

# Ronald Reagan Presidential Library Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**Collection:** Anderson, Martin: Files  
**Folder Title:** Immigration and Refugee Policy,  
President's Task Force on (1)  
**Box:** 19

---

To see more digitized collections visit:  
<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:  
<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

MAR 03 REC'D

THE WHITE HOUSE

WASHINGTON

February 27, 1981

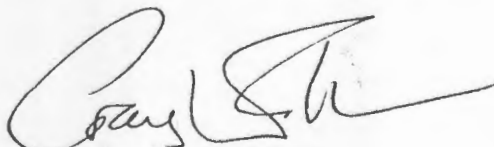
MEMORANDUM FOR THE ATTORNEY GENERAL  
THE SECRETARY OF STATE  
THE SECRETARY OF LABOR  
THE SECRETARY OF HEALTH AND HUMAN SERVICES

SUBJECT: Task Force on Immigration and Refugee Policy

During the Cabinet meeting yesterday, the President requested that a Task Force on Immigration and Refugee Policy be established to review the Select Commission on Immigration and Refugee Policy Report which should be submitted to the Vice President. The Task Force was also requested to review the programs and policies of the Immigration and Naturalization Service. The President indicated that the Task Force would be chaired by the Attorney General with members to include the Secretaries of State, Labor, and Health and Human Services. In addition, a member of the White House staff will be designated to serve on the Task Force.

The President requested a report by April 3, 1981.

I will forward to each of you a copy of the report from the Select Commission on Immigration and Refugee Policy as well as any additional background materials we have available.



Craig L. Fuller  
Director  
Office of Cabinet Administration

cc: Martin Anderson  
Ed Harper  
Ed Gray  
Richard Darman  
Daniel Murphy  
Richard Allen  
Frank Hodsoll

ACTION COPY

ORIGINAL DOCUMENT RETAINED  
IN RECORDS MANAGEMENT

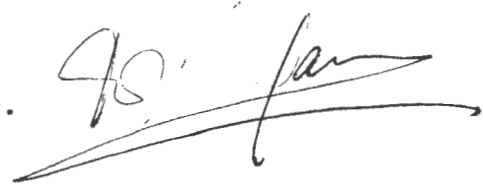
MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

MAR 04 RECD

TO : Martin Anderson  
Ed Gray

FROM: Joe Ghougassian, Ph. D., J.D.  
Office of Policy Development



DATE: March 4, 1981

RE : Undocumented Mexican Aliens/Employer Sanctions/  
National i.d. Labor Card

As per your request, attached is my outline of the major policy issues, considerations and solutions regarding the undocumented Mexican aliens. It is my opinion that the Select Commission failed miserably in confronting the issues and proposing realistic, workable proposals for dealing effectively with the problem. President Reagan emphasized in his Presidential Campaign Statements the need for a different approach to Mexican immigration policy and considered the issues to be entwined with U.S. foreign policy. My recommendation is entirely consistent with President Reagan stated intent and purpose.

Should you desire clarification or further elaboration of any of the points outlined, please feel free to contact me at 456-7090.

P.S. Because we were not formally introduced to each other, I am taking this opportunity to introduce myself in writing.

NAME: Joseph Ghougassian  
CITIZENSHIP: U.S.  
Birth Place: Cairo, Egypt  
Birth Date: March 6, 1944  
Political Party Affiliation: Staunch Republican

OCCUPATION: Currently works in the OFFICE OF POLICY DEVELOPMENT  
OEOB, Room 220 -- handling matters relating to  
Immigration and refugee issues. (Recommended by  
Ed Meese)

I am on sabbatical leave from the University of  
San Diego where I began teaching in 1966. The  
subject matters which I teach include: Political,  
legal philosophy, Business Ethics, and Values and  
Public Policy.

EDUCATION: B.A. (Philosophy, Gregorian Univ., Rome, Italy)  
B.S. (Family Studies, Louvain Univ., Belgium)  
M.A. (Philosophy, Gregorian Univ., Rome)  
M.A. (International Relations, Univ. of San Diego)  
Ph. D. (Philosophy, Louvain Univ., Belgium)  
J.D. (University of San Diego, areas of concentration:  
Constitutional Law, Public International Law,  
Law of the Sea, International Trade and Invest-  
ment, Multinational Corporation, Transnational  
Legal Problems, Immigration and Refugee Laws).

Author of 3 books and many articles.

LANGUAGE: English, French, Italian, Spanish, Arabic and Armenian

THE UNDOCUMENTED MEXICAN ALIENS: PROBLEMS AND SOLUTIONSISSUE:

What should U.S. policy be in the face of the massive illegal migration from Mexico?

[N.B. This policy analysis is limited to the issue of Mexican undocumented aliens for a number of reasons: (1) the Select Commission has not addressed this issue, instead, it treated the Mexican illegal alien in the same way as the tourist who overstayed his visit; (2) the inflow of illegal aliens are of Mexican origin; (3) there is a great need to solve this problem at this time as Reagan foreign policy calls for a North American Accord between the U.S., Mexico and Canada, and, in particular, seeks better relations with Mexico.]

BACKGROUND/DISCUSSION

In the years ahead, Mexico will continue to face enormous population pressures and the need to create or find jobs for millions of its citizens.

Hence, the cause of the unlawful entry into the United States of aliens who are nationals of Mexico is the absence of reasonable opportunities for such aliens to achieve economic well-being in Mexico and the existence of such opportunities in the United States.

Attempts by Carter to prevent the unlawful entry of aliens who are nationals of Mexico and who seek employment in the U.S. by sealing and fencing the border between the United States and Mexico have failed. Exploitation of such aliens by smugglers and unscrupulous employers has increased.

