Business Week

April 24, 2000

SECTION: ECONOMIC VIEWPOINT; Number 3678; Pg. 30

LENGTH: 776 words

HEADLINE: GIVE ME YOUR YEARNING HIGH-SKILLED PROFESSIONALS

BYLINE: BY GARY S. BECKER; Gary S. Becker, the 1992 Nobel laureate, teaches at the University of Chicago and is a Fellow of the Hoover Institution

BODY:

During the 20th century, America's immigration rules evolved from an open-door policy to byzantine restrictions. Most bewildering is the government's reluctance to give strong preference to applicants with advanced training, despite the benefits they bring to the economy and the great demand for skilled workers.

In 1990, Congress made a weak effort to attract these workers by authorizing the Immigration & Naturalization Service to issue 60,000 H-1B visas each year, mainly to applicants with higher education. These are good for three years and can be renewed once. Although Congress expanded the number to 115,000 for this fiscal year, the INS has stopped taking applications for this year, since requests exceed the enlarged quota.

I believe the benefits to America of additional human capital are so great that the H-1B visa program should be folded into a single category that would allow hundreds of thousands of skilled workers to immigrate each year. A starting point would be to eliminate country quotas for skilled entrants and to allow all foreign students who receive masters or doctoral degrees at U.S. universities to stay if they wish. At present, they can work for only one year after graduation.

The current programs that give preference to skilled applicants who want to enter permanently are not working well. Only 80,000 were admitted in 1997 and 1998 under various preference categories for skilled workers, which is tiny compared with the half-million persons who entered with family sponsors. MODEL CITIZENS. Foreigners who enter with enhanced human capital not only improve their own economic situation but also indirectly help native-born Americans. Almost one-third of the entrepreneurs and higher-level employees in Silicon Valley come from overseas.

Since skilled immigrants earn more than average workers, they pay more than their proportional share in taxes. They make few demands on the public purse, for they have negligible unemployment rates, seldom go on welfare, make little use of Medicare and Medicaid, and commit few crimes. Being mainly in their 20s and 30s, they contribute much more to Social Security taxes than they will withdraw in retirement benefits. Their children tend to be well-motivated students.

Many of those admitted with H-1B visas and under other special programs are in Silicon Valley and other high-tech centers where engineers and scientists are well paid -- and scarce. California tech companies have taken the lead in pressuring Congress to expand these programs. Congressional bills supported by both Republicans and Democrats would expand the number of H-1B visas. But to gain political support, even the proposed legislation allows no more than 200,000 a year to enter.

The political resistance to allowing generous numbers of skilled immigrants to enter remains strong. The opposition comes mainly from the unions. Labor claims that skilled immigrants depress the wages and take the jobs of Americans. Opposition also comes from groups such as the Federation for American Immigration Reform, which wants no immigration. FOR SALE. Yet it is hard to worry about harmful effects on Americans when unemployment among skilled workers is under 2% and when their pay has risen so much relative to other workers. Even a large increase in the number of skilled foreigners would leave the pay advantage of higher-level employees far above what it was a couple of decades ago. High school graduates would continue to have powerful economic incentives to acquire further education and training, which they did throughout the 1980s and '90s.

In previous BUSINESS WEEK columns, I have advocated the sale of immigration rights: Each year, the U.S. would set an admission price for immigrants. Anyone who paid that price and was not barred for other reasons would get a green card. This policy would bring in revenue and would indirectly encourage greater political support for a large expansion in the number of immigrants. Selling entry slots, however, is unlikely to be implemented anytime soon, so the next best approach is to allow easy entry of younger skilled foreigners. They would be willing to pay more than others if rights were sold because the young and well-trained gain the most from opportunities in America.

Ambitious, skilled young people from all over the world are frustrated by backward and inflexible economic and social systems. They are attracted to the U.S. by its dynamic economy and the possibility of upward mobility. Opponents of immigration should not be permitted to nullify a unique occasion to add greatly to the human capital of America.

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Business Week

April 24, 2000

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HEADLINE: KEEPING THE HIVE HUMMING

BYLINE: By Wendy Zellner in Dallas, with Michael Arndt in Chicago and Amy Borrus in Washington

HIGHLIGHT:
Immigrants may prevent the economy from overheating

BODY:

America has long prided itself on being a country of immigrants. But in the midst of this nine-year economic boom, that pride is increasingly tinged with a sense of desperation. Consider Julie K. Hilton's six hotels in Panama City Beach, Fla. She recalls a local job fair that attracted 30 potential workers for 32 employers. To keep her family business running, she's turned to Czech immigrants, hired through contractors, who now comprise about 30% of her 600-person workforce. "I don't think we'd have been able to operate for the last couple of years had it not been for the immigrants," she says.

Hilton is hardly alone. With unemployment holding at 4.5% or less for two years, employers all across America are finding immigrants -- legal and illegal -- to be a critical safety valve. From programmers in Silicon Valley to restaurant bus boys in Bethesda, Md., and nurses in New York, immigrants are filling jobs that might otherwise go begging.

Economists say the cross-border flow of workers provides a critical boost for the surging economy. Without the additional workers, they argue, the good times would have ended long ago. "Foreign immigration has been a key source of growth in the economy throughout this expansion," says Mark M. Zandi, chief economist at RFA Dismal Sciences in West Chester, Pa. Without the flood of immigrants since 1991, he figures, "the unemployment rate would be closer to 2%. Thus the economy probably would have overheated two or three years ago."

What's more, immigrants may be helping keep a lid on wage gains, particularly among low-skilled workers. "Every extra person who's skilled and available to work helps to maintain price stability," says Neal M. Soss, chief economist at Credit Suisse First Boston.

No one knows for certain just how big the immigrant labor force is or how fast it's growing. The Immigration & Naturalization Service says that 700,000 were admitted for legal permanent residence in fiscal 1998. And based on growing discrepancies between employment surveys of households and companies, Soss believes the number of illegal immigrants may have grown by 600,000 last year, far more than the usual estimate of 275,000. All told, the Urban Institute projects that immigrants will be 12% of the population in 2020, up from 10% today and just 6.2% in 1980. SHRINKING POOL. The economy's increasing reliance on foreign-born workers has also emboldened groups pushing for the easing of immigration restrictions -- and brought them increased support. Even Federal Reserve Chairman Alan Greenspan has suggested that more immigrants may be needed
to cope with a shrinking pool of available workers. "There's clearly a new opening in the immigration debate," says Frank Sharry, executive director of the Washington (D.C.)-based National Immigration Forum. Though policymakers are wary, given the anti-immigrant backlash of the mid-'90s, he predicts an overhaul of immigration laws in the next few years.

Already, the Clinton Administration plans a drive to grant residency to an estimated 500,000 long-term illegal immigrants. And Congress is likely this summer to lift the ceiling on the number of high-skilled, primarily high-tech workers allowed to enter the country each year. The allotment of so-called H1-B visas, which also cover such workers as medical technicians and university professors, was capped at 115,000 this year, up from 65,000 in 1998. But that's nowhere near enough: Soaring demand for tech workers used up all available visas by mid-March. Though current bills would raise that figure to about 200,000 a year, the Information Technology Assn. of America figures it will suffer a shortfall of 850,000 skilled workers over the next 12 months.

Unless Congress lifts the cap on high-skilled workers, many companies will be forced to create foreign subsidiaries to do their work, warns Jack Mollen, senior vice-president of human resources for EMC Corp. in Hopkinton, Mass. The world's leading maker of information-storage systems, EMC has more than 100 software and systems engineers on H1-B visas, and it desperately wants more. "An increase in the number of immigrants is fundamental to us keeping a competitive position in the New Economy," says Mollen.

High-tech companies aren't the only ones clamoring for relief. Universities claim the current quotas are leaving them short of the 10,000 foreign faculty and researchers they need each year.

