We have read recurring reports involving lay-offs of highly-skilled U.S. workers -- e.g., computer programmers, analysts, and engineers -- who it appears are sometimes being replaced by lower cost foreign workers. These abuses often occur under non-immigrant programs which were supposed to be designed to preclude such employment (see attached news clips). CBS's 60 Minutes is currently producing a story on just such effects. And Congressman Smith (R-TX) has recently introduced legislation (see attachment) to link the ceiling on admissions of immigrants to the national unemployment rate.

III. Department of Labor Response

To address these emerging problems, we are taking a number of steps to remedy abuses and strengthen protections for U.S. workers both in the short and longer terms.

In the short term:

- We have asked the Congress to change the Immigration and Nationality Act to allow us the discretion not to proceed with a controversial program (see attached news clip) to use general labor market information in determining the admissibility of certain employment-based permanent immigrants.
- We are also developing regulatory changes in certain employment-based immigrant and nonimmigrant programs for which we have some administrative responsibility to

strengthen protection of U.S. workers. These include measures to:

- ▶ Require employers to disclose terms and conditions of employment to H-1B workers.
- ▶ Limit employers' labor condition applications (LCAs) to a single geographic area.
- ▶ Require employers to identify the source of the prevailing wage information they use as the basis for paying their H-1B workers.
- ▶ Limit the kinds of deductions allowed to be taken from workers' pay.
- ▶ Clarify what kinds of cash payments qualify, and which do not, toward meeting an employers' wage payment obligations.
- ▶ Clarify, to broaden, the sources from which complaints of violations can be accepted.

For the longer term:

- We are encouraging other Departments, particularly State and Justice, to work with us to strengthen controls on the admission of certain categories of nonimmigrants who are not supposed to engage in employment in the U.S., but appear to be doing so in increasing numbers, in some cases in deplorable conditions.
- We have also started working with our colleagues in the INS and the USTR to explore the feasibility of certain legislative changes we would like to see enacted to further strengthen protections for U.S. workers and discourage employers from seeking nonimmigrant workers in certain cases. In the H-1B program alone, these include:

MEASURES TO MANAGE THE NUMBER OF ADMISSIONS

- ▶ Reduce the H-1B cap of 65,000 admissions per year on an annual basis by 2,000 for each one-tenth of one percent that the national unemployment rate exceeds the rate when the current H-1B provisions were enacted (5.5%). The 65,000 cap would remain the ceiling if the national unemployment rate were to drop below 5.5 percent.
- ▶ Establish a separate "cap" per employer to limit H-1B admissions so that the employer's use of nonimmigrant workers in all categories does not exceed a fixed percentage -- e.g., 10 percent -- of the employer's

total workforce, or its workforce at any single work site.

- ▶ Limit H-1B period of stay to three (3) year duration, as opposed to the current six year duration.
- ▶ Disallow H-1B workers to adjust status to permanent residency or adjust to another legal nonimmigrant status until the worker has left the country for a minimum period of time (six months to two years).

MEASURES TO MANAGE THE "MIX" OF WORKERS ADMITTED

- ▶ Establish a pre-admission requirement that employers seeking H-1B workers attest that they have unsuccessfully recruited for U.S. workers for the target position(s) for some period of time -- e.g., 60 days.
- ▶ Establish authority for DOL to reject H-1B LCAs for occupations in which a labor surplus can be shown to exist.
- ▶ Raise the qualifications for H-1B admission eligibility to require a Masters degree or equivalent, as opposed to a Bachelors degree.

MEASURES TO BETTER PROTECT U.S. WORKERS

- ▶ Add "no lay-off" (past and duration) attestation provisions.
- ▶ Add requirement for employer to attest to taking timely and significant steps to develop, recruit, and retain U.S. workers in the occupations for which H-1B admissions are sought.
- ▶ Add provision that employers using H-1B workers obtained through contract must file separate attestation and be jointly liable for compliance with all attestation elements.
- ▶ Provide subpoena authority for enforcement.
- ▶ Allow directed, as opposed to only complaint-based, investigations.
- ▶ Add debarment penalty for failure to cooperate in DOL investigations or discrimination against individuals cooperating in investigations.

- ▶ Authorize DOL to reject LCAs where the wage promised is clearly less than that which prevails for the occupation in the area of employment.
- ▶ Require employers to pay H-1B workers in U.S. currency in the U.S., and to pay the cost of round-trip travel for any H-1B workers.

While we intend to pursue these and likely other steps in coming months, we realize that this issue extends well beyond the Labor Department and poses potentially serious problems for the Administration. We stand ready to assist this process in any way we can.

cc:

RAHM EMANUEL
DAVID GERGEN
BOB RUBIN
MARK GEARAN
GENE SPERLING
GEORGE STEPHANOPOLOUS

Visa Loophole Seen Costing U.S. Workers Computer Jobs

11 | 9 By Al Kamen A |
Washington Post Staff Writer

A loophole in U.S. immigration laws is allowing thousands of foreign computer programmers and analysts to enter the United States each year on temporary business visas, enabling them to take jobs from American workers, according to industry and government officials.