At one time there existed a program known as Bracero; it was an international agreement between the Governments of the U.S.A. and Mexico. While this program was defective in many respects, it was, nonetheless, a workable solution to the uncontrolled and mismanaged inflow of Mexican aliens. The Bracero program was discontinued in 1964 under mounting pressure from Democrats and labor unions.

The post-Vietnam years saw the onset of a recession in the United States. The Nixon Administration found itself in an old dilemma. While large business enterprises were not in favor of mass deportations or restrictions on cheap sources of labor, some national union leaders were calling for a halt to unlawful immigration.

Recognizing the economic crisis occurring in Mexico, the Nixon Administration was substantially concerned about Mexico's political stability and U.S. investments in that country. Hence, Nixon, relying on the "escape valve" theory, maintained a quasi-open border with Mexico.

During the Ford Administration, the Domestic Council Committee on Illegal aliens was established and chaired by Attorney General Edward Levi "to undertake a comprehensive review of the issue [of undocumented persons in the United States]."

The Preliminary Report of the Council recognized several truths: (1) that the problem concerned economic refugees; (2) that undocumented workers have a generally beneficial impact on the U.S. economy, and that an "increase in the size of illegal alien population per se will not increase unemployment in the long run," and; (3) that undocumented persons contribute far more in taxes than they extract in social services. (Domestic Council Committee on Illegal Aliens, Preliminary Report (1976), pp. 40, 155, 159).

President Carter, too, acknowledged the escape valve theory. In a memo to Carter from the Secretaries of Labor, State, HEW, and the AG, it was conceded that "We must recognize that the imposition of effective immigration restrictions will shut off an important escape valve for our Latin neighbors and could lead to destabilizing social, economic and political pressures there." (Memorandum for the President, Subject: Report of Task Force on Undocumented Aliens, April 27, 1977, p. 34).

What should national policy under the Reagan Administration be on the issue of the Mexican undocumented aliens?

#### Options

1. Wide open border
2. Fencing
3. Maintain the Status quo
4. Strict enforcement mechanisms
5. Enforcement at the Workplace
6. New H-2 worker program
7. Temporary Workers Program

Recommendation

Option 7. No other option deals effectively with the underlying causes of the illegal aliens-at best they seek to treat the symptoms. If one considers that immigration policy extends beyond domestic concerns into the area of international relations, then it is possible to understand the reasons for the drastic failure of the Carter Administration in its relation with Mexico.

Option 1:Wide Open Borders

Mexicans would be able to enter and exit the U.S. without restrictions subject only to possible searches for drug traffic.

Pros:

- . Small expenditures for enforcement: larger budgetary savings
- . Mexico may view this gesture as an act of political good-will and an effort toward amilioration of tensions between the two countries.

Cons:

- . uncontrolled influx of Mexicans
- . displacement of U.S. workers
- . may depress wage and labor conditions of U.S. workers
- . opposition of labor unions
- . public outcry
- . increase in drug traffic from Mexico
- . increase in illegal aliens of other nations via Mexico
- . heightened racial and linguistic tensions in U.S. border cities
- . President Reagan disapproval. "I spoke, in my announcement speech last November, of a North American Accord, a developing closeness among the great nations of North America. But closeness and accord do not imply ... a blurring of our borders." (Emphasis added. September 16, 1980, in Harlingen, Texas).



Option 2:Fencing

Building walls from one end of the border to the other, or in the most noticeable places.

Pros:Cons:

- . An abomination in every respect - domestic and international
- . President Reagan disapproves of fences. In a campaign statement issued on 9/8/80, concerning the illegal aliens, Governor Reagan stated: "We must work to reduce the flow of people coming across our Southern border, but we must recognize that fences and armed guards are the answer." (Emphasis added)

Option 3:Maintain the Status of quo

At any one time, there are less than 450 border patrol officers on duty along the Mexican and Canadian frontiers, and less than 500 investigators responsible for interior apprehensions.

There is a tacit understanding - one which is not known to the public - which allows illegal aliens to cross the border in search of work. Occasionally, INS agents will appear in places suspected of harboring undocumented workers, round up the aliens and deport them by bus. In contrast, border searches by the INS are very thorough.

Today, employers are subject to fines only if it can be demonstrated that they have intentionally and willfully employed an illegal alien.

Pros:

- . A release of the internal economic pressure which provides a motivation for emigration exists, primarily as a result of non-enforcement.
- . Business interests may acquire certain economic advantages from a larger and cheaper work force.

Cons:

- . the problem of illegal immigration has not been resolved.
- . Hispanic groups have criticized INS treatment of undocumented aliens in the work place as an infringement on the rights of aliens and have characterized those actions as hostile toward persons with foreign accents or whom may appear "foreign."
- . The public and Congress are not satisfied with the status quo: Neither is Mexico.

Option 4:

Strict Enforcement - Mechanisms

This alternative position anticipates:

- (1) a substantial increase in the number of border patrol officers (3800 officers has been suggested by Congressman Claire Burgner, See 97th Congress, H.R. 156);
- (2) the utilization of the most current available technology in electronic sensor systems, light planes, helicopters and other needed equipment, and;
- (3) training of personnel in the use of such devices.

Moreover to be effective in curbing the entry of illegal aliens, this option calls for: (1) intensive port-of-entry inspections; (2) regional border enforcement command posts, and (3) interior enforcement mechanisms (See option 5).

The central assumption of this approach is that higher levels of apprehension, detention and deportation throughout the year will deter undocumented aliens from entering or remaining in the United States.

