

**LEGAL IMMIGRATION—OCCUPATIONAL
PREFERENCES**

HEARING
BEFORE THE
SUBCOMMITTEE ON IMMIGRATION,
REFUGEES, AND INTERNATIONAL LAW,
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Mr. MAZZOLI. Thank you very much, Doctor, for your excellent testimony. I have a couple of questions which I will ask you in just a moment.

Then if we could, to Professor Briggs from Cornell.

Mr. BRIGGS. Mr. Chairman, I expect I have a different perspective.

Mr. MAZZOLI. I think that is good; it will provide an interesting viewpoint here.

Mr. BRIGGS. My view is, just to summarize it, that the American economy is in the midst of a major transformation, a radical transformation from the past in terms of its production patterns and its employment patterns. So sharp has been that break that we are already talking about the de-industrialization and "industrial divide" and a whole number of other terms in economic writings. There is no question that the American economy is going through a dramatic shift.

The question only is about how our labor force is going to adapt to these changes and what role our immigration policies—that were essentially set back in the 1960s—will play? In my view, our legal immigration system is way out of synchronization with the contemporary events we are faced with and what we are likely to see in the future.

The basic question I raise in my testimony is whether we should continue to have this permissive immigration policy that allows it to function irrespective of essentially any of its economic implications. This does not mean that it does not have economic implications, just that it is allowed to function without concern for what they are.

In my view, the immigration policy has a major influence on the size of our labor force; we know that immigration now contributes to about a third of the annual growth of our population, perhaps even more of our labor force each year. That is a significant number. By the year 2000, it may be significantly more than that. Perhaps up to 100 percent of our labor force growth may come from immigration. So we are not talking about something minor. Immigration policy is a major economic influence.

There is also concern over the composition of that flow as well. We know that the foreign population increased by, as officially measured, by something on the order of 46 percent from 1970 to 1980, not counting a lot of illegal immigrants. I think it is fair to say that between 1980 and 1990 that 46 percent is the largest increase of any personal characteristic I know of in the labor force. I do not know of any other group—women, minorities, old people, young people—who increased by anything near to 46 percent in the 1970s.

I think that the increase in the 1970s, however, will be small potatoes compared to what is likely to happen here in the 1980s, given the new immigration legislation with its amnesty provisions, the Refugee Act of 1980, the special adjustment programs for the Cuban and Haitian refugees and on and on, and the continuation of the flow of illegal immigration. I am not content to believe that

the new law is going to be extremely effective in stopping illegal immigration.

So I think we are faced with the fact that our immigration policy is of major economic importance. Up until this point, our immigration policy has been basically based on sentimental reasons or purely political concerns. And I think it is a disgrace that it is not held accountable for its economic consequences, both as to its benefits and what it could do for this country, if it were seen essentially as a tool of economic policy, and not as being a political or sentimental policy.

Immigration policy is the one aspect of labor force growth that we should have some control over. I think experience has shown that we don't think we have much control over this one element of labor force growth and composition changes. Moreover, immigration policy today is essentially designed to be a honeypot for the nation's lawyers as opposed to something that is designed and used for economic purposes. What can it do for this country and what it does to this country's labor force should be the focus of action.

I will skip some of the sections, because I know this committee is well aware what this immigration law does; I won't go through that. Essentially the fact is that it is primarily geared toward family unification. As a result, it is very mechanistic, highly nepotistic, and also quite discriminatory. I think the policy is an embarrassment to the nation.

I think in the context of the changing labor market, immigration policy should be seen as an instrument of adjustment to help the economy respond to these changes rather than being something which the economy simply reacts to.

I have a long section on adult illiteracy in my testimony. Currently there is a great deal of concern about illiteracy in the United States. Most of it is directed at school drop-outs and push-outs. We don't seem to have any recognition that the major cause of the increase is illiteracy in the United States is immigration. The social capital costs that are associated with responding to what the immigration policy is doing are going to be immense.

At earlier times in American history unskilled and illiterate workers were exactly what we needed. I would say about the labor force of the 1980s and 1990s, that such workers are the last thing we need. Immigration is contributing to increased illiteracy.

If we are going to continue admitting people, especially through the refugee system who have difficulties with the American language and who lack training for the labor markets, we ought to be sure that there are social programs to assist those people in their communities. If we are not willing to fund those programs, I think we ought to re-think the wisdom of those policies as well.

Just to briefly highlight what my major recommendations are, I believe that the Congress should set a ceiling in immigration. The actual immigration policy however, should be allowed to have a flexible number and that the number should fluctuate with unemployment rates. When unemployment rates go up, immigration goes down; having a mechanistic number as we now do makes no sense to me at all.

