

# THE HISPANIC POPULATION: A DEMOGRAPHIC AND ISSUE PROFILE

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## HEARINGS

BEFORE THE  
SUBCOMMITTEE ON CENSUS AND POPULATION  
OF THE  
COMMITTEE ON  
POST OFFICE AND CIVIL SERVICE  
HOUSE OF REPRESENTATIVES  
NINETY-EIGHTH CONGRESS  
FIRST SESSION

SEPTEMBER 13, 14, 15, 1983

**Serial No. 98-10**

Printed for the use of the Committee on Post Office and Civil Service



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WASHINGTON : 1983



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# THE HISPANIC POPULATION: DEMOGRAPHIC AND ISSUE PROFILE

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TUESDAY, SEPTEMBER 13, 1983

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CENSUS AND POPULATION,  
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,  
*Washington, D.C.*

The subcommittee met, pursuant to call, at 10 a.m., in room 345, Cannon Office Building, Hon. Katie Hall presiding.

## OPENING STATEMENT OF HON. KATIE HALL

Mrs. HALL. Good morning. First of all, we wish to apologize for the delay in our hearing. As you know, at 10 o'clock there was a vote on the floor and, of course, we had to go to the floor, and while we were there we had to see if another vote was coming up immediately. After that, we had a call from the Ambassador from Nicaragua, and that took up part of our time.

We do want to thank each person that came in this morning. We want to thank you for your patience and understanding, and we do appreciate your efforts in coming here today to participate in the hearing.

I am Katie Hall of Indiana, chairperson of the Subcommittee on Census and Population. To my right is the Honorable Robert Garcia of New York City, who is a member of the committee and the chairperson of the Hispanic Caucus here in the U.S. House of Representatives. To my left is Scott Pastrick, our staff director, and in the room we do have with us some more staff people.

At this time I would like to officially welcome each person who has come, and, of course, to say to you this is the first in a series of six hearings which will be conducted by this committee on "The Hispanic Population: A Demographic Profile." Our hearings will be held here in Washington, D.C., perhaps in this same building or same room, and we would especially like to welcome all the persons who are going to testify. We are very concerned about your assessment, your evaluation, and your input in the hearings.

The Hispanic population, according to the 1980 U.S. census, was approximately 14.6 million persons. That means there is a 5.6-percent increase of the Hispanic population in the United States. The population is very diverse. It is rapidly growing, and according to the census, we should see some very great changes, or some different changes in the future as they relate to the needs, the prospects, the education, the business, the employment, and of course, the overall migration in this country.

Today we have with us a distinguished panel of witnesses, including the Honorable Louis Kincannon, Acting Director, Bureau of the Census. He will begin our testimony. He will be followed by Mrs. Dorothy Waggoner, consultant on bilingualism; Dr. George Borjas, department of economics, University of California; Dr. Alejandro Portes, department of sociology, Johns Hopkins University; and Dr. Leo Estrada, UCLA Graduate School of Architecture.

Before we bring on our first witness, I would like to present to you the Honorable Robert Garcia for some opening remarks.

#### OPENING STATEMENT OF HON. ROBERT GARCIA

Mr. GARCIA. Thank you.

First, I want to thank you, Congresswoman Hall, for being kind enough, as chairperson of this subcommittee, to hold these hearings. I think your cooperation is very important to us in the Hispanic community, and we deeply appreciate it.

Coupled with that, I would like to say this is Hispanic heritage week, and there are a series of seminars, and a series of hearings that are taking place here on Capitol Hill for the purpose of bringing somewhat closer the Hispanic population to, what I consider to be, the heartbeat of America in terms of our Government and politics in Washington.

I would say to all of you, please forgive us. We did have a vote, but coupled with that, we were in the middle of a most important meeting with the hotspot in the world right now, the Ambassador from Nicaragua who was meeting with Ms. Hall and me over some issues of very sensitive areas. I know how busy most of you are. Please forgive us for this delay. To all of you, I am particularly happy to see so many faces that I know so well over the years that I served as chairman of this subcommittee. With that, I would like to thank you again.

Mrs. HALL. Thank you, Mr. Garcia. At this time we wish to call our witnesses to the table. Dr. Kincannon, Dr. Waggoner, Dr. Borjas, Dr. Portes, and Dr. Estrada, would you please come forward.

Before we start our testimony, I would point out to you that the House of Representatives is in session today, and it means there is a possibility that votes will be taken on the floor. In case of votes, members of this committee will have to recess briefly to go to the floor and vote. In the event that votes are taken, we will call for a brief recess for that purpose, and resume when we return. At this time we would like for Dr. Kincannon to please start the testimony. However, before you proceed, I have a statement from Congressman Dannemeyer which will appear in the record at this point.

#### STATEMENT OF HON. WILLIAM E. DANNEMEYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. DANNEMEYER. I am pleased to welcome our distinguished panel this morning to this hearing into the impact of the census on Hispanic populations. I also welcome distinguished Members of Congress from the Hispanic Caucus who are sitting with the sub-



committee today. Finally, I join our audience in celebrating the diversity of our American culture in this Hispanic Heritage Week.

In the information age, data is power. It is not who you know, but what you know that counts. Let us carefully consider how this data-power may be used and by whom it may be used. The census does more than count people these days. It determines futures—political, economic, and social. Wouldn't it be welcome if we moved toward a situation whereby each citizen determined more of his own future, rather than toward some data system controlled by Government and determining his or her future? The heritage of Hispanic populations should lie mainly in the hands of Hispanic populations, not in some governmental data bank.

May I add that while I welcome this morning's hearings, I question whether other committees of Congress should not have sponsored the balance of the hearings on bilingual education, immigration, small business, and Central America, since these issues are more properly in their jurisdictions.

Again, my thanks to you Madam Chairwoman and the Hispanic Caucus for this morning's hearing.

Mrs. HALL. Mr. Kincannon, you may now give us the benefit of your testimony.

**STATEMENT OF C. LOUIS KINCANNON, ACTING DIRECTOR, BUREAU OF THE CENSUS, ACCOMPANIED BY NAMPEO McKENNEY, ASSISTANT DIVISION CHIEF FOR ETHNIC AND RACIAL STATISTICS; AND EDWARD FERNANDEZ, CHIEF, SPANISH AND ETHNIC STATISTICS BRANCH**

Mr. KINCANNON. Thank you, Madam Chairwoman. I am very honored to be here to participate in this hearing and in this week. I am very pleased to have the opportunity to give this report on the Hispanic population. I am very pleased to appear before Chairman Garcia again.

I would like to introduce very quickly Ms. McKenney on my right who is on the staff, and Mr. Fernandez who is behind me, and Mr. Steve Tupper.

The Census Bureau has produced a wealth of statistics on the Hispanic population from the 1980 census and current surveys. A list of data products, at the end of this report, shows the volume and scope of these statistics. Using data extracted from these sources, I will present a statistical overview of the current conditions of Hispanics, as well as major demographic changes during the last decade. More detailed information appears in the census products.

The Hispanic community is a young, diverse, and dynamic population that is experiencing rapid growth. The diversity is exhibited in the distinct communities of Mexican, Puerto Rican, Cuban, and other Spanish origin groups. The rapid growth has had an effect upon a number of areas, which are noted in my presentation. During the last decade, the Hispanic population experienced progress in only some social and economic areas. Let's review some specifics.

The Census Bureau reported 9 million Hispanics in 1970 and 14.6 million Hispanics in 1980. Hispanics constituted 6.4 percent of the

total population of the United States in 1980. We estimate that there were about 15.9 million Hispanics in March 1983.

Well over half, or about 9 million, of all Hispanics in 1980 were of Mexican origin; 2 million were of Puerto Rican origin; under 1 million were of Cuban origin; and 3 million were of other Spanish origin.

The 1980 census information on the Hispanic population comes from answers to the question on Spanish origin, based on self-identification, that we asked for everyone in the Nation. Specifically, we counted persons as Hispanics if they answered that they were of Mexican, Mexican-American, or Chicano; Puerto Rican; Cuban; or other Spanish origin. Persons in the other Spanish category included those from Spain, the Spanish-speaking countries of Central or South America, or persons identifying generally as Spanish, Spanish-American, Hispano, Latino, et cetera. We consulted extensively with the Census Advisory Committee on the Spanish Origin Population for the 1980 Census on the development of this question, as well as on other census plans pertinent to the Hispanic community.

The 14.6 million Hispanics represented a 61-percent increase since 1970. Compared to the 9-percent growth for non-Hispanics, the proportionate increase for Hispanics is enormous. This growth resulted in part from high fertility and substantial immigration from Mexico, Cuba, and other Central and South American countries. But other factors contributing to the large increase were overall improvements in the 1980 census, better coverage of the population, improved question design, and an effective public relations campaign by the Census Bureau with the assistance of national and community ethnic groups. These efforts undoubtedly contributed to the higher count in 1980.

All of the Hispanic groups contributed to this substantial growth during the 1970's. The Mexican origin population, which is by far the largest Hispanic group, nearly doubled during the decade; both Puerto Ricans and Cubans grew by more than 40 percent, persons of other Spanish origin by 19 percent.

Although the growth of the Hispanic population was widespread, in 1980 most Hispanics were still concentrated in the five Southwestern States of Arizona, California, Colorado, New Mexico, and Texas. What is more dramatic is that both California and Texas, which had in 1970 the first and second largest Hispanic populations, increased their share of this population. By 1980, over 50 percent of all Hispanics in the Nation resided in those two States. Outside of the Southwest, sizable concentrations of Hispanics were found in New York, Florida, and Illinois.

As we look at the separate Hispanic groups, we note different concentrations and geographic distributions. Although Mexicans are still largely concentrated in the Southwest, they became more widely dispersed during the 1970's. By 1980, six States outside the Southwest—Illinois, Michigan, Washington, Florida, Indiana, and Ohio—each had more than 50,000 persons of Mexican origin. Puerto Ricans moved from New York, which is still the major port of entry for this group, to other States in the Northeast and North Central regions. Unlike the Mexicans and Puerto Ricans, the con-

centration of Cubans in Florida increased so that in 1980 more than one-half of the Nation's Cubans resided in that State.

Because of the substantial growth of Hispanics, they constituted a larger proportion—6.4 percent—of the national population in 1980 than the 4.5 percent in 1970. The Hispanic proportion of the population also increased in each of the States with major concentrations of Hispanics. By 1980, Hispanics were more than one-third of the total population in New Mexico, about one-fifth in Texas and California; and about one-tenth or more in four other States—Arizona, Colorado, Florida, and New York.

Hispanics are largely metropolitan dwellers. And they were more likely than non-Hispanics to live in central cities. For instance, in 1980, one-half of all Hispanics resided in the central cities of metropolitan areas compared with slightly less than one-third of non-Hispanics.

Not only did most Hispanics live in the metropolitan areas, but they were heavily concentrated in the largest areas—those of 1 million or more persons. Puerto Ricans and Cubans were more likely to live in the largest metropolitan areas than Mexican origin persons.

Now, let's review some of the social characteristics of Hispanics.

Hispanics, generally, are a youthful population. Looking at the age chart, we see much larger proportions of Hispanics than non-Hispanics in the younger age groups; more than 20 percent of Hispanics were under 10 years old in 1980 compared to 14 percent of non-Hispanics. Conversely, Hispanics have lower proportions in the older age groups, for example, only 3 percent of all Hispanics were 70 years old and over, less than one-half the proportion for non-Hispanics. In 1980, the median age of Hispanics was only 23 years, compared to 31 for non-Hispanics. The younger Hispanic population is in part a result of higher fertility levels.

Interestingly enough, there are some significant differences among the Hispanic groups. The Cubans are the oldest group with a median age of 38 years, topping that for non-Hispanics; but Puerto Ricans and Mexican origin persons are extremely young populations with median ages of about 22 years. The higher median age for Cuban compared to other groups reflects, mainly, the older ages of Cuban immigrants.

Hispanic families were more likely than non-Hispanic families to have children. In 1980, two-thirds of Hispanic families contained children compared to one-half of non-Hispanic families. Both groups showed declines from 1970.

Because of higher fertility levels, the average number of children in families was larger among Hispanics than non-Hispanics. The averages decreased for both groups since 1970, but the decline was less for Hispanics.

Similar to the trend for the rest of the Nation, the percentage of Hispanic families maintained by women moved upward in recent years. By 1983, 23 percent of Hispanic families were maintained by women, a higher percent than the corresponding figure for non-Hispanic families.

Among Hispanic families, the proportion maintained by women was noticeably higher for Puerto Ricans—about 40 percent—than for other Hispanic groups.



It is most encouraging to observe the marked improvement in the educational attainment level of young Hispanics. In 1983, 58 percent of young Hispanic adults were high school graduates, compared to only 45 percent in 1970. This improvement also appears in the proportions of college graduates, which was 10 percent in 1983 but only 5 percent in 1970.

Despite these gains, Hispanics have not reached the level of non-Hispanics. In 1983, 88 percent of young non-Hispanic adults were high school graduates and 25 percent had completed 4 years or more of college.

Striking differences in educational attainment show up among Hispanic groups. Seventy percent of Cubans were high school graduates compared to slightly more than 50 percent for Mexican and Puerto Rican origin persons.

In the 1980 census, we asked a question on language spoken in the home. Of the non-English languages, Spanish was reported most frequently. Over 11 million persons, or 5 percent, reported that they spoke Spanish in the home. Of these Spanish speakers, about one-fourth reported that they did not speak English well or at all.

As noted previously, part of the substantial growth of the Hispanic population in the United States is a result of the very large increase in immigration from Spanish-speaking countries, particularly Mexico. During the 1970's about 650,000 legal immigrants of Mexican origin came to the United States.

Recently completed research estimates that the census counted about 2 million undocumented aliens. Mexico contributed over 45 percent, or over 900,000 persons. No other individual country contributed so many. The remainder of Latin America and Caribbean area accounted for 23 percent, or 480,000 of the undocumented aliens counted in the census.

As a result of the large flow of immigrants, about one-third of the Hispanic population in the United States in 1980 was foreign born. Florida contained the highest proportion—about 60 percent. This is not surprising because of the large number of Cubans who came to the United States in the 1960's.

Among the States with the largest Hispanic populations, California and Illinois each ranked second, with 37 percent foreign born. Surprisingly, in Texas, whose border is a major source of entry for Mexican immigrants, only 19 percent were foreign born. Furthermore, New Mexico, which had the highest proportion of Hispanics in its population, had only a very small proportion foreign born. Both Texas and New Mexico contain large numbers of indigenous Hispanics.

In the last two Presidential elections, the registration levels and voting participation of Hispanics were lower than in 1972. In the last Presidential election, 36 percent of Hispanics 18 years old and over reported that they had registered; only 30 percent voted. In each election, the voter registration and participation rates were lower for Hispanics than for non-Hispanics. The substantially lower rates of Hispanics are partly the result of the relatively higher and growing proportion of foreign born among Hispanics.



Home ownership is relatively low among Hispanics. In 1980, less than half of Hispanic households lived in homes they owned compared to two-thirds of the non-Hispanic households.

In looking at the individual Hispanic groups, home ownership rates in 1980 were much higher for Mexican and Cuban origin persons than for those of Puerto Rican origin. The high proportion of Puerto Rican households that were renter-occupied reflects in part their very high concentration in central cities of metropolitan areas and their lower income levels.

In 1980, the home ownership rate for Hispanic households showed no improvements over 1970, despite gains by Cuban and Puerto Rican households because the home ownership rate for Mexican origin households declined.

Now, let's move to the economic sphere.

The proportion of Hispanic women in the labor force jumped from 41 percent in 1973 to 49 percent in 1982. This increase for Hispanic women is consistent with the trend for non-Hispanic women. By contrast, the proportions of Hispanic and non-Hispanic men in the civilian labor force in 1982 showed no appreciable change from 1973 levels.

Since 1973, when annual data on the unemployment of Hispanics first became available, Hispanic unemployment rates have been consistently higher than those for non-Hispanics. In 1982, as well as in 1973, the Hispanic unemployment rate was about one and one-half times that of non-Hispanics.

The unemployment situation for Hispanics reflected the changing economic conditions of the Nation. The jobless rates of Hispanics climbed during the recession of 1973-75 and then showed a significant downward movement until the end of the decade. However, during the 1979 to 1982 period, their unemployment rate climbed again and grew from 8.3 percent to 13.8 percent. The particularly marked increase from 1981 to 1982 in the unemployment rate of Hispanics resulted from the most recent recession, which also caused a rise in the rate of non-Hispanic persons.

Occupation statistics paint different portraits for Hispanic and non-Hispanic persons. In 1982, about one-fourth of Hispanics were in operative occupations, such as manufacturing machine operators, service station attendants, and truck drivers. This was about twice the proportion for non-Hispanics. Although 9 percent of Hispanics were employed as professional and technical workers, almost double that proportion for non-Hispanics were employed in these jobs. Furthermore, employed Hispanics were less likely to be working as managers and administrators than were non-Hispanics.

A glimpse at data on businesses shows that there were 219,000 Hispanic-owned firms in 1977, compared to 117,000 in 1972. Although part of the increase can be attributed to expanded coverage of businesses, the actual gain by Hispanic firms was rather impressive.

In 1977, Hispanic firms accounted for 2 percent of the 10 million firms in this country. For each industry, the proportion of Hispanic firms was also small, each below 3 percent.

On average, the income levels of Hispanic families were lower than those for non-Hispanic families. The median money income of Hispanic families in 1982 was about \$16,000 compared with a

median of about \$24,000 for non-Hispanic families. Looking at the figures in more detail, we see substantial differences in family income among the Hispanic groups. Puerto Rican families had the lowest median cash family income of about \$11,000 in 1982. The median income of Mexican origin families was about \$16,000; Cuban and other Spanish origin families had the highest median income of about \$19,000.

The cash income levels of families may be related to a number of factors, such as number of workers in the family, educational attainment levels, and composition of the family. The proportion of Puerto Rican families with no workers was much higher than for other Hispanic groups. In addition, the educational attainment levels of Puerto Ricans were relatively low. These are some of the factors which contribute to the lower incomes of Puerto Rican families.

The money income figures do not reflect the fact that many families receive part of their income in a nonmoney form, such as medicare benefits or employer contributions to health and pension programs. Noncash benefits intended for the low-income population are discussed later in this report.

Overall, the changes during the last 10 years in the income and poverty levels of Hispanics were not encouraging. From 1972 to the mid-1970's, the median cash income of Hispanic families generally moved downward. Gains during the latter half of the 1970 decade offset the earlier decline. In the most recent period, the 1979 to 1982, Hispanic families experienced a substantial decrease of about 14 percent in real median family income.

During the last 10 years, the median cash income of non-Hispanic families showed the same general pattern of changes as that for Hispanic families.

The proportion of Hispanic persons below the poverty level in 1982 was very high—about 30 percent—and represented a sharp increase over the 1979 rate. The recent recession and associated rise in unemployment contributed to the increase in the poverty rate. The 1982 proportion was also much higher than the 1972 rate.

The poverty rates for Hispanics have been consistently higher than that for the total population throughout these years.

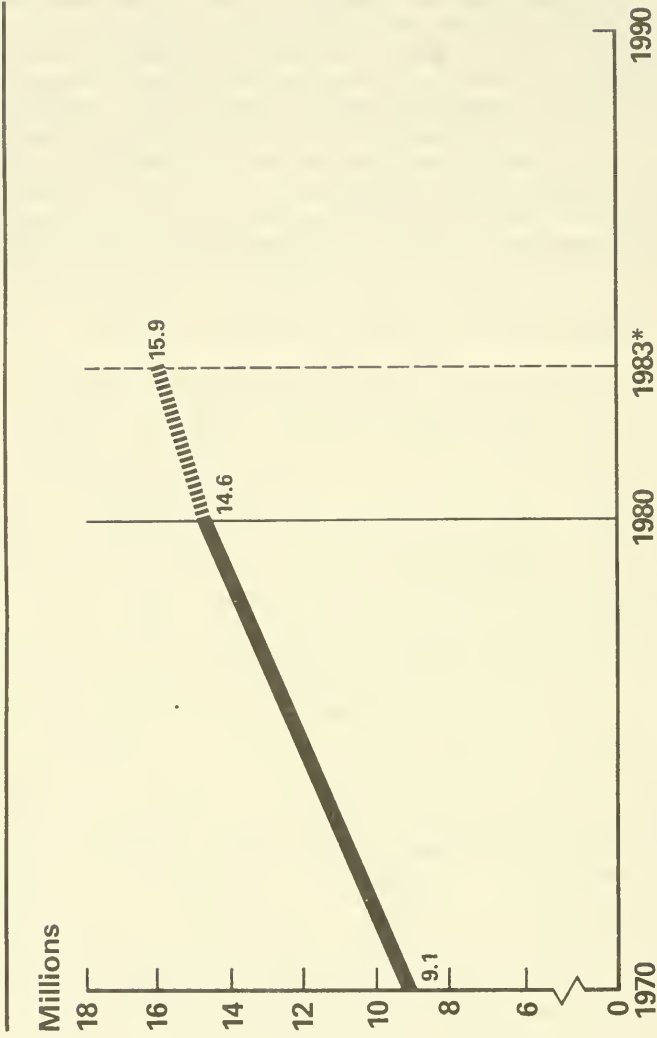
During the past decade, there has been a rapid growth in public programs that provide food, housing, and medical assistance to the poor. While these benefits have increased enormously over the past 10-12 years, their value is not counted as income for purposes of measuring the number of households with incomes below the poverty level. A study conducted by the Bureau shows that inclusion of the market value of food stamps, public housing, free and reduced-price lunches, medicaid, and medicare would have reduced the percentage of all poor households from 12 percent to about 7 percent in 1979. The comparable reduction for Hispanic households was from 21 percent to 11 percent.

With the exception of public housing, a much higher proportion of Hispanic than all households in 1982 received noncash benefits intended for the low-income population. Of Hispanic households, for example, about 19 percent received food stamps and 45 percent contained children receiving free or reduced-price school lunches.

In summary, the statistical portrait of Hispanics in the United States, presented by the latest decennial census and current surveys, shows a fast-growing, young, active, and diverse population closing some gaps in social and economic status with the overall population. In areas such as education, labor force participation, and business ownership, Hispanics have shown improvements. On the other hand, unemployment and poverty rates have risen, and cash income levels have fallen in recent years. The Census Bureau intends to continue the collection, analysis, and publication of statistical information to provide up-to-date information on Hispanics.

[The charts which follow were submitted for the record:]

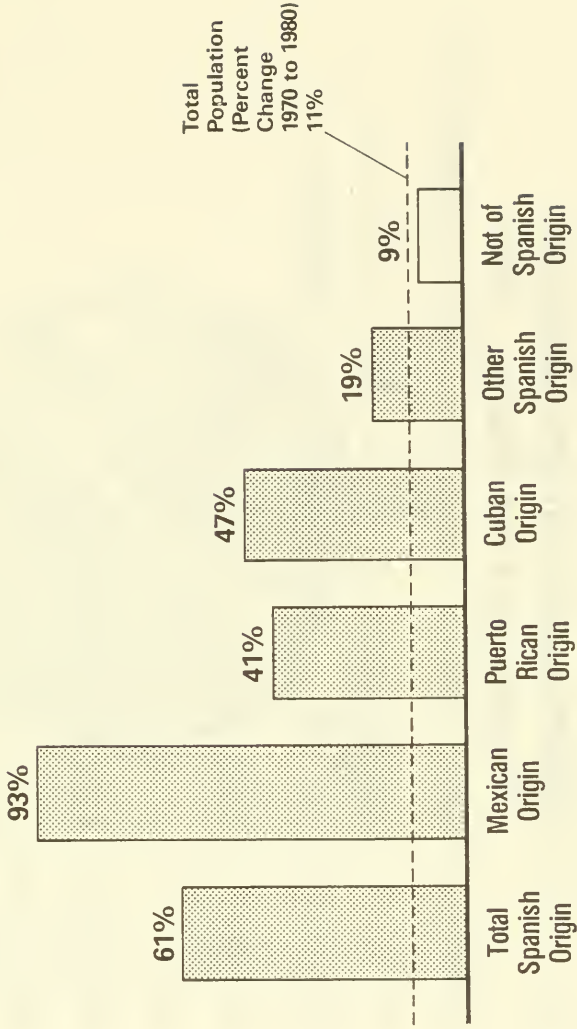
# Spanish Origin Population



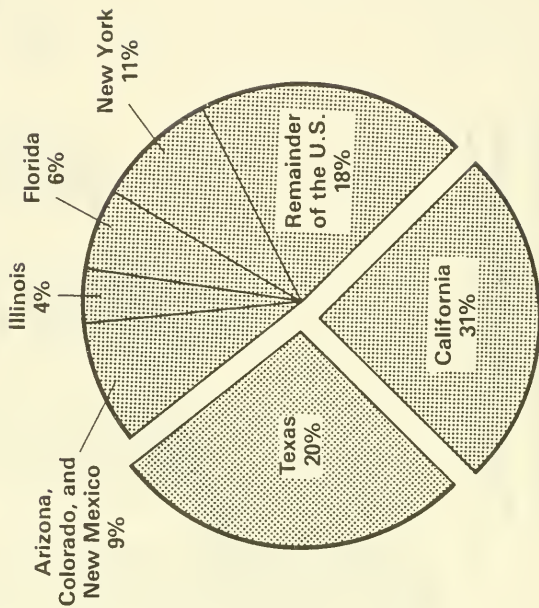
\*Based on provisional independent estimates.

# Population Growth

(Percent Change 1970 to 1980)



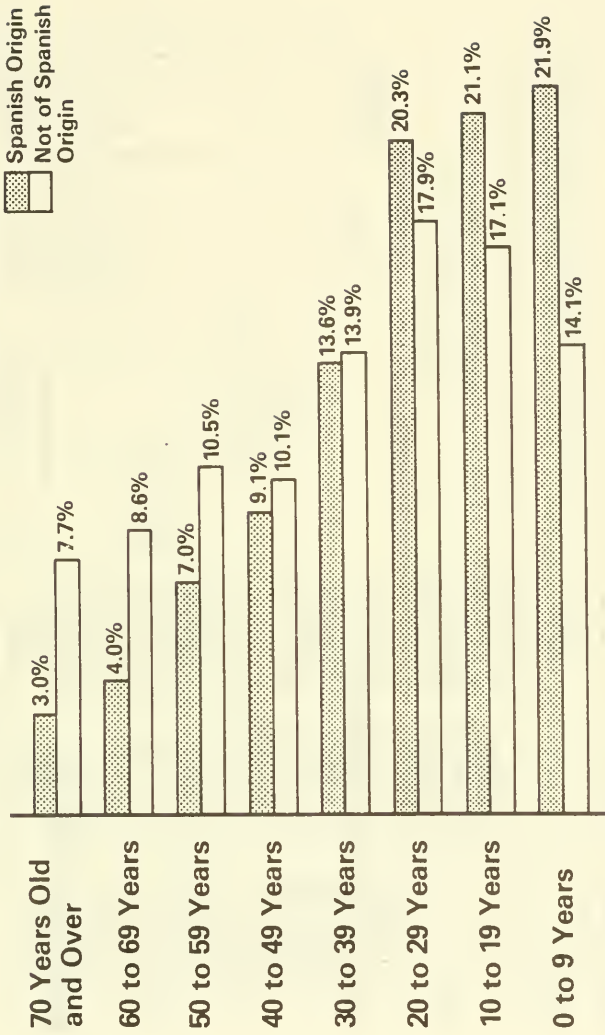
# Distribution of the Spanish Population by State: 1980



Base — Total persons of Spanish Origin in the United States.