"We are being crushed by this," said James Schneider, a spokesman for the National Association of Computer Consultant Businesses (NACCB), a trade group representing 130 companies and about 10,000 workers. "This practice

can't validly occur, and yet no one can figure out why it is still going on."

The problem, according to State Department and immigration officials, is that a longstanding practice aimed at easing bureaucratic obstacles for short business trips is being abused by foreign companies—often called "job shops"—to bring technicians into this country. And the situation is not limited to the computer industry, officials said.

"The computer industry is an issue," one State Department official said, "but don't forget that's one piece of the action and not the totality of the problem. They [the

See VISAS, A4, Col. 1

MoRy

VISA - (cont'd)

NACCB] think that is the only problem. Industry in general, anyone who buys heavy or high-tech equipment," is affected.

"We have to do something with it," said one Immigration and Naturalization Service official. "We don't know what exactly to do."

The problem is most pronounced in computers. This is how it works, according to NACCB officials:

Typically, the foreign companies bid to provide computer services for U.S. firms, and bring in workers under the business visas or use workers they have already brought in under those visas. The visas are granted for short periods, usually up to six months, but may be extended once the worker arrives.

The foreign companies, which may be affiliated with U.S. firms, pay only living expenses here—generally about \$1,500 a month, said Schneider, who has a San Francisco computer consulting firm. Salaries—often amounting to less than \$2 an hour for Asians—are paid in the workers' home countries.

The foreign companies are able to avoid paying any benefits, overtime or minimum wage and typically do not pay U.S. taxes, according to the NACCB.

The salary differential easily allows foreign recruiters to underbid American businesses, said William Campbell, who also runs a San Francisco consulting firm.

"They make more profit than us even underbidding by 50 percent," he said. Many of the programming jobs are billed at about \$30 an hour, whereas the normal rate for U.S. companies for similar work can exceed \$50 an hour.

The NACCB has been lobbying the State Department and the INS, insisting the practice is illegal. The visas are intended for business people coming here to negotiate contracts or to attend conferences, the trade group argues, or perhaps for highly specialized workers entering the country briefly to install special equipment—not for general computer work.

The State Department and INS agree that these computer consultants should be required to obtain another visa—for professional

workers—which is harder to get and is limited to 65,000 a year under the 1990 immigration law.

The department, in the interests of speeding travel and trade, permits such professionals to come in under the much broader business visa, which is issued to nearly 3.5 million people a year. Officials say the department would have to go through formal rulemaking procedures to undo the practice.

Creating "job shops" for foreign professionals "is not what we wanted to create," said one State Department official, who said both the INS and the department "want to accommodate" the NACCB's

"We are being crushed by this. This practice can't validly occur, and yet no one can figure out why it is still going on."

— James Schneider,
computer trade group spokesman

concerns and have been working on new rules for several months.

But it will be difficult to draw a line between working and "doing business," INS and department officials cautioned.

"We've been wrestling with this for 40 years," said another State Department official. Part of the problem, he said, is that "you need a set of rules that will stand judicial scrutiny and harmonize the interests of all parties in all industries, and that is not an easy thing to do."

Fred M. Shulman, who owns a large computer services company in Rockville, said he has lost "millions of dollars in business" to foreign competitors in the last few years because of the visa loophole.

"We have a hard time competing with them," he said, "because their workers are paid a fraction of what they would be paid for an equivalent job in this country."

Shulman said he is regularly solicited by representatives of foreign

companies to bid jointly on contracts.

"They can supply large numbers of people," Shulman said. "My answer is I have to make them my employees," he said, but that is not accepted by the foreign companies.

The loophole not only hurts U.S. businesses and workers, NACCB representatives argue, but also may harm the foreign workers temporarily brought over. Despite their education and white-collar jobs, some of the workers are kept as virtual peons in situations reminiscent of those of illegal alien farm workers.

Alex Dubenko, for example, is a Ukrainian computer analyst recruited by a Kiev company to work in the United States. On arrival here last October he was met by the company's local recruiter, a Belgian, who put Dubenko and several Russians to work at firms in Maryland and Virginia.

Dubenko and three other men were lodged in a house near Manassas, driven to and from work, and fed. Dubenko said he was paid \$20 a week, which, after conversion to rubles, he calculated as a proper wage for equivalent work in the Soviet Union.

Unsure of his legal status, Dubenko worked seven days a week, often morning to night. He was given a raise to \$40 a week.

Finally, in frustration, he and one of the other men began calling local companies last February to look for another job. Although neither had a valid driver's license, they took the recruiter's car and found their way around the Beltway, out Interstate 270 to Shulman's company in Rockville.

They applied for work, passed a test and were hired, according to Dubenko.

When the recruiter found out, Dubenko said, he ripped the telephone from the wall, removed the battery from the car and said, "In two days you fly to Russia."