In 1982-1983, we had a 10 percent official unemployment rate. What was the sense of having record flows of immigrants at a time

like that? I think the immigration policy should be primarily geared toward occupational purposes; that is, it should not be based primarily on family unification. It ought to be geared toward meeting occupational needs. That means that the Labor Department ought to be primarily involved in the administration of a large part of immigration policy, as the Department of Labor was for the first 26 years of the existence of the Department of Labor.

I also think that occupational preferences ought to be increased to at least 50 percent of total annual admissions. If we need highly skilled workers, that's what the immigration policy should bring in. If we need unskilled workers, that's what we ought to bring in. It ought to be flexible and adjustable, to bring in the kinds of workers this country needs; not simply based on family reunification principles.

Also with respect to refugee policy, that ought to be brought back within the overall immigration policy. If the number of refugees go up in a given year, then legal immigration ought to go down. If we admit increasing numbers of refugees, we must have the federally financed social programs to help them adjust to the labor force.

[The statement of Professor Briggs follows.]

Testimony Before The
Subcommittee on Immigration,
Refugees and International Law
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C.
July 21, 1987

Employment Implications of U.S. Immigration Policy

Vernon M. Briggs, Jr.*

The economy of the United States is in the midst of a radical transformation of its productive system and labor force. So sharp has been the break from the experiences of the past that it has already become in vogue to speak of a new "industrial divide" or of the "de-industrialization" of the economy. The issue is not whether fundamental economic shifts in the production and employment characteristics are occurring, but, rather, only the magnitude and the speed by which they are taking place. The fundamental challenge to the future welfare of the nation, therefore, centers upon the ability of its institutions and people to adjust without serious disruption to the metamorphic changes associated with what is now called post-industrial economic development.

The post-industrial transformation in America involves complex factors, such as accelerated technological change; growing foreign competition in science, technology and trade; shifting consumer buying patterns; massive public expenditures on military and space program; new employment patterns involving dramatic shifts from goods-producing industries to services and from blue collar labor to white collar occupations; the relative decline of old "smokestack" industrial regions and the rise of high-tech industries in specific centers as in Austin, Boston, and California's "Silicon Valley."

It is not the purpose here to explain post-industrialism. Rather, it is to discuss the one economic factor that distinguishes the United States from all other major industrial powers entering into the post-industrial era. Namely, the fact that the United States continues to receive massive numbers of immigrant and refugee workers and their dependents. It is also concerned with a key question of public policy: Should a permissive immigration policy continue to function irrespective of its economic consequences? Designing post-industrial economic policy to achieve full employment and to develop the full human resource potential of its citizens in the context of an economic transformation is plainly a formidable task. But, as will be emphasized, the effectiveness of such planning endeavors is greatly hampered -- if not rendered impossible -- when one of the most important contemporary influences on the size and composition of the nation's labor supply, namely immigration and refugee policies, is allowed to function as an exogenous policy factor.

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The 1980 Census revealed that the size of the foreign-born population of the United States had not only reversed its 50-year downward decline but it had sustained a quantum increase. As a group, the reported foreign-born population rose from 9.6 million in 1970 to 13.9 million persons in 1980 (an increase of 45 percent). No other grouping of the personal characteristics of the population increased by a larger percentage between 1970 and 1980 than did the foreign born. The 1980 Census also disclosed that one of every 10 people in the country spoke a language other than English at home. As it is certain that there was a substantial statistical undercount of the illegal immigrant population by the 1980 census, even these official findings were surely understated.

More importantly, however, is the fact that since 1980 there have been momentous developments with respect to immigration flows to the United States. Some of these include the liberalization of refugee admission policies and the creation of an asylee admission policy associated with the workings of the Refugee Act of 1980; the adjustment of status of over 100 thousand refugee and asylee applicants from Cuba and Haiti outside of the terms of the Refugee Act of 1980; the on-going efforts of the sanctuary movement to facilitate the surreptitious entry of persons from various Central American nations into the country; and the provisions of the newly enacted Simpson-Rodino Act with its general amnesty provisions for millions of illegal immigrants and its relatively open-ended program to permit the adjustment of status of tens of thousands illegal foreign agricultural workers who would not otherwise qualify for the general amnesty. There is also the fact that it remains to be demonstrated whether the newly enacted Simpson-Rodino Act will have any real effect on reducing the flow of illegal immigration to the United States. The lack of an effective identification system, concern over inadequate funding for enforcement, and the omission of any attention to the powerful "push" forces of population growth, poverty, unemployment, and corruption in the sending countries all suggest that illegal immigration will continue at high and, possibly, increasing levels. All of these factors plus the on-going workings of the legal immigration and refugee admission systems throughout the 1980s make it certain that the foreign born population to be recorded by the 1990 census will show another quantum leap.