Less-skilled workers are in hot demand, too. The recently created Essential Worker Immigration Coalition, representing restaurant, hotel, and other companies, is formulating its own plans to loosen immigration policies for lower-skilled workers. "Forget high-tech. We hear from members that the worker shortage is across the board," says Randel K. Johnson, vice-president of labor and employee benefits for the U.S. Chamber of Commerce, a coalition member. Johnson points to government estimates that the U.S. could see a shortage of 20 million workers by 2026. "AS GOOD AS IT COMES." Pam Felix is on the front lines of the war to lure workers in Bethesda, Md. At her California Tortilla restaurant, she pays a starting wage of $ 7 an hour, plus full health and dental benefits after a year. "For fast food, we pay as good as it comes," she says. Still, she's had a hard time filling her 30 jobs, and 20 are now taken mostly by immigrants. "We shouldn't necessarily open the floodgates [to immigrants]," says Felix, "but the ones who are here are so hard-working."

While immigration is widely believed to boost the economy as a whole, not everyone wins. For the bottom 20% of wage earners, pay may have been 8% to 10% higher without immigrant competition, says Steven A. Camarota, director of research at the Center for Immigration Studies, a nonprofit think tank. That's based on his 1992 study comparing wages in similar occupation groups with varying levels of immigrant competition. "Throughout both good times and bad, there seems to be a small effect of immigrants on wages of low-skilled natives. It's not a big effect, but it's there," says demographer Jeffrey S. Passel of the Urban Institute.

If that's the case, why is the AFL-CIO reversing course to call for amnesty for an estimated six million illegal immigrants and an end to most employer sanctions? Because it, too, believes illegal workers are holding down wages and working conditions at the bottom of the labor market, says David A. Smith, director of the public policy department for the federation. Unions want to organize these workers so employers can't exploit them by threatening them with exposure and deportation.

Yet in this overheated job market, even frightened immigrants have more bargaining power than ever before. Consider Chicago janitor Ryszard Cebenko, 50, an illegal immigrant who came to the U.S. from Poland eight years ago. A former aircraft mechanic, he now makes $ 6.65 an hour, with no benefits, cleaning at a factory by day and a university by night. "I have to be happy with whatever they give me because I don't have papers," says Cebenko.

But Cebenko joined the Service Employees International Union Local 1 in 1992, and the union is now threatening to strike Apr. 17 to win better pay and benefits for the 10,000 mostly immigrant janitors it represents in Chicago. "The possibility [of employers] getting scabs today is pretty small. Who's going to scab for $ 6.65 an hour?" asks SEIU spokesman Ken Munz.

In short, a tight labor market may ultimately lift all boats. But the nation will clearly have to wrestle with just how tight is too tight and how many immigrants are too many.

...Bringing Workers from across the Globe

Working immigrants entering the U.S. between 1994 and March 1999 with:

LESS THAN A HIGH SCHOOL EDUCATION	
MEXICO	612,000
EL SALVADOR	51,000
VIETNAM	38,000
CUBA	33,000
GUATEMALA	32,000
A BACHELOR'S DEGREE OR MORE	
INDIA	124,000
CHINA, HONG KONG, TAIWAN	68,000
PHILIPPINES	57,000
CANADA	49,000
BRITAIN	42,000

DATA: URBAN INSTITUTE, CENSUS BUREAU

URL: http://www.businessweek.com/index.html

GRAPHIC: Illustration: Chart: IMMIGRANT RANKS ARE SWELLING... CHART BY ERIC HOFFMANN/BW

IMMIGRATION POLICY REPORT

providing factual information about immigration and immigrants in America

Experts Say Immigrants Help the Economy

Simon Study Continues to Prove Newcomers' Contributions

There is agreement among economists that immigration has had, and has now, a positive effect upon the economic condition of the U.S. Eighty-one percent of scholars surveyed believe immigration has had a very favorable effect on the nation's economic growth.

In November of 1999 a second edition was posthumously released of *The Economic Consequences of Immigration* [1], the ground-breaking study of immigrants' contributions to the U.S. economy by the late Julian L. Simon, professor of business administration at the University of Maryland and a Senior Fellow at the Cato Institute, a think tank in Washington, DC. According to Stephen Moore, Simon's former research assistant and now Director of Fiscal Policy Studies at Cato, this "was arguably the most influential book on U.S. immigration policy in 25 years" in that it established that "over their lifetimes, immigrants on balance pay thousands of dollars more in taxes than they use in government services, making them a good investment for native-born Americans" [2].

On February 3, 2000, Cato held a forum on the book and its implications for public policy. The panel discussion, moderated by Daniel Griswold, of Cato's Center for Trade Policy Studies, was both a discussion of the book itself and a homage to Simon, who died on February 8, 1998. Moore used the results of Simon's later research to revise and update the second edition. In general, the speakers on the panel (with one notable exception) discussed the results of studies conducted after the book was first published in 1989 that have confirmed Simon's conclusions and thereby discredited the arguments of the "restrictionist camp" in the immigration debate.

Despite the doomsday rhetoric of restrictionists, immigrants have not overwhelmed job markets and public resources.

Poll Results Contradictory

Rita J. Simon, Julian Simon's wife and a professor at American University's School of Public Affairs, began the discussion by pointing out a key flaw in one of the restrictionists' key arguments against immigration: that opinion polls in the United States have consistently shown that the majority of the public favors decreasing levels of immigration to the U.S. According to Mrs. Simon, although this is indeed true for virtually all such polls from 1946 to 1995, the same polls also reveal that "new" immigrants are viewed by the majority of the population as detrimental to the larger society, while the immigrants of the "past" are seen as having contributed to society. Given that yesterday's "new" immigrants are today's immigrants of the "past," these contradictory results says more about the lack of historical perspective in the collective American consciousness than they do about the true social and economic impact of immigration.

Moore followed up by critiquing the restrictionists on the economic front. He noted that the current state of the U.S. economy, in which high levels of immigration coexist with economic expansion and low unemployment, proves that the doomsday restrictionist rhetoric of the previous twenty years is simply wrong. That is, immigrants have not overwhelmed job markets and public resources and thereby precipitated a national economic downturn. Moore cited recent studies by the Cato Institute, National Immigration Forum and National Academy of Sciences that reinforce Simon's observation. According to Moore, these studies--one of which was authored by Moore himself [3]--reveal that immigrants pay more in taxes than they consume in public benefits and that immigrants contribute enormously to the retirement benefits of all Americans through their payments into the Social Security system due to their younger age profile relative to the "native born."

Question: On balance, what effect has twentieth-century immigration had on the nation's economic growth? [4]

	Economists	***Other Social Scientists***
Very favorable	***81***	***51***
Slightly favorable	***19***	***31***
Slightly unfavorable	--	***2***
Very unfavorable	--	***2***
Don't know	--	***14***

Mark Krikorian, Executive Director of the Center for Immigration Studies, offered the only defense on the panel of the restrictionist perspective. He criticized the Simon book for relying too heavily on the now "archaic" data contained in the first edition. He also said that it was "irresponsible" to release so much old information as a guide to current public policy. Krikorian ended by stating that the current U.S. policy of promoting high levels of immigration is in fact anti-immigrant because it relegates too many newcomers to the economic margins of society, where they are most vulnerable to exploitation. However, he did not address the points raised by Moore and Mrs. Simon concerning the tax contributions of immigrants or the present-day economic boom in the midst of high immigration, which confounds the predictions of the restrictionist camp.

Similarities Between Eras

Michael Barone, a Senior Writer for U.S. News and World Report, put forth a more historical perspective on immigration. He compared immigrant groups from different eras to illustrate that today's often-maligned immigrants are not that different from their frequently romanticized predecessors. He compared Italian immigrants with Latinos, stating that both came to this country with relatively little education, a high degree of family cohesion, and experienced a significant "lag time" in achieving higher incomes. Finally, he drew an analogy between Asian and Jewish immigrants in terms of their high degree of educational and economic success over a short span of time and their flight from persecution in their homelands.

Demetrious Papademetriou of the Carnegie Endowment for International Peace, concluded the forum by pointing to more intangible contributions that cannot be measures in economic terms, such as the intellectual and creative "value" to the United States of an accomplished researcher reared and trained abroad.

Conclusion

Taken as a whole, the forum re-affirmed the conclusions reached by many researchers over the years regarding the net contributions made by immigrants to the U.S. economy, as well as to the broader society and culture. Most members of the panel agreed that, whether measured in terms of taxes or the richness of diversity, immigrants have played and continue to play a crucial role in strengthening America.