Dubenko said he found an extension phone and called Shulman's company, which sent someone to pick them up. Dubenko said he is now earning about \$35,000 a year, working under a proper visa.

"But there are still people living in the house in Manassas," he said, still working for the foreign recruiter.

J

Wanted: Foreign Workers

Labor Dept. Proposes 'Green Card' Shortcut

By Boyce Rensberger
Washington Post Staff Writer

At a time when shrinking federal science dollars and spreading layoffs in high-tech industries are putting American scientists and engineers out of work, the Labor Department is trying to make it easier for employers to hire foreigners.

The department's plan is to declare shortages of scientists and engineers in various fields in certain states. Employers in those places then would no longer need to advertise openings to Americans—even though some states may have surpluses—before giving the job to a foreign scientist or engineer.

According to proposed rules published in the March 19 Federal Register, the Labor Department would automatically certify aliens for permanent residence in the United States if they were qualified for certain jobs in official shortage states. The proposed system would shortcut the current process whereby employers who wish to hire foreigners first must prove that they could not find a qualified American. Certification is a necessary step before foreigners can get "green cards" that allow a them to reside here permanently.

If the department's proposal survives the comment period, which will end June 1, it would declare that there are shortages of chemists in six states, chemical engineers in three states, computer scientists in seven states, and biologists in 17 states, including Maryland, home of the National Institutes of Health, the nation's largest employer of biomedical scientists. The department believes there are also shortages of materials engineers in four states and mechanical engineers in two states.

The proposal has baffled and outraged leaders in several scientific and engineering fields.

"I don't think there are shortages of anybody right now, aside from a few esoteric superspecialties," said Betty Vetter, head of the Commission on Professionals in Science and

Technology, who opposes the proposal. "The timing of this thing absolutely blows the mind."

Vetter's group, which collects data on the supply of and demand for scientists in all fields, is sponsored by 27 scientific societies, including all the specialties in which the Labor Department study contends there are shortages.

"Shortage? I certainly don't see any shortage in biomedical science," said Robert D. Goldman, chairman of the department of cellular, molecular and structural biology at Northwestern University's medical school. "When we advertise for an assistant professor or something comparable, we regularly get over 500 applications from all over the country. That doesn't look like a shortage to me."

Goldman, who is an officer of the American Society for Cell Biology, one of the country's largest associations of biomedical researchers, said the supply of federal grant money for training and research has tightened so much in recent years and job opportunities have dwindled so much that many young people are quitting science for other fields.

Even young biomedical scientists who stay in the field, Vetter said, must usually be content with a series of temporary jobs that pay the least of any field requiring a doctorate. Starting salaries for PhDs in biology typically are in the low \$30,000s.

"If there really were a shortage of biomedical PhDs," Vetter said, "You would think they'd be offering a lot more."

Martin Siegel of the American Institute of Chemical Engineers said there were so few jobs in his field that only two-thirds of the chemical engineers who will graduate this year have been offered jobs. Normally, he said, they all have positions by the time they leave school.

Individual scientists also have spoken out against the proposal.

"I wish to express my vehement objections to these completely specious conclusions," John G. Van Alsten wrote the Labor Department. A chemist with E. I. du Pont de Nemours & Co., Van Alsten said many of his colleagues are having trouble finding jobs. He said he had talked

more

MTD

According to the Labor Department, there are shortages of workers in the following occupations, and the department lists the states where the shortages were found after each occupation:



BIOLOGICAL SCIENCE

California, Connecticut, Illinois, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, New York, Ohio, Pennsylvania, Tennessee, Texas, Washington



CHEMISTRY

California, Massachusetts, Missouri, New Jersey, New York, Texas



CHEMICAL ENGINEERING

Illinois, Massachusetts, Texas



COMPUTER SCIENCE

Alabama, Arizona, Georgia, Illinois, Michigan, Missouri, Texas



COOK/ASIAN FOOD

California, District of Columbia, Illinois, Maryland, Massachusetts, Pennsylvania, Texas, Virginia



MATERIALS ENGINEERING

California, Michigan, Ohio, Pennsylvania



MECHANICAL ENGINEERING

Arizona, Texas



MEDICAL TECHNOLOGY

California, Illinois, New York, Texas



PHYSICIAN, PRIMARY MEDICAL CARE

West Virginia



TEACHER, SPECIAL EDUCATION

New York

SOURCE: Federal Register

THE WASHINGTON POST

with placement officers at three major universities and all expressed incredulity that anyone could think there were shortages of scientists and engineers.

Rep. Collin C. Peterson (D-Minn.), chairman of the Government Operations subcommittee on employment, housing and aviation, thinks high-tech jobs should be kept open for Americans.

"It's inexplicable that Labor would view a possible shortage of, say, mechanical engineers in Pennsylvania as a reason for opening the doors to foreigners instead of expanding recruitment here at home," he said.

Pat Stange of the Labor Department's Division of Foreign Labor Certification, which made the proposal, said the ruling is not final.