For these reasons, immigration now appears to be as important as fertility insofar as U.S. population growth is concerned. Since population changes are transmitted to the nation's economy through labor force changes, there are compelling arguments for a close coordination between the formulation of employment and immigration policy.

The lack of attention given to the labor market implications of the immigration reform drive of the mid-1980s serves largely to underscore the basic flaw in the nation's overall immigration policy. Namely, the immigration system has been designed to serve largely political and sentimental purposes -- not economic purposes. If contemporary immigration flows were of a minor scale and if the economy were not in the midst of a major structural transformation, the nation could probably afford to ignore pleas to overhaul the present immigration system. But such is not the case.

The Administration of Immigration Law

Because the magnitude and composition of legal immigration flows are subject to direct government regulation, it is essential to understand how immigration policy is administered. There is only tangential mention of immigration in the United States Constitution. By the late 19th Century, however, the Supreme Court had concluded that the federal government had exclusive responsibility for immigration. After being briefly assigned to the Department of the Treasury and later to the Department of Commerce and Labor, the administration of immigration policy was given to the newly established U.S. Department of Labor (DOL) in 1914. This action represented a clear recognition by policymakers of the time that labor market considerations should be the primary concern of immigration policy. In 1933, by executive order, the immigration and the naturalization functions were joined into a single agency: the Immigration and Naturalization Service (INS) within the Department of Labor.

With the approach of World War II, an executive decision was made that has had lasting influence on handling of immigration affairs. In June, 1940, the INS was shifted from the Department of Labor to the U.S. Department of Justice. Under this agency, concern over the possible entry and presence of subversive foreign elements became the highest administrative priority of the INS, and immigration policy as an instrument of human resource policy became a distant secondary concern.

The INS is still under the Department of Justice. This arrangement has seriously impaired any effort to make the administration of immigration policy congruent with domestic labor market conditions. The Department of Justice consists of a dozen major agencies, all pleading for attention from the U.S. Attorney General. Consequently, immigration matters have tended to be neglected or relegated to a low order of priority. Moreover, the Department of Justice is one of the most politicized of federal agencies. It often feels pressed to choose short-run, expedient solutions. Seldom has it manifested interest in the economic consequences of immigration, nor has it ever seen fit to establish any on-going research program to monitor the influences of immigration on the labor market or the economy. Moreover, the statistics that are generated by the agency are primarily for administrative rather than for analytical purposes.

Another result of the shift of Immigration Service to the Justice Department has been that the Senate and House judiciary committees gained the responsibility for formulating immigration policy and for supervising immigration affairs in general and the INS in particular. Traditionally, membership on these committees has been reserved almost exclusively for lawyers. One consequence is that immigration law in the United States is obsessively complex and legalistic. Another is that immigration lawyers and consultants have found a flourishing business -- a "honey pot" -- in the legal complexities and loopholes of immigration law that actually encourages illegal entrants and overstay visitors. In this legalistic atmosphere, economic considerations are usually ignored.

Present Immigration Policy and Priorities

The revival of large-scale legal immigration as a formative influence on the American economy, society and culture dates from the Immigration Act of 1965. This law represented the culmination of decades of effort to purge the nation's immigration system of the "overt racism" that liberal reformers perceived in the "national origins system" that had favored immigration of culturally similar peoples from Great Britain and Western Europe since 1924.

The few nations with large quotas did not use all of the visas available to them while most other nations with small quotas, or virtually none at all, had backlogs of would-be immigrants. No doubt that was what the authors of the 1924 quota act intended. In any case, the 1965 Act abolished the former admission system. In the process it also placed a numerical quota on Western Hemisphere immigration through an amendment for the first time. In 1976 and 1978 further amendments led to the establishment of a single worldwide quota for immigrants with no more than 20,000 visas each year to be made available for persons from any one country. In any event, the numbers of legal immigrants, their immediate relatives, and those who have entered under other provisions (i.e., such as refugees) has soared from 196,697 in fiscal 1965 to 570,009 in fiscal 1985, with enormous accumulations of backlogged visa applicants.

Equally important, the 1965 legislation made family reunification the dominant admission factor. Ironically, the motivation for the change was not entirely humane. In the Judiciary Committee of the House of Representatives, some legislators were concerned with finding a way to retain the national origins system under a covert guise. Obviously, if certain groups had been excluded or had a low quota in the past; they would have fewer chances to bring in relatives under established family preferences. On the other hand, family unification would seem to benefit those groups who had large quotas under the former system.