Prepared March, 2000

Endnotes

1. Julian L. Simon, *The Economic Consequences of Immigration*. Univ. of Michigan Press, 1999.

2. Stephen Moore, "Julian Simon Remembered: It's a Wonderful Life." *Cato Online Policy Report*, Vol. 20, No. 2, Mar/Apr 1998.

3. Stephen Moore, *A Fiscal Portrait of the Newest Americans*. Washington, DC: National Immigration Forum and Cato Institute, 1998.

4. Simon, p.388

The Fax on Immigration

A Nation of Prosperity. . .A Nation of Immigrants

National Immigration Forum

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Contact: Angela Kelley (202) 544-0004, ext. 19

2 pages

Message to Congress: Modernize Immigration Policies or Threaten Nation's Continued Prosperity

The nation's lawmakers continued to hear this week that the country's economic prosperity is seriously threatened if the labor shortage problem is not resolved. In testimony and letters to congressional committees, (including another warning by Federal Reserve Board Chairman Alan Greenspan), lawmakers were told that immigration plays an important role in meeting this rising demand for workers in order to keep the current prosperity going.

Reverberations continue to be felt about the AFL-CIO's dramatic turnabout on immigration last week. (See attached *Washington Post* editorial of February 20, 2000.)

"(A)s we are creating an ever more complex, sophisticated, accelerating economy, the necessity to have the ability to bring in resources and people from abroad to keep it functioning in the most effective manner increasingly strikes me as relevant elements and policy."
Alan Greenspan, Chairman, Federal Reserve Board, Testimony to the U.S. Senate Committee on Banking, Housing, and Urban Affairs, February 24, 2000

"I know that this committee will be working hard to establish public policy that will help address this issue [of the labor shortage.] Therefore, I suggest consideration of the following ... (E)xpanding the labor pool through rethinking immigration policy."
Edward D. Barlow, Jr., President, Creating the Future, Inc., St. Joseph, Michigan, Testimony to the U.S. House Subcommittee on Oversight and Investigation, February 17, 2000

"From our nursing homes to our hotels, we are feeling the pinch of little or no workforce options... When companies can not fill jobs with U.S. workers, hiring foreign nationals should be a viable alternative. However, current immigration law and recent tightening of federal immigration policy have greatly curtailed this potential source of workers."
Letter sent to the U.S. House and Senate by the Essential Worker Immigration Coalition (EWIC), February 14, 2000

B6 Sunday, February 20, 2000 R

The Washington Post

Labor's New View

THE AMERICAN labor movement, which 15 years ago helped draft laws to punish employers who hire illegal immigrants, this week reached out to immigrant workers, proposing amnesty for those illegally in the country and an end to most employer sanctions.

On one level this new attitude is simply a response to reality. The immigration reforms of 1986, which extended amnesty to roughly 3 million illegal residents and tried to cut off the supply of jobs for illegal immigrants by making employers responsible for hiring legal workers, have failed to stem the tide. Millions of illegal workers are here and are filling a need in the booming labor market. In some cases those workers are being deliberately exploited by employers who wave the threat of deportation to discourage complaints about wages or working conditions—and to hamper union organizing, even among legal immigrants.

Labor leaders described the new policy as a return to the movement's roots as an organization built by immigrants and their children. It's also a clear look toward the unions' own future interests. In a strong economy, it's hard to argue as labor sometimes has in the past that immigrants are taking jobs away from U.S. workers. To the contrary, John Wilhelm, president of the Hotel Employees and Restaurant Employees Union, notes that as unions have become more active in organizing in recent years, they have encountered immigrant workers in every sort of workplace and every location. "We need to be on their side," he said.

While calling for a broad amnesty that could eventually cover as many as 6 million people, including current illegal workers and their family members, labor leaders proposed acting immediately on behalf of some groups with a strong claim for consideration. They include Salvadorans, Guatemalans, Hondurans and Haitians who fled their countries in the late 1980s and early 1990s and have been denied refugee status, 350,000 long-term residents the unions say were improperly denied legal status in the last amnesty program and 10,000 Liberians who fled that country's civil war. That is a reasonable place to start.

A full or partial amnesty would acknowledge that these workers have become essential in important industries and that there is no national appetite for a wholesale effort to find and deport them. But any amnesty needs to be coupled with a clear and enforceable plan for combating future illegal immigration. It also must be fair to the legal applicants who have waited in line and played by the rules.

The unions want to impose criminal penalties on employers who recruit undocumented workers abroad and those who deliberately take advantage of workers' illegal status to operate substandard workplaces. And for good reason: Many who flout immigration law also break other laws, including those governing safety and minimum wage. A concerted effort to go after those employers could be more effective in the long run than the current broad-based sanctions, which have been gutted by weak enforcement and the wide availability of fraudulent documents.

Another key element of a reformed policy should be a heightened effort to identify and pursue those who arrive on legitimate visas but then stay on after the visas have expired. These overstayers are almost as numerous as those who slip illegally across the border.

The economy's sustained growth has created an opportunity for a fresh look at immigration policy. The goal should be a workable system that takes into account the reality of the marketplace—and that will make sense even when times are not quite so good.

The Fax on Immigration
A Nation of Prosperity. . .A Nation of Immigrants
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Contact: Angie Kelley, (202) 544-0004, ext.19
3 pages

Greenspan Speaks: Immigration Critical to America's Continued Prosperity

In the last few months, Federal Reserve Chairman Alan Greenspan has warned repeatedly that the dangerous shortage of workers in the U.S. could lead to inflation. Chairman Greenspan has suggested on many occasions that immigration could play an important role in meeting this rising demand for workers.

"Under the conditions that we now confront, we should be very carefully focused on the contribution which skilled people from abroad, [as well as] unskilled people from abroad, can contribute to the country, as they have for generation after generation. — The pool of people seeking jobs continues to decline. At some point, it must have an impact. If we can open up our immigration rolls significantly, that clearly will make [the unemployment rate's effect on inflation] less and less of a problem."
Alan Greenspan, Chairman, Federal Reserve Board
Testimony before the U.S House of Representatives Committee on Banking and Financial Services, July 22, 1999

"... aggregated demand is putting very significant pressures on an ever-decreasing available supply of unemployed labor. The one obvious means that one can use to offset that is expanding the number of people we allow in... So, I think reviewing our immigration laws in the context of the type of economy which we will be enjoying in the decade ahead is clearly on the table in my judgment."
Alan Greenspan, Chairman, Federal Reserve Board
Testimony before Senate Banking Committee, January 26, 2000

See also the attached *Wall Street Journal* article of February 10, 2000

This is the first in a series of faxes that the National Immigration Forum will be sending out regularly, to keep you informed of immigration's impact on the economy and other important immigration issues.

www.immigrationforum.org

Tight Labor Market Shifts Immigration Debate

By MARJORIE VALBRUN
And GLENN BURKINS
Staff Reporters of THE WALL STREET JOURNAL

The tight labor market is altering the tenor of the immigration debate.

With the U.S. jobless rate at 4%, the low- in 30 years, some labor unions that had op loosening immigration restricti s are revisiting their stance now that the labor market is experiencing some of the worst shortages in decades. In Congress, measures to ease restrictions are drawing bipartisan support.

Yesterday, Republican lawmakers introdu legislation to increase the number of skilled foreign workers—particularly high-tech employees—allowed into the country. Democrats have proposed allowing international students to work here after graduating from U.S. universities. t week, a House subcommittee will hold a hearing on labor shortages.

AFL-CIO President John J. Sweeney has appointed a committee to review the federation's immigration policy. After decades of viewing immigrants as a potential threat to unionized workers, labor leaders say the move recognizes that the current government system of punishing employers who hire undocumented workers has failed.

Indeed, union officials say unscrupulous employers who knowingly hire illegal immigrants, when later faced with union-organizing drives, routinely use their workers' illegal status to intimidate them. Some have even invited immigration-enforcement officials to raid their plants.

"We are looking for controlled, comprehensive and fair immigration laws that serve the needs of immigrant workers and employers and don't allow for abuse," said Andy Stern, president of the Service Employees International Union.

A Thorny Issue

The committee is set to meet next week in New Orleans, where the AFL-CIO's executive council could vote on any proposed change at its winter meeting.