Pros:

- . The Select Commission favors this option
- . There is support for this option in the two Houses
- . Entry of illegal aliens will be curbed considerably
- . Respect for U.S. immigration laws will be heightened in the eyes of outsiders and the U.S. public.
- . This Administration will be recognized as stringent in its enforcement of immigration laws.
- . The few jobs wherein undocumented aliens displace Americans will be available to U.S. labor

Cons:

- . Because U.S. growers in border states are not always successful in locating U.S. labor, agriculture in these states will decline or crops will decay (v.g. tomatoe fields in Del Mar; olive crop in Glenn-Tehama counties; etc).
- . Hispanic groups will react negatively
- . Mexico will take a dim view of our actions and interpret these enforcement measures as attempts to seal the borders
- . Border State Governors and Mayors oppose the idea of sealing the border to prevent entry

(The Governor of Arizona, Bruce Babbitt, rejected this option. Not only would it fail to keep illegal aliens out of the U.S., he stated that: "it will destroy our historic ties with Mexico, which are based on economic and cultural relationships.")

- . This option negates and totally by-passes the escape valve theory, i.e., because Mexico has high unemployment and underemployment, any attempts to seal the borders may cause internal social, economic and political tensions in Mexico.
- . This option does not address the central problems plaguing Mexico, namely unemployment and underemployment and provides no release for the strong drive of the Mexican people to improve themselves economically.
- . The option provides no deterrent to unscrupulous organizations which smuggle Mexicans into the U.S.
- . The wage and work conditions of undocumented aliens will remain a source of exploitation in the hands of U.S. employers
- . The notion of beefing up border forces smacks of a paramilitary adventure in search of aliens.
- . Undocumented and illegal aliens will find other ways to cross the border
- . President Reagan disapproves of the use of Armed Guards. He stated once: "We must work to reduce the flow of people coming across our Southern border, but we must recognize that fences and armed guards are not the answer." (Emphasis added; Campaign Statement, 9/8/80)

Option 5:

Enforcement at the Workplace

This alternative has a three-tiers:

- (1) It shifts emphasis in the enforcement from the illegal aliens to the employer, making illegal knowing and willful employment of undocumented workers. A graduated series of penalties which consist of civil penalties for all first offenders, and criminal penalties for willful and extended violators, is imposed on employers;
- (2) It calls for creation of a national labor identification proof-resistant card for all U.S. citizen and permanent residents, as the sine qua non mechanism for verifying employee eligibility;
- (3) It advocates further measures to existing wage and working standards.

Pros:

- . There is a strong sentiment in the two Houses to legislate employer sanctions.
- . The Select Commission is in favor of enforcement at the workplace
- . Labor Unions (including the UFW), all favor employer sanctions and enforcement of wage and working conditions.
- . The labor identification permit has been widely used by the European labor force.

Cons:

- . Ironically, the use of a labor I.D. will fulfill the Orwellian vision for 1984 of a society dominated by "big brother" government and unreasonable invasions of privacy and civil liberties.
- . There is no valid parallel between the European experience and adaptability of the labor I.D. permit to the U.S. because European nations are small in size and population, and their people are not burdened with a number of other mandatory forms of identification, the program is more manageable and the imposition slight.

- . At a time when Reagan Administration places priority on budget cuts programs of greater importance, this program is too costly.
- . The system can be circumvented
- . If one opposes institutionalization of I.D. labor certification, then still employer sanctions must also be recognized as impractical.
- . It is a disincentive to commerce to require that employers act as an involuntary police force in verifying employee eligibility.

Option 6:Slightly expand and streamline H-2 worker program

Under this option, the number of visas issued under the current H-2 program might be slightly increased, but the main emphasis would be placed on streamlining the process and protecting U.S. workers. This alternative would:

- (1) Amend Section H(ii) of the INA, to read:  
"If unemployed persons able and willing to perform such service or labor at the place and time needed for this work cannot be found in this country"
- (2) Require the Department of Labor to refer workers to an employer within 60 days of that employer's request for certification, or to issue certification for foreign agricultural workers within 30 days
- (3) Require the Department of Labor to adopt a more effective method for setting the Adverse Effect Wage Rate
- (4) Require employers to pay social security and unemployment insurance taxes for H-2 workers
- (5) Make H-2 workers eligible for the same benefits as U.S. workers
- (6) Require payroll deductions to be reimbursed to workers upon return to native countries
- (7) Require the Department of Labor or Justice to institute grievance procedures to resolve H-2 labor-management disputes
- (8) Require, as an interim step, the government not to replace H-2 workers fired for labor market reasons (H-2 employers to be limited to a preemptory firing of no more than one percent of their work force in a given year).

Pros:

- . Enforcement is enhanced when workers are contracted to specific employers (under the current H-2 program, workers have an excellent rate of return to home countries)
- . Streamlining the labor certification process will help employers meet emergent agricultural needs

- . Full protection of H-2 workers is provided under new grievance procedures
- . Elimination of wage wedge (not having to pay social security and unemployment insurance for H-2s) ends past advantage to employers of hiring H-2 workers over U.S. Citizens or permanent residents
- . Additional workers can be certified if greater need for foreign workers is demonstrated.

Cons:

- . A slight increase in numbers may be insufficient to meet demand
- . Certification requirements are still regarded as too rigorous by most employers
- . The Adverse Effect Wage Rate remains difficult to determine and administer in an ever-changing economic climate
- . A shorter period for certification may make it difficult to recruit sufficient U.S. workers.
- . In matters of foreign policies this option does not discriminate between Mexico whom we would like to rally as a strong friend, and other nations.
- . It grants too much discretionary power to the Labor Department, and States burdened by illegal aliens, have no voice in the process.
- . This program is too limited in scope and could not become the basis for developing a new foreign policy toward Mexico.
- . The needs of Mexico are not adequately taken care of. (Reagan speaks of <sup>the</sup> needs of Mexico and the United States).

*needs of the*



Option 7:Temporary Workers Program

In the past this alternative was called the Bracero Program (1942-1964); today other labels are used to describe its function and purpose: guestwork permit, campanero, or "United States - Mexico Good Neighbor Act."

