



## Illegal immigrants: good for business and no drain on the welfare system

By Martin Brown  
Pacific News Service

Manuel Rojas strolled down to his local tavern in San Francisco's Mission district the other night to celebrate his new quasi-legal status. As a "temporary alien," Rojas (not his real name) may soon be legally entitled to remain in the U.S. for at least five more years and—more important—to seek work in the above-ground labor market.

"Of course," said Rojas, lifting a glass of beer, "this is a great relief."

Yet Rojas, who slipped across the U.S.-Mexican border in 1973—and has been back and forth a half-dozen times since—also had qualms. What would happen to him at the end of five years? Will he again be subject to deportation, or will he be given a permanent alien status? No one knows.

And, though he will be required to pay regular payroll taxes while employed, he will not be entitled to any of the social services those taxes pay for, such as Medicaid, food stamps or federal welfare.

In the end, Rojas, and millions of others like him, may well conclude that the administration's "solution" to illegal aliens is a very mixed blessing, offering no fundamental change but rather a veneer of legality over a still troublesome situation.

### In the economic structure.

The reason it will remain troubling, according to a number of respected economists who specialize in immigrant labor, is that the "alien problem" lies deep in the structure of the American economy, which makes it profitable for certain businesses to utilize illegal workers.

The immigrants themselves are mere symptoms of the problem.

In fact, many economists agree that illegal immigrant labor has been good for American business, particularly the so-called "secondary labor market," that section of the economy that provides low-paying, non-union employment, generally with sub-standard working conditions and little job security.

And, they also agree, the widely held notion that illegal aliens are "indigent" and a drain on the American welfare system has little validity.

Economist David S. North, with cooperation of the U.S. Immigration and Naturalization Service (INS), recently interviewed 793 illegal aliens who had been picked up by the INS in major American cities.

He found they had worked in the U.S. an average of two and a half years, that 77 percent had paid Social Security taxes and 73 percent had paid federal income taxes. Nearly half had also paid for hospitalization insurance.

In contrast, only 27 percent had used public hospitals or clinics and less than 4 percent had collected one or more weeks of unemployment insurance. Only about 4 percent had children in American schools, only 2 percent had secured food stamps and less than one percent had received welfare payments.

North concluded that illegal alien workers actually contribute more to the public welfare system than they take out of it.

He also found that most of the illegal workers he interviewed had worked in "low-wage, low-skill, low-status jobs;" 24 percent had been paid below the minimum wage.

Their employers, he found, felt that illegal alien workers were more productive than domestic workers, and that they were necessary to maintain or increase profits in small, labor-intensive, highly competitive firms.

### Always immigrants.

The main problem with illegal or undocumented workers, concluded North, is that they make it more difficult for low-skilled domestic workers to find decent paying jobs or to improve wages and working conditions in the non-unionized secondary labor market.

Economist Michael Piore of the Massachusetts Institute of Technology agrees with North's findings. He also argues that any policy designed to attack the symptom—illegal aliens—rather than the cause of the problem—the structure of the labor market—could make matters worse, not better, for all disadvantaged workers.

Piore, who has studied the secondary labor market in Boston, notes that fundamental changes began occurring in the late '60s.

In the mid-'60s, he points out, the majority of workers in the low-paid, non-unionized market were older immigrants and native workers, notably blacks from the urban ghettos. But by the late '60s, "these workers reportedly became a good deal more difficult to manage. Clashes between employees and supervisors and among employees themselves became more frequent," partly as a result of the generally prosperous economy and rising worker expectations.

But rather than improve the wages and working conditions, Boston secondary employers began to recruit a wave of immigrant workers, legal and illegal, from Puerto Rico, Haiti, the Dominican Republic, Mexico and other Latin American countries. By 1975 illegal aliens constituted almost three-fourths of the minority labor force.

When Piore asked a Boston textile manufacturer what he would do if "immigrants were no longer available," he was told: "There will always be immigrants to work for us. First there were Italians, and French Canadians, later there were blacks from the South. Now we have Puerto Ricans."

Piore worries that a "crackdown" on illegal immigration, promised by Carter, will only drive the secondary labor market further "underground."

MIT political scientist Wayne Cornelius suggests another reason why such a crackdown may fail.

"The pressures [to migrate to the U.S. from Mexico] are so intense...that most Mexican illegals are not likely to be deterred, even by the most draconian restrictive measures," he says.

The awareness that structural changes in the American economy may be the only real answer to the "illegal alien crisis" has led some American labor leaders to change their views on how to deal with the situation.

Union organization of the secondary labor market, they believe, would at once improve wages and working conditions, and at the same time restrict employers from seeking cheap labor from an illegal work force.

Cesar Chavez's United Farm Workers union, which once blamed illegals for sanitation problems, crime and low farmworker wages, is now actively recruiting illegal aliens into its membership.

At the same time, the AFL-CIO is campaigning for reform of the National Labor Relations Act in a way that would cut the red tape and cost of union organizing. This would presumably make it easier to organize the thousands of small work places that make up the secondary labor market.