The Johnson Administration sought to retain the priority of labor market considerations as the highest preference criterion. This had been the case under the preference system established by the Immigration and Nationality Act of 1952. Congress, however, made family reunification the major preference factor. The Johnson Administration was forced to accept the change as the price of eliminating the national origins admission system. In the process, two fundamental changes occurred that have had a significant impact on U.S. labor markets. First, the 1965 law downgraded labor market considerations to lower preference levels, namely, the third and sixth, and it sharply reduced the number of visa allotments for immigrants with needed skills and knowledge. Second, legislators were flatly wrong in their anticipation that family reunification priorities would favor European immigration. As it turned out, the sources of European immigration dwindled because of economic and social advances there and, because of the massive backlog of non-European applicants for immigration that has accumulated since 1965, the "first-come, first served" admission process now means that there will be years of delay before many European applicants can be considered. In their place, great waves of Third World immigrants have taken advantage of reunification opportunities -- especially as the result of refugee

admissions. The result has been a revolutionary change in the sources of immigration. By the 1980s, nearly 85 percent of all legal immigration is from Latin America and Asia. It is commonly estimated that the same percentage holds for illegal immigration.

In the years since 1965, there have been a number of minor changes in the immigration system, but the heavy emphasis on family reunification has remained essentially intact. The system currently sets a single worldwide admission ceiling of 270,000 immigrants annually, of which only 54,000 are reserved for needed workers, such as technicians and professionals. It is true that no more than 20,000 visas are allotted to would-be immigrants of anyone country in a single year but, and this is very significant, the immediate relatives brought in by naturalized citizens, after easy citizenship tests, are not counted in either ceiling. Immediate relatives are nearly all spouses, children and parents of naturalized citizens over age 21, and their numbers are growing rapidly. In fiscal 1985, the number of immediate relatives admitted outside the ceiling totaled 198,143 persons.

To decide which specific individuals are granted immigrant visas within the framework of numerical ceilings, a six-category preference system exists. Four of the categories, which account for 80 percent of the visas, are reserved for persons who are family related (i.e., relations other than immediate family members). The two remaining categories, that is, the third and sixth, are the only ones based on labor market considerations, but they are allocated only 20 percent of the annual visas. To be admitted in either of these two labor-market categories, an immigrant must secure a certification from the Department of Labor that states that his or her presence will not adversely affect the job opportunities and labor and wage standards of U.S. workers. On the other hand, immigrants admitted under family reunification priorities are exempt from any labor certification whatsoever. This means that the growing influence of family immigration on the labor market is largely the result of chance and not planned accommodation with regard to the skills and education they possess. No small matter. In 1985, 570,009 legal immigrants, plus 62,477 refugees, were admitted to the United States. Many were unskilled family members from underdeveloped Third World societies and many were functionally illiterate in English. Moreover, most were destined for unskilled jobs in services in the secondary-labor markets. Only about 5 percent of these new residents were subject to labor certification. And, of course, none of the illegal immigrants were so subject. If illegal immigrants are included, the number of immigrants subject to labor certification falls to far less than one percent.

The Changing Nature of the U.S. Labor Market

The prevailing legal immigration policy of the United States was mostly forged in the early 1950s and mid-1960s when immigration was not a significant influence on the economy, and consequently it manifests little interest in labor force considerations. Perhaps the nation could tolerate such indifference if the immigration flows of workers had remained relatively small and if the economy and labor force had not undergone significant structural alterations. But the economy of the United States in the mid-1980s is a far cry from that which prevailed during the age of mass European

immigration that preceded World War I. The historical domination of the goods-producing sector as the major source of employment, as in agriculture, manufacturing, mining and construction, is over. Its relative share of employment has steadily declined since the mid-1950s. Goods-producing industries presently account for less than 29 percent of the U.S. jobs and only 32 percent of the dollar value of U.S. production. The service industries provided the balance.

Likewise, the occupational shifts associated with post-industrial changes show a dramatic shift from the blue collar to white collar jobs. Although many service sector jobs require relatively few skills or education (i.e., working in fast-food chains, cleaning, and laborer work), it is also the case that the service jobs that are increasing most rapidly (i.e., computer processing, health care, education, and legal services) require extensive job preparation. The demands of the service economy are, therefore, leading to a general upgrading of the qualifications that are needed to obtain and hold jobs compared to an earlier era when goods-producing industries dominated the economy.

On the labor supply side, the Bureau of Labor Statistics has projected a yearly labor force growth for the remainder of the 1980s of 1.6 million and in the early 1990s of 1.3 million new workers. These projections seem extremely conservative -- as all past projections by the Bureau of Labor Statistics have been -- because they underestimate growing numbers of legal immigrants and refugees through family preference immigration; they exclude any estimate of future illegal immigration; and they do not include any of the anticipated effects of the new amnesty and agricultural foreign worker adjustment program that have become effective in 1987.