On Capitol Hill, the GOP proposal introduced yesterday would raise the cap on so-called H-1B employment visas for skilled foreign workers to 195,000 each year until 2002 to offset a shortage of high-tech workers around the country. The measure, which has bipartisan backing, would be the sec increase in just two years if passed. Congr raised the cap to 115,000 from 65,000 in 1998.

GOP Sen. Spencer Abraham of Michigan, chairman of the Senate immigration subcommittee, said that despite the 1998 increase, "a tight labor market, increasing globalization and burgeoning economic growth all combined to increase demand for skilled workers." The 1999 limit was reached in June.

The visa cap has been a thorny issue. The Clinton administration and unions are concerned that an increase would cause U.S. workers to lose jobs to foreign workers. The high-tech industry maintains it is being hurt in the global marketplace by a worker shortage.

Democratic Rep. Zoe Lofgren, who represents Silicon Valley, and Democratic Sen. Charles Robb of Virginia, which has a growing high-tech community, last year proposed creating an employment visa category for international students who graduate from U.S. universities with high-tech degrees.

"I understand, and support, limits on immigration," Sen. Robb said, "but when visa caps are forcing recent graduates . . . to leave the country, . . . we're losing our seed corn."

Other Industries

Meanwhile, several business groups have formed coalitions to push Congress to address labor shortages—and not just in the high-tech industry—through immigration policy.

One group, the Essential Worker Immigration Coalition, was instrumental in getting lawmakers to hold the labor shortage hearing set for a week from today.

"Everywhere I go, this is what I hear: 'We can't find enough workers,'" said John Gay, co-chairman of the coalition, which was formed in the fall by the hotel, restaurant, construction, tourism and health-care and other industries.

Mr. Gay, senior director of governmental affairs for the American Hotel and Motel Association, said members believe that Congress "did not understand how bad the situation was for us." The group is considering urging Congress to legalize certain undocumented immigrants working in the U.S.

But those who favor more immigration controls disagree with that approach.

"Thinking of immigrants as things or factors in production" is wrong, said Steven Camarota, director of research at the Center for Immigration Studies, a Washington think tank. "The implication is when the labor market is tight, we let in more immigrants because presumably we don't create inflationary measures. But by the same token, does that mean that when the next recession comes we should engage in mass expulsions?

"Thinking about immigrants as just workers misses the vast range of consequences to our economy," he said, citing overpopulation, overburdened public ser and overcrowded public schools.

rank Sharry, executive director of the onal Immigration Forum, an immigr advocacy organization, counters th migrants also help the economy.

"Something very interesting is afoot," said. "You have all these unusual alli ming together in support of comm ls, even if for different reasons. . . . The real question is whether the different interests will be creative enough to forge an alliance that's politically sustainable and will result in real changes in policy."

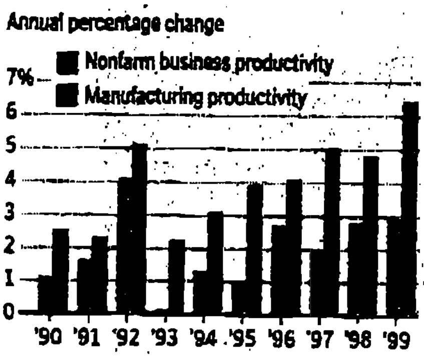
Productivity Propels Economy

Worker Output Keeps Growing

By JOHN M. BERRY
Washington Post Staff Writer

Making More

Productivity at U.S. nonfarm businesses at a [illegible] rate for the second year in a row, with much faster growth in the second half of 1999. Manufacturing firms did far better than nonfarm business as a whole.



SOURCE: Labor Department

THE WASHINGTON POST

The efficiency of the U.S. economy took a further leap upward in the second half of last year as worker productivity rose at a 5 percent annual rate, the fastest pace in seven years, the Labor Department reported yesterday.

Many economists and policymakers have highlighted an acceleration in the growth of productivity, which measures worker output per hour, as a key reason the economy has performed so spectacularly in recent years. And while productivity gains typically begin to fade as an economic expansion ages, that has not happened during what has become the longest expansion in U.S. history.

To the contrary, Federal Reserve Chairman Alan Greenspan and his central bank colleagues say they have seen no evidence that the acceleration is diminishing.

"It's the best of all worlds when you have productivity-driven economic growth," said Mickey Levy, chief economist at Bank of America in New York. "It's just a stunning number."

Figures such as those released yesterday, analysts said, ought to relieve some of the Fed's anxiety that tight labor markets—unemployment is at a 30-year low of 4 percent—could soon cause inflation to get worse.

Since the middle of last year, the Fed raised its target for overnight in- rates by a full percentage point steps. Most analysts expect another increase when the policymakers meet, on March 21, as added insurance against an outbreak of inflation—despite the continued good productivity news.

As a result of greater productivity, companies have been able to increase their output of goods and services despite facing labor markets in of the country that are so tight it's become very difficult to hire addi- workers.

The latest productivity gain at nonfarm businesses was so large that it outstripped the increase in workers' compensation, so that employers' cost of labor per each item produced fell in both the third and fourth quarters of 1999. That allowed firms both to hold the line on prices and to increase their profitability.

For all of last year, productivity in that part of the economy rose 2.9 percent, the highest level for an entire since 1992, when, as usual, productivity shot up during the early stages of recovery from a recession.

At the same time, the gains in efficiency have allowed the firms to keep their costs under control so they could pay workers higher wages without hurting their profits or adding to inflationary pressures. In that fashion, increases in productivity are ultimately the source of higher standards of living for the whole country, economists say.

"These are spectacular numbers . . . and confirm that the labor market is not at the moment the source of anything that could be plausibly described as inflationary pressure," said Ian Shepherdson, chief U.S. economist for High Frequency Economics in Valhalla, N.Y.

Many economists attribute the surge in productivity to better management and, most of all, a wave of business investment that has allowed firms to take advantage of major technological advances, particularly in computing and information processing.

"This momentum toward improved productivity in the economy has not petered out," Thomas Hoenig, president of the Kansas City Federal Reserve Bank, said in an interview before yesterday's report was released. "It has lasted and become more intense. It may be that there is something different in this round of productivity improvements" rather than being simply the result of strong economic growth.

Hoenig said that in his bank's district, which covers all or part of seven states stretching from Missouri ward, farmers and businesses of all sorts are seeing large gains in productivity. Even at legal and accounting firms, "I see an insistence on taking advantage of technology" to allow them to increase their efficiency.

"In the [monetary] policy realm, you have got to be patient and thoughtful about this," Hoenig said. "The old rules may not apply, and therein lies the conundrum" for Fed policymakers who have to decide how much to try to rein in the economy to keep inflation under control.

For one thing, if productivity were to keep rising at as much as 3 percent a year, while the number of American workers increases by about 1 percent annually, the economy could grow 4 percent a year without putting additional pressure on the dwindling supply of unemployed and available workers.

That is very close to the actual growth of the economy in recent years, though many analysts, including Bank of America's Levy, say one should be cautious about assuming the good news on productivity will continue indefinitely.

The rate of increase in unit labor costs is crucial to inflation because roughly 70 percent of all business expenses in the United States involve the costs of wages, fringe benefits and other items related to labor.

In manufacturing, unit labor costs actually have been falling for several years. In the fourth quarter, for example, factory productivity soared at a 10.7 percent rate while hourly compensation rose 4.3 percent. That huge difference pushed unit labor costs for manufacturing firms downward at a 5.8 percent rate.

In fact, after the fourth-quarter drop, unit labor costs at U.S. facto were almost 7 percent lower than they were in 1992.

The Washington Post

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LENGTH: 1890 words

HEADLINE: Borderline Hypocrisy; Do We Want Them Here, Or Not?

BYLINE: Louis Freedberg

BODY:

From where I crouched--in a ditch on the Mexican side of the steel fence that snakes up and down the caons on the outskirts of Tijuana--the border seemed impenetrable. On the U.S. side, bulldozers had cleared away all vegetation, leaving no hiding place from the Border Patrol agents who waited in shiny white SUVs.

The dozen Mexicans I was with knew where to go. As dusk approached, we darted forward and crawled through a small hole at the bottom of the fence, into California. Ahead of us lay a minefield of ground sensors, sophisticated surveillance equipment and checkpoints, and it was far from certain that my companions would make it through. Twice in the preceding week, they had tried to cross, but had been apprehended and sent back to Mexico.