Until such fundamental changes occur, both here and in the underdeveloped countries that provide the aliens, the tide of foreign workers, both legal and illegal, is likely to continue to swell.

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## Carter's plan is full of loopholes

By Judy MacLean  
Staff Writer

"This is a false amnesty plan, not satisfactory at all," says Steve Hollopeter, Legal Office Coordinator for CASA (General Brotherhood of Workers) about Carter's proposals to Congress for dealing with illegal and undocumented workers.

The Carter administration is proposing to grant permanent resident alien status to illegal immigrants who've been in the U.S. since before Jan. 1, 1970. After five years, they would be eligible for American citizenship.

The administration also recommends that those who arrived in the U.S. between Jan. 1, 1970, and Jan. 1, 1977, be given temporary resident alien status for five years. What would then happen is unclear; Attorney General Griffin Bell says it would in part depend on what the registration process shows in terms of numbers.

Those arriving after Jan. 1 of this year would be deported.

Beefed up border patrols, especially along the Mexican border, and civil fines of \$1,000 per undocumented worker for employers who hire illegal immigrants are expected to stem the flow of an estimated 500,000 persons per year across U.S. borders.

No one knows how many people live and work illegally in the U.S. Estimates run from six to 12 million, with two to four million employed. Mexicans are thought to be a third to three-fourths of the "illegals," although they make up 95 percent of all deportees.

"We're clearly opposed to the proposals. We're advising people not to register with the Immigration and Naturalization Service. It may be a way to get all the names and addresses and then deport them all," says Isa Infante, coordinator of the National Immigration Project of the National Lawyers' Guild.

"Many, many people will have no way to document that they've been here," says Infante. The proposal calls for rent receipts, utility bill stubs and social security cards as proof; illegal residents may not have them in their own names or may not have saved such papers since before 1970.

Carter says his proposals are necessary "to avoid having a permanent 'underclass' of millions of persons who have not been and cannot practically be deported and who would continue living here in perpetual fear of immigration authorities, the local police, employers and neighbors."

"His proposals will institutionalize the underclass," counters Gilbert Reza, author and staff assistant to Rep. Jerry Patterson (D-CA). "He will create a group of poverty-stricken individuals who no longer have to remain hidden, but who won't have rights guaranteed to other American workers. They still won't qualify for Medicaid, welfare or food stamps, even though they'll pay all taxes. It's questionable if they'll be eligible for unemployment compensation or be able to unionize."

The proposal calls for all employers to pay resident aliens the minimum wage, but Reza says it is "full of loopholes."

The employer sanctions, weaker than in earlier versions of the proposal, will be largely unenforceable, Hollopeter predicts.

Other sources fear stepped-up efforts to deport those arriving after Jan. 1, 1977, will lead to increased job discrimination against Latinos and increased harassment for all suspected foreigners. "Anyone who even looks Latino will be subject to being stopped anywhere," says Isa Infante.

Carter has won over some conservative foes by softening employer sanctions, but final adoption of his proposals is by no means certain. Hearings will be held at the year's end, and alternate measures will be introduced. One, by Rep. Jerry Patterson, will call for amnesty for all who entered before Jan. 1, 1975, and stiff penalties for employers who hire undocumented workers or who discriminate against Latinos.



## LABOR

# New priority for job security

**By Paul Rosenstiel**  
**S**tung by massive layoffs during the recent recession, many labor unions are now making protection against future job losses a much higher priority in contract negotiations.

Already the United Auto Workers (UAW) and the United Steelworkers (USW) have had some success in creating more jobs and winning increased financial security.

The issue also came up in negotiations between the Communications Workers and the phone company over their new contract, now awaiting ratification by union members, who have faced more than 130,000 layoffs in the last three years. CWA president Glenn Watts said before the negotiations began that the union was out to "win the kind of job security they haven't had in the past." The new contract, according to Watts, contains some "breakthrough agreements," equalling or exceeding provisions in the auto and steel contracts.

The issue of job security is expected to arise in a variety of other industries, such as aerospace, in the near future.

Despite the fanfare from union leaders, however, settlements that have increased job and income security have contained little that is radically new to collective bargaining. Most provisions have come as expansions of already existing programs, including paid holidays and vacations, retirement programs and supplements to unemployment insurance.

Consequently, these improvements are far from representing true "lifetime security." More accurately, they are only improvements in the area of paid time off and short-term income protection—areas in which unions have made steady advances since World War II.

American workers 30 years ago had six paid holidays and few got more than two weeks paid vacation a year. Today major contracts provide an average of over nine paid holidays and, in 90 percent of them, senior workers have at least four weeks of vacation.

In the 1950s both the UAW and USW negotiated a supplementary unemployment benefits (SUB) program that obligates companies to help support laid off workers for a limited period of time.

## A new importance.

What is different today is that for many unions these issues have assumed greater importance than their traditional number one concern—wages—and a recent variation on that theme—cost of living escalators.

"If you haven't got job security, an escalator clause in an inflation doesn't mean a hell of a lot," explains AFL-CIO economist John Zalusky.