Whatever its appellation, this program could be designed with the following characteristics:

- (1) A bilateral agreement between the U.S. and Mexico.
- (2) A work permit with a duration of 6 months with a possible 3 month extension, and renewal applications accepted on an annual basis.
- (3) Temporary resident status not convertible to permanent resident status through accumulation of time under work permits.
- (4) Individual permits specify limited geographic locations of possible employment: This would maximize INS supervision over movement of workers. (The requirement appears to meet the Constitutional standards embodied in the rational basis and compelling interest tests).
- (5) Specification of the types of job activities permissible, e.g., services (hotel, domestic) or agriculture: This would limit displacement of U.S. labor power. (Again no apparent Constitutional problems).
- (6) Prior to admission of workers to any geographic area under the program, the Secretary of Labor must render a determination that: (a) There are an insufficient number of able, willing and qualified domestic workers at the time and place under consideration; (b) employment of such workers will not adversely affect wages and working conditions of domestic workers similarly employed.
- (7) In reaching this determination, the Secretary of Labor must consult and accept advice from the state and local Governments. (Federalism)
- (8) The Mexican workers would be given the full protection of U.S. laws.
- (9) Federal, state and local taxes will be required to be paid.

- (10) Social security taxes withheld could be transferred to the Mexican Social Security Office.
- (11) Unemployment insurance and disability insurance to be provided by U.S. employer.
- (12) Because employment is seasonal, families should be discouraged from accompanying workers to the U.S.
- (13) Fines will be levy against U.S. employers of non-permit carrying workers.
- (14) Establishment of recruitment centers in major cities of Mexico and at or near Mexican border. In order to eliminate abuses, bribery and blackmail, such centers could be operated jointly by U.S. and Mexican Governments.
- (15) Workers choosing to discontinue employment with any employer would be required to notify the INS and provide information concerning their whereabouts or prospective employment. It is understood that this provision will be difficult to uphold and enforce for workers in service industries when employment is most transient.
- (16) Institution of a flexible quota system subject to periodic review and with input from States on the U.S./Mexico border. (Federalism)

Pros:

- . This program acknowledges that if: (1) border cannot be sealed, and; (2) the inflow of illegal aliens cannot be curbed, then, it is best to document the undocumented entrants.
- . Mexican Government would welcome such reforms in U.S. immigration policy.
- . Numerous Bills have been introduced in the two Houses, calling for a similar program: in the Senate, Schmitt (S-47), and Hayakawa (pending); in the House of Representatives, Lungren (H.R. 1650); Burgner (H.R. 156), Shumway (H.R. 619, and H.R. 620).
- . State and city Governments bordering Mexico favor a temporary workers program
- . Border patrol officers would prefer an updated version of the Bracero program.
- . Mexican-American civil rights groups may view the program as fair, just and humane.
- . Respect for U.S. immigration laws may become a reality.

- . A sound public relations program could deal effectively with any initial opposition by the public.
- . U.S. growers will be availed of the manpower needed to harvest crops on time.
- . As a result of the previous point, economic productivity would increase.
- . U.S. tax revenues would increase.
- . The escape valve theory would be implemented. The philosophy of Federalism would be advanced by making State and local Governments instrumental in the consultative process with the Labor Department.
- . Documented aliens would receive more humane treatment.
- . This program would decrease the number of Mexican illegal aliens:

"Since the expiration of the Mexican Agriculture Act [known as Bracero], on December 31, 1964, the number of deportable aliens located has continued an upward climb... . Year by year, the annual percentage of this nationality group has risen, from 50% in 1965 to 80% this year," (U.S. Department of Justice, Annual Report on the INS 1970).

- . President Reagan has repeatedly addressed the issue of a guest worker program and appears to favor the policy outlined.  
(See Reagan Campaign Statement next pages)

TEMPORARY WORKER PROPOSAL

"I think that this is one of the subjects that would come up - if the government will go forward with the recommendation made by the four border state Governors, along with their counterparts in the six Mexican states along our border, to the government, to the State Department for our government to negotiate something that would be mutually beneficial with the Mexican government. Now, that would all be part of the term because their proposal did specify that what they're talking about is an exit visa from Mexico and an entrance visa to the United States. And then they would stay within whatever the terms of the visa were."

(Press Conference, Dulles Airport, 9/18/80)

"Well, what I'm saying to you is - this is a matter that has to be discussed with the Mexican government and with our government, to those specific terms. I was citing what had already gone forward with those other Governors, led by Governor Bill Clements, and it now is up to our Federal Government to pursue this if they so desire. And it happens to coincide with my own belief, that I expressed clear back when I made my announcement speech, that what we need is a better relationship and seeking the ideas of other governments on this continent...and Mexico with regard to an accord ...and finding out from them, not just going to them with a plan and imposing it on them."

(Press Conference, Dulles Airport, 9/18/80)

"I'd love to see it on a two-way open border, and I think that there are other things that the United States could be of benefit to Mexico in developing an agricultural and an industrial base to help solve what is their tremendous problem of unemployment there. They have grown to now some 70 million people, and very shortly by the end of the century, two decades, they're probably going to be 100 million people."

(Press Conference, Dulles Airport, 9/18/80)

On Quotas for Temporary Workers

"Ah - this is something that I would not like to take an advance position on that. I think this is something that we sit down and see what we can do. I believe that it is to our mutual benefit to be of help in this, because without that safety valve some very disruptive things could occur."

(Press Conference, Dulles Airport, 9/18/80)

On Taxes and Legal Protection for Temporary Workers

"That's right...they would pay taxes."

"All right, because they at least would have the protection then, of our laws and our social structure and they couldn't be victimized by employers knowing that they were in illegally and who then, work them at slave wages and sweat shop wages under the threat of turning them in."