The determination of shortages was made by Malcolm S. Cohen of the University of Michigan's Insti-

tute of Labor and Industrial Relations under a \$50,000 contract with the Labor Department. Cohen said he relied on statistics such as the unemployment rates for each profession, the growth or decline in wages and the number of foreigners certified by the department using the procedure.

"In no case did I find there was an overall shortage throughout the country," Cohen said. "The shortage indications are confined to specific states."

Cohen also said he does not consider his findings conclusive. He noted that since he completed his study, several major employers of scientists and engineers have laid off large numbers of professionals. Also, he said, "I didn't actually talk to any employers or employee groups. That's what I'm hoping the comment period will bring out."

4187 DISTRICT OFFICE
JOHN W. LAMPMANN
ADMINISTRATIVE ASSISTANT



SUBCOMMITTEE ON ECONOMIC
AND COMMERCIAL LAW
SUBCOMMITTEE ON INTERNATIONAL LAW,
IMMIGRATION, AND REFUGEES
COMMITTEE ON SCIENCE, SPACE,
AND TECHNOLOGY
SUBCOMMITTEE ON ENERGY
SUBCOMMITTEE ON SPACE

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HOUSE REPUBLICAN
POLICY COMMITTEE
SELECT COMMITTEE ON
CHILDREN, YOUTH AND FAMILIES

Congress of the United States

House of Representatives

May 25, 1993

Dear Colleague,

Today I am introducing legislation to put a little common sense into immigration policy by linking the level of legal immigration to the national unemployment rate.

When Congress passed the Immigration Act of 1990, our economy was still expanding and the unemployment rate was 5.5%. The economic circumstances during debate of the bill influenced both the size of the increase in immigration and the vote on the legislation. Today's economic circumstances should have a similar, but opposite, effect on the number of immigrants admitted to our country until the economic picture improves.

The Labor Department recently announced that the nation's unemployment remained at 7% in April.

Under this legislation, the level of immigration will increase or decrease inversely to changes in the unemployment rate. The base for the level of immigration would be the level set in the 1990 Act (700,000) and base the level of unemployment would be the average unemployment rate for 1990 (5.5%).

The bill is designed to make immigration law more responsive to America's ability to absorb immigration into the economy. When unemployment is high we should accept fewer, when unemployment is low we should accept more.

It is also important to note that the bill would not affect admissions of immediate relatives of citizens (who are not numerically limited) or refugees.

If you would like to cosponsor this common-sense bill, please call me or Lucy Weber at x54236.

Sincerely,

Lamar Smith
Member of Congress

LS/lw

PLEASE REPLY TO:

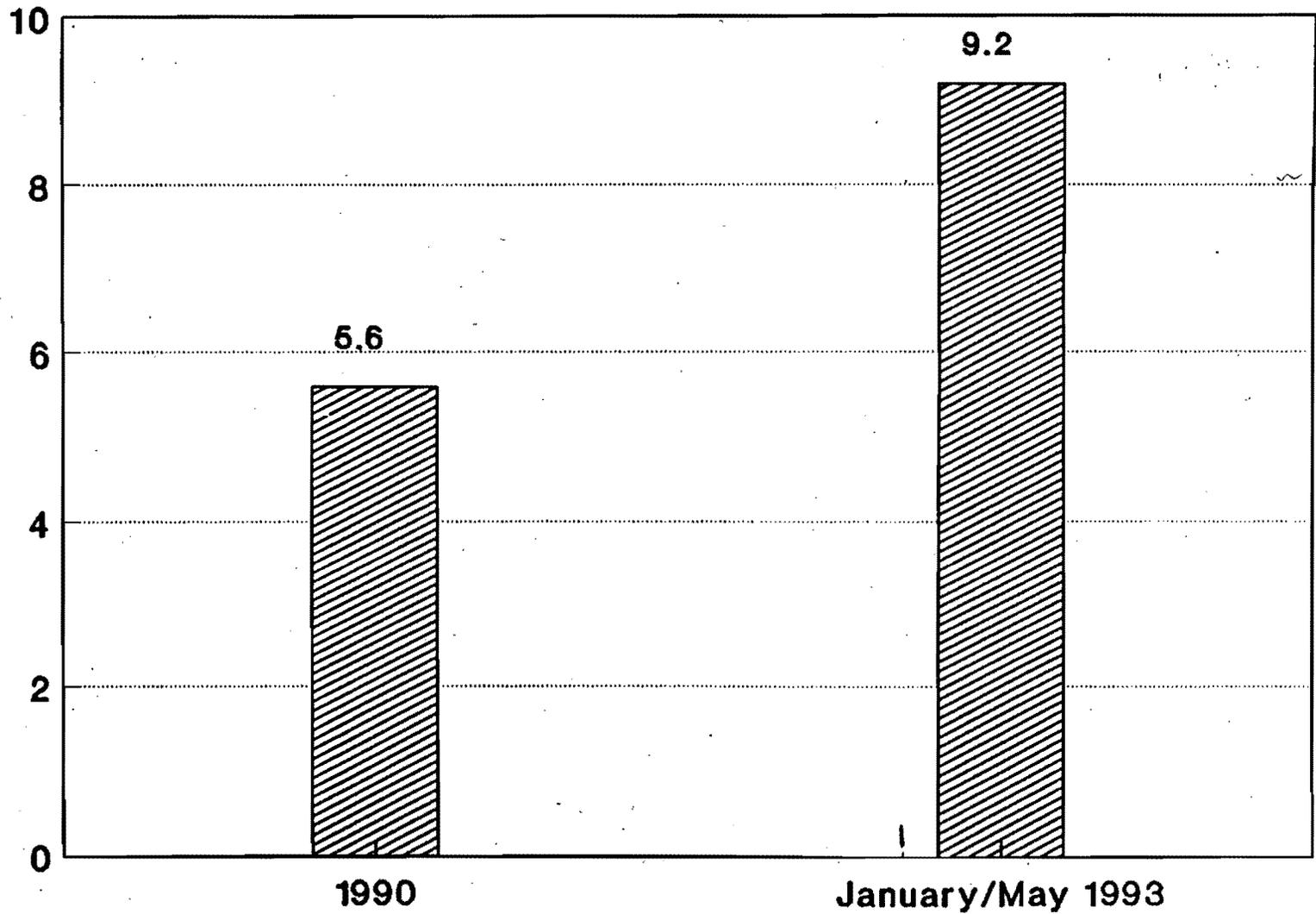
10010 SAN PEDRO AVENUE
SUITE 530
SAN ANTONIO, TX 78218
(512) 226-6860