Still, they were determined to try again, because the reward was worth the risk. All but one of them had jobs waiting: picking crops in Salinas, Calif., working construction in Los Angeles, washing dishes in a restaurant in Chicago.

Those determined Mexican workers making the crossing last fall symbolize one of the most glaring contradictions at the heart of U.S. immigration policy: Even as U.S. taxpayers are spending billions of dollars to keep illegal immigrants out of the country, that effort is being severely undercut by hundreds of thousands of otherwise presumably law-abiding employers who offer the immigrants work that most Americans are loath to do.

In this booming economy, America's de facto policy on illegal immigrants is "don't ask, don't tell." Neither the immigrant who needs a job nor the employer who needs a worker has much incentive to obey the laws against hiring undocumented aliens. Congress has responded sympathetically to the pleas of the high-tech industry to hire more skilled workers from abroad, but it has yet to do anything for employers of those at the bottom end of the labor market--the end where U.S. citizens don't want to work.

Now, with a record number of illegal immigrants living in the United States --an estimated 6 million, with most of them working, some even paying taxes and joining unions--it is time to bring our immigration policies in line with what is actually happening in the labor market. It is time to recognize that we need the immigrants as much as they need us.

As an immigrant myself, I had a far easier route into the United States than my companions on the border: Thirty years ago, I arrived on a plane from South Africa to attend Yale University on a scholarship, and I became a citizen 15 years later. But on some level I identify with those Mexicans entering at the bottom rung of society. We were all motivated by the same desires: to share in the riches, educational or otherwise, that America has to offer.

I joined the Mexicans last fall as part of a year-long exploration into U.S. immigration laws that has taken me from the dusty fields of California's Central Valley to a housing project outside Washington, D.C., populated by migrants from a single village in El Salvador. On my travels, I've talked with illegal immigrants picking crops, cleaning office buildings, and painting the houses and tending the children of my friends. In most cases, no one asks if they are here legally or not. Most Americans benefit from immigrants' work without having to acknowledge their shady status.

Throughout America's history, each new wave of immigration has been met with suspicion or outright hostility, especially during economically troubling times. The most recent wave, beginning in the 1970s, has been dominated by Spanish-speaking migrants who by now make up about half of the 26.5 million foreign-born residents of the United States. More than 7 million of these come from Mexico. Unlike their predecessors, these migrants had no ocean to cross--they literally could walk to the United States.

By the mid-1980s, the number of illegal immigrants in America was estimated at between 3 million and 5 million. To stem the flow, Congress in 1986 approved the landmark Immigration Reform and Control Act, which for the first time imposed fines on employers who hired illegal immigrants. To ensure a stable work force for U.S. employers, the law also granted a generous amnesty to immigrants who could prove they had been in the United States before Jan. 1, 1982. Because the influential agricultural industry had particular need of migrant workers, the law offered amnesty to farm workers who had been here for a much shorter time.

The outcome was not what lawmakers had anticipated. By the time all the amnesty applications had been processed, an unexpectedly high total number of immigrants, nearly 3 million, had been granted permanent residency. Their new "green cards" opened up undreamed-of employment options. Within two or three years of receiving their legal papers, large numbers left the jobs that the amnesty was designed to fill in search of more lucrative work. The exodus from farms was especially dramatic: Today, fewer than 300,000 out of the 1.2 million farm workers legalized under the 1986 law are still in agriculture. In a final irony, a number of them began working at the one trade for which they had unique qualifications: recruiting workers, many of them illegal, for the agriculture industry. And so a new generation of undocumented immigrants flooded into the fields.

Meanwhile, the enforcement provisions of the 1986 law were ineffectual. As Immigration and Naturalization Service Commissioner Doris Meissner once told me, the law has "loopholes large enough you could drive a Mack truck through them."

The most obvious is that in order to prove a violation, the INS has to show that an employer knowingly has hired an illegal worker. That's almost impossible: Under the law, a job seeker can show any one of 25 approved documents to prove legal residence, including the obscure Alien Registration Receipt Card or Coast Guard Merchant Mariner Card. The flourishing fraudulent document industry is happy to sell such papers, and few employers are held accountable for not being able to verify them. The General Accounting Office has estimated that the INS is only able to check on 3 percent of the employers who are thought to harbor illegal immigrants.

So the number of illegal immigrants has kept growing. To deter them, the federal government initiated the first serious effort to seal our southern border, beginning with Operation Hold the Line in El Paso in 1993.

Again, the law had consequences its framers didn't intend. Though the U.S. spends about $ 2 billion a year to control the Mexican border, there is no solid evidence that fewer migrants are trying to cross--or that fewer are making it. On the contrary, there is ample evidence that because it is more difficult and more expensive to cross, people who in earlier days might have migrated seasonally--returning to Mexico for the winter--are staying longer once they get here, adding to the permanent illegal population instead of reducing it.

The result? There are about twice as many illegal immigrants in the United States than there were a decade ago. More than half are from Mexico. Because of the voracious appetite of our full-employment economy, the numbers are unlikely to decline any time soon. Over the past year, I have come across numerous companies that say they had to fill their job slots with foreigners--and have jumped through bureaucratic hoops to fill them legally. A St. Louis trucking firm went to Barbados to find drivers. A Wisconsin amusement park signed up students from Bosnia. The Hilton Hotel near the Dallas-Fort Worth Airport hired

Kosovo refugees, while another Dallas hotel recruited housekeepers from Jamaica.

But many employers simply hire workers who present what appear to be legal documents, including false Social Security cards. Those who get on a formal payroll--in chicken or meatpacking plants, or on major construction sites--find that Social Security and income taxes are routinely deducted from their paychecks. Of course, because they're illegal, most will never claim tax refunds or get Social Security benefits.

What is to be done? One option being discussed in Congress is to expand visa programs already on the books that would allow growers to import foreign workers temporarily, along the lines of European "guest worker" programs. But as Europeans have discovered, people who come to a richer nation temporarily usually end up staying permanently.

Another option would be to extend a new amnesty to illegal immigrants, which would allow them to live permanently in the United States. The most public push in this direction has come from growers, who have a permanent need for unskilled laborers. Sens. Bob Graham (D-Fla.) and Gordon Smith (R-Ore.) have introduced legislation that would allow undocumented farm workers to earn amnesty if they agree to stay in agriculture for five years. In response to the concerns of advocates for farm workers that this represents a form of indentured servitude, the bill would also require growers to pay 5 percent above prevailing wages, and contribute to their workers' housing and transportation costs.

Similar ideas are spreading to other sectors of the labor market. The AFL-CIO, for example, is under pressure from within its ranks to reverse its long-standing support for employer sanctions, and to come out in favor of amnesty for illegal immigrants. Leading the campaign is Eliseo Medina, head of the Service Employees International Union in Los Angeles, which has successfully unionized janitors despite the fact that many of its members are here illegally. "You shouldn't have people living in the shadows, under threat of deportation," Medina, a former migrant farm worker, told me last summer. "The bottom line is that this country needs people to work in these jobs. It is only right that they have their status recognized."

Offering a new amnesty has its pitfalls--even if we try to protect ourselves from some of the failures of the 1986 law. It runs the risk of legitimizing a system that essentially says that anyone who has been bold enough to evade immigration authorities will be allowed to stay here. It runs the risk of encouraging even more migrants to cross unlawfully into the United States. It rewards people who have broken laws to get here, hardly the kind of lesson we want to teach prospective citizens.

But what are the alternatives? To invade productive workplaces across America and deport millions of workers? To do nothing and allow them to live "in the shadows," with few legal protections and limited access to health care and social services? A better way is to figure out reasonable ways to incorporate these undocumented aliens into the larger American community.

We cannot eliminate the desire of millions of people in poorer or more repressive countries to come to America; it was the same desire that brought almost all of us, or our forebears, here. What we can eliminate is the hypocrisy. Ultimately, it comes down to accepting America's destiny as a nation of immigrants, and embracing those from whose labor we willingly profit.

Louis Freedberg, an Alicia Patterson Journalism Fellow, is an anthropologist and journalist who has reported extensively on immigrant communities in the United States.