(Press Conference, Dulles Airport, 9/18/80)

IMMIGRATION AND FOREIGN POLICY

"It is time for a new policy toward Mexico, a policy steadfastly based on good will, mutual respect, fair treatment and dignity.

If Mexico and the United States are to speak frankly with each other, the sensitive question of immigration is one area where we must begin. This is a matter that demands the utmost sensitivity and spirit of cooperation on both sides. We are talking here not just about statistics, but human beings, families, the hopes and dreams for a better life.

The ultimate solution, it seems to me, is to help our friends in Mexico push forward with their great national project of creating and agricultural and industrial base that offers better opportunities for all the Mexican people.

In the meantime, however, the most important elements are mutual concern, mutual respect, and cooperation between Mexico and the United States.

I spoke, in my announcement speech last November, of a North American Accord, a developing closeness among the great nations of North America. But closeness and accord do not imply dependence of one nation upon another or integration of our separate economies or a blurring of our borders. Each nation of North America has its unique needs, its unique heritage, its own unique role to play. . But, we must face mutual problems together, in an atmosphere of mutual trust and respect.

The way to a true accord lies through consultation, cooperation, and in President Lopez Portillo's words, a commitment to "keeping insensitivity, ambition, fear, or self-seeking manipulation of illusions from casting a shadow on a relationship founded on friendship."

(Speech, Harlingen, Texas, 9/16/80)

Cons:

- . The prospect of earning a livelihood in the U.S. may motivate other Mexicans to enter illegally in the U.S.
- . Other nations may resent discriminatory treatment.
- . The UFW has viewed the presence of non-resident Mexican workers as a threat to its earning potential.
- . Increased reliance on imported labor to fill undesirable positions is a possibility and could lead to a permanent lower class of workers
- . The Select Commission has not proposed this option.

RecommendationOption 7.

Immigration policy embodies highly political issues. Attempts to render immigration law devoid of political significance are doomed to failure. Hence, it is best to develop immigration laws in light of the Administration's political philosophy and values. Option 7 takes into account the political implication of U.S. policy toward undocumented Mexican aliens and also considers the needs of Mexico, the U.S. Government, and those of the States. The set of values incorporated in the policy of option 7 are U.S. national security, national interest, amelioration of U.S. - Mexican relations, the economic imperatives of U.S. employers, the internal stability of Mexico and the human treatment of Mexican workers.

For the Reagan Administration to successfully garner public support, an extensive public relations program aimed at correcting many of the myths created under previous Administrations will be necessary. For example, the myth that illegal aliens bear a large portion of the responsibility for U.S. economic problems should be dispelled and the temptation to exploit the illegal aliens as a scapegoat should be avoided. An example of such attitudes is represented by the statement of former INS Commissioner, General Leonard Chapman. General Chapman told an audience that the presence of the undocumented workers "is a major threat to our national and our way of life." The public was informed that "if we could locate and deport the three to four million illegals who currently hold jobs in the U.S. replacing them with citizens and legal residents, we could reduce our own unemployment dramatically - as much as 50 percent." [L. Chapman, "Illegal Aliens: Time to Call a Halt," Reader's Digest (Oct. 1976), p. 10].

The Reagan Administration should appoint an INS Commissioner loyal to Reagan's policies and philosophy, and sensitive to the expressions of good-will Reagan seeks to express

toward Mexico:

"It is time for a new policy toward Mexico, a policy steadfastly based on good will, mutual respect, fair treatment, and dignity.

If Mexico and the United States are to speak frankly with each other, the sensitive question of immigration is one major area where we must begin. This is a matter that demands the utmost sensitivity and spirit of cooperation on both sides. We are talking here not just about statistics, but human beings, families, the hopes and dreams for a better life."

(September 16, 1980 - Harlingen, Texas)



SUPPLEMENTAL

STEP II

Should we favor a policy of Temporary Workers Program, reject the ideas of a national i.d. labor card, and place the issue of the undocumented Mexican aliens in the context of a broad U.S. Foreign Policy toward Mexico, then this supplemental paper could be construed as Step II.

*Joe G. Thompson*

U.S IMMIGRATION POLICY WITH MEXICO

What should the United States position be toward Mexico?

1. Should give preferential treatment in its immigration laws.
2. Should not practice "appeasement" but quid pro quo.
3. Make every effort to turn the relation between the two countries into one of Good Partnership.

A. Preferential Treatment in Immigration Matters

1. Facts

- (a) Demographic and Economic: By the year 2000 Mexico's population will have gone from nearly 70 million to at least 110 million, requiring the creation of at least 20 million new jobs in a country with high unemployment and underemployment.

A Mexican government official is quoted as stating recently that "twelve million rural Mexicans were undernourished, 14 million lacked drinking water, half earned less than 435 U.S. Dollars a year, and 44% of those who had work could only find it for 3 months in a year." A study by the Mexican National Bank of Rural Credit suggested that "of the seven and a quarter million campesinos of working age some 5 million were unemployed or underemployed." The Mexican national unemployment rate is estimated at 35%, with an income distribution that leaves 50% of the population with less than 17% of national income. [See Peter Cleaves, Michael Redclift and Nanneke Redclift, Mexican Development: Problems of an Oil-Rich Neighbor, (Ms., The Ford Foundation, Mexico City, 1980)].

(b) Political:

- (i) Mexico shares a common border with USA.
- (ii) is a major oil producer and has great supply of oil.
- (iii) Not too far from its southern borders, communist backed guerrillas have toppled or shaken other Latin governments - Nicaragua, El Salvador ...

Joe Ghazarian

- 2 -

- (iv) The infiltration of Mexico by Cuban trained elements financed from Moscow is not a remote possibility.

## 2. Escape Valve Theory

Recognizing the economic crisis occurring in Mexico, the Nixon Administration was seriously concerned about Mexico's political stability and United States investments in that country.