As for the composition of the labor force, the years since 1965 have been a period in which racial and ethnic groups, as well as women, have dramatically increased their proportions of the total labor force. The Bureau of Labor Statistics projects that these patterns will continue, with women accounting for two-thirds of the annual growth in the labor force, blacks about 25 percent, and Hispanics about 30 percent over the next decade. Furthermore, it is likely that the heavy but unplanned influx of immigrant labor will serve to maintain high levels of black and Hispanic unemployment and social marginalization.

The Phenomenon of Adult Illiteracy

Although the 1980 census concluded that the nation is almost 100-percent literate, that finding has been openly questioned. Indeed, based upon several studies, the U.S. Department of Education reported in 1983 that 23 million adults are only marginally literate at best. Other studies released in the early 1980s have placed these numbers even higher. The situation is believed to be so severe that the National Commission on Excellence in Education, appointed by President Reagan, concluded in its comprehensive report that the future welfare of the nation is "in peril" and entitled its study A Nation at Risk.

The economic consequences of mounting levels of adult illiteracy among the labor force is relatively more significant in the emerging service-oriented society than was the case in the old industrial order. Factory, farm and extractive labor in the first half of the 20th Century did not require very much in the way of educational and verbal skills. But service industries and technologically-oriented businesses require workers to be able to handle comprehensive tasks which are based more on reading, writing and listening than on manual skills.

Widespread adult illiteracy poses a threat to economic productivity because of the limited availability of an employable work force to meet post-industrial needs. Furthermore, functional illiteracy contributes to the incidence of work place accidents, the production of inferior products and services for consumers, and the loss of management and supervisory time.

According to the U.S. Department of Education, the stock of functionally illiterate adults is increasing at an annual rate of 2.3 million persons. Of these, immigration -- in all of its forms (i.e., legal immigrants, refugees, immediate family members of immigrants and refugees who are adults, and illegal immigrants) -- accounts for the largest proportion of this estimated annual increase by adding about 1.3 million illiterate persons to the population each year. In contrast, the Department of Education estimates that the remaining 1.0 million illiterates are high school dropouts, pushouts, and even graduates who have received social promotions. Much public attention has been directed in recent years to the illiteracy problems associated with the nation's schools but no comparable attention has been directed at the major source of illiteracy in the United States: its new immigrants.

Many immigrants, it should be noted, are functionally illiterate in their own native language. Here one refers to most job seekers and their dependents who enter the nation illegally from Mexico and Central America, and to many of the refugees admitted in recent years from Southeast Asia, as well as to many of the recent asylees and asylee claimants from Cuba, Haiti, El Salvador and Guatemala. The new amnesty program and the agricultural worker adjustment programs that become operational in 1987 will greatly add to these ranks of the illiterate since the overwhelming numbers of those persons and their family members are from poor backgrounds in Mexico or other countries of Central America and the Caribbean area.

In general, functional illiteracy goes hand in hand with unskilled workers and high rates of unemployment in a changing economy. That unemployment levels are inversely related to educational attainment is a firmly rooted proposition in the economics of the labor market. Although there are many exceptions, such as labor-intensive service jobs, the post-industrial society has much less need for unskilled workers than the old factory system and repetitive assembly line work. But transferring unemployed workers with minimal skills to a service-oriented economy presents a formidable problem. In the 1985 congressional hearings, the U.S. Department of Labor reported that "75 percent of out-of-work Americans have inadequate reading and writing skills." In any case, it seems that the last thing that the nation needs at this juncture of its economic development is to import

more unskilled workers. For one thing, poorly skilled and poorly educated U.S. workers carry the burden of direct competition with poorly educated and low-skilled illegal aliens (who are willing to work for less), and also with many refugees and even unskilled and functionally-illiterate legal immigrants who are admitted only because they are family members of immigrants and naturalized citizens.

If, on the other hand, the nation were to face a future shortage of unskilled workers, a flexible immigration policy, based on labor market needs, could readily give uneducated and unskilled workers admission preference as permanent immigrants. Given the hundreds of millions of unskilled workers in the world, desperate to try America, it is hard to imagine an easier labor market problem to solve should it actually occur in the future.

Under present circumstances, however, America's post-industrial welfare state must somehow train, accommodate, or care for millions of unskilled workers and their dependents. The problem is difficult enough without being complicated by an immigration policy that is oblivious to labor market impacts. For there is good reason to believe that the present immigration system has contributed to the following adverse tendencies. First, it reduces employment opportunities and wage levels for U.S. workers in the concentrated sub-labor markets and regions; second, it postpones the introduction of labor-saving machines and robots in certain sectors of agribusiness and in assembly line industries, and thereby to perpetuate various labor-intensive modes of production that should be eliminated in a post-industrial order; it discourages citizen workers, particularly blacks and native-born Hispanics, who languish in America's inner cities as dropouts or "victims" of structural unemployment; and, fourth, it triggers the spending of increasing amounts of social capital in order to assist and educate the dependents of unskilled workers -- legal, refugees and illegal -- from underdeveloped Third World societies.