1008 JUNCTION HIGHWAY
KENNEDYVILLE, TX 78028
(512) 896-1414

32 EAST TWOMB STREET
SUITE 302
SAN ANGELO, TX 76903
(915) 853-3971

201 WEST WALL STREET
SUITE 104
MIDLAND, TX 79701
(915) 687-2232

UNEMPLOYMENT RATE IN CALIFORNIA, 1990 AND 1993



Comparison of Protections under the H-1A and H-1B Programs

H-1A Foreign Nurses

H-1B Specialty Occupations

Employer must pay the higher of the prevailing or facility wage

Same requirement

Employment of foreign nurses cannot adversely affect working conditions of U.S. nurses

Same requirement

There can be no strike or lockout, and employment of foreign nurses cannot be intended to influence an election of a bargaining representative

Same requirement

Notice of the intended employment of foreign nurses must be provided to the employees or their representative

Same requirement

Employers may not obtain foreign nurses if they have laid off nurses in the last year

No such requirement

Employers have to show substantial disruption in delivery of health care services without the foreign nurse(s)

No such requirement

Employer must take "timely and significant steps" to recruit and retain U.S. nurses so as to reduce their dependence on foreign nurses as quickly as possible

No such requirement

Both the employer and user of foreign nurses (who are employed by nursing contractors) must attest to meeting all these requirements

No such requirement

Complaint and directed investigations authorized

ONLY Complaints may be investigated

**MAJOR USERS OF THE H-1B PROGRAM
IN COMPUTER RELATED OCCUPATIONS FOR THE PERIOD
October 1, 1991 -- May 12, 1993**

- o Digital Equipment Corporation has requested certification to fill 1162 job openings nationwide, almost all of which are in Massachusetts.
- o Tata Consultancy Services has filed for over 700 job openings in California. Certification also requested for workers in Arizona, Florida, Maryland, Massachusetts, New Jersey, Ohio, Pennsylvania, and Texas.
- o Syntel, Inc. has requested certification of 1052 job openings in Michigan, New Mexico, California, and New Jersey.
- o Large users in California include: Borland International (800); HCL America (700); VLSI Technology (458); Oracle Corporation (258); Tandem Corporation (242); and Intel Corporation (232).
- o Large users in New York include: Zeitech, Inc. (413); Columbia University (203); Goldman, Sachs, & Co. (135); and Philips Laboratories (121).
- o PSI Data Systems, Ltd. has requested certification of 579 job openings in Arizona.
- o Other significant users include: Complete Business Solutions in California, Michigan and West Virginia (480); Reesan Information Management Resources in Florida (415); Infosys Technologies Ltd. in Massachusetts (405); Mastech Systems Corporation in Pennsylvania (302); Bell Northern Research in Texas (200); and Microsoft Corporation in Washington (191).

This 2 pg draft
Schedule
goes with
a memo I
forwarded
you on Calif. | Jimmy

THE WHITE HOUSE

WASHINGTON

November 19, 1993

TO:
Carol Rasco

Carol, the Commission sent this over.
Should you or I try to attend? I think
a look at the actual problem at the
border could be worthwhile.

Also, the Commission continues to need
a chair.