The new national policy - one never mentioned to the United States public - became the maintenance of a flexible border providing the Mexican government with an escape valve to ease its unemployment and underemployment problems.

The same idea of "safety valve" surfaced during the Carter Administration. In a memo to President Carter from the Secretaries of Labor, State, HEW and the AG, it was concluded that:

We must recognize that the imposition of effective immigration restrictions will shut off an important escape valve for our Latin neighbors and could lead to destabilizing social, economic and political pressures there. (Emphasis added). (See, Memorandum for the President, Subject: Report of Task Force on Undocumented Aliens, April 27, 1977, p. 34).

## 3. Reagan's Campaign Statements

On two occasions President Reagan, addressing the issues of illegal aliens and a Temporary Workers Program for Mexicans, acknowledged the "safety valve" theory.

We must look at the problem of illegal aliens entering this country from a broad perspective that takes into account all the factors composing U.S. - Mexican relations. We must work to reduce the flow of people coming across our Southern border, but we must recognize that fences and armed guards are not the answer.

Instead, we must look for creative solutions that take into account the needs of the United States and the needs of Mexico. For

example, low standards of living and high unemployment - as much as 50% - which practically force Mexicans to come to the United States, may be Mexico's only safety valve. (Emphasis added). (Campaign Statement, 3/8/80)

Also, during a press conference at Dulles Airport, on 9/18/80, when asked about the use of quotas for Temporary Workers Program for Mexico, the President stated:

Ah - this is something that I would not like to take an advance position on that. I think this is something that we sit down and see what we can do.

I believe that it is to our mutual benefit to be of help in this, because without that safety valve, some very disruptive things could occur. (Emphasis added).

#### 4. Latest Congressional Move

- (a) In the House of Representatives, Congressman Lungren (R. Calif.), has introduced on February 4, 1981, a Bill called the United States - Mexico Good Neighbor Employment Act. This Bill calls for legislation of the Temporary Workers Program. (H.R. 1650).
- (b) Congressman Burgner (R. Ca.) has introduced a somewhat similar Bill. (H.R. 156)
- (c) So did Congressman Shumway (R. Ca.) (H.R. 619; and H.R. 620)
- (d) In the Senate, Senator Schmitt introduced his on January 5, 1981 (S-47)
- (e) Senator Hayakawa is about to introduce a similar Bill.

#### 5. Recommendation

- (a) On the surface, these bills (although defective in a number of places) are encouraging in that they take into account many important factors; i.e.

- (i) if we cannot seal our borders;
- (ii) if we cannot conduct paramilitary activities against the undocumented aliens;
- (iii) if we are concerned about the social economic and political stability of Mexico, a neighbor;
- (iv) if the relations between the US and Mexico are improve;

Then, it is best to enact a mechanism for legal and orderly documentation of the workers.

- (b) Should anyone of these Bills, pass both Houses of Congress, we should support it.
- (c) Otherwise, the President, at the time he meets President Lopez Portillo, in Tijuana, should discuss an alternative Temporary Workers Program, including it in a package of other immigration matters, such as, the possible.
  - (i) signing of a Treaty Traders, and
  - (ii) a Treaty Investors with Mexico.

Currently we do not have such Treaty with Mexico. The effect of the Treaty Traders would qualify Mexicans to receive E-1 visa and the Treaty Investors, the E-2 visa.

Moreover, the package could include:

- (d) provisions to clear the immigration backlogs of Mexicans, and -
- (e) raise the country ceiling from 20,000 per year to 35,000 per year (?). Canada, too, should receive a similar increase in its country ceiling, being another neighbor. Yet, because Canada does not usually exhaust its ceiling, provisions could be made and included in the talk with Portillo, to transfer 50% of the unused quota of Canada to Mexico.

Still, such preferential treatment toward Mexico should not be a one-way street, (appeasement); Mexico should reciprocate, mainly in the area of foreign investment.

B. Mexican Foreign Investment Laws

1. The nature of Mexico's unemployment and underemployment problem is economic; so, too, is the solution.
2. "Vastly expanded trade between Mexico and a revitalized North America would in itself -
  - (i) raise living standards in both countries and thus
  - (ii) be a major advance in the search for sensible solutions to the immigration problem."  
(Reagan Campaign Statement, 3/8/80).
3. Yet, the business laws Mexico promulgated in 1972 and 1973, seem to have raised additional restrictions on foreign capital. A brief synopsis follows:
  - (a) About The Law to Promote Mexican Investment and Regulate Foreign Investment (1973)
    - (i) This law restates the Calvo doctrine (U.S. does not recognize the Calvo doctrine as an enforceable rule of international law)
    - (ii) Limits participation of foreign capital to 49%
    - (iii) In the case of certain mining industries, maximum foreign capital is 34%.
    - (iv) Manufacturers of Automotive components and secondary petrochemicals may be 40% foreign owned.
    - (v) In the case of acquisition or control of already established Mexican enterprises, the law limits take-overs to 25% of the capital or 49% of fixed assets. Leasing is treated as an acquisition.
    - (vi) The law restates the restrictions on acquisition of land and water rights by foreigners.
    - (vii) The law restates the prohibition of ownership of land by foreigners, including Mexican companies with

foreign shareholders, within the so-called prohibited zones (within 100 Km of land borders and within 50 Km of marine borders).

- (viii) The law establishes a National Commission of Foreign Investments and grants it broad powers to regulate all foreign investment. The Commission has the discretionary power to allow increases in the percentage of foreign investment.