The steel and auto settlements take fundamentally different approaches to the problem. The UAW pact, negotiated last year, increases the number of paid holidays. This, it is hoped, will require the companies to hire more workers.

Zalusky believes it will indeed do this, although "for every person taking a day off on a floating day you're not going to hire a new person."

Cass Alvin, USW spokesman for the western states, isn't that confident. Floating holidays are "absorbed by the whole set-up," he says, adding that to create jobs workers must be removed from work for a longer period of time. The 1962 steel settlement, he explains, created jobs with the innovative "sabbatical" program that gives the senior half of the workforce a 13-week vacation every five years.

But job creation proved to be an elusive goal in the contract the USW signed with the nation's ten major steel companies in April and with the aluminum industry in May. While outgoing USW president I.W. Abel emphasized his union wanted jobs not just income, Alvin says the truth is that "we cannot do as much about creating jobs through collective bargaining as we can about income guarantees."



While unions have had little success in winning real job security for their members so far, some unions have won a modicum of income security, fashioning a package that provides some cushion for hard times.

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Labor's efforts at job creation must instead take the form of pressing for enactment of the Humphrey/Hawkins full employment bill and laws to create public service jobs, he explains.

## Creating a security package.

But the union can win financial security at the bargaining table, according to Alvin. To that end the USW seeks to fashion from existing contract and government programs—such as supplemental unemployment benefits, unemployment insurance, medical insurance, workers' compensation, etc.—a package "so that regardless of why a person is unemployed we could assure him" of income.

The USW contracts contain a number of new elements in this direction, although what income guarantees they contain apply primarily to workers with at least 20 years seniority—the very workers for whom job security is already the greatest through the seniority system. Beyond that many income guarantee provisions are only temporary; they aren't lifetime security.

Under the steel contract, for example, the SUB program covers workers with 20 years seniority for two years instead of the previous one year. (The aluminum pact goes further, guaranteeing 18 months of SUB to workers with 10-20 years seniority.) Workers transferred to other jobs will get at least 90 percent of their previous pay, plus relocation expenses if necessary. And the new "rule of 65" allows workers with 20 years seniority to retire if they've been laid off two years, they're disabled or the plant they work at closes down. And until they become eligible for social security benefits (or until they get another job) their pension will be sweetened by \$300 a month.

Besides providing financial security, Zalusky contends the "rule of 65" will also help preserve jobs. It will "raise the price to the employer of eliminating jobs," he

says, and companies will think twice before they shut down a plant.

## Business opposition.

Yet despite these advances by the auto and steel unions, both will admit they are far from winning true lifetime job and income security. What's standing in their way is stiff employer opposition.

Business has argued loudly that it can't afford lifetime security or job sharing programs. Before the auto industry negotiations began, General Motors chairman Thomas Murphy warned that "less work not balanced by increased productivity really means more cost." This, according to the industry argument, means higher prices and a loss of jobs as American goods become less competitive in the world market.

In response the AFL-CIO's Zalusky says, "We've heard those arguments from year one," but in fact American industry has grown and thrived all the while that working time has declined and workers' pay has increased.

## Relaxing work rules.

Nonetheless, business is firmly committed to giving workers extensive lifetime security only in exchange for a relaxation of work rules that can increase productivity. Steel industry negotiators made that point repeatedly in this year's negotiations. But unions balk at that trade.

"There'd have to be a lot of frosting on the cake" before the USW would agree to loosen work rules, says Alvin. The USW fought a 116-day strike over that issue in 1959 and it remains a significant issue today. In the union's presidential election in February, Ed Sadlowski won 43 percent of the vote on a platform that featured, among other things, criticism of the union's leadership for insufficient concern over work rules.

Some unions have made that trade, but they've done so only in the face of a mas-

sive threat to their jobs. And in the end the unions have usually come out on the poorer end of the deal.

In 1960, for example, the International Longshoremen's and Warehousemen's Union (ILWU) negotiated a guaranteed wage for its members—whether or not they work—when the advent of containerized cargo threatened to put many dock workers out of a job.

In return the union loosened its control over work rules and agreed not to register new longshoremen as old ones retire, thus guaranteeing the steady erosion of its ranks. As a result the shippers' tonnage increased a third while hours worked remained the same and, according to government and industry estimates, the companies saved \$90 million over the costs of the program in its first five and a half years.

Since then rank and file discontent with the plan has grown. When the longshore contract was renegotiated in 1975, members twice rejected the plan despite a provision that substantially fattened the pay guarantee fund. A leaflet put out by rank-and-filers urging rejection explained that "the Negotiating Committee fell down precisely where the members are affected most—the protection of the Hiring Hall and the preservation of JOBS!!!"

Wages, too, remain an important issue on which unions aren't prepared to make large concessions to win income security. The inflation of recent years has actually eroded the purchasing power of workers' paychecks by 5 percent since 1973, forcing many workers to seek overtime work and making share-the-work plans unattractive. Even when unemployment was at its peak two years ago, a quarter of the full-time workforce put in more than the standard 40-hour week. And the average workweek for non-student males was the same in 1975 as it was in 1949: just under 43 hours.

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