Thanks.

for *Cooper*
Donsia Strong

November 5, 1993**DRAFT****Commission on Immigration Reform (CIR)
California Hearing - December 12th - 14th, 1993****Tentative Schedule****Sunday, December 12th**

Arrive in San Diego

4:00 pm Depart Hyatt San Diego for POE tour

5:00 pm to ---- San Diego Border Tour
(with catered dinner by CIR, time TBA)(If you have any background materials on the port of entry or border tour
please advise /submit for our Meeting briefing book.)**Monday, December 13th**9:00 am to 11:00 Breakfast Meeting with San Diego city and county
officials

2:00 pm/ 2:30 pm Travel to Los Angeles

2:30 pm to 5:30 Site Visits -
- 4 Commissioners to tour Inspections at LAX
- 4 Commissioners to tour INS LAX District Office
(meet with District Director and staff)7:00 Public Hearing: State and local perspectives on the
Impact of Immigration
Potential:
Governor Pete Wilson (or other senior state official)
Mayor Richard Riordan
Congressmen
Member, Board of Supervisors
Member, California Assembly or Senate

9:30 pm Adjourn

Tuesday, December 14th

9:00 am - 3:00 Roundtable Discussion

Issues:

- Economic effects of immigration
- Impact of immigration on education, health care and other services
- Impact of immigration on the criminal justice system
- Community relations
- Impact of legal versus illegal immigration
- Options and recommendations for federal policies

Participants:

- **INS District Director & Asst. District Director Investigations for Criminal Justice discussion**
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- EOIR
- City and county government officials (LA, Orange County and/or Long Beach)
- Attorney General's office
- Southern California-based researchers
- Chamber of Commerce and other business reps
- Union representatives
- Representatives of teacher, parent and/or student groups (for discussion of educational impact)
- Staff from Community Health Centers and public hospitals (for discussion of health impacts)
- Community leaders from various groups
- Local interest groups concerned with immigration
- Attorneys involved in immigration law

3:00 pm Executive Session

THE WHITE HOUSE
WASHINGTON

TO: Tony Lake
FROM: Carol H. Rasco *CHR*
SUBJ: Immigration planning
DATE: September 6, 1993

Donsia Strong of my staff who is our lead on immigration issues was out of town on Friday of last week so I did not have the opportunity to visit with her until this morning. After visiting both with Donsia and the President on the immigration assignment we discussed with Mack last week and having looked at Donsia's fall work schedule as well, I have asked Donsia to include me in all working group meetings even at the staff level. I realize this may pose some scheduling problems but I believe we can work around those. It is very important to the President that I become very well briefed on this matter. Clearly a number of domestic policy departments and agencies have not been adequately consulted nor included in previous administrations on this topic. We will try to remedy that problem this time. I will also be including Suzan Johnson Cook who is a new White House Fellow on the Domestic Policy Council staff.

I also continue to agree that it is essential to have an initial work plan of some type prepared by the end of this week.

Thank you.

cc: Mack McLarty
Donsia Strong
Suzan Johnson Cook

Immigration file

Poor Americans Are Seen Fleeing Some States as Immigrants Move In

By Barbara Vobejda
Washington Post Staff Writer

The historical movement of the poor across the country in search of a better life has taken a new course in recent years, as tens of thousands of poor people fled California, New York and other states that traditionally have served as centers of upward mobility.

Research using 1990 census data suggests that the new exodus of the poor is prompted by the movement of large numbers of other people in poverty—migrants from abroad—into those states.

Researcher William Frey, a University of Michigan demographer, said economic and social disruption resulting from such concentrated immigration is essentially driving native-born residents, many of them poor, out of some areas.