(b) Shortcomings of the Law:

- (i) About the limited percentage of foreign investment: the capital market of Mexico is not yet flexible or large enough to purchase that percentage of industries which may be profitable only after a long term; also, it widens the gap between Mexican haves and have-nots, as a fraction of Mexican businessmen can afford to invest the 51%, thus, the rich become richer ... .
- (ii) In the take-overs situations, the law provides that where the Commission finds it convenient, it may grant a preferential option to Mexican investors to acquire the interest sought by the foreigner. This may mean that the foreign investor could be prevented from acquiring the interest he seeks and the Mexican offeror could wind up with an unknown and possibly unwelcome Mexican partner - a rather heavy burden on improvement of business and management.
- (iii) The Commission's power to control investment could certainly be construed to authorize control over the normal expansion of a business.
- (iv) The 30 years trust in frontier and coastal areas is a disincentive to corporations which would like to perpetuate themselves ad infinitum.

4. Recommendations

- (a) It should be kept in mind that Mexico is very sensitive about foreign interference in its social, political and economic policies. The Calvo Doctrine and the laws on Investment (1973), Transfer of Technology (1972) - and Patents and Trademarks (1972) - can be seen as having been promulgated directly against the USA. Historically, Mexico has had poor relations with the USA and vice-versa. During Carter Administration, our relations with Mexico were at their lowest point since Woodrow Wilson's first term in office.
- (b) Rather than dictating to Mexico what her laws should be in matters of foreign investment, the U.S. should, nonetheless, point out that -
- (i) the more industries operate in Mexico,
  - (ii) the more trade expands between Mexico and a revitalized North America -
- the more likely Mexico's unemployment and underemployment problems are to lessen, and the influx of illegal aliens is to decrease. (The phenomenon of illegal aliens is an economic one, to solve it we need to find an economic solution. The U.S. should not solve for Mexico, but Mexico, as a good partner should contribute to the solution).
- (c) Mexico may want to look creatively, on her own, at the possibility, of devising ways to attract more foreign investment. (Prior to her new investment laws in 1972 and 1973, U.S. Investment in Mexico was the single largest one in the whole Latin America; since then, U.S. Investment in Brazil has tripled that of Mexico).
- (d) At any rate, the Administration's foreign policies in Latin America should give top priority considerations to Mexico because of her strategic geopolitical location, historical ties with the U.S., its oil supply, and the phenomenon of the undocumented Mexican aliens.



- [ (e) Mexico prizes friendly and personal relations while being business mind oriented.]
- (f) During his campaign President Reagan has spoken of a North American Accord between the United States, Mexico, and Canada. The idea should be pursued; and the ground talk should first start with Mexico because then
- (i) Mexico will see that Reagan is sincere in improving the relations
  - (ii) Mexico will see that she is an important economico-political ally

5. Reagan Campaign Statements: Immigration and Foreign Policy

"It is time for a new policy toward Mexico, a policy steadfastly based on good will, mutual respect, fair treatment and dignity.

If Mexico and the United States are to speak frankly with each other, the sensitive question of immigration is one area where we must begin. This is a matter that demands the utmost sensitivity and spirit of cooperation on both sides. We are talking here not just about statistics, but human beings, families, the hopes and dreams for a better life.

The ultimate solution, it seems to me, is to help our friends in Mexico push forward with their great national project of creating an agricultural and industrial base that offers better opportunities for all the Mexican people.

In the meantime, however, the most important elements are mutual concern, mutual respect, and cooperation between Mexico and the United States.

I spoke, in my announcement speech last November, of a North American Accord, a developing closeness among the great nations of North America. But closeness and accord do not imply dependence of one nation upon another or integration of our separate economies or a blurring of our borders. Each nation of North America has its unique heritage,

its own unique role to play. But, we must face mutual problems together, in an atmosphere of mutual trust and respect.

The way to a true accord lies through consultation, cooperation, and in President Lopez Portillo's words, a commitment to "keeping insensitivity, ambition, fear, or self-seeking manipulation of illusions from casting a shadow on a relationship founded on friendship."

(Speech, Harlingen, Texas, 9/16/80)

THE WHITE HOUSE

WASHINGTON

March 28, 1981

MAR 30 REC'D

MEMORANDUM FOR ED MEESE  
JIM BAKER  
DICK ALLEN  
MARTIN ANDERSON ✓

Mike Uhlmann  
Joe Goughasian  
David Alvezado  
Annelise Anderson rep.

FROM: FRANK HODSOLL AND KATE MOORE

SUBJECT: (Task Force on Immigration and Refugee Policy)  
and White House/OMB Study on Related Management Issues

This is to bring you up to date on the Attorney General's Task Force on Immigration and Refugee Policy and the OMB study on management issues. One of the principal problems with past immigration and refugee policy has been poor management; therefore, as one develops new policies, one has to insure that they can be effectively implemented.

I. TASK FORCE

The Task Force (consisting of Justice, State, Defense, Education, Labor, HHS, Transportation, Treasury, OMB, FEMA and the White House) is due to report to the President on May 4.

A. Issues Requiring Early Resolution

Because of time urgency, two issues have been singled out for advance treatment:

- We have made a decision at White House senior staff level not to extend the 36-month limit on 100% federal financing of refugee assistance (per FH's March 22 memorandum).
- By April 1, a State-chaired working group will have completed a draft paper on immigration issues which the President should consider raising with Lopez Portillo at the April 27 U.S.-Mexico Summit; an agenda item on immigration has been agreed with the Mexicans. Under consideration in this paper are several proposals:

- Informal agreement to work on better enforcement.
- Consideration of a 29-day "free pass" for Mexican visa holders.
- Development of a U.S.-Mexico "Model Project" streamlining the legal immigration process.
- Cooperation on restricting more effectively the flow of illegal Central Americans across Mexico into the U.S.

We are also considering whether we will wish to allude to where we are heading in the Task Force on the major issues of legalization of some or all of the Mexicans illegally here and an improved temporary workers program. Senators Simpson and Hayakawa want to see the President before he leaves for Mexico on these issues--Simpson from the point of view of additional restrictions on Mexican illegal immigration, Hayakawa from the point of view of an expanded temporary worker program. We have told State that, while from the point of view of U.S.-Mexican relations we will want to emphasize improvements in the immigration system, from the U.S.-domestic political point of view we will need a balance between enforcement and improvements.