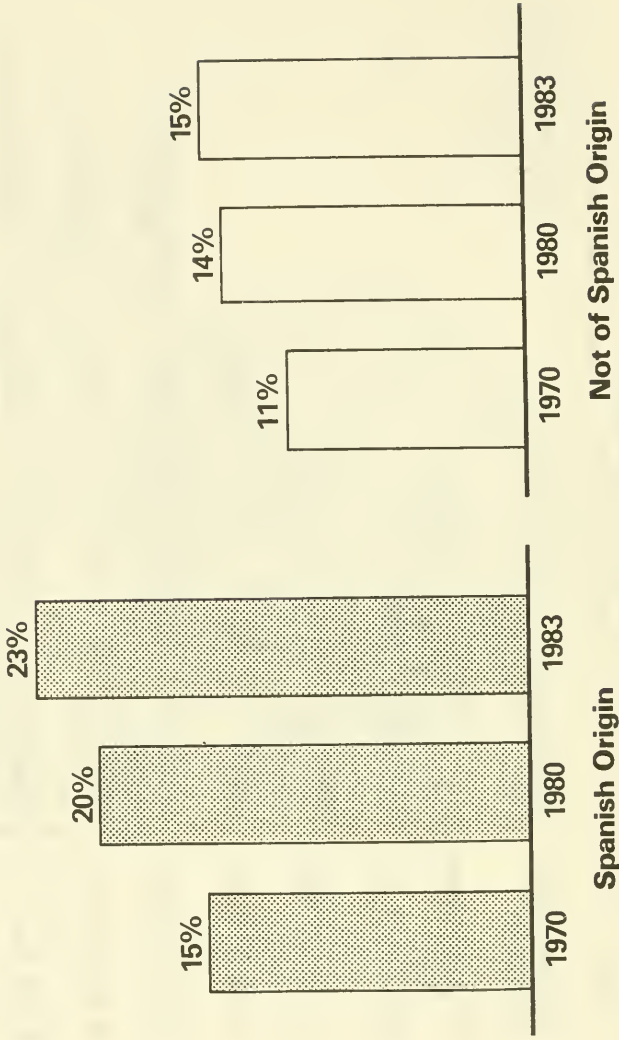
# Age: 1980



Base — Total population of Spanish origin and not of Spanish origin.

# Families Maintained by Women

Percent of Families

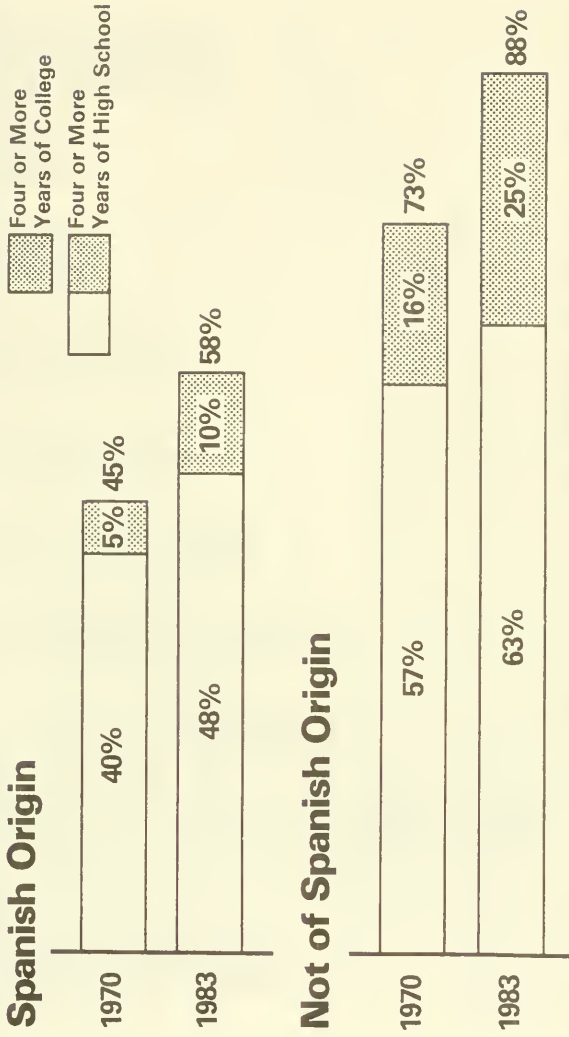


Base — Total number of families of Spanish origin and not of Spanish origin.



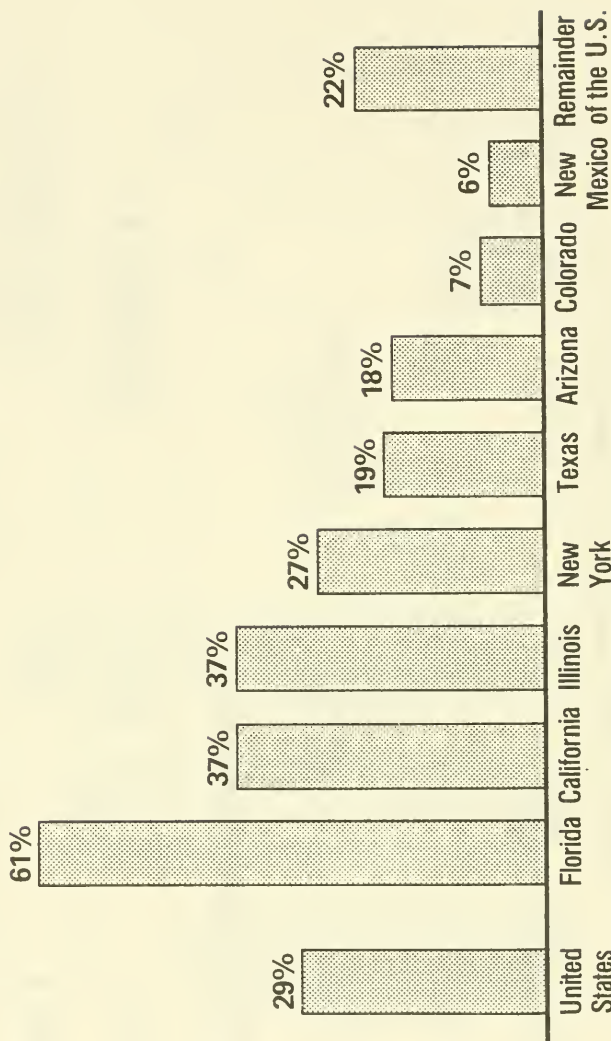
# Educational Attainment

(Persons 25 to 34 Years Old)



Base — Total persons of Spanish origin and not of Spanish origin 25 to 34 years old.

## Percent Spanish Foreign Born: 1980



Base -- Total Spanish origin population in each area.

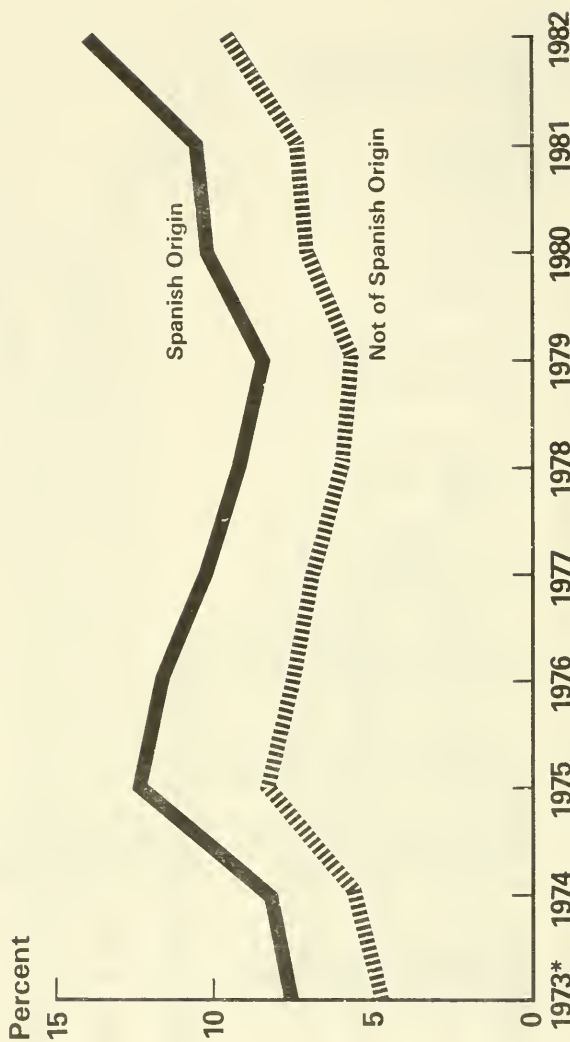
## Voting and Registration



Base — Persons 18 years old and over of Spanish origin and not of Spanish origin.

# Unemployment Rates

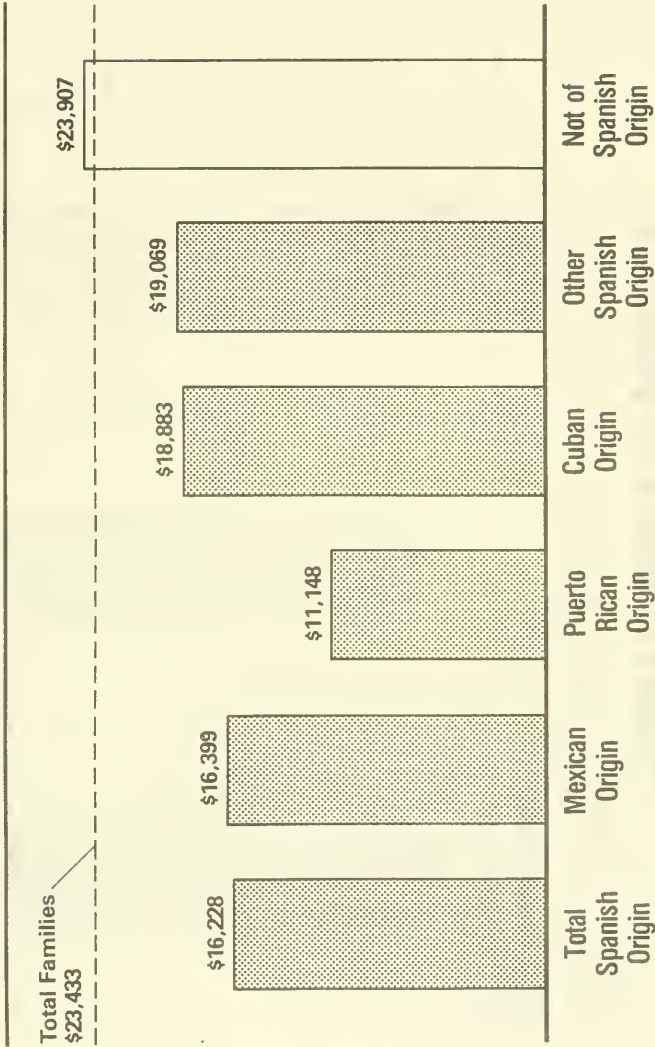
(Annual Averages)



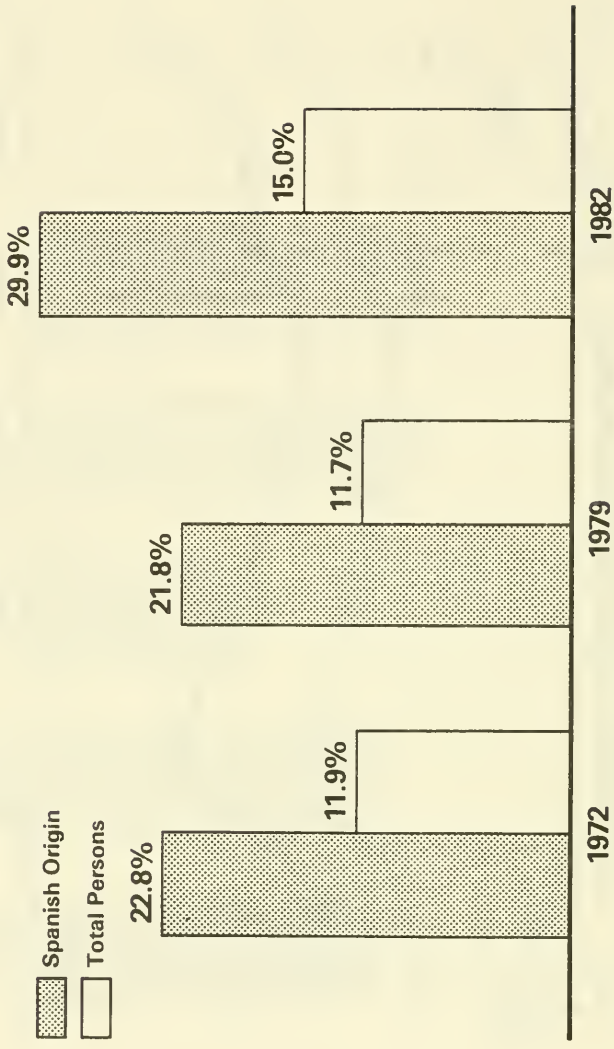
\*First year for which data are available.

Base — Persons of Spanish origin and not of Spanish origin 16 years old and over in the civilian labor force.

## Median Family Income in 1982

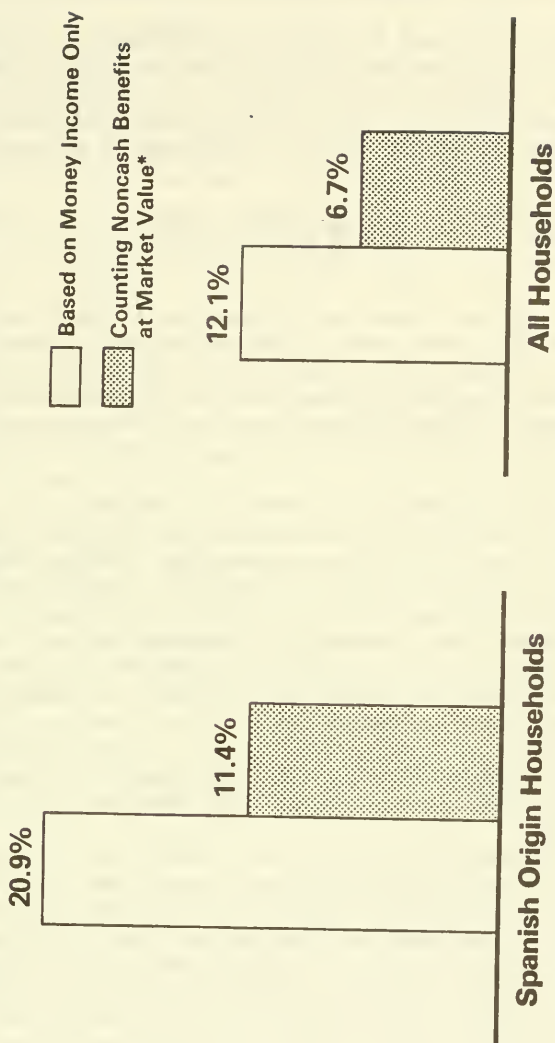


# Poverty Rates of Persons



Base — Total, all persons and persons of Spanish origin for whom poverty status is determined.

# Poverty Rates for Households: 1979



\*Includes food stamps, free or reduced-price school lunches, public housing, medicaid, and medicare.



Mr. KINCANNON. I thank you for the opportunity to discuss these matters.

I am sorry if it was difficult to see some of the slides. We will make sets of the slides available to the committee if you desire for further use. I will be pleased to answer any questions.

Mrs. HALL. Thank you. That was an excellent presentation. Our next witness will be Dr. Dorothy Waggoner, a consultant on bilingualism in the United States.

#### STATEMENT OF DOROTHY WAGGONER, CONSULTANT ON BILINGUALISM

Dr. WAGGONER. Madam Chairman, Congressman Garcia, I am Dorothy Waggoner. I am a specialist in language minority statistics. I have been associated with the effort to count limited English proficient children and adults in the United States since its initiation in 1974. I am very pleased to have this opportunity to discuss with you some of the findings from the 1980 census with regard to language, and to highlight some of the work which remains to be done.

I am going to begin my statement. I believe you have my prepared statement, so I am summarizing quickly. I am going to define some terms. I will be presenting findings from the 1980 census on home speakers of Spanish in the United States, and those reported to have difficulty speaking English, and some estimates of the number of Spanish language minority children with limited English proficiency based on the 1980 census. I will conclude with some discussion of the special study which the Department of Education commissioned from the Bureau of the Census to provide additional information about limited English proficient children and adults, the English language proficiency study which was conducted in the summer of 1982 for which we do not yet have any findings.

I would like to define some terms. First, not all Hispanics have Spanish mother tongues, live in households which Spanish is spoken, or speak Spanish. Likewise, not all people who speak Spanish or live in Spanish-speaking households are Hispanics. I am talking about the data in the census related to language from the language questions. When we have analyzed that data, we will know how many of those people are not Hispanics, and, conversely, when we have analyzed the data on Hispanics by language characteristics, we will know how many Hispanics do not live in households in which Spanish is spoken.

Second, there are a number of groups that we can talk about with regard to language. In the first place, the census question was: Does this person speak a language other than English at home? There are people who live in households in which some of the responses were yes, this person speaks Spanish. But for other people in the household, the response was that this person speaks only English.

If we combine the data by household, we can determine the number of people who live in households in which Spanish is spoken, and for children, this constitutes the group of Spanish language minority children. However, there is no way to get from the



1980 census itself the number of adults whose mother tongue was Spanish, but who are presently living in households which only English is spoken. We have lost those people in the 1980 census.

A third thing that is most important, is we need to understand the difference between English language speaking proficiency and reported difficulties speaking English. Speaking skills are only one aspect of the English language proficiency. In order for a child to make it in the English median school system, he has to be able to read and write. In order for an adult to get and hold a job and to succeed in the mainstream, he had to be able to read and write. He has to be able to function on a level beyond just the speaking difficulty.

The question in the census was never intended to identify the children and adults who have special needs with which we are concerned. It was the only kind of question that you can ask in a census. In 1978, we undertook the children's English and services study to study language minority children in their homes, and to determine by objective tests how many children in those homes were limited in speaking and understanding and reading and writing such that they could not succeed in an English-medium school. I have applied some findings from that study to the 1980 census, and I will summarize those briefly among the data that I'm talking about. However, there has been no study of the English language proficiency in adults. For that, we have to rely upon the English language proficiency study which was the study that was undertaken last summer from which we will have some data later on.

Now, a few remarks about the numbers. Mr. Kincannon has already shown us a very nice graph on the language data. Eleven and one-half million people in the United States, age 3 and older reported in the 1980 census that they speak Spanish at home. They constituted about half of all the people in the United States who reported speaking languages other than English in 1980. There were seven times more Spanish speakers than speakers in the next largest groups. Home speakers of Spanish were found in every State. However, nearly three out of four lived in California, Texas, New York, Florida, and Illinois. Home speakers of Spanish constituted 5.3 percent of the total population of the United States aged 3 and older in 1980. They constituted 10 percent or more of the population of four States—New Mexico, Texas, California, and Arizona. In New Mexico, 3 out of 10 people in 1980 reported that they speak Spanish. It was spoken by nearly one in five in Texas.

#### AGE DISTRIBUTION

People who speak Spanish at home are a young group in comparison with the total population. More than a quarter were school age in 1980. In contrast, 22.6 percent of the total U.S. population was 5 years and older in 1980, and only 13.3 percent of home speakers of non-English languages other than Spanish were aged 5 to 17 in 1980.

Because of these differences in age distribution, two-thirds of the children reported to speak non-English languages at home in 1980 spoke Spanish, but only 44.3 percent of the adults 18 and older spoke Spanish.

## REPORTED DIFFICULTY SPEAKING ENGLISH

Spanish speakers have more reported difficulty speaking English than other home speakers of other non-English languages according to the 1980 census. A quarter of all those aged 5 and over who speak Spanish at home were reported not to speak English well, or not to speak it at all. In contrast, only 12.9 percent of those speaking non-English languages other than Spanish were reported to have difficulty speaking English. The disparity was greater for adults over age 17 and somewhat less for school-age children.

I have already talked about the difference between English proficiency and difficulty speaking English. I would just like to review a few of the findings on children with limited English proficiency which I have derived from the 1980 census, applying what we learned about these children in the 1978 study.

It is estimated that about 2.2 million children who speak Spanish at home are limited in the English language skills needed to succeed in the English-medium school system. In addition, it is estimated that 400,000 other children in Spanish-speaking homes only speak English, but also lack proficiency in one or more other skills needed to succeed without special assistance in school programs designed for the English-speaking majority. There may be other children who are bilingual, but who were not reported as speaking Spanish at home because they usually speak English. These would increase the estimate. However, at a minimum, we estimate that in 1980 there were 2.6 million children from Spanish-speaking homes, and probably more, who need special help related to their language background and English proficiency. The majority live in a few States. They are highly concentrated within those States. There were six States with at least 100,000 children from Spanish-speaking homes with limited English proficiency. These were California, Texas, New York, Florida, Illinois, and New Jersey. Now, 8 out of 10 of all the children with these characteristics lived in these States in 1980. Nearly three out of five of LEP children from Spanish speaking homes in California lived in Los Angeles, Long Beach, or adjoining areas, Anaheim, Santa Ana, Garden Grove, Riverside, San Bernardino, and Ontario.

LEP children in Spanish-speaking homes from the States of New York and New Jersey were even more concentrated—7 out of 10 lived in New York City and its New York and New Jersey suburbs. More than 90 percent of LEP children in Spanish-speaking homes in Illinois lived in Chicago.

I would like to close my remarks by discussing briefly the English language proficiency study, because it has tremendous potential to take us beyond what we already know about populations who need special help in the United States. It also has some disturbing factors, and I think we need to inform ourselves, and we need to be very sure that we do understand what the study is all about and what its findings are really saying to us.

The children's English and services study in 1978 had a number of defects which are described in my statement. The English language proficiency study is an attempt to remedy some of these defects. However, it also has a number of other purposes. One is to reform the test that was used to measure English proficiency of

children in the 1978 study. Another is to gather, for the first time, information from objective testing of adults. The ELPS will yield separate direct estimates on the size of the population of children and adults with limited English proficiency living in California, Florida, New York, Texas, and the remainder of the country. It will provide us with the means to estimate the number of limited English proficiency children and adults in all other States and from a number of other language backgrounds. It will provide new information on the numbers of characteristics of LEP children, and it will provide information for the first time on the adults. It will make possible additional study of the properties of the test used in 1978.

The norming group for the children's English and services study consisted of children designated by their schools as fluent English speakers. These were children who were achieving normally in school. In the ELPS, the CESS test has been administered to a sample of the total school age population in homes in which only English is spoken. As we know from recent studies of U.S. education, many of these children are not achieving normally. Moreover, some of them may also lack proficiency in some of the English language skills needed to succeed in school, even though they come from English-speaking homes.

The English language proficiency findings from the ELPS will be used to examine the test scores which are used to separate limited English proficient language minority children from English proficient minority children. Revised scores will produce different estimates of the size of the group in need of special programs and services. The characteristics of the norming group will determine the definition of limited English proficiency.

It makes a difference, therefore, whether the norm is based upon the average scores of all the English language background children studied, or whether it is based on scores which are adjusted for socioeconomic status, in the belief as another theory goes, that socioeconomic status rather than language is of greater importance in determining and explaining the differences in achievement of children from language minority groups and majority children.

There is also a belief that we really shouldn't have a higher standard for low socioeconomic status language minority children than we have for low socioeconomic status English-language-background children. Depending on the norming group, we have a possibility that the estimates will represent, not the numbers of children in Spanish-speaking and other language minority homes who need help to succeed educationally, but the minimum numbers who need help to keep up with the least advantaged children in our schools. This is an important distinction. The same problems, the same considerations will apply to the norming of the adult tests, which of course will be done for the first time. I am concerned about the issues of equity involved in the way that these tests are normed, and this is something which I want to leave with you.

We need to do a number of things still to realize the potential of the 1980 census. We need to recombine the data by household and find out how many people there really are in households in which Spanish is spoken. We need to analyze the language responses of the Hispanics to determine how many Hispanics speak Spanish or

live in households which Spanish is spoken or are completely English-speaking environments. We need to analyze the language data in order to determine how many people who speak Spanish do not claim themselves as Hispanics. We need to complete English language proficiency study as soon as possible to provide an objective measure of the size of the population of children and adults who cannot achieve their full potential in our society without special assistance.

If the ELPS provides such a measure which is sensitive to issues of equity, we can have confidence in applying the ELPS ratios to the 1980 census data. This will give us tremendous advantage in comparing the well-being on various indicators of educational social and educational status. We will be able to assess the needs and plan programs and services which will truly assure the equal opportunity of Hispanics and language minorities in our society. Thank you.

[The statement of Dr. Waggoner follows. Also, the response to written questions submitted by Mr. Dannemeyer follows:]



## ESTIMATES FROM THE 1980 CENSUS ON PEOPLE IN HOMES IN WHICH SPANISH IS SPOKEN

Statement by Dorothy Waggoner, PhD

to the

Subcommittee on Census and Population  
Committee on Post Office and Civil Service  
U.S. House of Representatives

September 13, 1983

I am Dorothy Waggoner. I am a specialist in language minority statistics. Prior to my recent retirement, I was an information specialist in the Office of Bilingual Education and Minority Languages Affairs of the U.S. Department of Education. I was associated with the Federal effort to count limited-English-proficient language minority children and adults from its inception in 1974. I chaired the subcommittee on language of the Inter-agency Committee on Race and Ethnicity for the 1980 Census.

I am very pleased to have this opportunity to discuss with you some of the findings from the 1980 Census with regard to language, and to highlight some of the work which remains to be done. The 1980 Census has an important potential for helping us to understand better the language characteristics of Hispanics and language minorities in our country. It can help us examine the relationship between language exposure and usage and English language proficiency and the indicators of educational, economic and social well-being. It can help us to plan programs which will assure that Hispanics and language minorities achieve their full potential-- that they indeed obtain an equal opportunity in the mainstream society.

I will begin my statement by defining some terms. I will then present some findings from the 1980 Census on home speakers of Spanish in the United States and on those reported to have difficulty speaking English

and some estimates of the numbers of Spanish language minority children with limited English proficiency (LEP) based on the 1980 Census. Finally, I will discuss a study undertaken by the Bureau of the Census for the Department of Education which has not yet been completed. This is the English Language Proficiency Study (ELPS). In it, a sample of children and adults in Spanish-speaking and other language minority homes from the 1990 Census was tested for English proficiency. This was the first time that adults have been tested in a national survey.

#### DEFINITION OF TERMS

There are several terms which we need to understand in order to know what the findings represent. In the first place, not all Hispanics have a Spanish mother tongue or live in households in which Spanish is currently spoken. Likewise, not all people with Spanish language backgrounds claim a Hispanic ethnic origin. In this statement, I will be discussing the findings related to the group who reported in the Census that they speak Spanish at home, and the findings derived from the responses of this group. Although most of these people are Hispanic, we will not know how many of them are-- or how many Hispanics live in all-English-speaking homes--until additional study of the 1990 Census data has been completed.

Secondly, the people who speak Spanish at home are a subset of those who live in homes in which Spanish is spoken who are, in turn, a subset of the Spanish language background or Spanish language minority population, as this term has been used in previous studies. The 1990 Census home language question asked "Does this person speak a language other than English at home?" The responses provide a direct estimate of children and adults who speak Spanish at home. By combining the responses by household, it is possible to estimate

the numbers of children and adults living in homes in which Spanish is spoken, regardless of their individual usage. The number of children so estimated is the number of Spanish language minority children. However, the number of adults leaves out those who have Spanish mother tongues but now live in homes in which only English is spoken. Some of these people may also have special needs related to their proficiency in English.

Thirdly, there is a difference between English-speaking ability, as reported in the Census, and proficiency in English, measured by an objective test. The 1990 Census asked, for those reported to speak Spanish or another non-English language at home, how well they speak English. This question was never intended to identify children and adults with special needs related to their language backgrounds and English proficiency, including proficiency in reading and writing as well as speaking and understanding. For this purpose an objective test relating the skills measured to the context--the school or the job--is required. The 1978 Children's English and Services Study (CESS) provided such a test for children. It was administered to a sample of language minority children in their homes in that study which was sponsored by the National Institute of Education and the National Center for Education Statistics. In the CESS, 59 percent of the children whom parents or guardians rated as speaking English very well or well tested as limited in the English proficiency skills needed to succeed in school. Conversely, about 7 percent of the children included in the group rated as not speaking English well or not speaking it at all tested as proficient in the school-related English skills.

Speaking ability is only one of the skills needed to succeed in school, obtain and hold a job, or otherwise participate in mainstream society.

Census respondents were not asked to rate speaking ability in school or on the job. Census respondents, in many cases from language minority backgrounds themselves, may or may not have been able to gauge the extent to which children and other adults in the household are able to function in English in the particular environments in which English language skills are essential.

Later in this statement I will present some estimates of the numbers of limited-English-proficient children from Spanish-speaking homes based upon the application of findings from the CESS. I will also discuss the ELPS which will update the findings on LEP children from the CESS and provide, for the first time, estimates of the numbers of adults in homes in which non-English languages are spoken who have limited English proficiency.