Guidelines for a New Immigration Policy

The fundamental principle that is missing from the nation's existing immigration policy is the recognition that it must be held accountable for its economic consequences. Allowing U.S. immigration policy to continue, in a mechanical manner, to pump in massive numbers of mostly low-skilled immigrants and extended-family members with little or no concern for economic and social conditions is a laissez-faire practice that should have no place in a planned post-industrial society.

What sense did it make, for example, to admit hundreds of thousands of legal and illegal immigrants and refugees during the 1982-1983 recession when U.S. unemployment soared to heights not seen since the Great Depression of the 1930s?

Common sense suggests that the annual inflow of immigrants should be limited by a fixed annual ceiling, and that it be enforced by U.S. consular and immigrations officers. Within this upper limit, there should be flexibility of numbers. In other words, the actual number of immigrants legally admitted each year (say 300,000 or less) would be determined by

unemployment trends in the nation. Annual immigration levels would thus fluctuate inversely with unemployment, as in Canada. The precise number of immigrant admissions would be an administrative decision set by the U.S. Department of Labor based on surveys of economic conditions, and in consultation with Congress.

It follows that the immigration preference system should revert back to the primary emphasis on occupational considerations as was the case from 1952 to 1965. Moreover, family reunification priorities should be restricted to members of the immediate family only. (The basic social unit of American society is the nuclear family and not the extended family of Third World societies.) In addition, all family immigrants, like job seekers, should be subjected to the fixed annual ceiling. No other modern nation allows chain migration of extended family members to dominate its immigration policy. Accordingly, the fifth preference that provides for the admission of adult brothers and sisters of U.S. citizens should be eliminated forthwith.

Occupational preferences should be increased to at least the pre-1965 level of 50 percent of the available visas and preferably more. Full discretion should be given to the administrative agency to decide which occupational skills are in greatest need at any particular time and to admit qualified immigrants accordingly, but especially those willing to settle in regions where there is a need for certain skills -- and not in areas with labor surpluses. It also follows that this aspect of immigration policy should be given back to the U.S. Department of Labor to administer with oversight responsibilities given to the Congressional committees primarily concerned with employment and human resource development issues.

The refugee and asylee policies of "a nation of immigrants" are the most difficult to integrate into a policy designed for a post-industrial economy and welfare state. Obviously, the United States feels bound to participate in the world-wide effort to accommodate refugees. But experience with waves of Cuban and South Asian refugees, who crowd into tight ethnic enclaves to compete for scarce jobs and social assistance, clearly indicates the need for limitations on the number of refugees admitted and where they settle. Since refugees are, in fact, immigrants, they should also be brought under the fixed annual ceiling, with the understanding that, if special circumstances do arise, more could be admitted in a given year but that offsetting reductions would then be made in the admission of legal immigrants in the same year or following years. In this manner, the fixed annual ceiling would not be exceeded.

Asylee admissions are presently facilitated by the prevailing state of judicial paralysis. Asylee claimants who enter illegally or as overstay visitors are presently entitled to more levels of appeal than are provided to convicted felons. Two reforms are needed: Immigration law should provide for an expedited system of deciding asylum claims with appeals limited to procedural issues and not substantive concerns. And the admission of asylees should be under the same cap on total immigration. As with refugees, for every asylee legally accepted, legal immigration should be reduced by one.

Conclusion

Present-day immigration policy functions as a wild card among the nation's labor market policies. Unlike other elements of national economic policy which policymakers try to orchestrate into a harmonious development program, immigration policy behaves erratically. To recapitulate, in this post-industrial era, the changing economic structure of the American economy requires a rational immigration policy that can be held accountable for its economic and social consequences. This means, in brief, a policy that can do the following: meet changing labor market needs; stop the illegal immigration of unskilled and functionally-illiterate job seekers; and provide employment assistance and guidance to a growing number of refugees and asylees admitted primarily for humanitarian reasons and the countless millions who are being admitted under the new amnesty programs.

Mr. MAZZOLI. Professor, thank you very much. I thank all of you. This has been excellent testimony.

Let me yield myself 5 minutes to start the questions, and we will go around the table.

So I can understand fairly clearly the recommendations you all would make; at least two of you, Dr. Chiswick and Dr. Briggs would suggest that we be more alert to and more sensitive to labor needs within our country, job skills of the entering immigrants, their ability to function in this land of ours, and both of you made quite a strong case for the changing nature of our economy, from the time when it was goods-producing to the time now we are service-offering, and the very different job skills that are required.