The Washington Times

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HEADLINE: Anti-immigrant groups are losing the battle to a prosperous nation

BODY:

In a Feb. 3 letter to the editor ("Cited study on immigration not all rosy"), Dan Stein of the Federation for American Immigration Reform attempts to portray immigrants as fiscal liabilities by citing information on the annual costs of immigrant households from the 1997 National Academy of Sciences (NAS) study.

However, University of California at Berkeley professor Ronald Lee, who performed the key fiscal analysis in the NAS report, has stated that such data are completely misleading. "These numbers do not best represent the panel's findings and should not be used for assessing the consequences of immigration policies," testified Mr. Lee before the Senate immigration subcommittee. The problem, Mr. Lee found, was that calculating annual numbers requires using an older model that counts the native-born children of immigrants as "costs" created by immigrant households when those children are in school, but fails to include the taxes those children pay once they grow up and enter the work force.

According to Mr. Lee, the correct, dynamic model used by NAS shows that taxpayers save $80,000 from the entry of a typical immigrant, most during the lifetime of the immigrant and his or her offspring. As for the fiscal impact of legal immigration on the states, Mr. Lee said, with the necessary assumptions, that a dynamic analysis would likely show 49 of the states coming out ahead, with California a close call.

Another anti-immigration organization, the Center for Immigration Studies (CIS), also recently presented likely unreliable conclusions about immigrants ("Reforming immigration laws," Op-ed, Jan. 30). CIS says immigrants are now less likely than natives to be self-employed.

The problem with that conclusion is the sample the group chose for its study. In the Census Bureau's Current Population Survey there are only about 13,000 foreign-born cases to represent 26 million people, so once you try to pinpoint a less common characteristic like self-employment small numerical swings cannot be detected, particularly down to the decimal point. In fact, the CIS' report itself concedes, "The slightly higher self-employment rate for natives is not statistically significant."

The U.S. Census Bureau did not include self-employment in its report "Profile of the Foreign-Born Population in the United States: 1997." The reason? "The sample size is so small, the error rate would be so large you would have nothing. With a confidence interval like that you don't know anything more than when you started," according to Diane Schmidley, statistician-demographer, U.S. Census Bureau.

The decennial Census in each of the past four decades has shown immigrants more likely than natives to be self-employed. We will have to wait for the results of the 2000 Census to know if there has been any change in the relative self-employment rates of natives and immigrants.

In sum, it appears those who argue immigrants hurt America still can't explain why then the economy is so good, state and federal budgets are in surplus and America remains the greatest, most prosperous country in history.

STUART ANDERSON

Director of Immigration Policy and Research

Senate immigration subcommittee

Washington

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The Washington Times

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Today's debate: Immigration

Immigrant bashing quietly fades

OUR VIEW Strong economy, newly naturalized voters spur change.

A funny thing happened on the way to the '90s political lynching of immigrants: The mob melted away.

What was a hot-button issue three to five years ago for nativist pols virtually has disappeared from the political radar screen, just as the 2000 presidential campaign begins to heat up. In fact, last week, Republican presidential candidate George W. Bush used his first campaign trip to California to distance himself from that state's harsh law prohibiting public services to illegal immigrants.

Only five years ago, Republicans on the national stage championed the California law, known as Proposition 187. After capturing control of the House, they voted to apply its mean-spirited strictures nationwide. Fortunately, the Senate took a pass. But benefits to people here legally and, in many cases, paying taxes for decades were taken away in the name of welfare reform.

Now, fearful of a political backlash, Congress has begun to reverse some of its 1995-96 immigrant bashing:

Legal immigrants here at the time the welfare law was signed have been quietly exempted from some of its most unfair provisions; other corrections are in the legislative mill.

Many of the refugees who had fled repression or civil war in Cuba, Haiti, Guatemala, El Salvador and Nicaragua have been given permission to remain here.

Visas for foreigners with special skills sought by high-tech companies were nearly doubled for this year and next. For the first time in decades, there's serious consideration of a new "guest worker" program for agricultural laborers.

What happened?

▶ It's still the economy, stupid. Worries about immigration and its possibly negative impact always peak at times of economic uncertainty. As the recession of the early '90s eased, public anxiety also plummeted. The topic doesn't even show up now in polls of voter concerns heading into 2000.

▶ The anti-immigrant legislation backfired on its promoters. Legalizing discrimination against legal immigrants sparked hundreds of thousands who'd never applied for citizenship to do so — and to vote.

And they turned against candidates who'd played the anti-immigrant card and those seen as their allies. California Republicans, riding high a decade ago, were routed last November in large part due to such a backlash. The Republican presidential ticket lost Florida in 1996 for the first time in 20 years.

That's not to say the immigration floodgates will be opened. There's no push to change current limits radically.

But mindless anti-immigrant laws such as those adopted both nationally and at the state and local levels earlier in the '90s are an embarrassment to a nation made strong by immigrants and their offspring.

Don't back down now

OPPOSING VIEW Unchecked immigration bodes ill for U.S. future.

By Dan Stein

Some say that the lack of any real debate about U.S. immigration policy is a healthy development. Avoidance is one way to handle difficult problems, but is it an intelligent way to make policy that affects virtually every aspect of life in America?

In 1995, the bipartisan U.S. Commission on Immigration Reform, chaired by the late Barbara Jordan, issued comprehensive recommendations for reforming immigration policy. Like Winston Churchill, who in the mid-1930s warned of an impending disaster in Europe, Jordan tried to inject vision and foresight into the immigration debate. Similarly, she has been ignored.

In the absence of the leadership that she sought to assert, America's immigration policy has been on autopilot. With little debate or planning, we add more than 1 million new immigrants each year, most of whom are admitted regardless of whether they possess the skills and education needed to succeed in 21st century America.

Nor is anyone in Washington assuming responsibility for managing the consequences of the enormous population growth being triggered by our immigration policy. According to the Census Bureau, today's population of 270 million will surge to 400 million by 2050, with 90% of the increase caused by immigrants and their descendants.

The debate has been silenced, but the downstream consequences of mass immigration are as real as ever. From urban sprawl and congestion to social tensions caused by cultural and language problems to the widening gap between rich and poor, immigration plays an ever more central role.

Mass immigration without a clear vision for how cities will cope with this enormous population increase or how social institutions are going to assimilate millions of disparate and often unprepared people into the economic and cultural mainstream only will postpone and aggravate inevitable policy decisions.

Leadership means looking ahead and averting major problems before they manifest themselves. Avoidance is the exact opposite of leadership. By avoiding a serious national discussion about whether a million immigrants a year is wise or whether a population of 400 million by mid-century is good for our future, our political leaders are courting disaster.

Dan Stein is executive director of the Federation for American Immigration Reform

"Those of us who are privileged to hold public office have ourselves to blame for the sickness in American public life today," McCain declared. "It is we who have exploited the public trust, who have time and again, in full public view, placed our personal and partisan interests above the national interest, insuring the public's contempt for our poll-driven policies, our formal posturing, the lies we call spin and the damage control we substitute for progress.

"It is we who are the defenders of a campaign finance system that is nothing less than an elaborate influence-peddling scheme in which both parties conspire to stay in office by selling the country to the highest bidder."

McCain argued that corporate interests have besmirched the tax code for their benefit, just as teachers' unions have thwarted school reforms to sustain the status quo.

He specifically mentioned the flat-tax plan advocated by Republican candidate Steve Forbes, and candidate Dan Quayle's tax-rate drop as doomed by the desires of special interests. He said that Texas Gov. George W. Bush's school voucher plan had been defeated by special interests, as had House Budget chairman John Kasich's tax cut plans.

Despite the sympathetic words, however, there was little inclination by the other candidates to leap aboard McCain's bandwagon.

State Attorneys General Unite, Become a Force in Business Regulation
By Myron Levin
Los Angeles Times

Sweepstakes marketers who dangle huge cash jackpots as a hook to sell magazines and other merchandise recently found themselves in the cross hairs of an investigation by dozens of government attorneys.

The probe is not the work of traditional watchdogs such as the Federal Trade Commission and U.S. Justice Department. Rather, it is being spearheaded by state attorneys general who say that the marketers are using deceptive practices, a charge the sweepstakes companies deny.

The probe is yet another sign of the attorneys general increasing role on the national stage, where their activism and sheer numbers have made them an emerging power in business regulation.