#### HOME SPEAKERS OF SPANISH IN THE UNITED STATES IN 1990

Eleven and a half million people, aged three and older, reported in the 1990 Census that they speak Spanish at home. They constituted about half of all the people in the United States who reported speaking languages other than English at home in 1990. There were seven times more Spanish speakers than the next largest groups. There were about a million and a half speakers each of Italian, German and French. No other language minority group had as many as a million home speakers.

Home speakers of Spanish lived in every state in the Union in 1990, as shown in table 1. However, a substantial majority lived in a few states. Nearly two thirds of the group lived in California, Texas and New York and three out of four in those states plus Florida and Illinois. About 3.3 million people, aged three and older who reported that they speak Spanish



at home, lived in California. About 2.6 million lived in Texas and 1.5 million in New York. Florida was home to 800,000 Spanish-speakers and Illinois to half a million. Nine other states had at least 100,000 people who speak Spanish at home.

Home speakers of Spanish constituted 5.3 percent of the total population of the United States, aged three and older, in 1980. They constituted 10 percent or more of the population of four states--New Mexico, Texas, California and Arizona. In New Mexico, Spanish was spoken at home by three people out of ten in 1980. It was spoken by nearly one in five in Texas.

#### AGE DISTRIBUTION OF HOME SPEAKERS OF SPANISH IN THE UNITED STATES

People who speak Spanish at home are a young group in comparison with the total population and with speakers of other non-English languages. More than a quarter--26.5 percent--of the population aged five and older were school-age in 1980. In contrast, 22.6 percent of the total U.S. population five and older and only 13.3 percent of the home speakers of non-English languages other than Spanish were aged five to seventeen in 1980. Because of the different age distributions of Spanish speakers and speakers of other languages, two thirds of the children reported to speak non-English languages at home in 1980 spoke Spanish, but only 44.3 percent of the adults, eighteen and older, did so. These data are shown in table 2

Table 1.--ESTIMATED NUMBERS AND PERCENTAGES OF HOME SPEAKERS OF SPANISH,  
AGED THREE AND OLDER, BY STATE: UNITED STATES, 1980

State	Number	% of total population	% of Spanish speakers	
			By state	Cumulative
All states	11,559,000	5.3	100.0	100.0
California	3,270,000	14.5	28.3	28.3
Texas	2,595,000	19.2	22.5	50.7
New York	1,453,000	8.6	12.6	63.3
Florida	807,000	8.6	7.0	70.3
Illinois	524,000	4.8	4.5	74.8
New Jersey	431,000	6.1	3.7	78.6
New Mexico	362,000	29.4	3.1	81.7
Arizona	343,000	13.3	3.0	84.7
Colorado	184,000	6.7	1.6	86.3
Pennsylvania	140,000	1.2	1.2	87.5
Massachusetts	114,000	2.1	1.0	89.4
Connecticut	108,000	3.6	0.9	89.4
Michigan	107,000	1.2	0.9	90.3
Ohio	101,000	1.0	0.9	91.2
Washington	82,000	2.1	0.7	91.9
Indiana	71,000	1.4	0.6	92.5
Virginia	66,000	1.3	0.6	93.1
Maryland	57,000	1.4	0.5	93.6
Louisiana	52,000	1.3	0.5	94.0
Wisconsin	49,000	1.1	0.4	94.4
Georgia	49,000	0.9	0.4	94.9
North Carolina	44,000	0.8	0.4	95.2
Oregon	43,000	1.7	0.4	95.6
Oklahoma	42,000	1.5	0.4	96.0
Kansas	42,000	1.8	0.4	96.3
Missouri	38,000	0.8	0.3	96.7
Utah	37,000	2.8	0.3	97.0
Nevada	36,000	4.7	0.3	97.3
Idaho	28,000	3.2	0.2	97.5
Tennessee	27,000	0.6	0.2	97.8
Alabama	23,000	0.6	0.2	98.0
Minnesota	23,000	0.6	0.2	98.2
South Carolina	23,000	0.8	0.2	98.4
Iowa	21,000	0.8	0.2	98.6
District of Columbia	19,000	3.1	0.2	98.7
Kentucky	18,000	0.5	0.2	98.9
Nebraska	18,000	1.2	0.2	99.0
Mississippi	15,000	0.6	0.1	99.2
Wyoming	15,000	3.4	0.1	99.3
Arkansas	14,000	0.6	0.1	99.4
Rhode Island	12,000	1.4	0.1	99.5
Hawaii	12,000	1.3	0.1	99.6
Delaware	8,000	1.5	0.1	99.7
West Virginia	8,000	0.4	0.1	99.8
Montana	7,000	0.8	*	99.8
Alaska	5,000	1.4	*	99.9

Table 1.--ESTIMATED NUMBERS AND PERCENTAGES OF HOME SPEAKERS OF SPANISH,  
AGED THREE AND OLDER, BY STATE: UNITED STATES, 1980 (Continued)

State	Number	% of total population	% of Spanish speakers	
			By state	Cumulative
New Hampshire	4,000	0.5	*	99.9
North Dakota	3,000	0.5	*	99.9
South Dakota	3,000	0.5	*	100.0
Maine	3,000	0.3	*	100.0
Vermont	2,000	0.4	*	100.0

\* Less than an estimated 0.1 of a percent.

SOURCE: 1980 Census, unpublished preliminary data subject to change.

Table 2.--ESTIMATED NUMBERS OF HOME SPEAKERS OF SPANISH AND OTHER NON-ENGLISH LANGUAGES, AGED FIVE AND OLDER, BY AGE GROUP AND PERCENTAGE WITH REPORTED DIFFICULTY SPEAKING ENGLISH: UNITED STATES, 1980

Age group and reported difficulty speaking English	Total	Spanish speakers	Speakers of other non-English languages
Total, aged 5 and older	22,973,000	11,118,000	11,856,000
Percentage with reported difficulty speaking English	18.7	24.9	12.9
Aged 5 to 17	4,529,000	2,947,000	1,582,000
Percentage with reported difficulty speaking English	14.4	16.0	11.4
Aged 18 and older	18,444,000	8,171,000	10,274,000
Percentage with reported difficulty speaking English	19.8	28.0	13.2

NOTE.--Detail may not add to totals because of rounding.

SOURCE: U. S. Bureau of the Census, 1980 Census of Population and Housing, Supplementary Report, PHC80-S1-1, Provisional Estimates of Social, Economic, and Housing Characteristics (Washington, D. C.: U.S. Government Printing Office, March 1982).

## REPORTED DIFFICULTY SPEAKING ENGLISH

Spanish speakers have more acknowledged difficulty speaking English than other home speakers of non-English languages according to the 1980 Census. A quarter of all those aged five and older who speak Spanish at home were reported not to speak English well or not to speak it at all. In contrast, only 12.9 percent of those speaking non-English languages other than Spanish were reported to have difficulty speaking English. The disparity was greater for adults over age seventeen and somewhat less for school-age children. The percentages of Spanish speakers and speakers of other non-English languages with reported difficulty speaking English are also shown in table 2.

## SPANISH LANGUAGE MINORITY CHILDREN WITH LIMITED ENGLISH PROFICIENCY

As already indicated, there are presently available no data on how many adults from Spanish language or any other language backgrounds are limited in the English language skills, including reading and writing as well as speaking and understanding, needed to succeed economically and socially in the mainstream English-speaking community. However, information is available for children, aged five to fourteen, which can be applied to the 1980 Census counts of children who speak Spanish at home to produce estimates of the population of Spanish language minority children at risk in our society. By applying the rates for children in Spanish-speaking homes from the 1978 Children's English and Services Study (CESS), it is estimated that about 2.2 million children who speak Spanish at home are limited in the English language skills needed to succeed in the English-medium school system. In addition, it is estimated that 400,000 other children in Spanish-speaking homes only speak English but also lack proficiency in one or more of the skills needed to succeed without special assistance in school programs designed for the English-speaking majority. There may be other children, who are bilingual



but who, because they usually speak English, were not reported as speaking Spanish at home. Some of these children may lack proficiency in English. At a minimum, then, we estimate that in 1980 there were 2.6 million children from Spanish-speaking homes, and probably more, who need special help related to their language background and English proficiency if they are to have an equal educational opportunity in our schools.

Like those who speak Spanish at home, children in homes in which Spanish is spoken who have limited English proficiency are found in all states. However, the majority live in a few states. Moreover, examination of the data for standard metropolitan statistical areas (SMSA's) within those states shows that Spanish language minority children with limited English proficiency are highly concentrated within those states.

Six states were home to at least 100,000 children from Spanish-speaking homes with limited English proficiency in 1980. These states were California, Texas, New York, Florida, Illinois and New Jersey. Nearly eight out of ten of all the children with these characteristics lived in these states in 1980. In California, nearly half of the LEP children from Spanish-speaking homes lived in the Los Angeles-Long Beach metropolitan area--the SMSA with the largest number of such children in the Nation in 1980. Another 12 percent lived in the adjoining SMSA's--Anaheim-Santa Ana-Garden Grove and Riverside-San Bernardino-Ontario. Three out of five of all LEP children from Spanish-speaking homes in California lived in these areas of Los Angeles and its surroundings in 1980. LEP children from Spanish-speaking homes in the states of New York and New Jersey are even more concentrated. Seven out of ten of them lived in New York City and its New York and New Jersey suburbs in 1980. More than 90 percent of the LEP children in Spanish-speaking homes in Illinois lived in Chicago in 1980. These data are shown in table 3.

Table 3.--MINIMUM ESTIMATED NUMBERS OF LIMITED-ENGLISH-PROFICIENT CHILDREN IN HOMES IN WHICH SPANISH IS SPOKEN, BY STATE AND STANDARD METROPOLITAN STATISTICAL AREA WITH 25,000 OR MORE CHILDREN WHO SPEAK SPANISH AT HOME: UNITED STATES, 1980

State	SMSA	Minimum estimated LEP	Home speakers of Spanish		Estimated children in Spanish-speaking homes who speak only English but are also LEP
			Total	Estimated LEP	
Total, all states and D.C.					
		2,556,000	2,947,000	2,151,000	404,000
California		688,000	794,000	580,000	109,000
Texas		652,000	753,000	549,000	103,000
New York		333,000	384,000	280,000	53,000
Florida		141,000	163,000	119,000	22,000
Illinois		123,000	142,000	104,000	19,000
New Jersey		101,000	117,000	85,000	16,000
New Mexico		75,000	87,000	63,000	12,000
Arizona		74,000	85,000	62,000	12,000
Pennsylvania		31,000	36,000	26,000	5,000
Colorado		31,000	35,000	26,000	5,000
Massachusetts		29,000	34,000	25,000	5,000
Connecticut		29,000	34,000	24,000	5,000
Ohio		24,000	28,000	21,000	4,000
Michigan		23,000	27,000	20,000	4,000
Los Angeles-Long Beach, CA		332,000	383,000	279,000	52,000
New York, N.Y.-N.J.		307,000	354,000	258,000	49,000
Chicago, IL		115,000	132,000	96,000	18,000
Miami, FL		97,000	111,000	81,000	15,000
San Antonio, TX		96,000	111,000	81,000	15,000
Houston, TX		82,000	94,000	69,000	13,000
Dallas-Fort Worth, TX		48,000	55,000	40,000	8,000
Anaheim-Santa Ana-Garden Grove, CA		43,000	50,000	36,000	7,000
San Diego, CA		40,000	46,000	34,000	6,000
Riverside-San Bernardino-Ontario, CA		39,000	45,000	33,000	6,000
San Francisco, CA		38,000	44,000	32,000	6,000
Phoenix, AZ		31,000	36,000	26,000	5,000
Newark, N.J.		28,000	32,000	24,000	4,000
Philadelphia, PA		24,000	27,000	20,000	4,000
San Jose, CA		24,000	27,000	20,000	4,000

SOURCES: Estimates of home speakers of Spanish from U.S. Bureau of the Census, 1990 Census of Population and Housing, Supplementary Report, PHC90-S1-1, Provisional Estimates of Social, Economic, and Housing Characteristics (Washington, D.C.: U.S. Government Printing Office, March 1992); LEP rates from J. Michael O'Nalley, Children's English and Services Study, Language Minority Children with Limited English Proficiency in the United States (Rosslyn, VA: National Clearinghouse for Bilingual Education, 1981).

## THE ENGLISH LANGUAGE PROFICIENCY STUDY

As I have already indicated, there are presently no data available on the number of Spanish language or other language minority adults with limited English proficiency. The CESS provides data only for children. Moreover, the CESS sample was a small one. It provided separate estimates only for five geographic areas--the Nation as a whole, California, New York, Texas and all other states in the aggregate--and for two non-English language backgrounds--Spanish and all other non-English languages in the aggregate. The sample was based upon the distribution of non-English mother tongue populations in the 1970 Census. Not only have language minorities increased in size since 1970, but they have moved about the country. To remedy some of the defects in the CESS, to renorm the CESS test with a new sample of English language background children, and to test the English language proficiency of adults for the first time, the Department of Education contracted with the Bureau of the Census to conduct the English Language Proficiency Study (ELPS) in summer 1982.

The ELPS sample was based upon responses to the language questions in the 1980 Census. It will yield separate direct estimates of the size of the population of children and adults with limited English proficiency living in Spanish-speaking homes in California, Florida, New York, Texas and the remainder of the country, as well as estimates of the size of the group in the country as a whole. It will yield direct estimates of the size of the LEP population from a number of other language backgrounds in the states and geographic areas in which they are concentrated or in the country as a whole. The ELPS has not yet been completed. When findings are available, they will make possible the development of LEP ratios for application to the 1980 Census data for all states and language groups with sufficient numbers in the population. The ELPS will provide new information on the numbers and characteristics

of LEP children. It will provide information for the first time on the numbers and characteristics of LEP adults.

The ELPS will make possible additional study of the properties of the test used in the CESS in 1978. The CESS norming group consisted of children designated by their schools as fluent English speakers. These were children who were achieving normally in school. In the ELPS, the CESS test has been administered to a sample of the total school-age population in homes in which only English is spoken. As we know from recent studies of U.S. education, many of these children are not achieving normally. Moreover, some of them lack proficiency in some of the English language skills needed to succeed in school even though they come from English-speaking homes. The ELPS findings on the performance of children from homes in which only English is spoken will be used to examine the test scores used to separate the language minority children who are proficient in English from those who are not. Depending on the results, the test scores may be revised. Revised scores will produce different estimates of the size of the group in need of special programs and services. Moreover, the characteristics of the norming group used in the ELPS will determine the definition of limited English proficiency. If the norm is based upon the average scores of all children in English-speaking homes, including those who are not achieving in school, or if it is based upon scores adjusted for socio-economic status--on the basis that low socio-economic status language minority children should not be expected to perform at a higher standard than other low SES children or that SES and not the language factors is the chief determinant of educational disadvantage of language minority children--then the estimates resulting from the application of the ELPS findings to the 1980 Census data will represent, not the numbers of children in Spanish-speaking and other language minority homes who need help to succeed educationally, but the minimum numbers who need help to keep up with the least advantaged children in our schools. This is an important distinction.

The adult test will be normed for the first time on the basis of the ELPS results. The characteristics of the English language norming group for adults have implications for the definition of adults with limited English proficiency and the size of the group with special needs similar to those for the children. Those of us who care about issues of equity in our society must understand these implications. When the ELPS findings are released, we must be sure we understand what they mean.

#### WORK WHICH REMAINS TO BE DONE

As I have indicated earlier, we do not yet have the counts from the 1980 Census of the children and adults in households in which Spanish and other non-English languages are spoken. We need these counts to estimate the size of the school-age Spanish language and other language minority populations and to estimate the size of the adult population currently in Spanish language or other language minority environments. We need to analyze the language responses of Hispanics to determine how many speak Spanish at home and how many live in homes in which others speak Spanish. Conversely, we need to analyze the ethnicity of those who reported that they speak Spanish and those in Spanish-speaking households to determine how many of these groups are Hispanic. Until these analyses are performed, we have no way of knowing how many Hispanics are exposed to or use Spanish at home and we have no way of knowing how many people who are exposed to or use Spanish at home are not Hispanic.

The English Language Proficiency Study should be completed as soon as possible. This must be done to provide an objective measure of the size of the population of children and adults who cannot achieve their full potential in our society without special assistance. If the ELPS provides



such a measure, sensitive to the issues of equity, we can have confidence in applying the ELPS limited English proficiency ratios to the 1990 Census data. We will then be able to examine the role of English language proficiency in explaining the differences in educational, economic and social well-being between minorities and the majority and among the minority groups. We will then be able to assess the needs and plan programs and services which will truly assure the equal opportunity of Hispanics and language minorities in our society.

## RESPONSE TO QUESTIONS POSED BY CONGRESSMAN DANNEHEVER

DOROTHY WAGGONER  
 3900 WATSON PLACE, N. W.  
 WASHINGTON, D.C. 20016  
 September 30, 1983

1. Does your testimony suggest that the federal government will be better able to use new data on English proficiency in Hispanic households in designing national educational programs than state or local education agencies in setting up their own programs?

My testimony addresses the need for accurate information on the numbers and characteristics of limited-English-proficient children and adults, especially the need to realize the potential of the 1980 Census and the English Language Proficiency Study (ELPS) to help us obtain this information. The advantage of the Census and national studies such as the ELPS is that they enable us to look at relative needs and at the distribution of populations with certain characteristics among the states and localities. The determination of the extent to which federal assistance is required or may be useful to help local school districts develop and implement certain types of programs to meet the educational needs of their students depends upon the availability and accuracy of information of this kind. And whether or not the federal government plays any role, this type of information is essential for the states and localities concerned.

2. With regard to your statement on page 13, are you suggesting a dual standard of expectation and achievement for school children based upon socio-economic status? How would such standards be applied?

I am concerned that the ELPS results may be used to justify a lower standard of expectation for language minority children based on the fact that many of them come from low socio-economic backgrounds and that many English-speaking children from low socio-economic backgrounds are not achieving in school. It seems to me that equal educational

opportunity means that all children receive the help they need to succeed in school and become productive members of the society to the full extent of their potential. For linguistically-different children this means help which is sensitive to their special language needs. I do not accept that these children, given appropriate assistance, cannot succeed with the best of our children, regardless of the socio-economic status of their families. Furthermore, I do not believe that because some children from English-speaking backgrounds may also have difficulties related to the English language demands of the school, language minority children should be denied school programs related to their language backgrounds and level of English proficiency.

Mrs. HALL. Thank you, Dr. Waggoner. It is a very informative report, and I certainly do appreciate the information. It was very interesting. Of course, it kind of took me back to the years when I was a classroom teacher. We had a lot of Spanish-speaking citizens, and back to some of our testing programs and other language proficiency programs. We certainly do appreciate that.

I should point out at this time, that after we've heard from all of our witnesses, we will have a period set aside for questions.

Our next witness is Dr. George Borjas from the department of economics, University of California, Santa Barbara.

**STATEMENT OF GEORGE BORJAS, DEPARTMENT OF ECONOMICS,  
UNIVERSITY OF CALIFORNIA AT SANTA BARBARA**

Dr. BORJAS. Thank you Madam Chairman, Congressman Garcia. I am very honored to be here and briefly summarize the results of our research program on Hispanics. In my work, I have focused on two related problems. First, how do Hispanic, and particularly Hispanic immigrants, do in the U.S. labor market. Second, what is the impact of Hispanics on the earnings and employment of non-Hispanics?

The answer to the first of these questions as to how Hispanics do in the labor market essentially depends on the definition of the Hispanic population. What I mean by this statement is best made clear by the fact that there is a very large variance in the earnings and employment characteristics of Hispanics by both national origin and immigration status. For example, within the immigrant population, the wage rate of Cuban immigrants exceeds that of Mexican immigrants by over 20 percent, and exceeds that of Puerto Ricans by 13 percent. Similarly, the probability of being employed is about 80 percent for a Mexican or Cuban immigrant, but only about 75 percent for a Puerto Rican born in Puerto Rico, and even less, 67 percent for a Puerto Rican born in the mainland here 10 years, to over 20 percent for those who have been here 20 years, and to over 40 percent for those who have been here about 30 years. In other words, the wage rates of Hispanic immigrants, just like the wage rates of other immigrants of non-Hispanic origin rises very rapidly after immigration.

However, the rate at which wage rates rise after immigration varies tremendously among the various Hispanic national groups, and particularly the rate at which the earnings of Cuban immigrants is much greater than the growth that is experienced by the other Hispanic groups. As an example, the average Mexican immigrant must wait about 15 years before his wage rate significantly exceeds the rate of a just recently arrived Mexican immigrant. The wage of a Puerto Rican immigrant from Puerto Rico to the United States will have to wait over 25 years until his wage exceeds that of a recently arrived Puerto Rican in the United States.

On the other hand, the earnings of Cubans in 5 years they earn 17 percent more than most arriving, within 10 years they earn 30 percent more, and in 20 years they earn 40 percent more. The point I am trying to make is that even though the wage rates of Hispanics as a whole grow very rapidly after immigration, there is such a large dispersion in Hispanic population that really doesn't

make very much sense. We are talking about a single Hispanic experience in the labor market.

The second finding in my research is that the main factor responsible for this differential in the rate of adaptation to the U.S. labor market is the variation in the amount of schooling received after arriving in the United States.

For example, suppose we consider the Hispanic immigrants who arrive from 1965 to 1969. By 1976, Cuban immigrants had obtained only 2 years more schooling than Mexican immigrants who arrived at the same time under the same conditions. Since the wage rate is very responsive to schooling, this schooling differential and the amount of schooling that came after immigration is a major factor in explaining why the wage rate of Cuban immigrants grows much faster after immigration than the wage rate of other Hispanic immigrants.

A third finding is that the labor supply of most Hispanic immigrants, whether in terms of employment rates or annual hours of work, is very high. Hispanic immigrants tend to work significantly more hours than either the Hispanic or non-Hispanic native born. Moreover, the high level of work effort exhibited by Hispanic immigrants is not affected the assimilation process. In other words, first generation Hispanic immigrants, like all first generation immigrants, will tend to have very large levels of labor supply throughout their U.S. labor market experience.

The fourth finding is that the main factor causing wage differentials between Hispanics and non-Hispanics is the low levels of labor supply for Hispanic groups. For example, Hispanics have 10.4 years of schooling on the average compared to 11.1 years for black males, and 12.7 for white non-Hispanic males.

If, on the average, an additional year of education raises the wage rate by about 10 percent, which is what many labor market studies have found, the 2-year-educational gap between Hispanics and non-Hispanic whites translates into a 20-percent wage differential.

The main point I am trying to make is educational gap between Hispanics and non-Hispanics ranks as the single most important cause of the low wage rate.

All these findings provide an intricate collage of how Hispanics do in the labor market, of the economic diversity in the Hispanic population, and of the assimilation of Hispanic immigrants into American society. In my research I have also analyzed the question of how the emergence of the Hispanic population has affected the earnings and employment of the non-Hispanic population. The significance of this type of research doesn't really need to be emphasized. It is often alleged, for example, in the popular media, that Hispanics have taken jobs away.

These results clearly contradict the conventional wisdom of Hispanics taking jobs away from blacks. In contrast, my research with the 1970 census points to another group of individuals who did enter the labor market in very large numbers, and who may be partly responsible for the deteriorating earnings and employment conditions of particularly young blacks. That competing group was not the Hispanic population, but rather the large number of white women who have joined the labor force.



Let me finish my comments by noting that even though scholarly research on Hispanics in the labor market has come a long way in a very short time period, it still has a long way to go. Perhaps the most pressing question is to determine why the educational attainment of most Hispanic groups is far short of even black educational attainment. The resolution of this question would go a long way in helping policymakers make the appropriate decisions if a policy goal is to be the improvement of the economic status of Hispanics. Thank you very much.

[The statement of Dr. Borjas together with his response to written questions from Mr. Dannemeyer, follows:]

## HISPANICS IN THE LABOR MARKET: THEIR STATUS AND THEIR IMPACT

George J. Borjas\*

A large amount of research on the importance of race and gender as determinants of labor market outcomes has been conducted in the past 20 years. This research has mostly concentrated on documenting the experiences of blacks and women in the U.S. labor market. It has been found that blacks and women have significantly lower wage rates than white men of "similar" skills.

This literature is remarkable for its (almost) total disinterest in the economic status of other minority groups in the economy. Recently, however, this omission has been addressed by a few social scientists who recognized the socioeconomic and political implications of the "emergence" of the Hispanic minority in the United States. Although scientific studies of Hispanics in the labor market are quite recent, several important findings have emerged even at this early stage.

I would like to take this opportunity to briefly summarize the results of my research program on Hispanics in the labor market.<sup>1</sup> In my research I have focused on two related problems. First, how do Hispanic, and particularly Hispanic immigrants, do in the U.S. labor market? Second, what is the impact of Hispanics on the earnings and employment of non-Hispanics?

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\*Professor of Economics, University of California, Santa Barbara. This testimony was prepared for presentation before the Committee on Post Office and Civil Service, Subcommittee on Census and Population, U.S. House of Representatives, September 13, 1983.

<sup>1</sup>See the bibliography for a list of relevant papers.

The answer to the question of how Hispanics do in the labor market essentially depends on the definition of the Hispanic population. The meaning of this statement is best made clear by looking at Table 1 of the paper where I summarize the earnings and employment characteristics of various male Hispanic and non-Hispanic groups. The most striking result in Table 1 is the very large variance in the earnings and employment characteristics of Hispanics by national origin and immigration status. For example, within the immigrant population, the wage rate of Cuban immigrants exceeds that of Mexican immigrants by over 20 percent, and exceeds that of Puerto Ricans born in Puerto Rico by about 13 percent. Similarly, the probability of being employed is about 80 percent for a Mexican or Cuban immigrant, but only about 75 percent for a Puerto Rican born in Puerto Rico, and even less - 67 percent - for a Puerto Rican born in the "mainland".

The main lesson of these statistics is that there is a very large degree of dispersion within the Hispanic population. In fact, the differences within the Hispanic population are as large as the differences between Hispanics and non-Hispanics. This finding tells us that there is no single "Hispanic experience" in the labor market. Rather, how Hispanics do depends on where they came from, on whether or not they are immigrants, and on a variety of other factors.

My research on the wage and employment characteristics of the Hispanic population led to several significant findings:

1. The earnings of Hispanic immigrants in the United States show the same basic patterns exhibited by the earnings of non-Hispanic immigrants. Earnings are lowest immediately after immigration and rise as assimilation into the U.S. labor market takes place. However, the rate at which wages respond to the assimilation process - that is, the rate at which earnings grow after the immigrant arrives in this country - varies significantly among the various Hispanic national groups. In particular, the rate at which the earnings of Cuban immigrants grow over time is significantly greater than the growth rates experienced by other Hispanic groups. In other words, Cuban immigrants adapt to the U.S. labor market much faster than any of the other groups.

2. The main factor responsible for this differential in the rate of adaptation to the U.S. labor market is the variation in the amount of schooling received by the groups after arriving in this country. For example, among immigrants arriving in the 1965-1969 period, by 1976 Cuban immigrants had obtained over 2 years more schooling than Mexican immigrants who arrived at the same time with the same initial qualifications. This schooling differential is a major factor in explaining why the wage rate of Cuban immigrants grows much more rapidly over time than the wage rate of other Hispanic immigrants.

3. The labor supply of most Hispanic immigrants - either in terms of employment rates or annual hours of work - is quite high. Hispanic immigrants tend to work significantly more hours than

either the Hispanic or the non-Hispanic native born. Moreover, the high level of work effort exhibited by Hispanic immigrants is not affected by the assimilation process. In other words, first generation Hispanic immigrants will tend to have large levels of labor supply throughout their U.S. labor market experience.

4. The population of individuals born in Puerto Rico but currently working within the 50 states is exceptional since - for given skills - it is characterized by both the lowest wage rates and the lowest levels of labor supply of all Hispanic groups. In fact, the labor market characteristics of this group are not very different from the characteristics exhibited by similarly- skilled blacks.

5. The main factor causing wage differentials between Hispanics and non-Hispanics is the low levels of educational attainment in the Hispanic samples. For example, Hispanic males have about 10.4 years of schooling, compared to 11.1 years for black males, and 12.7 years for white, non-Hispanic males. This educational gap ranks as the single most important cause of the wage differential between Hispanics and non-Hispanics.