## B. Process

### 1. Structure:

The Task Force is divided into working groups (chaired by either Justice, State, HHS or DOT) dealing with the following issue clusters:

- General immigration levels.
- Cuban/Haitian matters.
- Illegal immigration generally.
- Administration and adjudication of immigration and refugee laws.
- Refugee and asylum policy and resettlement programs
- Bilateral diplomatic efforts.
- International refugee problems.
- Social programs applicable to aliens.
- Contingency planning for crises.
- Maritime and border enforcement.

## 2. Timetable

By March 30	Completion of drafts of decision papers by each working group, discussing merits of alternative policies.
By April 8	Completion by working groups of draft report to President, containing policy recommendations
By May 4	Report to President.

The Attorney General will chair meetings of the Task Force to assure that the working group efforts receive Cabinet-level attention prior to Presidential consideration. In addition:

- Senator Simpson's and Congressman Mazzoli's Subcommittees on Immigration will be holding joint hearings in early May to determine the public response to the findings of the Select Commission. We had hoped that these hearings could take place during the Task Force effort to provide input to it; but Congressional schedules do not permit this.
- The Attorney General will also be arranging for appropriate input from State and local groups and private organizations (e.g., the voluntary agencies which resettle refugees).

## C. Issues

The more significant issues that will appear in the final report of the Task Force, and which will require a Presidential decision, are noted below.

The basic question is: Do we wish to achieve a closer relationship between the legal framework and the facts? Do we wish to regularize those who are illegally here and reduce the flow of additional illegals? If we do, what techniques are most likely to move us in this direction with least cost, both domestically and internationally?

## 1. Flow of aliens

- a. Level of Immigration: What should be the level of immigration in the United States? Should an ultimate ceiling on all immigrants - refugees, relatives of U.S. families, independent immigrants - be instituted?

The Select Commission has recommended a continuation of the flexible U.S. policy toward entry of refugees. It has also recommended an increase in the allocation of immigrant visas from 270,000 per year to 350,000, with a special provision over the next five years for an additional 100,000 visas per year to phase in current backlogs of 900,000 qualified immigrants (mostly relatives) waiting to enter the U.S.

- b. Temporary Worker Program: Should the U.S. institute a large-scale temporary worker program?

The Select Commission has recommended that no new temporary worker program be instituted. Yet, the President has recognized the need for a "safety valve" for unemployed Mexicans. Enforcing such a program, however, poses a substantial challenge in light of past failures to control visa overstay.

## 2. Illegal aliens in the U.S.

- a. Legalization: Should the U.S. legalize the status of illegal aliens currently located in the U.S.?

The U.S. Census estimates there are 3 to 6 million illegal aliens currently in the U.S. The Select Commission has recommended that most of these be legalized.

- b. Legalization Status: If illegal aliens are legalized, what should be their status? (permanent resident? temporary worker?)

## 3. Enforcement

- a. Employer Sanctions: Should penalties be instituted against employers who knowingly hire undocumented aliens?

The Select Commission has recommended that employer sanctions be instituted. Its rationale is that government efforts by themselves cannot halt the flow of illegal aliens into the U.S.; the Commission views employer sanctions as a means of reducing the motivation of aliens to enter the country illegally by eliminating the prospect of employment.

- b. Worker ID: If employer sanctions are instituted, should a new, secure worker identification system be developed so an employer may know whether a potential employee is in fact an illegal alien? The Commission split on this issue.
- c. Expedited legal procedures: The Select Commission recommends creation of an Immigration Court under Article I of the Constitution--one hearing, one appellate review. This will pose questions of due process.

#### 4. Haitian Influx

How should the United States handle Haitians who are arriving here illegally but are seeking asylum?

The spring weather is resulting in an increase in the number of Haitians coming illegally to the United States - typically by boat. Because some Haitians claim political asylum, Federal court decisions have prevented removal of all Haitians.

Haitians are currently being released into the community pending the outcome of exclusionary proceedings (which can take up to two years).

While identified initially as needing "early decision" owing to the increasing flow of Haitians, the controversial nature of the issue (the AG is considering detaining Haitians pending the outcome of exclusionary proceedings), we have recommended delaying the decision until submission of the complete report.

#### 5. Cuban Refugee Policy

What kind of immigration and refugee policy toward Cuba would be compatible with our bilateral relationship while accommodating the legitimate and legal interest of Cuban Americans in family reunification?

A Cuban refugee policy must take into account the current illegal flow of Cubans into this country, the desire of Cuban-Americans to reunite their families, and Cuba's refusal to repatriate those nationals which are excludable under U.S. law (e.g., criminals, mentally ill, and the like).

## II. MANAGEMENT

OMB will produce a first-cut of its management paper by April 1. After White House staff review, they will begin a process of getting department and agency input with a view to agreeing on a general management improvement package for the agencies concerned. Most of the management issues will not require Presidential decision, although the fact of a Presidential Task Force will provide the Attorney General with leverage to assure that the job gets done. There may, however, be some organizational issues which will need to be resolved by the President:

- o Where should the Coordinator for Refugee Affairs be located? What should be his or her functions?
- o Should the State Department continue to manage resettlement of refugees in the U.S., or should this function be transferred to a domestic agency-- Justice or HHS?
- o Should the refugee function at State be separate from the consular function?
- o How can one provide adequate clout to a person designated to handle refugee influx crises so as to assure marshalling of the necessary resources from a variety of agencies?
- o To what extent should border enforcement of U.S. laws be integrated, i.e., regarding immigrants and refugees/drug traffickers/smugglers?