Testimony United States Senate Committee on the Judiciary FIELD HEARING--Comprehensive Immigration Reform: Examining the Need for a Guest Worker Program July 5, 2006

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Good morning, Chairman Specter and Senator Kennedy. Thank you for calling this hearing and inviting me to testify.

Immigration reform is one of the most important issues this Congress faces, and no city will be more affected by the outcome of the debate than New York.

To begin, let me say how appropriate it is that this hearing is taking place here in Philadelphia. Two hundred and thirty years ago yesterday, just around the corner from here, our founding fathers adopted the greatest statement on the right to self-government ever written.

Among those who signed the Declaration of Independence were nine immigrants, and at every other crucial stage in American history – from ratification of the Constitution to the Civil War to the Industrial Revolution to the computer age – immigrants have propelled America to greatness.

Today, we remain a nation of immigrants. People from around the world continue to come here seeking opportunity, and they continue to make America the most dynamic nation in the world. But it's clear we also have a problem on our hands – our immigration laws are fundamentally broken.

It's as if we expect border control agents to do what a century of communism could not: defeat the natural market forces of supply and demand... and defeat the natural human desire for freedom and opportunity.

You might as well as sit in your beach chair and tell the tide not to come in.

As long as America remains a nation dedicated to the proposition that "all men are created equal, endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness," people from near and far will continue to seek entry into our country.

New York City alone is home to more than three million immigrants, who make up nearly 40 percent of our entire population. About 500,000 came to our City – and continue to come – illegally.

And let's be honest: they arrive for a good reason – they want a better life for themselves and their families, and our businesses need them and hire them!

Although they broke the law by illegally crossing our borders or overstaying their visas, our City's economy would be a shell of itself had they not, and it would collapse if they were deported. The same holds true for the nation.

A strong America needs a constant source of new immigrants. And in a post-9/11 world, a secure America needs to make sure that those immigrants arrive here legally.

We have a right – and a duty – to encourage people to come, and at the same time, to ensure that no one who is on a terrorist watch list sneaks into our country.

Right now, we neither invite those we want, nor keep out those we don't.

If we are going to both strengthen our national security and keep our economy growing, we need a comprehensive approach to immigration reform.

I believe that such an approach must embody four key principles: 1) reducing incentives; 2) creating more lawful opportunity; 3) reducing illegal access; and 4) accepting reality.

Allow me to me briefly outline each of them.

First, we must reduce the incentive to come here illegally. As a business owner, I know the absurdity of our existing immigration regulations all too well.

Employers are required to check the status of all job applicants, but not to do anything more than eyeball their documents.

In fact, hypocritically, under Federal law that Congress wrote, employers are not even permitted to ask probing questions.

As a result, fake "Green cards" are a dime a dozen – you can buy one for 40 bucks. Fake Social Security cards are also easily obtained.

And for \$50 cash, you can get both cards. Such a deal!

As most members of the U.S. Senate recognize, we absolutely must have a Federal database that will allow employers to verify the status of all job applicants.

But for this database to have any value, we must also ensure that the documentation job applicants present is incorruptible. That means we need to create a bio-metric employment card containing unique information – fingerprints or DNA, for instance.

Every current job holder or applicant would be required to obtain a card, and every business would be required to check its validity against the Federal database.

In theory, we already have such a card – it's called your Social Security card. But being a government product, its technology is way behind the times.

By taking advantage of 21st Century technology, we can provide the Federal government with the tools necessary to enforce our immigration laws and protect workers from exploitative and abusive conditions.

I want to be clear that this is not a national ID card, as some have suggested. This would be an employment card for the 21st Century.

If you don't work, you don't need a card. But everyone who works would need to have an employment card.

There must also be stiff penalties for businesses that fail to conduct checks or ignore their results.

Holding businesses accountable is the crucial step, because it is the only way to reduce the incentive to come here illegally.

Requiring employers to verify citizenship status was the promise of the 1986 immigration reform law. But it was an empty promise, never enforced by the Federal government.

The failure to enforce the law was largely in response to pressure from businesses – which is understandable, because businesses needed access to a larger labor supply than Federal immigration laws allowed.

Apparently, fixing that problem by increasing legal immigration, as opposed to looking the other way on illegal immigration, was never seriously considered by Congress, until very recently.

Instead, by winking at businesses that hired illegal immigrants, the Federal government sent a clear signal to those in other countries, if you can make it into our country, you'll have no trouble qualifying for employment.

And so – it's no surprise – people have been coming at such high numbers that our border control simply cannot stop them.

Unless we reduce the incentive to come here illegally, increasing our Border Patrol will have

little impact on the number of people who enter illegally.

We will waste the money spent, jeopardize lives, and deceive the public with a false promise of security that Congress knows it can't deliver.

Second, we must increase lawful opportunity for overseas workers.

Science, medicine, education, and modern industries today are all growing faster overseas than here in the U.S., reversing the century long advantage we've enjoyed.

Further, baby boomers are starting to retire, America's birthrate continues to slow, and we don't have enough workers to pay for our retirement benefits.

The economics are very simple: We need more workers than we have.

That means we must increase the number of visas for overseas manual workers, who help provide the essential muscle and elbow grease we need to keep our economy running.

It also means we must increase the number of visas for immigrant engineers, doctors, scientists, and other professionally trained workers—the innovators of tomorrow's economy.

And we must give all of them, as well as foreign students, the opportunity to earn permanent status, so they can put their knowledge and entrepreneurial spirit to use for our country.

Why shouldn't we reap the benefits of the skills foreign students have obtained here?

If we don't allow them in, or we force them to go home, we will be sending the future of science—and the jobs of tomorrow—with them.