All these findings provide an intricate collage of how Hispanics do in the labor market, of the economic diversity in the Hispanic population, and of the assimilation of Hispanic immigrants into American society. In my research I have also analyzed the question of how the emergence of the Hispanic minority has affected the



earnings and employment of the non-Hispanic population. The significance of these types of questions does not need to be emphasized. For example, it is often alleged in the popular media that Hispanics (or, Hispanic immigrants) have "taken jobs away" from blacks or other groups in the labor market, thereby hampering the economic development of these groups. These discussions implicitly assume that black and Hispanic labor are substitutable input in the production process, so that firms can easily interchange the two types of workers. In other words, as Hispanics come into the labor market firms can easily get rid of their black labor and hire the Hispanics for these jobs. Whether or not Hispanic and non-Hispanic labor can be easily interchanged by the employer is an open empirical question.

My own research into this problem using both the 1970 Census and the 1976 Survey of Income and Education provides very strong evidence that Hispanics have not had the negative impact on the earnings and employment of various non-Hispanic groups that is often assumed in the popular media. If, for example, blacks and Hispanics were easily interchangeable then we should observe that in labor markets where Hispanics entered in large numbers the economic status of blacks should have declined. In fact, neither the Census data nor the Survey of Income and Education shows this to be the case. The data clearly show that the entry of Hispanics in the local labor market did not lead to a decline in black earnings and employment, or in the earnings and employment of any other non-Hispanic group. Rather, the emergence of Hispanics as a

large group in the labor market may have led to a small increase in black earnings and employment. These results clearly show that the conventional wisdom of Hispanics "taking jobs away" from blacks is not supported by the data. In contrast, my research with the 1970 Census points to another group of individuals who did enter the labor market in very large numbers in the postwar period, and who may be partly responsible for the deteriorating earnings and employment conditions of particularly young blacks. That competing group was not the Hispanic population, but rather the large number of women who have joined the labor force.

Let me finish my comments by stating that even though scholarly research on Hispanics in the labor market has come a long way in a very short time period, it still has a long way to go. Perhaps the most pressing question is to determine why the educational attainment of most Hispanic groups is far short of even black educational attainment. The resolution of this question would go a long way in helping policy makers make the appropriate decisions if a policy goal is to be the improvement of the economic status of Hispanics.

Table 1

Comparative Labor Force Characteristics of Hispanic and Non-Hispanic Men, 1975

Sample	Wage Rate	Annual Earnings	Employment Probability	Annual Hours*
Mexican Immigrants	3.44	6136	.80	1826
Puerto Rican Immigrants	3.75	6542	.75	1751
Cuban Immigrants	4.24	7570	.80	1788
Central and South American Immigrants	3.68	6761	.85	1926
Other Hispanic Immigrants	4.01	7369	.79	1845
Mexican Natives	4.10	6816	.79	1661
Puerto Rican Natives	4.09	6953	.66	1701
Other Hispanic Natives	4.64	8333	.78	1795
Blacks	4.24	6816	.73	1607
Non-Hispanic White Immigrants	5.26	9867	.80	1876
Non-Hispanic White Natives	4.98	8982	.78	1804

Source: 1976 Survey of Income and Education.

Note: "Other" refers to the residual classification of Hispanics. "Natives" are those born in the United States.

\*These are average figures in the subsample of working men.

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SUMMARY OF RESULTS OF "THE DEMOGRAPHIC DETERMINANTS OF THE DEMAND  
FOR BLACK LABOR" BY GEORGE J. BORJAS

This paper has attempted to estimate how the demand for black labor is affected by changes in the demographic characteristics of the local labor market. The main tool of the analysis was the use of the Generalized Leontief production technology. This functional form has the advantage of yielding linear in-parameters marginal productivity equations so that wage regressions at the individual level can be interpreted in terms of a labor demand framework. Using the 1970 Public Use Samples from the U.S. Census several important empirical results were obtained:

1. Black males are strong substitutes with women in the production process. In fact, women tend to be substitutes with all males, but black males are particularly vulnerable to the increased entry of women in the labor market.
2. Black males have not been adversely affected by the entry of immigrants in the labor market. This complementarity holds for both Hispanic and non-Hispanic immigrants.
3. These main results are not sensitive to major changes in the specification, samples or estimation methodology. Thus, for example, the adverse effect on black earnings of increased female employment is true both for wage rates and annual earnings; in the North and in the South; among young black men and old black men; and in the manufacturing sector.

4. The analysis showed that estimates of the production function parameters can also be obtained by studying the labor force participation behavior of individuals. These employment regressions indicated that indeed women do "take jobs away" from black males since increased female employment leads to lower black male participation rates.

5. The simulation of the estimated production function reveals that the current trends in female labor force participation will result in a 4-10 percent decline in the black male wage (relative to the white native male wage).

6. The simulation analysis also reveals that the continuing entry of women into the labor market will have a particularly adverse impact on the earnings and labor force participation rates of young black men. In fact, much of the decline in the participation rates of young black men in the postwar period can be directly attributed to the rapid increase in the number of working women.

TO: Honorable William E. Dannemeyer  
 FROM: George J. Borjas  
 RE: Response to Questions for Hearing  
 of September 13, 1983.

There is no convincing explanation in the economic literature which explains why Hispanics tend to stay in school a shorter period of time than non-Hispanics. Various reasons - such as discrimination and language problems - have been explored but no data exists which would allow a test among these competing hypotheses.

With regards to my own work, my research has been based on two representative samples of the national population: the 1970 Public Use Sample from the U.S. Census, and the 1976 Survey of Income and Education.



Mrs. HALL. Thank you very much. Our next witness is Dr. Portes, department of sociology, Johns Hopkins University.

**STATEMENT OF DR. ALEJANDRO PORTES, DEPARTMENT OF SOCIOLOGY, JOHNS HOPKINS UNIVERSITY**

Dr. PORTES. Thank you very much, Madam Chairwoman. I am very honored to be here and be able to share some of the results of my research with the panel. In my presentation today I would like to focus on recent immigration from Latin America for two reasons. First, it is the central factor accounting for the growth of the Hispanic population at a faster rate than other ethnic groups in recent years. Second, it has been the target of some negative campaigns against the alien invasion.

Major and minor immigrations to the United States have been routinely subjected to a degree of hostility by the native majority. Though never light or easy to bear, the victimization of immigrant groups has varied in degrees from quite prejudice to mob lynching and official exclusion from the country. Examples abound: the anti-German riots in the Middle West more than a century ago, the American Protective Association created to fight the Irish, the Chinese Exclusion Act, the national quota laws to keep out Italians, Poles, and Jews.

After a generation or two, most immigrant groups have managed to adapt in one way or another to American society. Some in the second or third generations even join the perennial nativist chorus against the largest immigrant minority.

Ironically, some of the groups which were suppose to represent the greatest threat to the fiber of the Nation, have been held up, two or three decades later, as exemplary citizens and contributors to our wealth and culture. This is the case of the Chinese, barred from entry before the end of the nineteenth century, and of the Japanese, excluded from the land in the 1910's and from property altogether at the start of World War II. It is also the case of the Jews whose children were kept out of Eastern universities by an arbitrary quota system. Every major rise in immigration has been followed by the rise of nativist alarm and movements designed to keep out the new foreigners. The period after World War II and especially after the 1965 Immigration Act is no exception. The exclusionary sentiment has been retailored, however, to fit the characteristics of the new immigrants. Two of these are most significant: First, major source countries of immigration are now located in the Third World, primarily Asia and Latin America. Second, a substantial portion of the new immigration enters the country illegally, a practice uncommon in earlier periods of high immigration.

The substantial rise in the Latin American population of the United States during the last two decades does not have its origins in a continent-wide outflow. The overwhelming majority of recent Latin American immigrants come instead from countries in the Caribbean basin, including Mexico and Colombia. Despite this geographic homogeneity, the factors underlying the inflow are quite diverse. Their coincidence in time is, to a certain extent, fortuitous. The Cuban revolution, which sent the entire prerevolutionary middle class into exile, coincided with the acceleration of Mexican

labor emigration. The Nicaraguan revolution and the Salvadoran civil war which are generating a new wave of political exiles run parallel with the acceleration of undocumented labor immigration from the Dominican Republic and Colombia.

It is plausible to argue that these diverse forces of outmigration have common roots in the particular style of hegemony exercised by the United States over the region. The diffusion of consumption expectations bearing no relation to the economic possibilities of the majority generated both discontent and migratory pressures. U.S.-supported regimes frequently employed their resources to entrench privilege and further oppress their populations. When in trouble, they looked north for salvation. When finally defeated, the formerly dominant classes moved en masse to the country on which they had depended. Even in less oppressive situations, the predominant model of development continuously increased economic inequality driving popular masses out of the land and then out of the country altogether. From this perspective, recent Caribbean immigration to the United States may be seen as part of a historical dialectic whereby a particular form of global hegemony turns on itself, with unexpected and often disruptive results.

This interpretation is, however, partial. Before it is recast into the themes of the "alien invasion" or the "Latinization of the United States," a look at the figures is in order. From 1890 to 1920, the peak period of pre-World War II immigration, 18.2 million immigrants were admitted to the United States. This figure included 3.8 million Italians, 3 million Russian Jews, and 3.1 million Poles and others from the eastern reaches of the Austro-Hungarian empire. Total immigration during those 30 years represented 17.1 percent of the U.S. population in 1920. Italians alone accounted for 3.6 percent. Not all immigrants stayed, however, so that, by 1920, first generation foreigners represented 13.2 percent of the population. Economically active immigrants arriving in 1900 added 1 percent more workers to the American labor force. Five years later, they added 3 percent and, in 1908, 4 percent. In 1910, immigrants represented 21 percent of the entire civilian labor force.

These figures can be compared with those from a similar 30-year period, 1948-78. During this time, 9.5 million immigrants were admitted to the United States. Mexicans were the single largest national contingent with 1.4 million registered entries. The West Indies, including Cuba, the Dominican Republic, Jamaica, and the rest of the Antilles sent another 1.2 million permanent immigrants. If all legal immigrants who came to the country remained in it, they would represent 4.6 percent of the total population in 1978 or one-fourth of the corresponding figure in 1920. Mexican immigrants alone would represent less than 1 percent. In 1970, the foreign-born were in fact 4.7 of the total population or about one-third of what they were 50 years before. Economically active immigrants arriving in a given year never added more than three-tenths of 1 percent to the country's labor force. The figure is about one-tenth of the contribution made by immigrant workers in the 1890-1920 period.

These numbers can be immediately challenged by pointing out that the bulk of immigration to the United States at present is not legal, but undocumented and that most illegal immigrants come

from Mexico and other Caribbean countries. The point would take us into a discussion about the size of the illegal inflow, a tired exercise by now. Estimates have ranged from the millions, figures frequently quoted by restrictionists, to the few hundred thousands, a figure reported by a large study recently completed by the Mexican Government. Everyone agrees that apprehension figures reported by the Immigration and Naturalization Service are at best a very imperfect estimate of the magnitude of illegal immigration.

There is an emerging consensus, based on recent empirical studies of undocumented Mexican, Colombian, and Dominican immigrants, that a substantial proportion return to their home countries after a relatively short period in the United States. This is especially true of Mexicans. The pattern of return migration and even of cyclical migration across the border makes it very difficult to estimate what is the actual size of the permanent undocumented population of the United States and what is its impact on the American society and economy. One thing is certain, however, and this is that not even the wildest estimates place the number of immigrants now in the United States at a level comparable to the 1890-1920 period.

The number of illegal immigrants during the last 30 years would have had to be 27.3 million in order for total immigration to reach the 1920 level relative to the native population. The number of undocumented immigrants now in the United States would have to be approximately 17.4 million in order for the foreign-born population to represent the same proportion of the total that it did in 1920. To my knowledge, not even the most exaggerated accounts have come close to these numbers.

The point is that the current wave of immigration to the United States must be placed in historical context. The present period is definitely one of high immigration. However, the overall significance of immigration, both in demographic and economic terms, is but a fraction of what it was at the beginning of the century. If we are assisting to the "Mexicanization" or the "Latin Americanization" of the United States, it is only in the same sense, and to a much lesser extent, than it was "Italianized" and "South Europeanized" a few decades earlier. Rhetorical statements of this kind draw attention to the fact that immigrant flows have had significant economic and cultural impact in the areas where they settle. They conceal, however the equally important fact that each foreign minority, no matter how large, has been absorbed in the United States without altering the fundamental economic and political structures of the country. This absorption, or what I would prefer to call incorporation of immigrants has not occurred, however, in a uniform manner. Different modes of incorporation of recent immigrant groups is the second topic which I would like to discuss today.

For the sake of time, I would note that the second part of my presentation is in my statement so as to give time for questions. I would request that it be included in the record.

[The statement of Dr. Portes follows:]



The Latin Americanization  
of the United States?

Alejandro Portes  
Professor of Sociology

*Johns Hopkins Univ.*

"Mexicans give rise to little race friction, but do impose upon the community a large number of dependents, misdemeanants, and petty criminals where they settle in any considerable number."  
(Dillingham Commission, 1911)

"If the millions of Asians who wanted to invade this country every year were permitted to come in, this country is absolutely sure to become a black-and-yellow country within a few generations."  
(Victor Berger, founder of the American Socialist Party, 1907)

The Latin Americanization of the United States?

I. The Relative Size of Immigration

Major and minor immigrations to the United States have been routinely subjected to a degree of hostility by the native majority. Though never light or easy to bear, the victimization of immigrant groups has varied in degrees from quiet prejudice to mob lynching and official exclusion from the country. Examples abound: the anti-German riots in the Middle West more than a century ago, the American Protective Association created to fight the Irish, the Chinese Exclusion Act, the national quota laws to keep out Italians, Poles, and Jews.

After a generation or two, most immigrant groups have managed to adapt in one way or another to American society. Some in the second or third

generations even join the perennial nativist chorus against the latest immigrant minority. Ironically, some of the groups which were supposed to represent the greatest threat to the fiber of the nation, have been held up, two or three decades later, as exemplary citizens and contributors to our wealth and culture. This is the case of the Chinese, barred from entry before the end of the nineteenth century, and of the Japanese, excluded from the land in the 1910's and from property altogether at the start of World War II. It is also the case of the Jews whose children were kept out of Eastern universities by an arbitrary quota system. Every major rise in immigration has been followed by the rise of nativist alarm and movements designed to keep out the new foreigners. The period after World War II and especially after the 1965 Immigration Act is no exception. The exclusionary sentiment has been re-tailored, however, to fit the characteristics of the new immigrants. Two of these are most significant: 1) major source countries of immigration are now located in the Third World, primarily Asia and Latin America. 2) A substantial portion of the new immigration enters the country illegally, a practice uncommon in earlier periods of high immigration.

The substantial rise in the Latin American population of the United States during the last two decades does not have its origins in a continent-wide outflow. The overwhelming majority of recent Latin American immigrants come instead from countries in the Caribbean basin, including Mexico and Colombia. Despite this geographic homogeneity, the factors underlying the inflow are quite diverse. Their coincidence in time is, to a certain extent, fortuitous. The Cuban Revolution, which sent the entire pre-revolutionary middle-class into exile, coincided with the acceleration of Mexican labor

emigration. The Nicaraguan Revolution and the Salvadoran Civil War which are generating a new wave of political exiles run parallel with the acceleration of undocumented labor immigration from the Dominican Republic and Colombia.

It is plausible to argue that these diverse forces of outmigration have common roots in the particular style of hegemony exercised by the United States over the region. The diffusion of consumption expectations bearing no relation to the economic possibilities of the majority generated both discontent and migratory pressures. U.S.-supported regimes frequently employed their resources to entrench privilege and further oppress their populations. When in trouble, they looked North for salvation. When finally defeated, the formerly dominant classes moved en masse to the country on which they had depended. Even in less oppressive situations, the predominant model of development continuously increased economic inequality driving popular masses out of the land and then out of the country altogether. From this perspective, recent Caribbean immigration to the United States may be seen as part of a historical dialectic whereby a particular form of global hegemony turns on itself, with unexpected and often disruptive results.

This interpretation is, however, partial. Before it is recast into the themes of the "alien invasion" or the "latinization of the United States," a look at the figures is in order. From 1890 to 1920, the peak period of pre-World War II immigration, 18.2 million immigrants were admitted to the United States. This figure included 3.8 million Italians, 3 million Russian Jews, and 3.1 million Poles and others from the eastern reaches of the Austro-Hungarian empire. Total immigration during those 30 years represented



17.1 percent of the U.S. population in 1920. Italians alone accounted for 3.6 percent. Not all immigrants stayed, however, so that, by 1920, first-generation foreigners represented 13.2 percent of the population. Economically active immigrants arriving in 1900 added 1 percent more workers to the American labor force. Five years later, they added 3 percent and, in 1908, 4 percent. In 1910, immigrants represented 21 percent of the entire civilian labor force.

These figures can be compared with those from a similar 30-year period, 1948-1978. During this time, 9.5 million immigrants were admitted to the United States. Mexicans were the single largest national contingent with 1.4 million registered entries. The West Indies, including Cuba, the Dominican Republic, Jamaica, and the rest of the Antilles sent another 1.2 million permanent immigrants. If all legal immigrants who came to the country remained in it, they would represent 4.6 percent of the total population in 1978 or one-fourth of the corresponding figure in 1920. Mexican immigrants alone would represent less than 1 percent. In 1970, the foreign-born were in fact 4.7 of the total population or about one-third of what they were fifty years before. Economically active immigrants arriving in a given year never added more than three-tenths of one percent to the country's labor force. The figure is about one-tenth of the contribution made by immigrant workers in the 1890-1920 period.

These numbers can be immediately challenged by pointing out that the bulk of immigration to the United States at present is not legal, but undocumented and that most illegal immigrants come from Mexico and other Caribbean countries. The point would take us into a discussion about the size of the

illegal inflow, a tired exercise by now. Estimates have ranged from the millions, figures frequently quoted by restrictionists, to the few hundred thousandths, a figure reported by a large study recently completed by the Mexican government. Everyone agrees that apprehension figures reported by the Immigration and Naturalization Service are at best a very imperfect estimate of the magnitude of illegal immigration.

There is an emerging consensus, based on recent empirical studies of undocumented Mexican, Colombian, and Dominican immigrants, that a substantial proportion return to their home countries after a relatively short period in the United States. This is especially true among Mexicans. The pattern of return migration and even of cyclical migration across the border makes it very difficult to estimate what is the actual size of the permanent undocumented population of the United States and what is its impact in American society and economy. One thing is certain, however, and this is that not even the wildest estimates place the number of immigrants now in the United States at a level comparable to the 1890-1920 period.

The number of illegal immigrants during the last 30 years would have had to be 27.3 million in order for total immigration to reach the 1920 level relative to the native population. The number of undocumented immigrants now in the United States would have to be approximately 17.4 million in order for the foreign-born population to represent the same proportion of the total that it did in 1920. To my knowledge, not even the most exaggerated accounts have come close to these numbers.

The point is that the current wave of immigration to the United States must be placed in historical context. The present period is definitely one

of high immigration. However, the overall significance of immigration, both in demographic and economic terms, is but a fraction of what it was at the beginning of the century. If we are assisting to the "Mexicanization or the Latinamericanization of the United States, it is only in the same sense, and to a much lesser extent, than it was "Italianized" and "South-europeanized" a few decades earlier. Rhetorical statements of this kind draw attention to the fact that immigrant flows have a significant economic and cultural impact in the areas where they settle. They conceal, however, the equally important fact that each foreign minority, no matter how large, has been absorbed in the United States without altering the fundamental economic and political structures of the country. This absorption, or what I would prefer to call incorporation of immigrants has not occurred, however, in a uniform manner. Different modes of incorporation of recent immigrant groups is the second topic which I would like to discuss today.

## II. Modes of Incorporation

The sociological analysis of immigration has traditionally focused on the coping mechanisms utilized by immigrants and their processes of assimilation to a new setting. Concepts such as accommodation, acculturation, and adaptation -- prominent in the sociological literature -- were coined in the context of immigrant studies and interethnic relations.

The assimilation perspective portrays a basically homogenous sequence of adaptation which would roughly move along the following steps:

1. Newly-arrived immigrant groups concentrate in their own ethnic ghettos. Lack of skills and lack of familiarity with the language

and culture forces them into the worst jobs. The areas of the city which they occupy are crowded and impoverished. Their "foreignness" and poverty repels the native population. Immigrants suffer from much prejudice and discrimination.

2. The first generation gradually acculturates and experiences some economic progress. The second-generation becomes increasingly identified with their new country, breaking with their parents' loyalty to the old one. Immigrant children become rapidly acculturated through the school system. Their higher educational achievement and knowledge of the country leads to better economic opportunities. Acculturation and economic progress reduce, in turn, social distance with the majority, though the children of immigrants remain, by and large, a stigmatized group.

3. By the third or fourth generations, economic progress and acculturation break the final social barriers. The group "melts" either into the society at large or into one of its major subgroups defined by religion, Catholic, Protestant, and Jew. The process of assimilation is now complete.

The application of this basic assimilation sequence to recent immigrants to the United States and, in particular, to recent Latin American immigration runs into severe difficulties. These are two basic shortcomings in this perspective: First, it assumes that the socio-economic context into which immigrants are incorporated is homogenous. Second, it assumes that the rapidity of assimilation depends primarily on individual characteristics such as education, knowledge of English, and the "right" values. More educated, knowledgeable, and modern immigrants will presumably be those more rapidly absorbed into the mainstream.

It is possible to show that recent immigrant groups have gone through at least three distinct "modes" of incorporation to American society and that each deviates in significant ways from the assimilation model. These modes can be labelled "primary," "secondary," and "enclave." I will attempt to discuss each briefly.

### III. Primary Sector Immigration

A numerically significant part of current immigration to the United States is directed to what has been labelled the primary labor market. It corresponds roughly to employment in government, large scale institutions -- such as hospitals, universities, and research centers -- and large corporations. Firms in this sector tend to comply with minimum wage, work environment, and other labor laws. Discipline is not enforced arbitrarily by a foreman or boss, but depends on a series of explicitly laid out and bureaucratically enforced norms. Workers generally have opportunities for advancement on the basis of seniority and skills along a pre-established ladder.

The "good jobs" in the primary sector are usually taken by native white workers, but sometimes shortages develop in the national, regional, or local markets. Professions in which national manpower shortages have been met by immigration in recent years include physicians, nurses, dietitians, engineers, and scientists. Immigration directed to the primary sector has the following characteristics:

- 1) It comes legally and is protected by labor laws just as native workers are,

- 2) Immigrants are hired according to individual skills and not according to their ethnicity,
- 3) They have advancement opportunities comparable to native workers, though they often start at the bottom of their respective ladders,
- 4) Immigrants from a particular country do not concentrate in a given city or neighborhood. They are found dispersed throughout the country according to the location of firms which employ them,
- 5) Substantial economic progress and extensive participation in American social networks often occurs in the first generation, even in the absence of full acculturation or perfect knowledge of English.

Primary sector immigration corresponds to what is often called, from the standpoint of sending countries, the brain drain. The flow of professional, managerial, technical, and skilled craft personnel from periphery to center tends to fit the juridical categories of immigration law and is thus easily recorded and reported by government agencies. The flow is encouraged by explicit legal provisions. Thus, for example, the third and sixth preference categories of the amended 1965 U.S. Immigration Act are reserved for professional, technical, and skilled workers in short supply in the country.

In 1978, 69,806 foreign professionals, managers, and technicians were legally admitted to the United States as permanent residents. Latin America contributed 8,052 or 12 percent of the total. An additional 27,788 skilled



artisans and craftsmen were admitted in the same year. The Latin American share was 47 percent of the total.

The contributions that thousands of foreign professionals and artisans make to American society does not figure prominently in recent policy discussions about immigration nor in scholarly analysis of the subject. A reason for this is the "invisibility" typical of this mode of incorporation. Countries which have made the most substantial contribution of professionals to the United States in recent years (and which have thus suffered from the greatest brain drain) are Taiwan, India, and the Philippines. No one speaks of a "Chinese," "Indian" or "Filipino" immigration problem. They are seldom mentioned in policy debates. The reason is that these Asian professionals are dispersed throughout the country, employed by a number of firms and institutions, and pursuing a style of adaptation quite different from the conventional assimilation sequence.

Foreign physicians are among the most numerous professional workers in the United States. A recent large study of foreign doctors in U.S. hospitals found no evidence of discrimination against them in pay or working conditions relative to U.S. medical graduates in similar positions. The study found, however, that foreign doctors were disproportionately concentrated in the less prestigious hospitals, predominantly those without university affiliation. These results fit well the labor-supplement function, where immigrants are hired to resolve a manpower shortage by taking the less desirable positions in a particular profession or craft.

#### IV. Secondary Sector Immigration

The secondary labor market corresponds to employment in small and medium-size competitive firms which lack internal promotion ladders and for which cheap labor is a decisive element of survival. Discipline in these firms is imposed directly and it is often harsh. The pressures of competition lead to an unmitigated downward pressure on wages and a continuous search for cheaper and more docile sources of labor. Native workers frequently refuse to take these jobs; when they do, they change from one to another since the absence of promotion ladders offers no incentive to stay with a particular employer.

The "bad jobs" of the secondary sector are those in which American-born minorities, such as blacks and Chicanos, tend to concentrate. A large proportion of contemporary immigration is also directed to this sector. In contrast with primary immigration, that going into the secondary labor market has the following characteristics:

- 1) Its juridical status is often tenuous, ranging from illegal to temporary.
- 2) Workers are not primarily hired according to their skills, but according to their ethnicity. Their primary advantage to employers is the vulnerability attached to their juridical position.
- 3) Immigrants tend to be hired for transient and short-term jobs which are not part of a promotion ladder. Opportunities for upward mobility are severely restricted.
- 4) The function of secondary sector immigration is not limited to supplementing the domestic labor force but involves disciplining

it. Immigrant workers are hired even when a domestic labor supply exists and against the employment conditions demanded by the latter. The consistent effect of secondary labor immigration is thus to lower the prevailing wage.

- 5) Secondary sector immigration tends to cluster in limited residential areas, ghettos or barrios, characterized by poor housing and overcrowding.

Secondary sector immigration differs from the normative assimilation sequence because of the illegal status of most immigrants in it. This has two consequences: First, as noted above, many return to their native country. Second, those who stay find their opportunities for acculturation and upward economic mobility restricted by their illegal status. Their children face much greater difficulties in moving along the patterned steps of the assimilation ladder and thus tend to remain confined to the same jobs and residential areas as their parents.

Current Mexican immigration offers one of the most typical examples of secondary labor flows. The bulk of this immigration is undocumented although a substantial proportion has also managed to legalize their situation. The majority of Mexican immigrants are small farmers, urban unskilled and semi-skilled workers, plus some artisans and white-collar employees.

A longitudinal study of Mexican immigration which I conducted interviewed 822 legal male immigrants along the Texas border during 1972-73. Interviews took place at the point of legal entry in the United States. The same immigrants were re-interviewed three and six years later. A total of 439 cases were found and re-interviewed in 1976 and 455 in 1979. A series

of statistical checks on the original sample indicated that it was representative of the population of male Mexican immigrants arriving during fiscal 1973. Analyses of the two follow-up sub-samples indicated that they were unbiased with respect to the original one.

Approximately 70 percent of the original sample was estimated to have resided for extensive periods in the United States prior to legal entry. These immigrants were able to obtain residents' visas largely through marriage to a U.S. citizen or permanent resident. The remainder of the sample also came, almost exclusively, as immediate relatives of U.S. citizens and permanent residents. Results from this sample illustrate some of the characteristics of secondary sector immigration.

At the moment of arrival in the U.S. most immigrants already had a job. These jobs paid a median of \$408 per month or less than half the median earnings of the U.S. adult male labor force in 1973. In subsequent years, there was a gradual narrowing of the gap, though, in 1979, it was still significant. Mexican immigrant monthly earnings stood then at \$818 while the corresponding national figure was \$1205. Adjusting for inflation, the economic gain made by this sample was still less impressive: Between 1973 and 1979, the real increase in earnings was only \$100 or less than one-fourth the original monthly earnings.