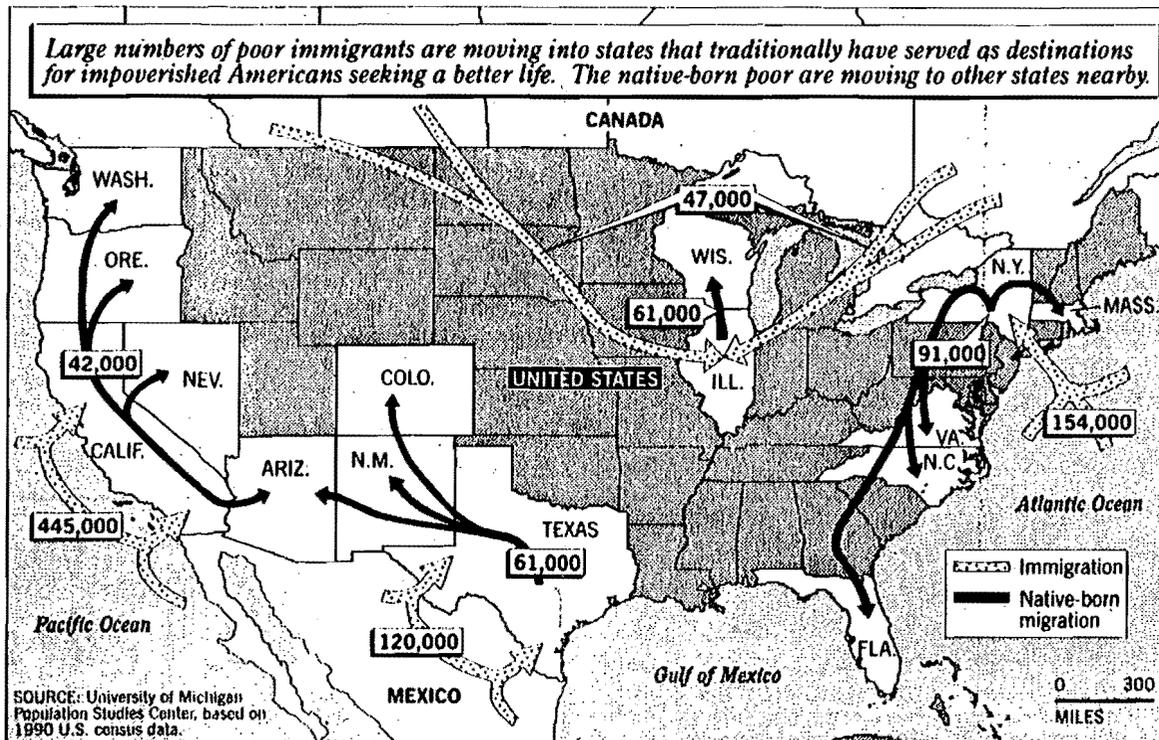
In the Washington metropolitan area, which has experienced substantial growth in recent years, migrants from other states are much more likely to be middle-class than poor, according to the research, which relied on the federal government's definition of poverty. But Virginia is among the most popular destinations for poor minorities leaving New York.

Nationally, these recent migration patterns—poor immigrants moving in and poor native-born residents moving out—are leading to further segregation, because most of those being displaced are white, Frey said. He foresees a nation made up of contrasting regions, some marked by significant racial, economic and social upheaval while others remain largely white and less disrupted.

"This is basically getting to what I see as America becoming more polarized," Frey said. "We will have a couple of states that are very diverse and others where the population is older, more staid, with slightly higher income. These are the migration dynamics."

The new patterns of movement are distinct for two reasons.

Typically, when a state suffers economically, the group most likely to leave is made up of the more educated and established residents. But today, the poor are joining that middle-class exodus, fleeing the increased competition for jobs, rising taxes and, in some cases, high housing costs. "That's very new and significant in itself," Frey said.



Second, the geographic character of the migration pattern has changed. In the past, the downtrodden in America tended to stream in large numbers toward a destination more economically vibrant than the one they were abandoning. Southerners moved to northern industrial cities. Unemployed auto workers traveled a Michigan-to-Texas pathway during the oil-boom days. "Dust bowl" families fled to the West, as described in the novel "Grapes of Wrath."

That kind of migration still exists to some extent. But what is unusual, Frey said, is the new churning movement induced by immigration: "home-grown" poor pushing outward in a kind of expanded suburbanization that often leads them to nearby states.

Frey's research at the University of Michigan's Population Studies Center indicates that from 1985 to

1990, poor whites were most likely to leave California and settle in Oregon, Washington, Arizona and Nevada. Large numbers of poor whites also left New York for Florida, New Jersey for Pennsylvania and Illinois for Wisconsin.

Poor minorities were most likely to leave New York for Florida, North Carolina, Massachusetts and Virginia, and to move from New Jersey to Florida, from Illinois to Wisconsin and from Texas to Florida.

The census data indicate that during those five years, the net loss of poor people—those leaving minus those moving in from other states—totaled more than 91,000 in New York, nearly 61,000 in Texas, more than 61,000 in Illinois and nearly 42,000 in California.

While those figures are noteworthy, the study said, they are exceeded by the numbers of poor immigrants

flowing in. From 1985 to 1990, California had more poor immigrants than any other state, 445,150. New York was second, with 153,872, and Texas was third, with 120,658.

The research touches on a longstanding question among sociologists and demographers: Does the influx of large numbers of immigrants create competition for jobs, therefore displacing domestic workers and stimulating their departure?

"If that's the case, then we have a unique new pattern, whereby coastal areas are attracting migrants from abroad and sending native-born persons inland," said Larry Long, a Census Bureau demographer.

Brown University sociologist Michael White found in recent research that immigration can hurt the job prospects of low-skilled native-born workers, but the general effect on workers is modest.

"Our results overall seem to suggest not an overwhelming amount of substitution [of immigrant for domestic labor], but it is lower-skilled workers who are most affected," White said. Those workers may be employed in a factory or as seasonal agricultural laborers living at or below the poverty line, defined by the government as an income of less than \$14,350 a year for a family of four.

In California, where the cost of living has remained high even as the economy has faltered in recent years, there is even more reason for low-income residents to leave, White said.

In the past, a common theory explaining the migration patterns of the poor was based on the assumption that poor people were drawn to certain states because of the relative generosity of welfare payments.