Once rarely venturing beyond the borders of their states, attorneys general lately are extending their reach to what historically was considered federal turf. By tapping the large pool of deputies from their staffs, the attorneys general are going after targets that they would rarely have attacked in the past. Even attorneys general from U.S. territories are joining the group actions.

The attorneys general really entered the limelight with their immense legal assault on Big Tobacco, which began in 1994 and ended with $246 billion in settlements in November. But it was hardly the first time they had banded together to enforce state consumer protection and antitrust laws.

The strategy took hold during the Reagan administration, which disdained government regulation and sharply curtailed federal enforcement. The laissez-faire policy had the unintended effect of energizing state enforcers. Since then, multistate campaigns have grown in number and scale.

The coalitions include anywhere from a handful to all 50 states, and sometimes team attorneys general with federal postal inspectors, U.S. attorneys and the FTC. Targets have ranged from fly-by-night operators of credit repair and pyramid schemes to a Who's Who of the corporate world, including leading manufacturers of autos, computers, drugs, toys and footwear.

While many of the targets would have the legal muscle to overwhelm a single state, the attorneys general have relied on numbers to gain the upper hand. For the attorneys general 43 of whom are popularly elected the strategy also can pay political dividends by burnishing their image as consumer champions.

The collaborative approach "makes a lot of sense in an economic environment with ... national and international corporations," said California Attorney General Bill Lockyer.

Most consumer groups applaud the trend, but business and allied groups view it with some alarm.

The attorneys general have become "a strange bunch of emancipated law firms whose views are definitely at odds with the prevailing (pro-business) views that one attributes to state government these days," said Walter Olson, a senior fellow at the Manhattan Institute, a conservative think tank.

Of the joint attorneys general campaigns, the giant tobacco settlement and the current joint federal-state antitrust case against Microsoft have drawn the most attention. But with lea[illegible] attorneys general have forced many other companies to c[illegible] marketing practices and pay hefty settlements, including refun[illegible] consumers and charitable donations. Among the results:

Attorneys general in 44 states, the District of Columbia and Puerto Rico recently won $56 million in antitrust settlements from retailer Toys R Us and toy makers Mattel Inc., Hasbro Inc. and Little Tikes Co. The companies did not admit liability in settling th[illegible] suit, which accused them of conspiring to limit the number and types of toys made available to Toys R Us competitors. Payments will mostly take the form of toy donations to needy children.

A series of settlements in 1997-98 was made with retailers and consumer credit companies that had improperly collected on debts discharged in bankruptcy. The settlements required the companies including Sears, Roebuck and Co., General Electric Credit Corp. and Federated Department Stores to pay refunds totaling hundreds of millions of dollars.

Three settlements with America Online, triggered by a flood of complaints about difficulty logging on and AOL's misleading marketing pitches. AOL agreed to provide $34 million in credits and refunds, and $2.6 million to defray legal and investigation cost of 44 participating states.

A 1996 settlement with General Motors, Honda, Isuzu and Mitsubishi over allegedly deceptive offers for "zero down" auto leases. The companies agreed to change the offending ads and to pay $1 million to participating states.

Settlements with Reebok and Keds of price-fixing complaints. The companies agreed to pay $9.5 million and $7.2 million, respective with the proceeds going to women's charities and public athletic sites.

A series of settlements between 1993 and '98 with major pharmaceutical companies, including Upjohn, Merck, SmithKline Beecham, Lederle Labs, Sandoz Pharmaceuticals, Ciba-Geigy and McNeil Consumer Products. The settlements involved a variety o[illegible] disputed practices, including allegedly misleading claims about th[illegible] effectiveness of medicines, and improper payments to pharmacist to promote drugs.

Targets of the campaigns seem reluctant to publicly criticize the attorneys general. A Sears representative said it actually was help to deal with the attorneys general en masse. "It saved us a lot of time and got the consumers their money back faster than (the case) had gone to court in every jurisdiction," spokeswoman Jan Drummond said.

The attorneys general rising profile comes at a time of new per[illegible] for consumers, due in part to the Internet and other communicati[illegible] advances that allow almost any huckster to reach a vast audience. Conversely, however, e-mail, faxes and conference calling also have made it easier than ever for large numbers of states to work together.

Typically, such efforts start with one or two states that take a special interest in an issue and do most of the early legwork. The coalitions are created informally as the lead states share informa[illegible] and solicit allies.

Collectively, the attorneys general command a formidable leg[illegible] army, with staffs ranging from a low of 29 deputy attorneys gen[illegible] in tiny South Dakota, to more than 550 staff lawyers in New Yo[illegible] and 1,000 in California, according to data from the National Association of State Attorneys General.

Joint Campaigns Offer Some States an Opportunity to Participate
By Myron Levin
Los Angeles Times

The joint campaigns by attorneys general have allowed many states to participate in cases they couldn't dream of undertaking their own. An example is Wyoming, where senior assistant Attorney General Mark Moran is a consumer affairs division o[illegible]

The operation is so lean that, Moran jokes, "I've even done [illegible] calls." Still, he takes part in conference calls with the other stat[illegible] and signs onto many multistate campaigns.

"I call it the 'halo effect,'" Moran said. "We rely a lot upon friends across the country ... (and) Wyoming citizens benefit directly."

Immigrants Adjust Well to U.S., Report Says
By Patrick J. McDonnell
Los Angeles Times

LOS ANGELES The largest group of immigrants to the Un[illegible] States since the beginning of the century is embracing the nati[illegible] by the millions buying homes, speaking English, becoming citizens and intermarrying at surprisingly high rates, according to a new study of national census data.

Commentators brought together by the report's sponsors to a forum Tuesday in Los Angeles called the conclusions consistent with the ethnic transformation of Southern California.

Immigrants, said Joe Hicks, executive director of the Los Angeles City Human Relations Commission, are buying into the American Dream.

Opponents of current immigration levels, however, said the study was biased and ignored indications the nation is fracturing along ethnic and social lines.

The study found that immigrants mostly from Asia, Latin America and the Caribbean are adjusting to life in the United States in much the same way as newcomers from Europe did earlier in the century.

Relying on U.S. census data, the study focuses on four measures of assimilation: citizenship, home ownership, English acquisition and intermarriage. All were found to be on the rise among immigrants and their children.

``Contemporary immigrants overwhelmingly do what newcomers have always done: slowly, often painfully, but quite assuredly, embrace the language, cultural norms and loyalties of America," said Gregory Rodriguez, the study's author and a research scholar at Pepperdine University's Institute for Public Policy.

More than three-quarters of immigrants spoke English proficiently within 10 years of arrival, the study found, and more than 60 percent owned their own homes within 20 years. By the third generation the grandchildren of immigrants fully one-third of Latinas had married non-Latinos, while 41 percent of Asian-American women had non-Asian spouses.

In the past quarter-century, more than 7 million immigrants have become U.S. citizens, by far the most oaths administered during any 25-year period, officials say.

The study's upbeat conclusions are encapsulated in its title, ``From Newcomers to New Americans: The Successful Integration of Immigrants Into American Society." It was commissioned by the National Immigration Forum, the leading pro-immigration advocacy group in Washington, D.C.

The study argues that the vibrant, polyglot immigrant life of places such as Southern California should not be interpreted as a rejection of U.S. culture. Assimilation has historically been gradual, experts say.

``The assimilation process has been more or less sanitized and mythologized to depict a process that never was that somehow immigrants came off a boat and dropped all the symbols and norms that made their lives meaningful," said Frank Sharry, executive director of the National Immigration Forum.

Opponents of high immigration called the report a selective snapshot that ignored evidence of ethnic balkanization and said it simplified the assimilation process in an effort to build congressional support for expanded entry quotas and amnesty for millions of illegal immigrants.

``Assimilation is not a question of having a job or knowing the lyrics to Madonna's songs," said Mark Krikorian, executive director of the Center for Immigration Studies, a group that seeks to reduce the number of new arrivals.

Today, with burgeoning numbers of low-skilled, ill-educated immigrants, some predict the formation of a permanent underclass, with high welfare dependence, rather than an assimilated middle class.

``There's no evidence that most of today's immigrants have the skill sets suited for a postindustrial information-age, superpower economy," said Dan Stein, executive director of the Federation for American Immigration Reform, a national group seeking to limit immigration.