More important, however, is the correlation of earnings with variables which should, in theory, increase them. These variables include education at arrival, knowledge of English, and past occupational training. The secondary labor market is characterized by employment in dead-end jobs for which many school-acquired skills are irrelevant. The interest of employers

on immigrant labor is based on its legal vulnerability and, hence, cheapness, rather than on any qualifications that these workers bring. For this reason, neither education nor knowledge of English or occupational training significantly increase immigrant earnings.

In 1976, for example, Mexican immigrants who had only completed elementary school had monthly earnings of \$677, while those who had completed high school or some college earned only \$668. Immigrants who barely spoke English earned as much as those who spoke it fairly well. Those who in Mexico were skilled workers earned a median of \$668 per month, but those who were white collar workers earned only \$544.

Secondary sector immigration tends to homogenize downwards, forcing the bulk of immigrants into semi-skilled and unskilled jobs, regardless of their original qualifications. This effect persists even after they have managed to legalize their situation. At the moment of arrival in 1973, 51 percent of Mexican immigrants reported unskilled and semi-skilled occupations. In 1976, 73 percent were concentrated in this category and, in 1979, 68 percent were still there. At the other extreme, 37 percent of the sample reported skilled or white collar occupations at arrival, but those achieving this status represented only 21 percent in 1976 and 25 in 1979.

A final illustration of differences between modes of incorporation is provided by the minority of our Mexican sample which managed to gain entry into primary sector firms. For this group, education, knowledge of English and occupational training did yield the expected payoff in terms of U.S. income. In 1976, for example, the 75 Mexican immigrants which had gained entry into the primary sector earned a median of \$804 per month, in comparison

with \$587 for the rest of the sample. The correlation of education and earnings for those in the primary sector was .36, indicating that their earnings did increase with educational training. For the rest of the sample the correlation was zero.

These results indicate that the fate of immigrants and their economic function depend as much on this mode of incorporation into places of destination as on individual skills and training.

#### V. Immigrant Enclaves

Enclaves consist of immigrant groups which concentrate in a certain location and organize a variety of enterprises serving their own ethnic market and/or the general population. Their basic characteristic is that a significant proportion of the immigrant labor force works in enterprises owned by other immigrants. Some enclaves are sufficiently large and diversified to permit the organization of life entirely within their limits. Work and leisure activities can take place without requiring knowledge of the host country's language or extensive contact with the broader population. Despite this isolation, many immigrants are economically successful.

The case of the Japanese is well-known. Similar experiences have been reported for the Chinese. For Koreans on the U.S. West Coast, Bonacich notes the proliferation of immigrant business and the mobility opportunities that they make available. Similarly, Cuban owned enterprises in the Miami area have been estimated to increase from 919 in 1967 to about 8,000 ten years



later. While most are small scale, some employ hundreds of workers.

As a mode of incorporation into the receiving economy, immigrant enclaves also possess several distinct characteristics:

- 1) Their formation is not a product of deliberate economic policies by the government or the labor needs of employers, but depends on the initiative and resources of the immigrants themselves.
- 2) Enclaves are occupationally heterogenous. Even if immigrants shared the same occupational backgrounds, development of immigrant enterprises tends to promote diversification.
- 3) Ethnicity represents an important aspect of economic exchange within enclaves. Common ethnicity does not symbolize, however, a vulnerable market position as in the secondary market.
- 4) Significant opportunities for economic advancement exist in the first generation. Expansion of immigrant enterprises means the opening up of new positions and opportunities. The counterpart of ethnic bonds of solidarity, manipulated by successful entrepreneurs, is the principle of ethnic preference in hiring and of support of other immigrants in their economic ventures. Reciprocal obligations thus create new opportunities for immigrants and permit their utilization of past investments in education and job training.
- 5) Enclaves are characterized by high geographic concentration and, hence, visibility. Unlike secondary sector neighborhoods, however, enclaves are not only residential places, but also economic entities.

A substantial proportion of immigrants work within them. Geographic concentration facilitates access to labor, credit, and provides a ready market for goods and services produced by immigrant firms.

A necessary condition for the emergence of enclaves is the presence of immigrants with sufficient capital and entrepreneurial experience. Capital might be brought from the home country -- as is often the case with political exiles -- or accumulated through savings. Individuals with the requisite entrepreneurial skills might be drawn into the immigrant flow to escape political persecution or to profit from opportunities opened up by a pre-existing immigrant colony abroad.

Results from a longitudinal study of Cuban refugees which was conducted parallel to the Mexican study discussed previously, illustrate this third mode of incorporation. The sample consisted of 590 Cuban exiles interviewed at the moment of arrival in Miami during 1972-73 and reinterviewed three and six years later. The follow-up surveys in 1976 and 1979 located and re-interviewed 75 and 70 percent of the original sample, respectively.

As in the Mexican case, statistical tests show the 1976 and 1979 subsamples to be unbiased with respect to the original one. Unlike Mexican immigrants who dispersed throughout the Midwest and Southwest, Cuban refugees were concentrated in a single place. In 1973, 98 percent indicated that they intended to stay in Miami; six years later 98 percent were still there.

More important, however, is the fact that, in this sample, education, knowledge of English, and occupational training brought from Cuba did yield a significant economic payoff. The higher the training and knowledge brought

from Cuba, the higher the U.S. earnings. In 1973, 12 percent of the refugees reported professional or managerial occupations; by 1979, the figure had increased to 14.3 percent indicating increasing occupational differentiation.

Statistics on self-employment and employment in immigrant-owned firms in this sample are most revealing. Self-employment increased from zero at arrival to 21 percent in 1979. In comparison, only one Mexican immigrant had acquired his own business after six years in the country. Cuban exile enterprises concentrated in retail commerce (28%), services (25%), construction (17%), and the professions (12%). As might be expected, independent entrepreneurship had a positive effect on earnings. In 1979, monthly earnings among the self-employed exceeded by \$200 on the average those of salaried workers.

A substantial number of other respondents in the sample found employment in Cuban-owned firms. If these are added to the self-employed, about 33 percent of these immigrants were part of the Cuban economic enclave in 1976. By 1979, the figure had increased to almost half of the sample, 49 percent. Contrary to generalized expectations, the condition of immigrants working in the enclave firms is not inferior to that of those employed in the outside. In 1979, average monthly earnings of Cuban refugees in the enclave was \$1103 as compared with \$1029 for those working elsewhere.

Not all respondents in our sample were employed in enclave firms, however. A substantial number found jobs in enterprises which are typical of the secondary sector. A comparison between these two groups offers a final illustration of the effect of different modes of incorporation. Education at arrival had a very strong positive effect on the occupational status of Cuban

refugees both in 1976 and in 1979. This effect held even after controlling for a number of other relevant variables. However, education had no effect on occupation among those relegated to the secondary labor market either in 1976 or in 1979.

Present occupation and information had very strong effects on earnings among Cubans in the enclave; in the secondary sector, neither these variables nor any other increased earnings. In 1979, occupation significantly affected earnings in both sectors. However, aspirations at arrival had a significant effect on earnings among those in the enclave, but not in the secondary sector. The main conclusion which these results illustrate is that individual characteristics brought by immigrants to the United States do not suffice to explain their process of economic and social adaptation. Mexicans and Cubans, despite similar cultural origins and even similar occupational and educational backgrounds, follow different adaptation paths and find themselves, at the end of several years, in different economic and social situations. Within each group, the economic fate of individual immigrants depends, to a large extent, on the segment of the labor market into which they become incorporated. Immigrants of identical educational and occupational backgrounds, do very differently in the United States, depending on whether their labor is channelled toward the primary or the secondary sector, or whether they join a pre-existing enclave economy.

#### IV. Conclusion

In synthesis, I have presented and briefly documented two points among the many significant ones which could be made about the "new" or post World

War II immigration to the United States. First, the present immigration wave, from Latin America and elsewhere, must be seen in the historical context provided by earlier periods of mass immigration. From this vantage point, the numerical significance of the present inflow acquires a new meaning and notions like the "Latinamericanization of the United States" appear highly exaggerated. The rise of nativist movements at present repeats a phenomenon observed many times in the past and it is likely to produce the same dismal consequences.

Second, the fate of immigrants and their process of adaptation to American society are neither homogenous nor do they depend exclusively on individual traits brought from the home country. Three major modes of incorporation exist at present, based on access to different segments of the American labor market. None of them corresponds to the ideal typical sequence outlined by the conventional assimilation perspective. Secondary sector immigration comes closest to the first steps of the theoretical assimilation sequence, but the illegal status of most immigrants in this situation restricts their possibilities for gradual and successful adaptation.

Immigrants incorporated into the primary labor market or into a pre-existing economic enclave are likely to face less social and economic barriers during the first generation; successive ones are likely to adapt successfully, albeit in different forms. The most serious problem associated with contemporary immigration is that of undocumented immigrants coming to meet the demand for cheap labor in the secondary sector of the economy. It is a problem which involves the immigrants themselves, their children, and the native workers with which they compete in this segment of the economy. The present policy

of legally proscribing but de facto accepting large-numbers of manual immigrant workers is likely to have severe long-term consequences, in terms of the welfare of American workers, the chances for successful adaptation of these immigrants and their children, and the social and political stability of the regions where they settle.

The United States must face this challenge by rejecting a policy based on the narrow economic interests of a particular class and by bringing the letter of the law into line with its application. If there is a real demand for more manual labor, it should be met with a legal immigration program so that the need of immigrants for work is not used as a weapon against the most needy and most defenseless American workers. Illegals and their families which have settled permanently in the country must be brought out of their pariah status and into the mainstream so that they and their children have at least the same opportunities for adaptation as those given to earlier European immigrants. The injustice perpetrated on native workers and on the immigrants themselves, allowed into the country and then confined to a permanently disadvantaged position, can lead to severe social and political unrest. Americans must decide whether the continuing profitability of certain sectors of the economy is worth the price of breaching the rule of law and abandoning the goals of a minimum living wage and protection of individual rights for everyone in the country.



Mrs. HALL. Thank you. Our last witness for this panel is Dr. Leo Estrada, of the UCLA Graduate School of Architecture and Urban Planning.

Mr. GARCIA. Before Dr. Estrada starts, I would just like to say we have worked very closely together over the years. In Puerto Rico, New York, California, or here in Washington, I am always bumping into him. We had a hell of an experience in 1979, 1980, and 1981 with the Bureau of Census. I just wanted to convey to him how absolutely delighted I am to see him here.

#### STATEMENT OF LEO ESTRADA, UCLA GRADUATE SCHOOL OF ARCHITECTURE AND URBAN PLANNING

Dr. ESTRADA. Thank you. In the interest of time, I would like to limit my remarks to a few observations. The first one is to compliment the Census Bureau on its presentation, and to note in the not too distant past that presentations such as this would have been almost impossible for the lack of information available. The Census Bureau has come a long way in this particular forefront on presenting data on Hispanic Americans in the United States, and compliments are given to the Office of Racial and Ethnic Statistics hoping to encourage them in their efforts to improve the quantity and quality of such data.

Very briefly, I would like to simply say that the improvements that we can see in the statistics that were presented today were given in terms of national statistics. Many of the improvements, or lack of improvements, are more apparent when one looks at this information by regions. The fact that we are a diverse population requires that we maintain a sense of the regional distribution, and that our brothers in the New York area and New Jersey differ considerably from our brothers in Arizona, or Southern California, because circumstances in each case is quite different. When we look at the statistics, one of the things which we observe is that we have some things in common with other minority groups. Certainly the increase in the number of female-headed families leads us to the same sort of issues, which some people relate to as the feminization of poverty. These are issues which are very general and which are very important, and which mean that in some ways Hispanics and issues related to Hispanics persist for us as they do for other groups.

There are other factors which are quite unique. Spanish language usage is one such factor, persistent lack of progress and improvement in the educational area is another, which require attention which appears to be something more than just a matter of time. Time doesn't seem to be taking care of the circumstances, and more needs to be done.

In many ways I am disappointed with the lack of improvement, because when one looks at the general economic context of the last decade, one can see that the Southwest, and Florida, where a great majority of Hispanics presently reside, are areas which have experienced booming economies, dynamic growth, industrial increases in manufacturing and high tech in other areas of industry and the economy. One would expect that the people who live in those areas would benefit somewhat from these developments. In fact, when we

look at the unemployment rates, the decrease in income, when we look at the lower levels of occupation, we begin to see that some of these expected changes have not indeed occurred.

I would like to point out that the work that Dr. Waggoner, Portes, and Borjas are very significant and they are looking within the population, at the diversity that is indeed apparent in terms of immigrant status and other issues, and looking at the fact that the improvements for Hispanics are not on par with the majority groups, a fact that needs to be reiterated.

To finish very briefly if I may, I would like to point out that we are now at the point where we can determine the economic status of Hispanics in the United States. The problem now becomes one of monitoring to see whether or not we can improve the educational status, whether we can begin to deal with the issues of poverty, whether the immigrant factor it affects is related to our status gains and losses can be controlled and analyzed properly.

There are persistent issues which do not seem to go away. The values of a hearing such as this is to understand where we are, where we need to be, and to provide some guidance for alleviating some of these problems. Thank you very much.

Mrs. HALL. Again, we would like to thank each of our witnesses for such excellent presentations. You have all been very great.

At this time we are going to ask questions. I would like to start with Dr. Kincannon. Last week in the New York Times there was an article from the Census Bureau of the United States which stated in the 1980 census the Mexican-American population is probably overcounted by at least 270,000 people. Could you explain why do you feel there was an overcount?

Mr. KINCANNON. There was an overcount mainly in the Eastern States, and Southern States, excluding Texas; it was fairly small in scale, a little over 2 percent of the total Mexican-Americans in the United States and much smaller percentage of all Hispanics. The misreporting in the Spanish item apparently occurred in areas where there are few if any Hispanics and over the terms used in the census question. Apparently the phrase Mexican-American was confused with simply American.

Mrs. HALL. The next question is for Dr. Waggoner. I really did enjoy your presentation. I got a lot of meaning out of it. Before I came to Congress, I was a social studies teacher and I taught at Edison School. We had a student population of Mexican-Americans, and Puerto Rican-Americans, and Cuban-Americans. We had a bilingual education program as well as an education program with English as a second language, or some other strong English language teaching element.

Dr. WAGGONER. The bilingual part adds instruction in the language of the child in order that he can continue to develop his skills in the other educational areas at the same time he is learning English. We have a lot of evidence that these programs are effective. There has been some controversy, and I believe the afternoon session will address this, with participation of some of our State directors who are very much involved in the education of limited-English-proficient children.

Mrs. HALL. You also mentioned some language proficiency tests. Did you bring any tests with you today?

Dr. WAGONER. No; but we could provide more information about the test that was used in the study. I should say the language measurement and assessment inventory is the name of the test that was used with the children in the children's study in 1978, and in the English proficiency study. This is not a test that diagnoses the needs of individual children. It is designed simply for the purpose of estimating gross numbers. That is you could give it to a sample of children with certain characteristics in a school district, and then you could estimate from the results, that you have approximately so many limited-English-proficient children for whom you need to plan a program, but it wouldn't identify the specific children necessarily. It's not that kind of a test. There are a number of tests that are used. Again, I think our State people could address that much better than I.

Mrs. HALL. Very good. Before you leave today, I'd like to have a few minutes to talk to you about the tests.

Of course, I have a question for Dr. Borjas. You mentioned that the Hispanic-American earns an average of 25 percent less in this country. Of course, you pointed out that it takes a period of years for each group to be able to earn in certain categories. Do you have any other evidence to show that discrimination could be a reason why?

Dr. BORJAS. The evidence that Hispanics are discriminated against is, in my opinion, much weaker than the evidence that blacks are discriminated against, simply because the 25-percent wage differential between Hispanics and non-Hispanics, a large fraction of that can be explained by the fact that Hispanics have an average of 3 years less education than non-Hispanic whites. The Hispanics, with limited skills, a lot of the differential between the two groups is accounted for.

Mrs. HALL. Thank you. At this time I would like to yield to my colleague from New York City, Congressman Garcia.

Mr. GARCIA. Thank you very much. Dr. Portes, I would like to start off with you if I may. You gave a very interesting statistic that the immigration today as compared to the turn of the century is a fraction of what it was then. I would really appreciate it if you would be kind enough to elaborate.

Dr. PORTES. The main problem, Congressman Garcia, is that of course we do not have firm figures. The point of my testimony is that that component would have to be so large in order to equate the proportion of the U.S. population and of the U.S. labor force represented by immigration in the 1920's, that it is by all rights impossible. Clearly the United States is today heavily impacted. This is a period of high immigration, but my major concerns are general in the mass media that the present process is something unique as a mass invasion from the Third World, and in particular, from the Latin-American. These historical comparisons are useful in pointing out that indeed we have high immigration. Indeed the Hispanic population is growing very fast, but it is still in no way as significant a proportion of the Nation as immigrants were in the period of high immigration before World War I.

Mr. GARCIA. I would appreciate, Dr. Portes, if you would be kind enough to put some charts together on that. That's quite informative because as a Hispanic myself, and as the former chairman of



this subcommittee, I will be frank to tell you Hispanics are constantly being criticized for what's happening today, when in reality I think your testimony, which is backed up by figures and statistics, is that, in reality, it really is a fraction of what's taking place or what has taken place in this country. So, whatever you can do to further that thought with this committee, I would appreciate it very much.

Dr. PORTES. I would be happy to do so, and let me add briefly, again to reemphasize there is evidence from a series of studies conducted by anthropologists and sociologists of a large amount of circular migration across the United States-Mexico border, which might account in part or jives in with the testimony, the part presented by Mr. Kincannon today, about the relatively low proportion that the foreign born represent in the Hispanic populations of the States of the Southwest. That is indeed there is a lot of Mexican labor coming in, but there is a number of empirical data that point to the fact that this is a circular flow by and large.

Mr. GARCIA. Thank you very much.

Mr. Kincannon, I will tell you that first I really would like to congratulate you and your staff. Tell me a little more about the data source regarding your statement about the Southwest Hispanic population.

Mr. KINCANNON. In 1980, those data were based solely on the self-perceived response to an ethnic question of the person filling out the questionnaire the response identified the Hispanic group or any other ethnic group.

We did, in 1970, use Spanish surnames as one of the means of identifying Hispanics, but only in the five Southwestern States. In 1980, the primary approach was entirely based on self-identification.

Mr. GARCIA. Again, you are to be commended. I know you sit there at the head, but it is the people around you that make the difference whether you are successful or whether you fail.

Mr. KINCANNON. Yes, sir, that's exactly true, and I appreciate your compliments for the staff and your help during the 1970's that have made this possible.

Mr. GARCIA. Dr. Estrada, you always have a way of cutting the legs out from under us. Your statement in the Sunday Times, which I don't know if you have had a chance to see, stated that the claim is dismissed by such friends of the Hispanic movement as Dr. Leobardo Estrada, a demographer at the University of California at Los Angeles who once served as special advisor to the census director, talking about our political potential. Then you went on to say, "It sounds good, but it won't happen. There's a lot of exaggeration of rates of growth. The leaders are deceiving themselves in thinking it is really important."

I really would appreciate it if you would be kind enough to elaborate on that statement.

Dr. ESTRADA. I hadn't seen the article, but I did talk to Mr. Reinhold on the phone. We were discussing the growth of the Hispanic population, and the significance in terms of the next election, not

the near future, or the far future, but the next election, 1984. The question presented was the Hispanic population grew by 90-some percent in the Southwest, 60 percent overall in the Nation, therefore can we expect the voter registration will increase by at least that amount, and thus exert that influence over the voting results.

My response was that no it would not be, and that we couldn't expect it to be because a great deal of the growth that we observed came from fertility which means that children will not be eligible to vote for at least 18 years. Another part of it comes from immigration. While these are mostly in young adults who are eligible by age to vote, they would not be eligible through citizenship as legal residents. Therefore, the growth that we are expecting in voting is not going to be quite as dramatic as some people would hope it would be. The near future, however, is quite a different story, as I pointed out to Mr. Reinhold.

Mr. GARCIA. That was not in the quote.

Dr. ESTRADA. Well, you know how quotes go. I do think though the next election, it is important to keep in mind, as I point out to people, that we only comprise 6 percent of the national population. If you turn it around, you are talking about 94 percent of the population being non-Hispanic, that's much more impressive. What's more important is where we are concentrated. We are concentrated in States which are, as they say, a "toss-up" in terms of the elections. Therefore, the aggregate vote that Hispanics will contribute to the State as a whole will make a difference. It will make less of a difference in some of the local elections because of the lack of eligible votes at this point and time.

I would like to point out that there is a difference between what we can expect in the next election 1984, and what we can expect in the near future. Even the most conservative estimates we have would indicate that there will be approximately 200,000 young Hispanics turning to the age of 18 every year for the next 20 years. That's very impressive. If we can register to vote even a significant fraction of that group, we will improve our potential in voting dramatically over time; but in the short run most of our growth is dependent upon other factors such as increased registration.

Mr. GARCIA. Thank you very much for being with us today.

Dr. Borjas, I think you may have put your foot into something here, and I would like to get your comments on it. We are going to give you an opportunity to dig your way out of it.

That is as it deals with women. You said that the influx of white women into the labor market may have diminished Hispanic earnings.

Dr. BORJAS. Black earnings.

Mr. GARCIA. May have diminished Hispanic earnings. Am I correct? I think what we are trying to do here is be open and honest with each other, and I would not like a statement like that. It is a very powerful statement. You come to us as a person who has done this research, and as a person who in reality is an authority. I would really truly appreciate it if you would be kind enough to elaborate as it relates to white women and relates to minority males.

Dr. BORJAS. My research in using the 1970 census was that in those labor markets where women entered in large numbers, male

earnings usually dropped and so did male employment. Young black male earnings and young black male employment was the one most affected by it. So that's what I meant to say in my statement. As a result of the entrance of women, it was not really Hispanics that contributed to the worsening conditions of black youth, but it was instead the large number of women entering the labor market in the last 20 or 30 years.

Mr. GARCIA. Can you give me some idea of what labor markets and specific geographic areas of the country we are dealing with?

Dr. BORJAS. I don't have the data in front of me, but usually Northeastern cities where women are in very large numbers. That's where you observe that black, particularly black youth employment conditions, worsened tremendously.

Mr. GARCIA. Any specific documentations?

Dr. BORJAS. It was just on the average. I have to admit that I was really looking, when I did my research, that it was Hispanic immigration that affected on blacks in a negative way, but I've done it with two data sets and it's just not in the data. What I did come up with was the women results. It's a very strong result, and other individuals have conducted some research on how the entering of women has affected labor markets, and there seems to be a growing consensus that indeed something negative has happened as a result of that.

Mr. GARCIA. I would appreciate it very much if there is any additional information you could give us on that particular subject.

Dr. BORJAS. I'll be happy to.

Mr. GARCIA. I have no further questions.

Mrs. HALL. I have a question for Dr. Estrada. When you were the assistant to the Director of the U.S. Census Bureau you testified before this committee. At that time you discussed the importance of the contradictory nature of the census form.

In your opinion, how do the American people perceive the confidentiality of the census form?

Dr. ESTRADA. The perception of the public is actually fairly good. I use several indicators, the fact that people did respond to the census form without questioning, without being reluctant I guess is a way to put the answer. I think it's important to realize it cost us most of our time and energy to get that other 15 percent, and I think a large proportion of those nonresponses had to do with a certain amount of fear. We were convinced that if we could inform people, if we could give them enough information, that we would be able to convince them of the confidentiality of the census, and I think that's why such an effort was put into promotion—in trying to get across the message about the census.

In all honesty, I think the attitude the people have about the agency has changed over a period of time, and one of those attitudes which affects our results and affects us as a whole is the fact people aren't really sure, or not as certain as they used to be, so all we can really do is continue to uphold the law that we have and continue to provide information to those who have questions about it. I don't have any doubt in my mind that we are working with a current which is working against us.

Mrs. HALL. I would like to yield to Mr. Garcia.



Mr. GARCIA. One of the problems we had during the 1980 census was the question of confidentiality. Time goes by quickly, and next year you are going to have to start preparing for the precensus series and surveys in 1985. I want to make it very clear, for the record, that I'd like to get some specific answers from either you, or you, Dr. Kincannon. I believe you had a chart dealing with the births of children who were born of undocumented persons. Or maybe that was one of the slides that you had.

Mr. KINCANNON. Total undocumented persons included in the census.

Mr. GARCIA. I want to be very clear that nobody misinterprets when you talk about confidentiality on the statistics, and whether the census in any way violated that trust.

Mr. KINCANNON. That's a very, very important point, and I thank you for bringing that out. That confidentiality is very strictly construed in the law and in practice in the Census Bureau. No personal information reported in the census under the authority of title 13 of the Census Code are shared with any other agency of the Federal Government.

Mr. GARCIA. Let me interrupt you. Where do we get the information documented?

Mr. KINCANNON. That's our estimate of undocumented aliens counted in the census.

Mr. GARCIA. So the key word is estimate?

Mr. KINCANNON. Yes.

Mr. GARCIA. I don't want anybody to misunderstand. This is the view of the census in the best way they could determine that these are estimates and not facts.

Mr. KINCANNON. That's correct. We think it is a valid estimate, but it is only an estimate of the undocumented aliens counted in the census, and it was derived not by direct question or dealing with individual records because we are not able to identify specific individuals as being legally or illegally in the country. Rather, the estimate deals with statistical aggregates only, in particular the number of noncitizens who reported in the census. Subtracted from that is total figures on legal aliens derived from alien registration data compiled by the Immigration and Naturalization Service. It is simply the residual of that mathematical calculation.

Mr. GARCIA. You were a little more specific dealing with those Mexican backgrounds than any other group. Why?

Mr. KINCANNON. I think it was the largest single component of the group is why I mentioned it.

Mr. GARCIA. Just so the record is clear, Madam Chair, I would hate now in 1983 to have anybody think for one moment that the trust was violated.

Mrs. HALL. Again, we wish to thank each of our witnesses for coming today, and for sharing so much knowledge with us. We are very grateful for your presence and your participation. At this time, the Chair is going to call a 5-minute recess and we are going to dismiss our panel of witnesses and prepare to call the next panel.

[Whereupon, at 12:35 p.m., a recess was taken.]

## AFTERNOON SESSION

Mrs. HALL. At this time we will resume our hearing, and we would like to welcome our panel of witnesses at this time. We have Dr. Gloria Zamora, president of the National Association of Bilingual Education; Dr. Carmen Perez of the bureau of bilingual education in New York State University; Dr. Guillermo Lopez, director of California State Department of Education; Dr. Keith Baker, editor, "Bilingual Education: A Reappraisal of Federal Policy" book; Dr. Adriana De Kanter, also an editor of the "Bilingual Education: A Reappraisal of Federal Policy" book; and my former boss and also a former State legislator in Indiana as well as the former Lake County, Ind. auditor, and Lake County, Ind. sheriff, and at the present time the assistant superintendent of the Chicago/Indiana Public School System, and a great educator, Dr. Jose Arredondo. Of course we have Dr. Amalio Madrieno, and I apologize if I do not pronounce the last name properly—representing MALDEF.

I have been joined by two other Members of the U.S. Congress, Congressman Martinez of California, and Congressman Corrada of Puerto Rico.

At this time I would like to extend the opportunity to the newly arrived Congressmen to speak, and then we will hear from our panel of witnesses. Let's hear from Congressman Martinez.

#### OPENING STATEMENT OF CONGRESSMAN MATTHEW MARTINEZ

Mr. MARTINEZ. First of all, thank you for your attendance here today. We know you are all interested in the subject matter. I am here to listen and learn. I have my own concepts on the importance of bilingual education for the people I represent. This will reaffirm some of those things I believe in, and probably discount some concepts. I hope you affirm more than disaffirm the things I believe. Thank you.

Mrs. HALL. Next we will hear from Congressman Corrada of Puerto Rico.

#### OPENING STATEMENT OF CONGRESSMAN BALTASAR CORRADA

Mr. CORRADA. Thank you. I would like to thank Chairwoman Hall for her cooperation in holding this series of hearings entitled "The Hispanic Population: Demographic and Issue Profile," and for allowing the close examination of a wide series of issues affecting the Hispanic community. I certainly welcome all of you, the witnesses, for appearing before this subcommittee today.