So at least for the two of you, you would break from the emphasis of what it has been since 1965, which is family unification, to something dealing with the impact on our labor force, and the job skills of the offerees. Is that essentially the case, Dr. Briggs or Dr. Chiswick?

Mr. CHISWICK. Yes, I think so. I think, though, that there is some area of disagreement.

Mr. MAZZOLI. I was going to ask a question to bring that out. If I understand Professor Briggs correctly, he would put under the total cap of roughly 350,000 people, everybody. That would be refugees, that would be family interests, close family, distant family, job skill; everyone basically, if I understand you correctly, Professor, would come roughly within that total cap; is that correct?

Mr. BRIGGS. That is correct. I would not stick refugees in the labor market cap.

Mr. MAZZOLI. But refugees would come under—

Mr. BRIGGS. You would have an overall cap, yes.

Mr. MAZZOLI. And Professor Chiswick, do I understand, you seem to exempt close family; so you are talking about close family coming as they do now in a non-preferenced or non-numerical limited category; and you would deal with 1 through 6 preferences, which are both family and job, and lump those together and then, in that category, emphasize job skills, abilities and impact on the labor climate; is that correct?

Mr. CHISWICK. Precisely. I do not believe one can talk in terms of refugees under the numerical limit.

Mr. MAZZOLI. And do you have any number for that 1 through 6? Because if I understand you correctly, roughly 270,000 under the '65 act come in under preferences 1 through 6. And we have something like 250,000 or so coming in outside of that, either as refugees or as close family.

Now, do you see that 270,000 number as sufficient given what Mr. Watenberg and other people have been writing about and you all addressed, which is the birth dearth, low fertility rates in the U.S.? Do you see that—just to kind of give you a general dimension.

Mr. CHISWICK. It is unfortunate that the question of immigration is intertwined with the question of fertility rates. I see them as separable issues and separate issues.

Immigration into the United States today relative to the population is about half the rate at the turn of the century. Regardless of what the fertility rate is; whether it's below replacement or above

replacement, it will have a trivial impact on the impact of immigration.

When we switch to what I believe would be a more appropriate system, a skill-based point system, we will have much greater economic benefits from immigration. This would be much more compelling argument for increasing total immigration from the current limit.

Mr. MAZZOLI. That is a very interesting point, because I think there is something to be said for that. If you change the basis, you might change the public support; and I think it gets down to what all of you have said which is, no matter how we try to separate this topic it is, if not at heart at least in large part, a political issue, however we cut it.

You would say then that we would not need to stick at the 270,000 number; that that could change depending on this new formula which is a year-by-year analysis of the future job needs; and so that 270,000 could shrink or expand. Is that essentially what—

Mr. CHISWICK. I can see it shrinking or expanding, but I think the likely consequence would be that we might want to expand it.

Mr. MAZZOLI. Dr. Abraham, I am intrigued by what you are saying, because you are, of the three panelists, the only one who does not really talk much about immigration. Except, you say, it is not correct to deal with temporary job shortages by using immigration. You would deal with it by raising the wage rates, by improving working conditions, and to set forth certain short-term dislocations which you would answer through some temporary immigration program.

Otherwise, you think, all of the job needs and all of the skill requirements of America could be met simply by, what I would remember from Econ 101, which is a classic supply and demand curve, and where they come into confluence or intersect.

Now are you satisfied that that really will solve the problem. We do not need to deal with immigration and just leave it exactly as it is, with family coming under one category and job categories coming in exactly as they are? We do not need to address legal immigration in that sense?

Ms. ABRAHAM. No, I certainly did not mean to imply that. Like the other two panelists, I would argue that economic considerations should play a role in immigration policy. But I don't think that targeting specific occupations makes sense, because I think the domestic labor market does do a very good job of responding to occupational shortages.

Mr. MAZZOLI. Well, let me ask you this, because both of the other panelists, and again, I have only read general literature, I have not read the classic treatises on this point, but it does seem to me that we are going from one era into another in which job skills that maybe my father or my grandfather had are practically unnecessary today; where in fact the job skills we are looking for now are in the service-oriented society; digital dexterity because of computers, mathematical skills, verbal skills.

Do you see those as inhibiting the use of the formula to raise the wages and improve the working conditions as solving the problem?

Ms. ABRAHAM. No, I do not. If you look back to the 1950s and early 1960s, we were in the middle of a period quite similar to the

current period, in the sense that many people were very concerned about the rapid pace of technological change and what that was going to mean for the match between job requirements and workers' skills. But accommodating the changes of that period did not turn out to be a serious problem. I am really impressed with how enormously flexible our labor market is.

Mr. MAZZOLI. Thank you very much. My time has expired.

The gentleman from Georgia is recognized for 5 minutes.