What policymakers must do, say Stein and others, is declare a ``timeout" in the number of new entries, allowing time for today's immigrants and their children to join society properly. They point out that the mass immigration of the early 1900s was followed by a 40-year period in which immigration was sharply curtailed.

Kosovo Airport Opens as Russian Troops Arrive
By John Daniszewski and Julie Tamaki
Los Angeles Times

PRISTINA, Yugoslavia War-scarred Kosovo passed two milestones Tuesday: the arrival by air of additional Russian troops, marking what officials hope will be the final agreement between Russia and NATO to cooperate in the province, and the reopening of the Pristina airport for humanitarian flights.

Two planeloads of Russian troops and gear landed at the newly repaired airport, along with a U.N. charter flight from Italy carrying satellite telephone equipment and generators for relief organizations.

The Italian flight was the first civilian aircraft to land since peacekeepers entered Kosovo on June 12. U.N. and NATO officials said it will be the first of many to bring in the supplies and personnel needed to rebuild Kosovo.

In addition, commercial flights may resume within two months, said British Brig. Gen. Andrew Bellamy, who has been appointed by NATO to head air operations in Kosovo, a province of Yugoslavia's dominant republic, Serbia.

The commander of the Russian troops at the airfield, Gen. Anatoly F. Volchkov, told reporters that six Russian military flights carrying equipment and ``from 30 to 40 people per aircraft" were expected in Pristina on Tuesday. Later in the day, however, it appeared that only two had made it because of technical difficulties in Russia.

Russian troops, in a blitz that caught NATO by surprise, raced into Kosovo from Bosnia-Herzegovina ahead of NATO forces June 12 and took control of the airport in order to augment their claim to a significant role in the peacekeeping operation in Kosovo.

That set in motion a series of delicate political and military negotiations, the last of which took place Sunday and Monday in Moscow, to determine where Russian peacekeepers would be stationed, what their duties would be and how their mission would fit into NATO's chain of command.

The Russians were blocked by NATO from landing their troops until the recent differences were resolved. After a final agreement was announced Monday, the Western alliance signaled its allies in the region to clear Russian flights through their airspace so that the airlift of troops could begin.

NATO officials said they believe that the way has been paved for the smooth deployment of 3,600 elite Russian troops within the nex month, to work alongside about 46,000 NATO and other international peacekeepers in KFOR, the Kosovo Force.

Although the Russian troops will not be permitted, as they had wished, to control any one sector of Kosovo, their dispersal across the province is expected to reassure Kosovo's fragile minority Serb population. As many as 80,000 of nearly 200,000 Serbs fled the province last month after NATO peacekeepers replaced Yugoslav troops and security forces.

One Russian battalion will be stationed in the town of Kosovska Kamenica in southeastern Kosovo; two battalions will be based in Malisevo and Orahovac in southern Kosovo; and a fourth battalion will be deployed in Lausa in the center of the province.

A member of the Russian military will oversee administration, security and maintenance at the Pristina airport. A NATO officer will be in charge of flight operations and air-traffic control.

The overall direction of the airfield and airspace will fall under the command of Bellamy, who reports directly to KFOR's commander, British Lt. Gen. Mike Jackson.

Bellamy told reporters that radar and navigational aids have bee restored at the airport, and bomb craters repaired on the runway, thanks to British and Russian cooperation over the past two weeks

He called the reopening of the facility a significant moment ``th brings together for the first time everything we have been trying t achieve."

The airport was a frequent target of attacks during NATO's 11-we bombing campaign against Yugoslavia, and shrapnel still litters it parking area. The terminal was badly damaged but has been partially restored by the Russians.

All KFOR participants will be able to use the airfield, and commanders of the five NATO sectors will be allowed to issue orders to the Russians, Garneau said. A logistics base will be established near Kosovo Polje, a town about five miles north of t airport, to support Russian troops and their KFOR counterparts.

Volchkov, the Russian general, said he believed ``all the probl have been solved" between his forces and NATO and that some Russian troops have already been sent to their assigned areas.

Serbian Protesters Demand Milosevic's Ouster
By Mark Fineman
Los Angeles Times

UZICE, Yugoslavia A burgeoning grass-roots movement to d Yugoslav President Slobodan Milosevic from power gained momentum Tuesday as thousands of Serbian men, women and children defied police intimidation and a decade of fear to pour the streets here in Serbia's far west and in a key southern city.

The U.S. Equal Employment Opportunity Commission

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EEOC ADDRESSES DISCRIMINATION AGAINST LOW-WAGE EARNERS AT HISTORIC PUBLIC MEETING IN HOUSTON

WASHINGTON -- In its second public forum outside the nation's capital this year, the U.S. Equal Employment Opportunity Commission (EEOC) held its monthly meeting in Houston on Tuesday, June 22, to hear testimony from expert witnesses on discrimination as it affects low-wage workers -- particularly immigrants, minorities, and women.

The day-long meeting, held at Texas Southern University's Thurgood Marshall School of Law, attracted an outpouring of approximately 300 people, including community and business leaders, civil rights advocates and educators, state and local government officials, over a dozen print and electronic media outlets, as well as the public at large. The historic gathering marked another step in EEOC's on-going effort to reach out to agency stakeholders, especially under-served communities, and expand its presence at the grassroots level.

"We left the Washington Beltway to listen carefully to experts and advocates at the local level who have first-hand knowledge about the problems facing low-wage workers," said EEOC Chairwoman Ida L. Castro. "The information we gathered will provide us with a solid foundation to develop our work plan so that together we can focus on these important issues."

During the meeting, three expert panels, including one affected individual, shared their experiences and insights on how best to break down the barriers to equal employment opportunity for low-wage earners. The Commission heard testimony from representatives of the following organizations: AFL-CIO; Asian Law Caucus; NAACP; Mexican American Legal Defense and Education Fund; Houston Immigration and Refugee Coalition; Texas Rural Legal Aid; Refugee Services Alliance; Wage and Hour Division, U.S. Department of Labor; and the Institute for Rehabilitation and Research. Also participating in the panel discussions were esteemed faculty members from the University of Texas.

Panelists discussed a number of issues affecting low-wage earners including wage bias, worker exploitation, industry trends, demographic and population changes, challenges faced by immigrants and undocumented employees, the role of organized labor, welfare-to-work programs, temp services and contingent workers, low job classification, and limited job opportunities for older workers and persons with disabilities.

In addition to the expert witnesses, the Commission heard testimony from Francisco Javier Guevera, a Mexican construction worker from Houston, who provided personal insights about his employment as a low-wage immigrant worker. The meeting "opened a whole new world" he said, because he previously had no knowledge about the laws enforced by EEOC, nor did he understand how to utilize the agency's complaint process.

"Due to a lack of education, cultural differences, and language barriers, too many low-wage workers are unaware of their rights, unfamiliar with EEOC's charge processing procedures, and unable to get a fair shot at the American dream," said Ms. Castro.

Among the recommendations made by the panelists were to increase enforcement attention to the agricultural, poultry, meat packing, construction, and restaurant industries; survey employees under the H-2A temporary farm worker program to ensure that employers are complying with the EEO laws; and monitor public works construction projects to safeguard against workplace bias.

"Too many employers continue to abuse and take advantage of low-wage earners because they are vulnerable to threats of retaliation and fear deportation," Ms. Castro said. "EEOC will enhance collaboration with stakeholders and provide more strategic enforcement to root out the bad actors and remedy egregious discrimination wherever and whenever it exists."

Under Chairwoman Castro's leadership, the Commission has made several major enforcement reforms which have increased the efficiency and effectiveness of agency operations. These include implementing a Comprehensive Enforcement Program to further collaboration between attorneys and investigators processing charges of discrimination; expanding EEOC's voluntary mediation program nationwide; reducing the backlog of pending charges and lowering the average charge processing time; enhancing outreach, education, and technical assistance to stakeholders with a special emphasis on small and mid-sized employers as well as under-served communities; and revamping the agency web site to make information more accessible in a user-friendly format.

EEOC enforces Title VII of the Civil Rights Act of 1964, Title I of the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, sections of the Civil Rights Act of 1991, and the Rehabilitation Act's prohibitions against disability discrimination in the federal government. Further information about the Commission is available on the agency's web site (www.eeoc.gov).

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