As a member of the House Education and Labor Committee, I have long been involved in the fight to bring equity to Hispanics in employment, education, and social welfare programs. Hispanic unemployment looms as perhaps one of the most serious challenges for our people, as shown by the August 1983 level of 12.9 percent, or 790,000 unemployed persons out of work force of 6,134,000. The roots of this disproportionate employment figures are not clear cut. A recent study by the National Committee for Employment Policy stated that a lack of fluency in English is a major source of the labor market difficulties faced by Hispanics. For this reason, bilingual education takes on a central importance for the economic

future of our people. Bilingual education sets out participation in funded programs with those of limited proficiency in English language skills needed for success in schools. The target group under title VII consists of approximately 3.6 million school aged children whose home language and background are other than English, and who are limited in the speaking, understanding, reading, and writing in English needed in obtaining an education. Although local school districts and States are making an effort, schools in general are not meeting the needs of limited English proficiency children. Only about one-third of about 2.6 million children age 5 to 13 identified in the 1978 study are receiving either bilingual education or English as a second language instruction according to the Department of Education. This means that 1,800,000 children currently go without any bilingual aid at all and are left to sink or swim in an educational system based on a language they do not understand.

The Federal Bilingual Education Act is due to expire in 1984. Efforts will begin to better understand the current system, and to learn how the act might improve success in the field of bilingual education. We are already holding public hearings in the Education and Labor Committee on this subject matter, and I believe on the occasion of this week that we are celebrating, it is very important and helpful that this subcommittee is holding this important hearing. I want to thank Chairwoman Hall for her excellent contribution.

Mrs. HALL. Thank you. I appreciate your remarks.

At this time we will hear from our first witness, Dr. Zamora.

#### STATEMENT OF GLORIA ZAMORA, PRESIDENT, NATIONAL ASSOCIATION FOR BILINGUAL EDUCATION

Dr. ZAMORA. Thank you. I am Gloria Zamora from San Antonio, Tex. I have been an educator for more than 25 years, and I am currently president of the National Association for Bilingual Education. I want to commend you, Representative Hall, for scheduling these hearings in conjunction with the National Hispanic Heritage Week. At the same time I want to commend you and your staff for identifying bilingual education as a policy issue of particular importance to the Hispanic community.

Although Hispanics have always valued education, the educational community has not always valued Hispanics. Historically, Hispanics have been excluded from our Nation's schools and have been denied the benefits of an effective education.

I will leave to other witnesses today the grim chore of describing in detail the discriminatory and neglectful practices which compelled Congress to pass the Bilingual Education Act 15 years ago. It suffices to say that many of these practices involved the rejection of Hispanic students because of their atypical language and cultural background.

The goals of the Bilingual Education Act are fundamental. Title VII is meant to help language-minority students learn English; learn subject matter skills and content; develop a positive self-concept; and complete schooling.

To accomplish these fundamental objectives, title VII helps State and local education agencies develop instructional programs which



use both English and the student's native language. The simplicity and straight-forwardness of title VII's objectives belie the enormity of the work that has been done as well as the work which must be accomplished through the Bilingual Education Act.

I was a first grade teacher in one of the first bilingual programs in Texas. This program was an experimental program which predated enactment of title VII. I should tell you that establishment of this experimental program required a waiver of a 1918 Texas law which prohibited the use in school of any language other than English. This law was subsequently repealed.

My colleagues and I in the experimental program struggled without curriculum materials, without tests and measurements to guide us, and with little special training for the task at hand. We did the best with what we had knowing that we could do much better than had been done, and, indeed, we could do no worse. Our confidence and efforts were rewarded with success; our students gained academically.

Because of my involvement in a pre-title VII bilingual program, I appreciate the importance of Federal support. Despite the limited amount of money appropriated for title VII, the program has brought about a quantum increase in our ability to provide effective instructional programs to language-minority students.

As a result of title VII, a growing but still small number of Hispanic students are being taught by teachers who have received professional preparation to teach language-minority students. These teachers use well-designed texts and materials to instruct their students, and employ increasingly accurate tests to measure student educational needs and progress.

Despite their newness, the bilingual programs made possible by title VII are improving the educational opportunities and outcomes for Hispanic youth.

Because of the institution of bilingual programs, Hispanic students in many school districts are for the first time effectively learning English and essential subject matter skills. Students in bilingual programs consistently stay in school longer and attend school more regularly. In many districts, the establishment of a bilingual education program has resulted in a dramatic decline in discipline problems, and even more commonly, in the rate of false placement of language-minority students in special education classes and programs for the mentally retarded. As a result of improved educational preparation and enhanced self-image, more Hispanic students are seeking postsecondary instruction than ever before.

One of the reasons, or maybe I should say ways, in which bilingual education has improved the educational attainment of Hispanic students is parental involvement. A study recently released by Columbia University noted that "many critics of bilingual education fear that the programs will hinder the integration of minority groups into American society and eventually foster cultural and political separatist movements." The study concluded, however, that "our research indicates that parents become more involved in their schools and community—more integrated into the educational and political system on local, State, and national levels—when their children are enrolled in bilingual programs."

The political popularity of bilingual education in the Hispanic community is testimony to its effectiveness. Yet, because of its political popularity, the Bilingual Education Act has become the target of narrow interest groups who oppose social change and reform.

Coincident with the Reagan administration's taking office the Heritage Foundation issued a report entitled "Mandate for Leadership" setting forth a blueprint for "Policy Management in a Conservative Administration." While the Heritage Foundation recommended abolition of most Federal education programs as well as the education department, it focused special attention on two programs—ESEA title VII and the women's educational equity program—as programs which must be immediately eliminated. Why should these programs be eliminated? Because, to quote the report, "they are at present being used as captive vehicles by groups of ideological militants."

Madam Chairperson, the Heritage Foundation could not have been more right. The supporters of bilingual education like the supporters of WEEA are ideological militants; we militantly believe in the American ideology of equal opportunity. For this we have no apology, for this we are proud.

Despite the absurdity of the Heritage Foundation report, "Mandate for Leadership" has influenced the Reagan administration's policy toward title VII. Although the administration failed to carry out the Heritage Foundation's primary recommendation that title VII be eliminated through a block-grant scheme, it has succeeded in slashing the level of funding for bilingual education.

The title VII authorization level has been cut from \$400 to \$139 million, and more than 110,000 students have been dropped from the basic grant program. Last year, again this year, the Reagan administration has proposed further budget cuts—to \$94.5 million. Such an amount would serve approximately 120,000 students—slightly more than one-third the number of students served in fiscal year 1980 under the basic grant programs. These cuts have been made and proposed despite the finding by the Secretary of Education, Terrel H. Bell, that "schools in general are not meeting the needs of limited English proficient children." These cuts have been made and proposed despite the fact that the population of students who need title VII services is growing twice as fast as the general school age population.

But the attack on bilingual education involves more than money; indeed, it goes to the very essence of title VII—bilingual instruction. Last year, subordinate education department staff who are witnesses here today, released a draft report which purported to assess the relative effectiveness of "transitional bilingual education" as compared with other special programs for language-minority students.

Time does not permit me to identify the glaring problems with this staff report, in terms of its design, substance, or methodology. Accordingly, I would like to submit for the record certain public materials and correspondence regarding the report.

Although Secretary Bell has publicly disclaimed the so-called Baker/de Kanter report as an official Education Department report, it is clear that the report has influenced the administra-

tion's proposals to amend title VII. It has also been cited by several Members of Congress.

Although the Baker/de Kanter report provided impetus to the efforts of the Reagan administration to amend ESEA title VII, the administration's proposed legislation goes even beyond the scope of the flawed reports. The central finding of the report—a finding that is more misleading than fallacious—was that “transitional bilingual education” programs—the kind of program authorized under title VII—were not “uniformly effective” for all limited English proficient students.

From this finding, opponents of bilingual education have fashioned a set of amendments—ironically called the Bilingual Education Improvement Act—which would literally destroy the Bilingual Education Act. Among other things, the administration's amendments would further reduce the level of title VII authorization, restrict student eligibility, and impose an inflexible limit on the duration of a school districts participation in the title VII program. But most importantly, the proposed amendments would eliminate the current flexible requirement that a child's native language as well as English be used in title VII programs. In other words, title VII money could be used for monolingual instructional programs.

As Congressman Ed Towns noted in his statement to the Elementary, Secondary, and Vocational Education Subcommittee:

Elimination of the current requirement concerning the use of a child's native language totally abdicates the Federal Government's responsibility to establish standards for the appropriate use of its funds. Title VII is neither a mandate nor an entitlement program. If school districts do not want to use native language instruction then they do not have to apply for title VII funds . . . . The Federal Government, however, should not loosen educational standards which can only result in a diminution of equal educational opportunity for LEP students.

Let us be perfectly clear. There can be no bilingual education without native language instruction. If this Congress were to approve the administration's amendments, they must, at the very least, have the courage and decency to change the title of the Bilingual Education Act. My humble suggestion would be the Discredited Educational Practices Act. Such a title would aptly describe the kinds of programs which it would support.

I trust that Congress will not reverse Federal policy, and that it will not allocate scarce resources for monolingual education programs which ignore the very special needs and resources of students who are linguistically and culturally atypical. My trust in Congress is based on the belief that you and your colleagues, like the citizens you represent, are unwilling to reverse progress or to recommit the errors of the past.

I also hope that the recent statements of the President and Vice President to Hispanic audiences regarding their support for bilingual education affects the administration's policies toward bilingual education. The President's desire to depoliticize this issue could be accomplished if Education Department staff would focus on improving rather than destroying bilingual programs.

As a bilingual educator, I am all too aware of the shortcomings of title VII. Indeed, much additional research is needed. The needed research is not of the pseudo-scientific type that examines meaningless program labels like “TBE,” “ESL,” or “immersion;”



rather the needed research must focus on what types of bilingual education programs are being implemented, and what kinds of programs work for what kinds of students under what conditions.

Further research on bilingual education must not commit the fallacy of universal treatment which equates bilingual education as a concept with bilingual education as a treatment. Bilingual education, as implemented in this country, is not a treatment of the sort contemplated in a pure research design. Rather, bilingual education is an educational approach—simply involving the use of two languages—which is operationalized in diverse classroom treatments. Instead of asking the irrelevant question of whether bilingual education works, we must examine the real life variables which determine the effectiveness of this or any other educational program.

In closing, I would like to share with you a few thoughts about the future direction of bilingual education policy in this country.

Virtually every major report on American education has identified the scarcity of foreign language programs as a fundamental problem of our schools. At the same time, there is mounting evidence that the Nation's future is threatened—economically, diplomatically, and militarily—by our inability to communicate with most of the world's people—people who use a language other than English.

Bilingual education has the potential for helping to improve our national communications capability. I say, has the potential since most bilingual education programs, in fact, the only programs authorized under title VII, are transitional in nature. Quite honestly, the concept transitional bilingual education is the result of a political compromise between the advocates and opponents of bilingual education.

Like most compromises, the transitional provision in the Bilingual Education Act is far from ideal. This provision has resulted in the premature exiting of thousands of children—a practice which denies them the opportunity to develop their English language skills to the fullest. Additionally, this practice does not promote the full development of a child's native language skills—skills which are not only a scarce commodity in this country, but important in their own right and which have also been shown to be directly and positively associated with English language acquisition.

Madam Chairperson, those of us who are culturally and linguistically atypical in this society, and those of us who are fortunate enough to be bilingual feel that we have reached a point in time when it is no longer in our self-interest, nor in the best interests of this country, to disassociate ourselves from our native language or culture.

Bilingualism, indeed multilingualism, is both possible and patriotic. America's linguistic and cultural resources—the richest but least developed in the world—should and can be expanded through the expansion and improvement of bilingual education. Thank you very much.

Mrs. HALL. We thank you so very much. It's a very good presentation. Very well stated.

Our next witness will be Dr. Carmen Perez of the bureau of bilingual education, New York State University.

**STATEMENT OF CARMEN PEREZ, CHIEF, BUREAU OF BILINGUAL  
EDUCATION, NEW YORK STATE**

Dr. PEREZ. Thank you. My name is Carmen Perez, and I am chief of the bilingual education of the New York State Education Department. I appreciate the invitation to present testimony on bilingual education as we celebrate Hispanic Heritage Week.

I am especially pleased and proud to be able to report to you that Hispanic educators have assumed some very critical leadership positions in education in New York State. For example, to name just a few, the chancellor of the board of education of the city of New York is Anthony Alvarado, the vice president of the New York City Board of Education is Miguel Martinez, the chairperson of the education committee of the New York State Assembly is Jose Serrano, and the Assistant Commissioner for the Office of General Education in the New York State Education Department is Maria Ramirez. I feel good about these individual accomplishments because they reflect positive growth for the community and portray a wonderful success story.

However, in spite of much progress, there is still a great deal to be done as we strive to improve education for thousands of students in our schools who come from homes where language other than English is spoken. My dream, my personal dream for the future, is that some day our bilingualism will be viewed not as a liability, but as the national asset that it truly is.

In 1981-82, the year for which we have the most recent data, Hispanic students constituted 12 percent of the total student population in New York State. Of those, 22 percent were identified as limited English proficient—LEP—and 92 percent of these received some form of bilingual education funded by State and/or Federal funds, with 21 percent provided services through ESEA title VII—I'll report more on these programs later in this testimony—Although Spanish-speakers constitute our largest LEP population, title VII bilingual education programs in our State were also funded in English and Arabic (1), Cambodian (1), Chinese (13), Farsi (1), French/Creol (20), Greek (8), Hebrew (2), Japanese (1), Italian (21), Korean (2), Mohawk (3), Portuguese (1), Russian (6), Seneca (2), Vietnamese (6), and Yiddish (3). Through our State programs we provide services to over 100,000 LEP students from over 73 different language backgrounds.

In my testimony today, I would like to comment on what I think are four critical issues on bilingual education, and that would be summarizing my text. The first of this is the continued use of limited or faulty information to draw conclusions about the bilingual education program, I would like to share with you a story that I recently heard an edited version, which I think kind of demonstrates the point that I would like to make.

Three men who were blindfolded and asked to describe a camel by just touching it. By the way, this story is also told about an elephant, but I don't dare use that image in these halls today. Each man examined a portion of the animal and naturally generalized his findings to describe the whole animal. One man touched the tail which reminded him of a rope and declared that, "Based on my personal analysis, the camel looks like a snake." The second man

felt the humps which reminded him of mountains. He argued that the first man was wrong, and tried to convince the third man that what they had in front of them was a monster with two bodies. The third man, however, felt the camel's legs and said, "They feel like walking sticks." He told the other two that they were wrong, and on the basis of his personal evaluation he issued a national report declaring that the camel is a very skinny animal which must look like a stork. Obviously, each had described the camel based on that little section that he had examined, had filtered the findings through his own personal biases, and yet each was totally convinced of his accuracy, although it wasn't until the blindfolds were removed that they saw the total camel.

We still have many blindfolds to remove from persons issuing national reports on bilingual education programs after having examined only a portion of "the camel," with some of these reports based on only second- even third-hand information. And this brings me to the second issue, which is the continuing misuse and misunderstanding of the term "bilingual education."

In spite of 15 years of defining, explaining, researching and evaluating, a critical issue in bilingual education continues to be the failure of its critics to understand what bilingual education is designed to do for LEP students.

Bilingual education, and I will continue to repeat it, is a total educational program which uses English and the students' native language to help LEP students progress alongside their non-LEP peers. It affords the LEP students the same opportunities for learning, and for academic advancement as those provided their non-LEP peers, and does this by using both the native language and English until the students are no longer limited in their ability to learn through English.

The third issue that I would like to discuss is what seems to be the blind acceptance of negative statements about bilingual education. More positive statements frequently go unrecognized.

Recently I had the privilege of presenting testimony before the Committee on Education and Labor against the proposed Bilingual Education Improvement Act. A committee member supporting the proposed amendments cited the Twentieth Century Fund Task Force report and quoted Diane Ravitch, a member of the task force in support of his position. Hoping to clarify some of the issues raised by this report, I invited Dr. Robert Wood, chairperson of the task force, to make a presentation on the report at a meeting held in Albany with my staff and a group of educators from the Northeast.

Dr. Wood, as you may know, is a former superintendent of the Boston School System where he helped implement a very successful bilingual education program. Dr. Wood was questioned by the audience on several issues, but the most serious of which being that statements in the report are being used out of context in the campaign against bilingual education. Dr. Wood expressed his deep concern over this misuse and explained that the task force did not and I quote, "intend to deal with pedagogy or any of the particulars of one program or another." He went on to say that the task force had wanted to make a simple declarative statement that: "We did not think that any child in America got a fair shake,



either economically or politically without a command of the English language."

We don't disagree with this statement. We think this is important for all children, whether or not they are LEP. Dr. Wood went on to say, to explain that when Diane Ravitch was interviewed on the "McNeil-Lehrer Report," and I quote Dr. Wood again:

That got twisted into the fact that we were against bilingual instructional programs as presently constituted. Diane expressed preference for immersion—what we say in the report is that we are not going to deal with pedagogy or any of the particulars of one program or another.

He went on to say, "There is a great danger, I think, of the public becoming so confused about what we're after, they'll come for quick and simple solutions, that they will ignore the professional information and knowledge of educators themselves," and said Dr. Wood, ". . . We're not going to wave magic wands and we're not going to turn around 20 years of complicated activity. We've got to continue to have this on the agenda."

Dr. Wood ended his presentation in Albany by assuring us that he stands ready to right the wrongs that have already begun to manifest themselves as a result of the task force report. The net result of the task force findings as they have been reported by the media seem to, and I quote Dr. Wood one last time: "Counterpose quality and equality and seem to affirm the conservative point of view." He assured us that he will present a clarification of this issue at the National Assembly of College Boards in Dallas and at other national meetings.

Subsequent to my discussion in discussing this issue with Dr. Wood, or subsequent to the meeting in Albany discussing this, he asked me to please convey this message to you at the hearings today, and I quote:

I have reviewed again the transcript of the McNeil-Leher program and Professor Ravitch's comments. It confirms my statement in New York that the enhancement and improvement of bilingual programs in no way contradicts the objective of all children obtaining a command of English. Regardless of the comparative effectiveness of different instructional methods, my experience in the Boston Public Schools, and in observations of other school programs are a critical component for elementary and secondary education in America public schools today.

The fourth critical issue that I would like to discuss relates to the problems resulting from current title VII evaluation requirements which preclude the aggregation of data across projects. Attempting to do this could result in incorrect conclusions. It must be clearly understood that title VII is intended to provide successful applicants with funds to implement bilingual education programs based on very unique locally assessed needs. This local option to determine the scope of the project, coupled with the absence of specific evaluation procedures, produces data which cannot be uniformly aggregated. In New York State we are trying to deal with this problem, and we are preparing guidelines which we hope will go into effect this year, and establish reporting procedures for the evaluation of all bilingual education programs. We anticipate that this will enable us to collect meaningful information on the effectiveness of these programs.

In preparation for today's testimony we reviewed each of the 74 title VII evaluation reports submitted to us for the 1981-82 school

year. Although for the reasons just mentioned I will not present aggregated data, I am very encouraged by these reports, and let me assure you that each project has established a successful English language component.

In conclusion, I would like to share with you a summary description of a few of the title VII project implemented in 1981-82 in New York City high schools.

The At Your Service bilingual program at the Park West High School in Manhattan offered bilingual instruction and supportive services to 200 Hispanic LEP students in grades 9 through 12, emphasizing vocational awareness. The population represented 12 national backgrounds, with half from the Dominican Republic and about a quarter from Puerto Rico.

The ultimate goal of the program was to develop students' proficiency in English. Highlights of this program included the development of curriculum materials in native language arts, biology, and career awareness; and supportive services to program students included guidance and academic counseling, home visits, and career orientation.

Quantitative analysis of student achievement indicated that:

In English-language development, on the average, students mastered more than one objective per month of instruction as measured by the criterion referenced English syntax test.

On the average, 77.3 percent of the students passed teacher-made examinations in Spanish-language courses.

The performance of program students in the content-areas of mathematics, science, and social studies surpassed that of mainstream students by a statistically significant difference, thus meeting the program objective in this area.

The average attendance of program students surpassed that of the school by 18.5 percent.

At Walton High School, in the Bronx, the bilingual basic skills through interdisciplinary career orientation program, in its second year of a 3-year funding cycle, provided instruction in ESL and native language arts, as well as bilingual instruction in mathematics, social studies, science, career orientation and career exploration, typing, music, and health careers to approximately 200 Spanish-speaking students of limited English proficiency in grades 9 through 12. Thirty-nine percent of the students were born in Puerto Rico, 30 percent in the Dominican Republic. All students, except one, were Hispanic and spoke Spanish at home.

A curriculum was developed for the health careers course and a special writing course for ESL was devised. Supportive services to program students consisted of psychological and career counseling, guidance services, and home visits. Parents of program students were involved in a Parent-Student Advisory Committee and attended ESL classes taught by the program coordinator.

Quantitative analysis of student achievement indicated that:

As measured by the criterion referenced English syntax test, program students mastered 1.4 objectives for each month of ESL instruction in the fall and 1.1 objectives per month in the spring, thereby meeting the proposed criterion level, with Level I students surpassing the objective during both semesters, although students at Level III failed to meet the criterion during the spring.

In native language arts, overall passing rates for fall and spring were 86 percent and 80 percent respectively.

Seventy-five percent of program students passed teacher-made examinations in bilingual social studies classes during the fall semester. During the spring semester, the overall passing rate was 77 percent.

In bilingual science courses, the overall passing rates for fall was 62 percent, while for the spring it was 51 percent.

Fifty-eight percent of program students passed teacher-made tests in mathematics during the fall semester and 43 percent passed similar tests during the spring.

Students in ESL 6 had a 96-percent overall passing rate and those in ESL 7/8 had a 70-percent passing rate, surpassing the stated program objective.

The overall attendance rate of program students exceeded the average school-wide rate by 16 percentage points.

The bilingual basic skills program, at the South Bronx High School, in its fourth and final year of funding, provided instruction in ESL and native-language skills, as well as bilingual instruction in mathematics, science, and social studies to approximately 370 students of limited English proficiency [LEP] in grades 9 through 12. All program students were Hispanic and spoke Spanish at home, with over 70 percent from Puerto Rico.

Among the activities of this program were curriculum development and support services. Curriculum development focused on the compilation of existing materials that would be useful to program students. In additions, materials were created in the areas of world history, world culture, health science, mathematics, and Spanish language arts. Supportive services to program students consisted of individual and group guidance, career and vocational counseling, referrals to outside agencies, and occasional home visits.

Quantitative analysis of student achievement indicated that:

In general, program students met the criterion level of one objective mastered for each month of ESL instruction, as indicated by the criterion referenced English syntax test.

The gains made by program students on the New York City reading test were statistically significant.

The overall passing rate of program students in native language arts classes was 94 percent in the fall and 64 percent in the spring.

The gains made by program students on the New York City mathematics test were statistically significant.

In mathematics, the overall passing rate of program students was 53 percent in the fall and 60 percent in the spring.

The overall passing rate of program students in science classes was 61 percent in the fall and 59 percent in the spring.

The attendance of program students—87 percent—was 15 percentage points higher than the school-wide attendance.

Project BECOME, at the Sarah J. Hale Vocational High School in Brooklyn, in its second year of a 3-year funding cycle, provided instruction in ESL and native language arts, as well as bilingual instruction in social studies, mathematics, and science, to approximately 120 Hispanic and 90 Haitian students of limited English proficiency in grades 9 through 12. Twenty-six percent were born in Puerto Rico and 12 percent in the Dominican Republic. The rest



of the Hispanic students were born in Central and South America; all spoke Spanish at home. Slightly more than 40 percent of the program students were born in Haiti and spoke French/Creole at home.

The program's philosophy was one of transition, equipping students with the skills needed to continue their education or to enter the occupational world in the areas of business, cosmetology, or the health professions. In support of these goals, curriculum materials were developed in Spanish for mathematics, science, and social studies. Supportive services to program students consisted of formal and informal personal and academic counseling, job assistance, home visits, and referrals to outside agencies. In addition, program staff maintained contact with mainstream and vocational faculty in an effort to monitor the academic progress of program students.

Quantitative analysis of student achievement indicated that:

Overall, both Spanish- and Haitian-speaking program students mastered one criterion referenced English syntax test objective per month of instruction, this meeting the criterion set as the program objective.

On the test of proficiency in English language skills, both Spanish- and Haitian-speaking program students made gains which were statistically and educationally significant.

Gain scores on the Prueba de Lectura were statistically and educationally significant at each grade level.

On the Test de Lecture, Haitian-speaking students made gains which were determined to be of moderate educational significance. The large gains made by 10th-grade students were also considered to be statistically significant.

The gains made by Spanish-speaking students on the New York City arithmetic computation test were both educationally and statistically significant for the 9th, 10th, and 12th grades.

The gains made by Haitian-speaking students on a teacher-made instrument of mathematics achievement were statistically and educationally significant.

In general, both the Spanish- and Haitian-speaking program students performed well in the content-areas of mathematics, science, and social studies with overall passing rates increasing from fall to spring.

In native language arts courses, Spanish- and Haitian-speaking program students generally achieved high passing rates in both the fall and spring.

The attendance rate for the bilingual program students was higher than the overall rate for mainstream students.

In its first year of a 2-year funding cycle, the bilingual academic and career orientation program at George Washington High School in Manhattan offered bilingual instruction and supportive services with a career orientation focus to 250 Hispanic limited English proficient students in grades 9 through 11. Program students were all Hispanic and spoke Spanish at home, with approximately 81 percent born in the Dominican Republic.

Quantitative analysis of student achievement indicates that:

On the average, students mastered more than one objective per month of instruction as measured by the criterion referenced Eng-

lish syntax test, and succeeded in achieving the criterion set as the program objective.

Overall, students who took the high school equivalency tests in Spanish reading, writing, and mathematics met the criterion of a 65 percent passing rate set as the program objective in both fall and spring.

In general, students who took teacher-made examinations in mathematics, science, and social studies courses taught bilingually received overall passing rates which ranged from 56.5 percent in social studies in the fall to 88.3 percent in science in the spring. In all of the content areas, there appeared to be a positive relation between grade and student performance: the higher the grade, the higher the percent passing.

Overall, 96 percent of the students enrolled in mainstream content-area courses taught in English and who received services from the program, passed teacher-made examinations in those areas.

The average attendance rate of program students surpassed that of the school by 21.7 percentage points.

In Queens, the Grover Cleveland High School basic bilingual program, during its third and last year of title VII funding, offered instruction in ESL and native language skills in Italian and Spanish. In addition, bilingual instructional offerings in science, math, and social studies were available to the 142 limited English-proficient participating students.

The program's major goal was to promote the acquisition of English language skills needed for mainstreaming within a 2-year span while nurturing a strong personal and ethnic identity in the student. This policy was advanced by placing entering students in major subject-area classes in which instruction was conducted in both the native language and English with most texts and materials in English.

Quantitative analysis of student achievement indicated that:

In general, both Spanish-speaking and Italian-speaking program students mastered at least one objective per month on instruction on the criterion referenced English syntax test, during both the fall and spring semesters.

The overall passing rates of Spanish-speaking program students in the content areas in the fall ranged from 75 percent in science to 89 percent in mathematics. In the spring, the overall passing rates ranged from 67 percent in mathematics to 90 percent in social studies.

The overall passing rates of Italian-speaking program students in the content areas in the fall ranged from 78 percent in social studies to 86 percent in science. In the spring, the overall passing rates ranged from 50 percent in mathematics to 89 percent in science.

In native language arts, the overall passing rate for Spanish-speaking program students was 92 percent in the fall and 76 percent in the spring.

For Italian-speaking program students, the overall passing rate in native language arts was 100 percent in the fall—4 students—and 86 percent—7 students—in the spring.

The attendance rate of the program students was 5.9 percentage points higher than the average school-wide attendance percentage.

I would like to share with you some of our successes, individual successes, because we examined bilingual education in the analyzed data. We reviewed written reports, we consult the experts, and we hear many statements, but how often do we stop to look at the persons most directly affected by the program, that is the individual student.

I will conclude my testimony by sharing a few success stories of some boys and girls from the bilingual education program in Rochester, N.Y.

First, the three Korean sisters, Chung Son No, Som Me No, and Som He No, taught fellow students and faculty members all about Korean culture. They also received perfect attendance awards and were commended for consistently making the honor roll during the past academic year.