The new research seems to discount that theory—for example, showing poor residents of California, which offers relatively high welfare benefits, leaving for Nevada, a state with lower benefits.

University of Wisconsin sociologist Paul Voss, who conducted a 1986 study of whether Wisconsin's welfare benefits were drawing out-of-state residents, said he found welfare to be a small factor in the moving decisions of low-income persons.

"I think the poor move for most of the same reasons that the rest of us move," he said. "Some are job related, some are quality-of-life related. Always, family and friends are the number one reason."

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Bentsen Tells ATF Agents He Backs Merger With FBI

Dallas Morning News

Treasury Secretary Lloyd Bentsen has told Bureau of Alcohol, Tobacco and Firearms (ATF) agents that he supports a proposal to move the agency from the Treasury Department and merge it with the FBI.

In his first comments to the ATF since the merger proposal and other recommendations of Vice President Gore's National Performance Review were made public last week, Bentsen told agents in a videotaped statement, "I support this and other changes being suggested throughout Treasury and throughout our federal government."

Sensitive to the ATF's unhealed wounds from the ill-fated raid on the Branch Davidian compound near Waco, Tex., Bentsen assured bureau employees in the statement distributed Thursday to all ATF offices that the consolidation proposal was not related to the Feb. 28 raid.

"There is no connection between the effort to reorganize federal law enforcement, to streamline it and make it more efficient, and the Waco tragedy. If it were related, I would have opposed this proposal, but it is not," Bentsen said. "Some may have lost sight of the quality and commitment of ATF personnel in the aftermath of Waco, but I have not."

Assistant Treasury Secretary Jack DeVore said Friday that Bentsen's videotaped statement is not an endorsement of efforts to transfer or dismantle the bureau.

"He's saying he supports the goal

of streamlining federal law enforcement," DeVore said.

But some ATF agents said they fear that the statement signals an abrupt reversal of repeated assurances from Treasury Department officials that Bentsen would fight any effort to transfer the ATF's 2,000 law enforcement agents to the Justice Department.

One law enforcement official familiar with the National Performance Review deliberations said those involved in developing the vice president's plan cited the failed raid and standoff near Waco as a reason for moving the ATF.

Some ATF agents say that they would welcome a move to the Justice Department because they are frustrated with the lack of public support from Treasury Department superiors since the raid and ensuing 51-day siege.

In contrast, they note, Attorney General Janet Reno has forcefully defended the FBI since its efforts to end the siege culminated April 19 with a massive fire fatal to cult leader David Koresh and more than 80 followers.

The vice president's plan also calls for moving the Drug Enforcement Administration (DEA) into the FBI before transferring the ATF to the Justice Department.

In what agents view as a marked contrast with the Treasury Department's silence on the issue, Reno said last week that she was unsure about the merits of a DEA-FBI merger.

TO: Distribution List
FROM: Carol H. Rasco *CHR*
SUBJ: Immigration : California
DATE: November 22, 1993

Attached is the outlined schedule for the Commission on Immigration Reform trip to California in December which I mentioned in our staff meeting this morning. I wanted you to be aware of the agenda. Donsia Strong of the Domestic Policy Council staff will be attending.

Thank you.

DISTRIBUTION:

Mack McLarty
Roy Neel
Bruce Lindsey
David Gergen
George Stephanopoulos
Ricki Seidman
Marcia Hale
Joan Baggett
Howard Paster
Alexis Herman
Bernard Nussbaum
Mark Gearan
John Emerson

November 5, 1993

DRAFT

**Commission on Immigration Reform (CIR)
California Hearing - December 12th - 14th, 1993**

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Mayor Richard Riordan
Congressmen
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Member, California Assembly or Senate**

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- Impact of immigration on education, health care and other services
- Impact of immigration on the criminal justice system
- Community relations
- Impact of legal versus illegal immigration
- Options and recommendations for federal policies

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- Staff from Community Health Centers and public hospitals (for discussion of health impacts)
- Community leaders from various groups
- Local interest groups concerned with immigration
- Attorneys involved in immigration law

3:00 pm Executive Session

Re: Immigration

THE WHITE HOUSE
WASHINGTON

November 10, 1993

MEMORANDUM FOR DEE DEE MYERS AND MARK GERAN

FROM DONSIA STRONG, DPC

SUBJECT Presidential Press Conference and Refugee Policy

Today the President introduced and spoke about a Vietnamese teen who apparently arrived in this country as a refugee. Some question has arisen as to whether the Administration's proposed asylum bill would have precluded the family's admittance into the U.S.

In all likelihood, the family was processed and received refugee status at an overseas processing and relocation camp. The U.S. has had such a resettlement program for many years. We envision no change to our overseas refugee processing and procedures.

Thus, the Administration's expedited exclusion proposal would have no effect on the family were they to arrive under the same conditions today. The proposal merely seeks to streamline the processes and procedures involved in applying for asylum at a U.S. port of entry. It will have no effect on bona fide refugees or asylees.