Mr. SWINDALL. I would like to ask Dr. Briggs and Dr. Chiswick just to summarize the differences that you have, starting with Dr. Briggs, if you can tell me the areas that Dr. Chiswick testified to that you would take exception to.

Mr. BRIGGS. The only difference that I see, is whether there ought to be a legislative ceiling on immigration—at least until we know what its impact is. For example, right now, I think we are in the midst of the largest immigration in the Nation's history and about to get more so; we are doing nothing to be prepared for the adjustment consequences. I can foresee 30 million immigrants surge in the next 10 years entering the United States, just by doing what Congress did last year plus the continuation of illegal immigration and uncertainties of refugee policies. Until we really have some idea of what we have already done, we should simply have a cap.

On the other hand, I don't like the idea of a fixed, mechanistic cap that is permanent like we have right now. I think that a cap ought to be set by Congress—you set the level but then you delegate the responsibility for whether or not we should reach that level to an administrative agency. My preference is the Department of Labor, because I think immigration should be basically seen as being an economic policy.

And with that policy, then, the Department of Labor might say, "Well, this year, we only need 100,000 immigrants" like in Canada; that is what Canada does with their immigration policy. The annual number of immigrants fluctuates roughly with the economic circumstances. And I think that is basically what I would like to see the United States do. Otherwise, I think we are pretty much in agreement. We are both opposed to the family unification as being the overriding principle in the existing system. It is out of date and out of sync with the present conditions, and I think it is dangerous for the future of the country. Besides, it is discriminatory.

Mr. SWINDALL. Before Dr. Chiswick responds to the same question, I would like to delve just a little bit into your suggestion that there ought to be an inverse relationship between the number of immigrants and our unemployment policy.

At what intervals would you make those adjustments?

Mr. BRIGGS. Well, I don't think we have an unemployment policy; it's the need to respond to what the unemployment situation in the country is. If unemployment goes up, I think the administrative agency should slow or reduce the immigrant flow. When unemployment goes up, we ought to let less in. It will have to be modified by what happens. You never know what the unemployment rate is going to be for next year until next year comes. There ought to be some ability to adjust to these circumstances. Right now, it makes no difference if unemployment goes up or down.

Mr. SWINDALL. Would you do that quarterly, annually?

Mr. BRIGGS. Well, probably annually or semi-annually.

Mr. SWINDALL. And would you do it based on projections or would you do it based on numbers from the past?

Mr. BRIGGS. On the actual numbers. When the unemployment rate figures are released, and the people responsible for setting the immigration policy—my suggestion is that they be in the Department of Labor—would then lower the number of immigrants to be admitted in the next six months.

Mr. SWINDALL. You would do it based on past unemployment?

Mr. BRIGGS. That is right.

Mr. SWINDALL. Well, what would happen, then, in those periods of time when you are—as you know, there is a lag in those numbers; so that you are coming out of a recession, for example, that we came out in 1982, your numbers would be based on the recession years.

Mr. BRIGGS. That is right.

Mr. SWINDALL. So at the very time that you are curbing the immigrants, you would simultaneously be having an economic growth that would require, it seems to me, greater numbers of immigrants.

Mr. BRIGGS. What I am saying is that the Department of Labor ought to be able to realize that we are coming out of a recession, and increase immigration; and they would have the flexibility to respond subject to congressional ceiling; and if they are not responding fast enough to changing circumstances—if we clearly need more doctors, or we clearly need more janitors, or we clearly need more teachers—they should be the ones admitted. It should not be entirely mechanistic as it is now. I am not trying to suggest a formula. But there needs to be some general accountability within the immigration system for the nature of the immigration flows into the labor market. Most immigrants come here to work.

Mr. SWINDALL. My point, though, is it is much more difficult to talk about these things as lofty concepts than it is to put them into practical application.

Mr. BRIGGS. That is okay. Congress has been doing it for years, and most other countries who admit immigrants do it on this basis. Canada and Australia have followed this basic policy approach in the past, so we have some experience to draw on.

Mr. SWINDALL. Dr. Chiswick, can you tell me briefly your differences with Dr. Briggs' testimony?

Mr. CHISWICK. I have several differences. One is that I am not as concerned with a legislative ceiling as is Mr. Briggs. If I were to pick a ceiling, I would pick a number much bigger than 350,000; the number that he suggested, especially if we adopt an immigration policy based on productivity. I would like to see a much higher number than that, even higher than current limits.

Another essential difference is that he focused on specific occupations. I believe we should get away from a system based on specific occupations and focus instead on skill levels.

Given the flexibility of the American economy and the rapidity with which things change, one really cannot talk sensibly about focusing on specific occupations in trying to meet occupational targets. When I started my immigration research I was on the staff of the Council of Economic Advisers. I knew nothing about immigra-