The second one is Hoang Le who was a triple honor recipient this past year. One honor was for his superiority as a math student; the second for perfect attendance; and the third was a Harvard Book Award for highest ranking young man in the junior class category.

He also received an honorable mention for his athletic ability, as a member of the varsity swim team.

The third one, after 3 years in the program, Maria Alvarado, who is now an honor roll student, scoring within the 95th percentile in the MAT in both math and reading.

Mildred Vega won a Rochester citywide writing contest in English. She entered the bilingual program in 1978.

Hilda Martinez, who entered the program in 1980, has been recognized as an outstanding student, having gained 5 years' growth in reading in English after only 1 year of instruction.

And the list goes on and on.

I have come before you today with many different kinds of success stories—the success stories of Hispanic educators who have become school superintendents, vice presidents of boards of education, assistant commissioners; I have shared some of the impressive evaluation results of title VII programs in New York State; and I have proudly proclaimed the outstanding accomplishments of specific students in but one city in New York State.

I have come before you today with many different kinds of success stories, but I know that I do not have to remind you that there still remain many problems to be solved. Bilingual education will continue to be one important avenue to success for linguistic minority students, if we do not lose sight of the importance of conceptual development through the native language, and the teaching of the native language as well as English, with two languages for everyone; if we will only view bilingual students as an asset not a liability; if we continue to hope and to fight and to care. I will, will you?

I thank you.

Mrs. HALL. Thank you. Our next speaker is Dr. Lopez, director of California State Department of Education.



**STATEMENT OF DR. GUILLERMO LOPEZ, DIRECTOR OF  
CALIFORNIA STATE DEPARTMENT OF EDUCATION**

Dr. LOPEZ. Thank you very much, Madam Chairwoman and members of the committee. My name is Guillermo Lopez, and I am the chief of the office of bilingual bicultural education in the California State Department of Education. The department administers the public school system in California which includes 58 county offices of education and 1,042 local educational agencies with 4,702 elementary schools and 2,209 secondary schools.

The total student enrollment in these schools is 4.1 million. Many of these students are limited English proficient pupils. The State educational agency, a number of our school districts, and many of our LEP pupils have benefited from the assistance provided by title VII of Elementary and Secondary Education Act. I am pleased to have this opportunity to testify on the future direction of that legislation.

The education of the LEP pupils is of great importance for the State and for the Nation, especially as a number of LEP pupils increases, not only in our State but in our country.

In California the increase in the number of LEP pupils is related to the general State populations.

During the 1970's the State of California experienced an explosive population growth. In 1970 the total State population was 20 million. By 1977 the population grew to 22.7 million and was 2.3 million in 1980 according to the census. That figure is projected to be 26.5 million by 1990.

The growth from 1970 to 1980 is attributed mainly to demographic changes in racial and national origin minority populations. These populations comprised 20.5 percent of the population in 1970, and 31 percent in 1980. Various studies project that these groups will comprise at least 55 percent of the State population in 1990. Those are tremendous growths and demographic changes, and they are also reflected in the school population.

The Anglo student population in California decreased from 74.7 percent in 1967, to 63.8 percent in 1977, to 59 percent in 1980, and is projected to be about 44.3 percent in 1990. At the same time, the NOM student population rose from 25.3 percent in 1967, to 36 percent in 1977, and is projected to be about 55 or 56 percent in 1990.

Closely associated with the trends in demographic changes in the schools are the growing number of LEP pupils. The number of LEP pupils has increased 58.6 percent from 288,427 in 1979 to 457,542 in 1983. Among this group Hispanics now number 337,141, or 73.7 percent and Asian groups account for 19 percent.

Questions are generally asked as to why the tremendous growth in that number in our State. There is generally three answers to that. One, of course, is California is so close to the border of the South, the Pacific Ocean is the main avenue for people from the Pacific. That is one of the main reasons. The second reason is the national policy on the refugees. I would say that 35, if not 37 percent of all the refugees that come from Southeast Asia also settle in our State. More importantly, I think these last few years, as we have learned how to better identify with diagnosed relative profi-

ciency in English, as well as in primary language, and the role that these components or factors play in learning and achievement.

As we learned more about that identification and diagnosis of relative strengths and the importance of that in learning and education, this contributes to more effectiveness in the identification of LEP pupils.

The growth in these numbers is of great importance to us. Pursuant to Lau, we attempt to safeguard the civil rights of these students, and we support bilingual education.

The State has adopted its own landmark status in support of bilingual education, but like the institutionalization of any educational approach, this is not accomplished easily. As in other States, bilingual education in our State has been beset by the number of problems, including a lack of adequate funding, shortages of qualified teachers, and insufficient and inappropriate materials.

Despite these obstacles, I think it's safe to say that bilingual education is becoming mainstream education in our State and has been acknowledged as the foremost educational strategy to meet the needs of these 457,000 limited English proficient pupils. A good part of that success story goes to the support provided by title VII of this act.

The bill currently before you would allow school districts seeking title VII funds greater flexibility in selecting instructional strategies to meet these needs. That is to say something other than bilingual education.

I heartily endorse the concept of giving educators at the local level both the freedom and responsibility to make program decisions for the students in their schools. For example, in our State law there is a great deal of flexibility. There are six clearly defined program options that schools may choose from. One of the options even allows a good deal of experimentation if the applicant, the school district in this case, can strongly support taking that type of an experimental approach, and can cite a good amount of literature that would seem to support that approach.

However, I think a balance must be struck between the flexibility and the obligation of Federal and State decisionmakers to protect the rights of language minority students. The right of the language minority students is that they receive instruction in a comprehensible manner.

There is one obligation that we as policymakers, or who are advising, on policy should constantly keep in mind. It's the right in an LEP pupil to receive a comprehensible instructional program.

Now, the bill before you proposes other alternatives than bilingual education. This is a major shift in policy. There is an ever-present danger that unless those policy decisions are based on the best available educational research and evidence, that many language minority students will again be offered only the alternative of sink or swim English-only submersion which has had such tragic consequences in the past.

Secretary Bell has stated that it was not the administration's intent to let the bars down, nor to fund "any half-baked plan," and that districts seeking title VII grants to implement an approach other than bilingual education would have to supply evidence that the alternative approach had a high probability of success.



The Secretary goes on further to state that such evidence already exists for two alternative approaches, English as a second language and immersion. Quite frankly, I find the available evidence for these two approaches less convincing, and I wish to share those concerns with you.

Let me begin with the ESL, or English as a second language. A program based on the notion that concentrated instruction to develop English language skills will help students learn English more quickly and not fall behind in subject areas taught in English.

ESL has always been a component of bilingual programs, and it is difficult to find many programs that demonstrate the effectiveness of ESL in and of itself as a sole alternative.

There is one such program that has been widely publicized, and it seems that the Secretary is relying most heavily on that. I am, of course, referring to the Fairfax County Public Schools' ESL program. While I congratulate the educators in Fairfax County, I seriously question, for a number of reasons, the generalizability of their work to most situations throughout the country.

First, the cost of the Fairfax County program is well beyond that means of most local school districts. At the start of the program, the average per pupil expenditure in the district was almost \$2,700, and with students in the ESL program receiving an additional \$750 per student of additional support.

By comparison, the average per pupil expenditure in California was \$2,100.

Second, these high levels of funding allow Fairfax County to establish a pupil-teacher ratio of 12 to 1. With that type of a pupil-teacher ratio, almost any educational program will be successful. Most of us struggle with 30 if not 35 to 1.

Third, Fairfax County provided a tuition free summer program for its LEP pupils. That is a luxury which those of us in California can no longer afford.

Finally, and most importantly, there are some real questions that remain about the success of that program. The results of the program were reviewed for the Department of Education by the Office of Planning, Budget and Evaluation. The reviewers concluded, and I quote:

While the Fairfax County program is very successful when looked at in terms of gain over the school year, there are grounds to question whether students reached a level of performance at which their lack of English skills was no longer holding them back in school.

The evidence put forth by the Department of Education for the immersion alternative is no more convincing than that presented for ESL. It seems that officials, as well as many educators throughout the country, are wanting to take advantage of the successes experienced by our Canadian colleagues that is so widely reported in the journals. A word about the Canadian immersion programs and what we educators in California and the country are trying to do.

Immersion programs were originally developed in Canada in response to the pressure from upper-middle class English speaking parents who felt their children would need to be bilingual to succeed in Canada, and that the type of French as a second language instruction they were being offered was insufficient to achieve French-English bilingualism.

These parents understood that, given the prestige of English in Canada, their children could be schooled in French at no expense to their English skills. After 5 to 7 years of immersion instruction, their children have acquired near-native skills in French while achieving at our above grade level norms in English.

Two points need to be made about the Canadian immersion programs before we examine it more fully. First, they have shown that immersion is a viable technique for teaching majority language students a minority language. Canadian researchers make no comparable claim about the viability of immersion as an approach for minority language students learning the majority language.

I would like to provide at this time a series of papers that have been commissioned by the California State Department of Education with the assistance of title VII. There will be a series of six papers entitled "Studies on Immersion Education, A Collection for U.S. Educators." Three of the papers are written by Canadian researchers, starting with Fred Genesee who delineates the historical prospectives of how the immersion papers were generated.

The second is by Jim Cummins and Sharon Lapkin who describe from board level to central office to school levels what an immersion program is in Canada, and not anything else we in America would choose to say it is.

The third paper is a summary of 10 years of research by Merrill Swain on the Canadian experiments. The fourth one will be a paper by Dr. Russell Campbell from UCLA on the status of immersion programs for language majority students in our country.

The final paper by Eduardo Hernandez Chavez will cite the important historical factors and see how they apply to language minority students, which is entirely different. We in the California State Department of Education have great hopes that this research will shed some light on what it—immersion—is and is not, and what the potentials are, so we don't waste another series of generation of kids under erroneous assumption.

I would like to quote one thing from Wallace, Lambert, and I quote:

The story is completely different for language minority young people. Immersion programs were not designed or meant for ethnolinguistic groups in North America who have some language other than English as the main home language. To place such children in an all-English instructional program would be to reverse the immersion process in a harmful, subtractive way. Their personal identities, their early conceptual development, their chances of competing or succeeding in schools or in occupations and their interest in trying to succeed would all be hampered by a reversed immersion-in-English program.

The claim that there is sufficient evidence to support immersion as an alternative to bilingual education seems to be based on one evaluation study of a small immersion program in McAllen, Texas, after only 9 months of program implementation at the kindergarten level. To base national policy for better than 3.6 million language minority students on the inconclusive results of a program for 78 kindergarten students is very premature.

What then are my recommendation to you as you consider this bill? Although I remain steadfast in my conviction that bilingual education is the preferred educational program for language minority students in the United States, I am equally committed to educa-

tional innovation to meet local needs and conditions. If there are alternative approaches to bilingual education, those approaches should be explored and carefully evaluated. I believe, therefore, that four program options might be made available to local school districts seeking title VII grants, and that these four allowable options be clearly defined either in statute or regulations.

One, transitional bilingual education. There is a wealth of empirical data that supports the transitional bilingual education. Some studies may say that it is not consistently uniform, but the important thing to learn from that statement is when they are effective, what are the factors? What are the variables that affect them? That is the question to learn from that particular premise.

I would like to leave with the committee a summary of the research that was commissioned by our State department of education with the assistance of title VII, that synthesizes the research on bilingualism over the last 10 years, written by experts who have consistently and with high quality contributed to the research. We have used this as the basis, as the theoretical foundation of bilingualism in our State, and it's being used throughout. I would suggest that if we emphasize the programs that work and take a look at why they work, and not the others, and try to replicate the successes, we will find that there is a great deal of consistency. I would like to leave a copy of that as well as the digest of this for staff use later on.

There is ample evidence that is cited again and again. If our intent is to replicate successes, we in California are attempting to do it by providing the guidance to use consistent program components within that flexibility.

A second option that could be made available by the Congress is full bilingual education. Mention has been made already by other speakers that historically the United States has been guilty of squandering its linguistic resources. Almost invariably, newcomers to our shores have lost all proficiency in their native language by the third generation. We sometimes stamp it out in the early grades, and spend a lot of money in the secondary grades for them to acquire a second language. Every now and then comes the college recommendation that 2 or 3 years of a foreign language be requirements.

On the one hand we stamp it out early, and then spend money to build it up afterward. That is inconsistent policy and a waste of human resources.

A third alternative that could be considered is ESL only. I wish not to be quoted out of context on this one, but I do believe that in limited instances, especially with young adults who come to our secondary schools, a goodly number already come with good basic skills development in their primary language. That means including reading and writing, so one doesn't have to start from scratch.

A fourth option that I would suggest consideration of are experimental alternatives. There may be other options that have merit and applicants who can make a sufficiently strong case for experimentation should be considered. This raises another issue to be addressed, the inadequacy of title VII evaluations have been acknowledged by numerous studies. I would hope that a carefully planned external evaluation of approved projects be thought of in



advance and very well planned. The necessary contractual arrangements for such an external evaluation should be made well in advance of the approval of applications to carry out alternative approaches so that we might know not only the outcomes of such projects, but also how they were implemented, if implemented at all. I want to stress those latter portions.

So often we are so concerned with the outcomes or the achievement which are important, but as the other speakers also alluded to, little attention is paid to whether the program is implemented as designed. We take a look at achievements and results simply because they use bilingual money, but not if they implement a bilingual program.

Of the four options herein described, it seems clear that the weight of empirical evidence supports not limiting the number of transitional bilingual education or full bilingual education applications approved for title VII funding. The same cannot be said of the latter two options. Until sufficient evidence is available for those options, the department of education should only approve a limited number of the most promising and carefully developed applications for alternatives to bilingual education.

The increased range of program types that might be founded raises another issue that needs to be addressed—program evaluation. The inadequacies of title VII evaluations have been acknowledged by numerous studies. If, I hope, a major purpose of the proposed legislation is to help us understand which approaches work best with which language minority students under what circumstances, then it is crucial that provisions be made, in law, for a carefully planned external evaluation of approved projects. The necessary contractual arrangements for such an external evaluation should be made well in advance of the approval of applications to carry out alternative approaches so that we might know not only the outcomes of such projects, but also how they were implemented, if implemented at all.

Some comments on the funding level is also in order. At a minimum, a funding level of \$300 million is needed. Given the changing demographics in our State, there is a greater need than ever for Federal assistance to school districts to build capacity. There is also a parallel need to train bilingual teachers, and paraprofessional aides.

The proposed amendments change project staff requirements by providing that only instructional personnel who are proficient in English may be used, and that instructional personnel who are proficient in the native language of the LEP students shall be used to the extent such personnel are available.

The purpose of the proposed amendments is to insure that projects are staffed by personnel proficient in English. Although the purpose may seem laudable, there is no pedagogical reason for its inclusion and it would, in fact, restrict the flexibility of LEA's to staff programs with the competent individuals available.

The section should be changed to read: "The program will use the most qualified available staff including staff who are proficient in English or the native language of the LEP pupils or both as is appropriate to the proposed program."

I would like to conclude my comments with a request that State educational agencies be given a stronger role in the approval process for title VII applications. Heretofore, the State agencies have been required to review all of the applications from their States, but it is my opinion that the final approval process operates independently from this State review.

Any alternative approach to bilingual education must be based on well described local conditions. It makes sense, then, that State educational agencies are in the best position to evaluate the accuracy of those descriptions and the appropriateness of the proposed title VII projects.

In advocating an enhanced role for the State agencies in the proposal review, I want to make it clear to members of the committee that my remarks should not be construed as support for a diminished Federal role in protecting the education rights of language minority students in this country. In education, the Federal Government has been traditionally called upon to defend the rights of our least advantaged citizens, and I see no reason for that role to be abandoned now.

Thank you.

Mrs. HALL. Thank you very much. I do want to thank you for bringing the reports with you. I was going to ask about the bilingual report. Thank you very much. We are so pleased to get so much good information. It sounds very interesting about what you are doing in California, and it's quite possible that this committee will be interested in coming out there to really observe some of this in the future. It sounds real good.

Dr. LOPEZ. I should like to pursue the invitation.

Mrs. HALL. Thank you very much.

Our next speaker is Dr. Keith Baker, editor, "Bilingual Education: A Reappraisal of Federal Policy."

#### STATEMENT OF KEITH BAKER AND ADRIANA de KANTER, EDITORS, "BILINGUAL EDUCATION: A REAPPRAISAL OF FEDERAL POLICY"

Ms. DE KANTER. I am Adriana de Kanter. Keith and I are coeditors of the book you are referring to, and we've put together a joint statement.

We wish to thank you for the opportunity to address this subcommittee on the topic of research in bilingual education. I will begin our joint testimony and Dr. Baker will complete our statement. First, it honors me to speak of a topic about which I have a special understanding—bilingual education.

Madam Chairman, Mr. Martinez, Mr. Corrada, and Mr. Leland, I was raised in a Spanish-speaking household. My father was a Mexican citizen when my parents moved to the United States, as were my brothers and sisters who were born in Mexico. Immigration laws were different in the early 1950's, so that while my mother was an American citizen, her children were not.

My oldest brother spoke poor English when he came to this country. Consequently, he had trouble in school. My parents, who were bilingual, spoke English in our home to facilitate his learning. Still there were problems. For example, when his teachers assigned him



homework, he would come home and sweep and dust and mop. His teachers accused him of not doing his homework; his written assignments were not turned in. He, of course, did not understand their unhappiness with him. He did not like school.

Incidents such as these continued throughout his early years. Today, Madam Chairman, he is an electrical engineer serving as a captain in the U.S. Army. Soon he will be promoted to major.

Now, many of you gathered here today may be expecting me to say next, "My brother made it so other children can make it, too." This is definitely not the point I wish to convey. My theme is that children from language minority backgrounds have special needs. These needs must be met. However, no two children are alike, nor is their background. An education program that works for one child may not work well for another. Perhaps my brother would have responded well to a bilingual education program. Maybe he would not have. His story is over now, but the story of many other children is only beginning.

After rearing four children, and seeing them through college, my mother received one of the first title VII teacher training grants available from the Department of Health, Education, and Welfare. This grant enabled her to complete a doctorate in bilingual education. She was committed to assisting language minority children make the transition from their home language to English after having experienced firsthand the problems of her own children.

Since 1979 she has been a bilingual education teacher trainer in Houston placing many young people into bilingual education training position in the greater Houston area. As Oscar Cardenas, director of the Texas education agency's State bilingual education program, can confirm, she is an active member of her profession and she believes in what she is doing. And so do I.

You may believe by now I have strayed far from my intended topic—research in bilingual education—but bear with me please. I have come to the second point on why I believe testifying is so important. I am a graduate of the Lyndon Baines Johnson School of Public Affairs where students are trained for careers in public service. The LBJ School taught the tools of policy analysis—such as survey research, economics, and ethics. We were privileged to study under some of the finest public servants this country has ever know—Wilbur Cohen, the father of social security; John Gronowski, former Postmaster General during the Kennedy administration and Ambassador to Poland under LBJ; and Hon. Barbara Jordon who represented the State of Texas in this House of Congress. Under such tutelage, we were taught to do our best.

Each student who graduates from the LBJ school takes part in policy research projects which involve analysis of a relevant policy issue. My research project involved the implementation of civil action No. 5281, *U.S. v. Texas*, which is the court order to desegregate Texas schools and to implement bilingual education.

What the LBJ school taught me was to search for the facts and make a decision, conclusion, and recommendation based on that set of facts.

I have found since starting work in Washington that public policy is too frequently made on the basis of no information, misinformation, only part of the information, or on old information.

While decisionmakers may be well intended and wish to make the best policy for the public good, such policy should not be made without examining the facts. Without examining the facts, misrepresentation of the issues are to be expected and misperceptions of the problem run rampant.

This is what has happened in bilingual education research.

Madam Chairman, we are pleased to appear today to set the record straight as to what the Baker/de Kanter report says and does not say. Both advocates for bilingual education and foes against bilingual education have distorted our findings to further their points of view. This has happened often and from many different types of persons who live in many different parts of the country. We would like to share with you a few examples of these distortions before discussing with you the findings and conclusions of the Baker/de Kanter report.

Earlier this year a bilingual education advocate in Illinois made several misleading statements in a newsletter published by the National Association for Bilingual Education. First he alleged that our report was a "Vehicle of the Reagan administration for discrediting and disenfranchising bilingual education." In fact, Madam Chairman, our report was done for and at the request of the Carter administration. Then he alleged that "Baker and de Kanter claim that their efforts were independent of Federal Government sponsorship." Both of us work for the Federal Government and the Baker/de Kanter report was written as part of our job. It would be impossible to make claims that the report was written independent of the Government's sponsorship. Obviously, we make no such claim.

Rudolf Troike, a well known advocate of bilingual education, testified before the Illinois State Board of Education that:

Adriana de Kanter publicly disassociated herself from the report and its conclusions, saying that she had been required to give assent to it by the office in which she had formerly worked, even though she disagreed with the conclusions.

Madam Chairman, none of this is true. After the Illinois State Board of Education checked Dr. Troike's allegations with us, which were false, Dr. Troike recanted this part of his testimony and apologized for stating as fact something that was hearsay.

Perhaps the most amazing misinterpretation of the Baker/de Kanter report was a monograph written by Hernandez-Chavez and others in 1981. This monograph, published by the cross-cultural resource center of Sacramento State University purports to be "A response to the widely circulated de Kanter/Baker (sic) draft report, 'The Effectiveness of Bilingual Education: A Review of the Literature' issued for the Assistant Secretary of Planning and Budget of the Department of Education."

Madam Chairman, Hernandez-Chavez et al. acknowledge in a footnote on page 1 of their monograph that they never read the report. What these reviewers seem to have read were some of our preliminary research notes.

Opponents of bilingual education have misstated the findings of the report. If you read the New York Times, you know they have had a series of antibilingual education articles and editorials. With reference to our study, we believe a New York Times editorial re-

ferred to "New evidence that expensive bilingual education programs do not work."

During the same period the Houston Chronicle ran this headline: "Bilingual efforts are not paying off, studies show" and the Washington Post reported "Studies found little evidence that the bilingual education programs worked." These conclusions are those of the editorial writers and reporters. They are not the conclusions of the Baker/de Kanter report, as you will see.

Madam Chairman, others have appeared before the Congress and spoken of our report. In many cases our report has not been accurately described to the Congress. In hearings held by the U.S. Senate Education Subcommittee in April 1982, Llanes, one of the authors of the misleading Sacramento State College manuscript, says: "The report fails to find studies of successful bilingual programs in the United States." In fact, almost one-third of the studies included in our review found positive effects for transitional bilingual education.

At these same hearings, Tucker refers to Baker and de Kanter as an "unofficial study." The study was publicly released by the U.S. Department of Education along with six other policy analysis studies of bilingual education in response to legal action by the State of Texas on September 25, 1981. In April 1983, the Department sent us to present the findings of the completed study before the American Education Research Association. A summary of the final version of the report was published in the Department's official magazine, *American Education*, in July 1983. Copies are available today.

Tucker then says, "The authors claim that English immersion would be a reasonable substitute for bilingual education." Again, we invite the reader to review our conclusions and see for himself that we never make any such claim.

Finally, at the request of the Congressional Hispanic Caucus, two employees of the American Psychological Association coordinated a review of our report by several college professors. The letter to the Hispanic Caucus summarizing these reviews omitted the reviewers agreement with our conclusions.

Madam Chairman, in the remainder of our testimony we would like to cover two points. First, we will tell you how and why we did the study. Second, we will tell you what the report concluded.

Dr. BAKER. As we stated earlier, the Baker/de Kanter report began in September 1980 after the Carter administration proposed a regulation that would have mandated transitional bilingual education as the only educational approach allowed in America's schools to meet the special language and education needs of language minority students. In reviewing this proposed regulation, a White House task force asked the Department of Education whether mandating a single approach, transitional bilingual education, was justified in terms of its educational effectiveness. We were assigned the task of answering that question. To do so, we reviewed all the evaluation studies of transitional bilingual education and other instructional alternatives we could find within the timeframe we were given.

At this point it would be useful to briefly describe the major instructional alternatives for teaching language minority children. We find that these terms are often misused.



**Submersion:** Language-minority children are placed into an ordinary classroom where English is spoken. There is no special program to help them overcome the language problem. Submersion is aptly described as "sink or swim." The minority home language is not used at all in the classroom. An all day submersion program is illegal under the *Lau* decision.

**English as a second language.** ESL students are placed in regular—submersion—instruction for most of the day. During part of the day, however, these students receive special instruction in English. This extra help is based on a special curriculum designed to teach English as a second language. The non-English home language may or may not be used in conjunction with ESL instruction.

**Immersion:** Instruction is in English, as in the case of submersion, but there are important differences. The immersion teacher understands the non-English home language. The immersion teacher may occasionally use the non-English language to clarify instruction, but generally teachers only speak in English. Furthermore, the curriculum is structured so that prior knowledge of English is not assumed as subjects are taught. Content is introduced in a way that can be understood by the students. The students in effect learn English and subject content simultaneously. Immersion differs from transitional bilingual instruction in that the home language is not used by the teacher for formal instruction, except where it is a subject, and subject area instruction is taught in English from the beginning of the program.

**Transitional bilingual education:** Reading is taught in both the non-English home language and in English. Subject matter is taught in the non-English home language until the students' English is good enough for them to participate successfully in a regular classroom. ESL or immersion methods for part of the day are often used to help minimize the time needed to master English. Use of non-English home language instruction is phased out as regular English instruction is phased in. TBE is differentiated from the other approaches by the use of the non-English home language for instruction in nonlanguage subjects.

It is important to remember that our report is not an across-the-board analysis of the effects of bilingual education. We addressed a specific policy question which imposed some limitations on what we did. Since we were addressing a question of Federal policy, we only looked at the effects of bilingual education on learning English and on achievement in other nonlanguage subjects. Other possible goals for bilingual education, such as improved performance in the non-English language, were not considered since they are not Federal policy objectives.

In reading these evaluation studies, we had to make two decisions. First, we had to decide if the study under review had employed a scientifically sound methodology. In plain English, could the study be believed? We found that almost 80 percent of the studies suffered from such serious methodological flaws that no confidence could be placed in what was reported. This left us with 39 studies to consider further.

We have been criticized for being excessively harsh in how we judged the studies. However, we have identified five other reviews of this literature and they all had more stringent criteria than

ours. We found a higher proportion of acceptable studies than did any of the other reviews. The most stringent review, Zappert and Cruz, found 97 percent of the bilingual evaluations were scientifically unacceptable.

The second question we asked was what do these 39 believable studies tell us with respect to the question the White House asked? Should transitional bilingual education be mandated?

Madam Chairman, I would like to read you, word for word, the first conclusion of the Baker/de Kanter report. We made this the first conclusion because we think it is the most important conclusion that can be drawn from this research literature. That conclusion is:

Special programs can improve achievement in language minority students. The literature we reviewed indicates that special programs designed to overcome language difficulties in school can improve the achievement of language minority children . . . note, though, that while special programs have been shown to be effective, this conclusion says nothing about the effects of any particular instructional approach.

We based this conclusion on a number of studies that demonstrated improved performance—often dramatic gains—for several instructional methods. Transitional bilingual education was represented in these studies, although successful programs were not limited to transitional bilingual education. Successful examples of maintenance bilingual programs, immersion and English as a second language-only programs were also found.

At the time we reached this conclusion, Federal policy allowed only transitional bilingual education. Since we had found evidence that not only transitional bilingual education, but also several alternative instructional methods worked, we were led to our second conclusion:

Federal policy should be flexible. For more than a decade, Federal policy—as expressed through title VII legislation, title VII funding decisions, OCR implementation of the Lau remedies, and the August 5 notice of proposed rulemaking—has emphasized transitional bilingual education to the virtual exclusion of alternative methods of instruction. We found through our analysis that this policy is not justified on the basis of educational effectiveness. While transitional bilingual education has been found to work in some setting, it has also been found ineffective and even harmful in other places. Furthermore, both of the major alternatives to transitional bilingual education—structured immersion and English as a second language—have been found to work in some settings.

Madam Chairman, the message of the Baker/de Kanter report is simple. Schools can do a lot to help children who do not speak English, but transitional bilingual education is not the only way they can do it. Transitional bilingual education is one of several approaches that schools could use.