Recent studies put the lie to the old argument that immigrants take jobs away from native-born Americans and significantly depress wages. Quite the contrary – they are what make our economy work.

In most cases, those here illegally are filling low-wage, low-skill jobs that Americans do not want.

Global economic forces are responsible for the declines in the real wages of unskilled workers and occur regardless of whether immigrants are present in a community.

Moreover, the total economic effect of any slight wage decline produced by immigration is more than offset by substantial increases in productivity. To keep people and businesses investing in America, we need to ensure that we have workers for all types of jobs.

Third, we must reduce illegal access to our borders, which, as I've said, is a matter of urgent national security.

As President Bush recognizes, in some areas, particularly in border towns, additional fencing may be required; in open desert areas, a virtual wall—created through sensors and cameras—will be far more effective.

However, even after we double the number of border agents, they will remain overwhelmed by the flood of people attempting to enter illegally.

Only by embracing the first two principles—reducing incentives and increasing lawful opportunity—will border security become a manageable task.

Members of the House of Representatives want to control the borders. So do all of us here. But believing that increasing border patrols alone will achieve that goal is either naïve and short-sighted, or cynical and duplicitous.

No wall or army can stop hundreds of thousands of people each year.

Fourth, and finally, we need to get real about the people who are now living in this country illegally – in many cases raising families and paying taxes.

The idea of deporting these 11 or 12 million people – about as many as live in the entire state of Pennsylvania – is pure fantasy.

Even if we wanted to, it would be physically impossible to carry out.

If we attempted it – and it would be perhaps the largest round-up and deportation in world history – the social and economic consequences would be devastating.

Let me ask you: Would we really want to spend billions of dollars on a round-up and deportation program that would split families in two – only to have these very same people, and millions more, illegally enter our country again?

Of course not.

America is better than that – and smarter than that.

That's why I do not believe that the American people will support the short-sighted approach to this issue taken by the House, which would make felons of illegal immigrants.

The Senate's tiered-approach, however, is flawed, too.

Requiring some people to "report to deport" through guest worker programs—while leaving their spouses, children, and mortgages behind—is no less naïve than thinking we can deport 12 million people.

What incentive would people have to show up?

In fact, this approach would just create an enormous incentive for fraud, and there can be little doubt that the black market for false documentation would remain strong and real enforcement impossible.

If we're going to create a market for deceit, why not have Uncle Sam sell the fake papers, so we can at least get paid for it?

It would be absurd, of course, but no less so than expecting people to line up for deportation.

There is only one practical solution, and it is a solution that respects the history of our nation: Offer those already here the opportunity to earn permanent status and keep their families together.

For decades, the Federal government has tacitly welcomed them into the workforce, collected their income and Social Security taxes, which about two-thirds of undocumented workers pay, and benefited immeasurably from their contributions to our country.

Now, instead of pointing fingers about the past, let's accept the present for what it is by bringing people out of the shadows, and focus on the future by casting those shadows aside, permanently.

As the debate continues between the House and Senate, I urge members of Congress to move past the superficial debate over the definition of "amnesty."

Buzz words and polls should not dictate national policies.

We need Congress to lead from the front, not the back, and that means adopting a solution that is enforceable, sustainable, and compassionate—and that enables the American economy to thrive in the 21st century.

Only by embracing all four of the principles I've outlined today can we achieve those goals. If one principle is abandoned, we will be no better off than we were after passage of the 1986 law.

A successful solution to our border problems cannot rest on a wall alone; it must be built on a foundation strong enough to support it, and to support our continued economic growth and prosperity.

Before I close, there is one more critically important issue I'd like to raise about our policies towards those who are here illegally.

Members of the House of Representatives have recently attached an amendment to the Appropriations bills that would deny all federal homeland security and Department of Justice funding to any city or state deemed in violation of a 1996 federal law.

That law prohibits restrictions on any local or state employee from contacting the federal government about someone's immigration status.

New York City cooperates fully with the Federal government when an illegal immigrant commits a criminal act, but our City's social-services, health, and education policies are not

designed to facilitate the deportation of otherwise law-abiding residents.

Our general policy in this area protects the confidentiality of law-abiding immigrants, regardless of their status, when they report a crime, or visit a hospital, or send their children to school.

Without these protections, all our residents would be less safe and more likely to be at-risk for disease.

Do we really want people who could have information about criminals – including potential terrorists – to be afraid to go the police? Do we really want people with contagious diseases not to seek medical treatment?

Do we really want people not to get vaccinated against communicable diseases?

Our policy is carefully crafted to comply with the 1996 law, but some members of Congress don't like it. And so they have asked the Department of Justice to review all local and state policies concerning this issue.

We believe the review will validate our approach, but whatever the findings, let me be clear: the way to deal with this issue is not - not - by reducing the safety and security of our nation.

There is already much too much politics in homeland security funding, which is one reason why New York City has consistently been short-changed of the money we need to protect our City.

But this would really take the cake.

If Congress attempts to cut off all of our homeland security funding, not to mention DOJ funding for many other essential programs, I promise you will have one heck of a battle on your hands.

We are not going to let Congress cut-and-run from New York City – nor can our nation afford it.

New York remains the country's top terror target, and if Congress passes this amendment, no one will cheer louder than al-Qaeda.

Let me close by thanking you, along with President Bush, for taking up the issue of immigration reform.

I urge the members of this panel, and all members of Congress, to reject the false promise of easy answers, and to have the courage to do everything necessary – and that means standing up both to businesses and those with nativist impulses – to ensure our national security and prosperity.

Thank you and I would be happy to answer your questions.

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