Madam Chairman, our conclusions are not unique. Other researchers agree with our conclusions. We would like to share with you the conclusions reached by other researchers:

Despite the continued and widespread support for conducting instruction in the vernacular or mother tongue, there is little evidence that this approach is more efficient than conducting instruction in a second language.

Another researcher found:

Indeed, because of the different needs of different children, it now seems clear that there is no single model of bilingual instruction that is the most effective.

Yet another scholar concluded:



There is, therefore, no legal necessity or research basis for the Federal Government to advocate or require a specific educational approach.

In 1975, Engle found the research literature did not confirm the supposed superiority of instruction in the native language.

A recent meta-analysis of over 1,000 evaluations of bilingual education programs was inconclusive about the effects of transitional bilingual education.

At the request of the Congressional Hispanic Caucus, two staff members of the Ethnic Minority Affairs Office of the American Psychological Association wrote a letter of comment on our report. Nowhere does their letter disagree with our conclusions. In fact, in the backup materials summarized by the letter, one commentor states:

My recommendations about legislation agrees with that made by the authors of the review. I agree that "too little is known" to recommend any single approach to bilingual education, and this also means the Government should not recommend exclusive adoption of the transitional bilingual education approach.

Another commentor stated:

It is essentially correct to conclude that the 1980 proposed rules which would require transitional bilingual education are overly restrictive, since there is no one most suitable educational approach which can adequately meet the needs of most linguistic minority children.

None of the APA reviewers disagreed with our conclusions. The letter to the Hispanic Caucus did not report these facts.

Dr. Richard Tucker, director of the Center for Applied Linguistics has concluded:

The center does not, however, believe it is appropriate or useful to prescribe only one educational option for all youngsters. The important point is that the local school system, working together with teachers and parents, who must be given an active voice in educational decisions, to be able, in our view, to develop educational programs to meet the needs of a rapidly changing student body.

Madam Chairman, our conclusions are not unique. The facts on which we based our conclusions have been available in the research literature for almost a decade. The only thing unique about our report is that people are finally paying attention to what has been indicated in the research literature since 1975.

Because our report was written as policy advice for the Department of Education addressing a specific issue—the proposed mandating of transitional bilingual education—our report focused on transitional bilingual education. It is easy to take parts of our discussion out of context and misrepresent the report for that reason. It is essential in discussing the report that the discussion be kept within the confines of the policy issue addressed by the report. The report does not conclude that bilingual education has no value. The conclusions of the report is that since bilingual education sometimes fails and alternatives sometimes work, mandating transitional bilingual education cannot be justified on grounds of educational effectiveness.

Madam Chairman, there is another finding in our report that has received far too little attention. We found that bilingual education programs led to three different outcomes. Some helped children. Of that there is no doubt. Some have no effect, but others have a negative effect on childrens' learning. Madam Chairman, we hope no one would support those bilingual education programs

that harm children. The highest priority should be given to identifying harmful practices and to correcting those harmful bilingual education programs.

Madam Chairman, that concludes our testimony. We would like to leave a copy of our complete testimony and the article from the American Education that goes into our report in more detail.

Mrs. HALL. Thank you very much.

Our next witness is from the First Congressional District of Indiana, my former boss, the person who really taught me how to be a classroom teacher, the former State legislator who served in two different county offices for a total of 16 years, a former professor at County Mid College, and now the assistant superintendent of the East Chicago Public School System, Dr. Jose Arredondo.

#### STATEMENT OF DR. JOSE ARREDONDO, EAST CHICAGO SCHOOL SYSTEM

Dr. ARREDONDO. Thank you for inviting me to be here this afternoon to say a few words on behalf of bilingual education. Over the past 15 years you have heard a tremendous amount of controversy in statements made about bilingual education, and perhaps in the last 6 months other than computers coming into the classrooms, or some staggering comment from the National Commission on Excellence in Education, there is probably no other subject that has received so much attention as bilingual education.

As I said, many of these comments have brought back very fond memories, and I recall that back 21 years ago on October 2, 1962, as a young teacher in the Gary School System, I sat in my living room with the principal of the school, some parents and teachers that came to see me because they couldn't figure out how to help Hispanic children that couldn't speak or understand the English language.

It was this particular meeting and several others after that that led to the funded bilingual program in the Gary School System which was used as the model for East Chicago, Ind. and other Midwestern cities, as well as my dissertation entitled "Historical Development of the Bilingual Program in the Northern Urban Society," which was published in 1973 at Indiana University.

I was very, very interested to hear that my colleagues next to me here mentioned Lyndon Johnson. I believe it was the Lyndon Johnson School, because it was Lyndon Johnson who, on January 2, 1968, when he signed the bilingual act into law stated that this law really means that we are now giving every child of America a better chance and opportunity to reach and touch his outer most limits, to reach the farthest edge of his talents and his dreams. We have begun a campaign to unlock the full potential of every boy and girl, regardless of his race, his religion or his father's income.

Let me say to you there is no doubt in my mind, having written this 10 years ago, having participated in the development of the program 21 years ago, 1962, with people that didn't know what bilingual education was because the act wasn't signed until 1968. It is shocking to me that I hear all these comments and criticisms of bilingual education, but not one individual has presented any testi-

mony on what measuring educational academic instruments were used to reach their conclusions.

Dr. Gordon Andrew, superintendent of schools in the Gary School System, on July 4, 1971, at a meeting of the Select Committee on Equal Education Opportunity of the U.S. Senate stated:

The first year we were funded at a level of \$100,000 to which we added \$50,000 in the second year. We will receive beginning September approximately \$120,000, to which we will add another \$50,000. That enrolls about 300,000 bilingual children, 95 percent of whom are Spanish origin. The preliminary data on the progress of these children which was just received last week is extremely encouraging, and is probably the most significant in terms of progress of children that we have had from any single program in our educational system.

Again, on September 19, 1972, and I'm quoting from my dissertation:

It's in his opening remark to the faculty of the Gary School System, Dr. McAndrew stated that the average IQ of over 200 pre-school and kindergarten children in our bilingual program started 2 years ago, it has increased 20 points in the last school year alone.

The bilingual enrolling 350 Hispanic students, has been centered into elementary schools, and it's entering its fourth year. The children who begin as preschoolers now going into the second grade performing on or at least grade level in both English and Hispanic language. This, too, has not happened before. The data has shown that previously these children have always been below grade level. Early school success is essential if a child is to make a happy adjustment to school learning and is to develop a normal personality. That was in September 1972.

On October 9, 1973, 10 years ago, Ms. Katherine Hughes, the director of bilingual education presented a 45-page report from the Gary school board, 37 pages of all data and statistics and measuring instruments which were used to arrive at her conclusions, which were that children of the Gary School System in the bilingual education program were all reading better and learning more.

The testing materials that we used, and I'm not ashamed because I have not heard anybody else list any test instruments used in their programs, were the Beery visual motor inventory test, the Calwell preschool inventory test, the Goodenough Harris drawing test, the metropolitan achievement test, the metropolitan readiness test, the Peabody test of American guide service, the pupil behavior inventory test from Campus Publishers, the Torrance test, and the Wepman auditory discrimination test of language research associates. That was in 1973.

In 1972, East Chicago School System received their grant from the Federal Government, chapter VII to establish their bilingual program, a model and copy after the Gary school program.

Since 1975, the school system has been funding their own bilingual program. For the past 8 years we have paid for our own bilingual program. We started out with 6 teachers and 125 students. Today we have 950 students and 25 teachers. It is all done on a voluntary basis. We do not put anybody in the program unless their parents consent to have them come into the program.

Of the 950 students, 10 are black, and 10 are Anglo, and I have our latest statistics here from 1982. We used the Stanford achievement test to test all of these children in English, Spanish, and also



in reading and math. In every grade level, from the first grade to the sixth grade, we have 15 sections of bilingual education in kindergarten, and 5 from first to eighth grade. In testing of sixth graders we found that every bilingual student in the program, their scores were above the national norm in reading and arithmetic, and in English proficiency, they were above the national norm which was 6.8. We arrived at 7.4, and also the statistics as far as Spanish proficiency was 6.8, and our kids tested at 6.1.

The Federal Government does not pay for our bilingual program, but the city of East Chicago as well as the school administration, because 54 percent of the school system is Hispanic, have developed and implemented what I would call one of the most unique and outstanding bilingual programs in the country. It goes back to the old saying, a program is only going to be as good as the people involved in the program. You cannot develop a haphazard program and expect it to be outstanding, or to provide results.

There were some statements made earlier about certain amendments to the bilingual program, and a statement was read that we should give the funding over to other school systems and let them decide what is best for the children in the school systems. That is one of our problems, because there are too many school boards, there are too many school systems, there are too many administrators, and there are too many teachers who are insensitive to the linguistic, cultural, and academic needs of the children they are supposed to be serving. If you don't believe me, turn to the national statistics on the National Commission on Excellence in Education.

I think as an educator it is staggering to me when I read in the newspaper that 23 million adults are functional illiterates; 13 percent of 17-year-olds are functional illiterates; 40 percent of minority youth are functional illiterates. High school students score lower on standard high school tests than 26 years ago. Scholastic test scores fell more than 50 points from 1963 to 1980.

You know as well as I do, those involved in education, that education begins at birth and continues all through our lives, and I have never met any young boy or girl who came to school labeled a failure. If he failed, he failed in school because of the school.

Children come to school highly receptive to learn, and the first years of school are critical for success or failure, and you know as I know that the age from 5 to 10 are the most critical years, and to deny him the opportunity to develop English, to be able to read, to understand, speak.

What have we heard all morning? Statistics on the demographics on Hispanics in this country. Only on September 4, a week ago, Parade special magazine edition, the Intelligence Report by Lloyd Shearer, you heard it this morning, in 1980 nearly 90 percent of the U.S. Hispanics are going to be in metropolitan areas. You heard statistics like 14.6 million Hispanics all over this country, and people are talking about 2020, they are going to be the largest minority group in the country; and we are talking about cutting funding?

Yesterday I sat in my room and I happened to pick up the local newspaper. You know, and I know, that everybody is talking about computers in school. Here is an article in a local newspaper that talks about computers. It says computers will give poor kids new

handicaps. The kids that know how to use computers will have an edge over those who don't. This means unless conscious steps are taken, white middle class children will start out once more with an edge that the less affluent are going to lack.

The problems about this availability of computers, about how they intend to be used. It commented on the illegal draw and practice that intends to be done in poor schools as opposed to program writing and problem solving in more affluent schools. The University of California said one group tells the computer what to do. The other sees it as a taskmaster and the group that has the power to get ahead.

If you can't learn to read and write, how are you going to talk to a computer? Who do you think the less affluent individuals are going to be? How many Hispanics do you think are going to be able to afford a computer in the house?

We should be talking about funding bilingual education and other programs that may be helpful, not cutting back. Don't put us the 20 years behind that we have been. We are not asking for a head start. We are asking for an equal start. Thank you.

Mrs. HALL. Thank you. Our last witness is Mr. Amalio Madueno of MALDEF.

**STATEMENT OF AMALIO MADUENO, LEGISLATIVE CONSULTANT,  
MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND**

Mr. MADUENO. Thank you very much.

Madam Chairman, I am legislative consultant to the Mexican American Legal Defense and Educational Fund. MALDEF is a national civil rights organization dedicated to preserving the civil and constitutional rights of persons of Mexican and Hispanic descent. We have offices in San Francisco, Los Angeles, Denver, San Antonio, Chicago, and here in Washington, D.C.

Over the last 15 years issues concerning bilingual education and equity in education have been of prime importance to MALDEF because of their impact on our Hispanic population. I welcome the invitation to continue that dialog today. Bilingual education was created in response to a history of discrimination and neglect toward language minority students in our public schools. It is designed to teach English to students with limited English proficiency, LEP, and while they learn English, to maintain their progress in other academic areas.

Educators have known for many years that language minority children have difficulty succeeding in English monolingual schools. As early as 1930 it was documented that, in Texas, overageness and dropout rates were higher for Mexican American children than for either black or white students, and that most Mexican American children never progressed beyond the third grade. In addition, while approximately 95 percent of Anglo children were enrolled in schools, only 50 percent of Mexican American children were. The causes were considered at the time to include lack of English language knowledge, low socioeconomic status, and innacurate measuring instruments.

Today we know better. We know that the method of instruction and the type of instruction is a major element in adverse education



statistics, and that such statistics can be mitigated by effective means of teaching LEP children English while they are in school.

Some scattered attempts were made to improve the education of Mexican American children from 1920 to 1940. In 1946, recommendations were made to end segregated schools for Spanish-speaking children, improve teacher training, and improve efficiency in teaching English in Texas schools.

However, public education continued to neglect the needs of language minority students. In 1970 HEW issued its first directive on the subject of bilingual education. It required federally funded school districts to provide assistance for LEP children. That directive indicated that failure to provide such assistance, where needed, would be considered a violation of title VI of the Civil Rights Act.

From 1971 to 1974, the U.S. Commission on Civil Rights conducted a study of Mexican American students in public schools. It revealed that problems of segregation, teacher training, and language difficulty were still severe for Mexican American students in the five Southwestern States. Other Commission studies documented the continuing failure of public schools to provide Puerto Ricans, native Americans, and Asian Americans with meaningful education.

I am going over this history to remind the committee that we have come a long way in 12 years, and legislation for bilingual education has served to help hundreds of thousands of children. We are all familiar with the *Lau v. Nichols* decision by the Supreme Court.

In *Lau v. Nichols* the Supreme Court affirmed the HEW interpretation of the scope of title VI stating:

Under these State-imposed standards there is no equality of treatment merely by providing students with the same facilities, text books, teachers, and curriculum; for students who do not understand English are effectively foreclosed from any meaningful education.

Basic English skills are at the very core of what these public schools teach. Imposition of a requirement that, before a child can effectively participate in the educational program, he must already have acquired those basic skills is to make a mockery of public education. We know that those who do not understand English are certain to find their classroom experiences wholly incomprehensible and in no way meaningful.

It seems obvious that the Chinese-speaking minority receives less benefits than the English-speaking majority from respondents' school system which denies them a meaningful opportunity to participate in the educational program.

There is a tremendous need for bilingual education in this country. Hard socioeconomic realities face most Hispanic children who comprise the majority of those desperately in need of bilingual education. We are enrolled in primary and secondary schools at lower rates than nonminorities. We also have higher dropout rates from high school. Fully 85 percent of us live in households where Spanish is the sole language.

The median income of our families is more than \$5,000 below the national average for families of non-Hispanic origin, \$12,600. Our families are more concentrated in urban areas than are non-Spanish families—85 percent of us live in cities as compared to 66 percent of other families in the United States. Our families average four members—50 percent of our families have more than four per-

sons—where non-Hispanic families average three members. We are a young population; 1 of every 8 of us is under 5 years old as compared with 1 of 14 non-Hispanics. Our median age is 22 compared with 30 years for the total population. As workers we are industrious and energetic, yet we account for a disproportionate share of U.S. unemployment—40 to 50 percent more than the overall unemployment rate. We also are concentrated in low-pay, low-skill jobs.

These crucial realities contribute to and are aggravated by the problem our schoolchildren have with access to equal educational opportunity and appropriate instruction. Of the 3.5 million elementary and secondary schoolchildren with limited English proficiency, 80 percent are Hispanic. That means there are at least 2.8 million Hispanic children alone with LEP problems which hamper their ability to achieve in school. This is not to mention the American Indians, Vietnamese, Chinese, and other ethnic minorities. The current bilingual education programs serve only 213,000 children—a dismal 6 percent of the children who really need the service. This means that 94 of every 100 LEP students cannot function adequately in an English-speaking classroom. Another concern, of course, is evaluation of bilingual education effectiveness. Our interest is in improving the quality of evaluation techniques so that we can better know and define the effectiveness of bilingual education programs. The Baker/de Kanter report concerns us as an evaluation, because its conclusions are being used to officially justify funding cuts and limitations to a program that needs development and increased funding. Members of Congress opposing bilingual education have cited the report as showing that bilingual education programs are not working.

All of us agree with Drs. Baker and de Kanter, that the report is inappropriately interpreted. It does not support the interpretation that bilingual education is ineffective or not needed. At best it claims there is insufficient evidence to conclude one form of bilingual education is superior to other forms. It diverts attention from the fundamental policy issues that must be considered by Congress, such as the civil rights of language minority children, program flexibility, and the avoidance of unnecessary intrusion into local education affairs.

Our objection to the Baker/de Kanter report can be summarized in four areas. Our objection to the utility of a review of literature approach to the evaluation of bilingual education programs, the validity of the program categories cited by the study, the limitation of the number of studies used in the report—28 out of 300—and the narrowness of the evaluation goals.

The limits of the report have helped focus attention on what needs to be done. The problems inherent in the Baker/de Kanter report reflect the need for better research in the area of bilingual education. We have several recommendations. First, to fund and develop a basic methodological approach to the conduct and evaluation of bilingual education. We must develop models for each type of bilingual approach.

Second, we must fund and conduct research into the process of bilingual learning. I am sure the National Institute of Education would be very interested in funding such reports. We must conduct higher quality evaluations.

The Bilingual Education Act was designed to provide access to education for LEP children. It should be allowed to do the job it is designed to do—establish bilingual education programs in primary and secondary schools which need them, establish training programs for bilingual education personnel, develop and distribute bilingual education instruction materials, and coordinate bilingual education programs. The Bilingual Education Act is achieving these goals. States enacting laws to establish bilingual education programs have increased in number. In 1976 there were 16 States with bilingual education program laws, in 1977 there were 40, and in 1980 there were 46. Bilingual programs are showing definite success. It has taken 12 years to put bilingual education programs in place and operating. We cannot stand by and let the administration's proposed fund cutting and program alterations as presented in the so-called Bilingual Education Improvements Act, H.R. 2682 destroy the steady progress we have made toward dealing with this growing problem. It will be a tragedy for the millions of children needing access and achievement in education to live a normal and dignified life in the United States.

Though the situation is improving, there are tremendous problems to overcome. Implementation is one of them. Only 50 percent of the school districts applying for bilingual education grants have been awarded funds. In fiscal year 1982, administration cuts reduced grants by 20 percent and reduced service to LEP children. Though Congress was able to retain \$138 million for fiscal year 1983, the administration sought to cut funding to the preposterous level of \$94.5 million, and is still seeking to do so in the proposal now before us. In order to serve the millions of LEP children desperately needing bilingual education programming, we must raise the level of implementation and funding.

Opponents would have us believe that the Nation is threatened by bilingual education, that the English language is threatened, that there is something sinister and underhanded about its implementation. They would prefer that we forget the 1964 Civil Rights Act and HEW's interpretation of it to mean that school systems are responsible for assuring that students of a particular race, color, or national origin are not denied the opportunity to obtain the education generally obtained by other students in the system. Bilingual education is nothing more than teaching children in a language they understand until they have learned English sufficiently well to participate in English language classrooms. It targets and services those children who have historically been denied this very fundamental right to educational opportunity. At the heart of bilingual education is intensive English language instruction. Bilingual education is designed to teach students English and to teach them some math, basic reading, and writing while they learn English. Is it not more prudent to educate students in an understandable language than to have them sit idle 4 to 6 hours a day in English-only classrooms?

The Supreme Court recognized that it makes a mockery of public education to place children in all-English classrooms if they do not understand the language. "We know that those who do not understand English are certain to find their classroom experiences wholly incomprehensible and in no way meaningful." In its opinion



on *Lau v. Nichols*, the 1974 case involving the failure of a local school district to provide compensatory language instruction for non-English-speaking Chinese students, the Supreme Court ruled that such a failure is a violation of title VI of the 1964 Civil Rights Act, the Equal Education Opportunity Act of 1974, and the Equal Protection Clause of the Constitution.

Opponents have not backed up their allegations of the inadequacy of bilingual education with evidence. But bilingual education is strongly supported by many well-known linguists and educators who have done extensive study on second language acquisition. Critics are referred to the numerous articles and books on second language acquisition by Dr. Steven Krashen, professor of linguistics, University of Southern California [USC]. Dr. Krashen, as well as other highly respected linguists and educators, among them Dr. James Cummins and Dr. Courtney Cazden from the Harvard School of Education, have concluded after careful study that children can learn English and are not retarded in their educational development by the provision of bilingual education. Commonsense dictates that you can't learn if you don't understand. Bilingual education prescribes only the medium of instruction.

The myth promoted by bilingual education's opponents—that non-English speakers don't want to learn English—is a false and misleading tactic that misguides those who are concerned about solving the learning problems of millions of LEP children. The administration's support for the Erlenborn bill is evidence of a great lack of concern for those millions of children not served by any bilingual education program and for the hundred of thousands who stand to lose those services if such a bill is passed.

Today we are faced with the opportunity to improve and perfect a law that benefits LEP children. In effect it is an opportunity to improve and perfect our future. The children we neglect and discourage today with inadequate education will become the problems of tomorrow. The children we nourish and cultivate today with good education will become the answers to our problems. Congress must hold firm to the conviction embodied in the Bilingual Education Act that all children are entitled to equity in education. We have the opportunity to refine, improve, and enhance our bilingual education programs. We must take that opportunity now. We cannot afford to allow another generation of LEP students to suffer the injustice of discrimination in their education.

Mrs. HALL. Thank you very much.

At this time we wish to introduce to you another Member of the Congress who has joined us, the Honorable Mickey Leland of Texas.

At this time I do want to thank all of our panel members for very good information. We have a lot of questions. Obviously time will not allow us to ask all of the questions that we would like to ask.

I would like to just reecho the statements that many of you made today, that is there is no amount of money that we could say is too much for the quality of education. I am a person who has worked in the public school system and I know that when we spend money on public education, we are really investing in our future. There is no substitute for an intelligent society, and of course bilingual edu-

cation is a very important part of public education in this country. I am one who supports education for all the people, 100 percent.

I would like to ask a question of Dr. Lopez and then yield to my colleagues. I was fascinated by your report obviously. What type of inservice projects do you have to prepare your staff before implementing this kind of program? It sounds like a fantastic thing, and I know that it's good because of your staff, its cooperation, and all the people involved. How much do you spend in teacher preparation, and how much have you spent on service? Just what goes into preparing the staff for this kind of program?

Dr. LOPEZ. I wish I could answer the question with some specifics, but allow me to generalize how we are approaching it now at the very start of the school year based on what we learned the last 2 years.

The genesis of this book which synthesizes the research over the last 15 years was not by accident. I motivated the staff if we were going to provide technical assistance throughout our state to say, hey, if we are going to provide technical assistance, what does the researchers and others say ought to be the components of bilingual education. Don't call it bilingual education because a funding source of those moneys is attached to it.

After considerable research, we found out there were at least five components that everybody set out to be there, our primary language component and use, a well defined English acquisition component, a teacher who could communicate and make oneself understood, a constant yearning on the part of the staff to understand why and not just to do it mechanically was the fourth, and the fifth is parental involvement.

After a few years of doing that, there were a number of questions that we could not answer, and people kept asking more sophisticated questions, and it was the categorizing of those questions that led us to commission these papers. We asked the people who were contributing to those categories in those issues to make suggestions. This does it. What we now use is a digest of that which has the basic principles.

For example, 3 or 4 weeks ago working with Los Angeles City, we started to develop what we call multiteacher training, and we are starting with about eight cohorts of about 35 teachers each. We are starting another series in San Bernadino, Riverside, and throughout our State.

The first that we want the staff to do is make sure that all of the participants understand the research and question the synthesis and not just do it mechanically.

Then there is the time to develop material and to review what they were doing in view of the basic principles, and the research and what it says, and to make corrections. There is another component whereby they go back into the classroom and see if they can change their performance, develop the materials in view of the understanding and exchange.

Then there is a final component in our general training model where those who are doing the training now monitor whether in fact there are changes in the performance. This is just one model that we feel very comfortable with, and it's all based on our work on successes. Of course it has the trainer-teacher effect spinoff. We



are having great success with our teacher training institutions, especially those institutions that are in receipt of the SEA titles.

We are having great cooperation from the bilingual education support centers, soon to be called multifunctional centers. There is a steam rolling effect, and there is a lot of people helping us. There is a lot of people involved, and we try not to keep control over it, but to participate and encourage people to understand the basis. If I were to put a dollar figure on that, I just don't think I could. We request the participating teachers in those school districts. This is not done overnight. It takes at least 4 to 6 months, and some of those training units are into their second year of trying to further understand the complexities that the language minority child faces in schooling.

So we are going way beyond in our State. We are trying to do it according to the best empirical data. It's a tremendously challenging training model, and there's a lot of variations of it. There's a lot of agencies at all levels helping us with this. It is exciting to be part of it. I couldn't put a dollar sign on it.

Mrs. HALL. Thank you very much. At this time I would like to yield to my colleague from Texas, Congressman Leland.

Mr. LELAND. Thank you. I appreciate the opportunity. Let me first apologize for having come late. As you know, our schedule does just not jibe with being everywhere at the same time.

I just want to say I especially appreciate this opportunity of being a member of this subcommittee and what it represents, particularly in the speciality of the Hispanic Congressional Caucus holding its week-long events, highlighting the issues that confront America with problems that should have been solved years ago.

I am reminded, as I've heard all of the speakers on this panel speak on behalf of bilingual education, of my friend who is a city councilman, Ben Reyes in Houston. Once I asked him if he would stop calling this Anglo guy by a wrong pronunciation, and he said "When he stops calling me Ben Rees, I will stop calling him by a wrong name." I take a special pride in participating in this hearing and in the further struggle to try to heighten the interest of doing what we can for bilingual education. I am, too, reminded of when we were fighting for the Voting Rights Act, and Mr. McClury tried to enter an amendment to the—I'm sorry, to the Voting Rights Act—that would delete the bilingual provision. In a feeble attempt to illustrate to the Congress what it meant to not only Hispanic Americans, but also to Americans who were language Americans, but Americans who didn't necessarily speak English proficiently or understand how to read English. I spoke in Spanish. What I said essentially, and I will speak in English because I can do it better. Unfortunately I was not afforded a bilingual education and, therefore, I am not proficient in Spanish. I spoke in Spanish, and what I said was, "I choose to speak Spanish now because I want to illustrate there are thousands upon thousands of American citizens who cannot understand English. And if you are in an earshot of what I am saying and don't understand, then you should truly know that we are crippling a lot of people by not providing them the tools of being participating citizens of our country."

I had to interpret obviously for my colleagues. And fortunately they heard the cry. It was not just from what I was saying, but

rather from what the Hispanic Congressional Caucus was saying and those of us who cared, that what we were saying was to give the Hispanic people of this country, give the Asian American people and the native American people of this country an opportunity to participate. The way we do that is to provide for tools that they can use to be equal participating partners in this America. They deserve it not necessarily because of some struggle that we have made on their behalf, or the struggles that they have made on their own behalf, but rather because they are American citizens. It's time now that we expect that.

I have fought this fight now for almost 11 years, since I was in the State legislature. I am especially proud to hear what you have said. I hope that the Members of Congress who we appeal to, our colleagues, will continue to hear. They gave me a standing ovation I might add that night. I was specially proud. It was about the proudest moment I've had in the U.S. Congress, and I was proud because even though I was not that proficient in speaking Spanish, they understood what I was saying. I think we got about five votes against us on that particular amendment. The next day I used that in my campaign, not in the Hispanic community, but in the black community and the white community or whatever. The Washington Post said that Mickey Leland took the wind out of the sails of the opposition to the bilingual provision in the Voting Rights Act. So I am proud to be participating in that struggle with you to try to establish bilingual education as a monument, to be that which all citizens in this country can truly be participating citizens. Madam Chair, I thank you for holding this kind of hearing.

Mrs. HALL. At this time the Chair yields to the gentleman from California, Congressman Martinez.

Mr. MARTINEZ. I am concerned with the kinds of amendments that are being offered to this program. There is constantly a challenge to the status quo, as some people mistakenly thought there was in the Baker/de Kanter report, because those who are concerned want to be certain that the tax dollars spent on bilingual education are being spent efficiently.

Normally a challenge comes up because we don't have an established model program for bilingual education. The reason I am looking at you, Dr. Arredondo, is because it seems like you have in your home base a very successful program. It sounds like in California they are going to come up with the same thing.

I am wondering have either of you ever talked about your respective programs?

Dr. ARREDONDO. I have never seen him until today.

Mr. MARTINEZ. I make the challenge that too many times the Government enacts a program, but never monitors it to see how successful it is. Subsequently, they hire consultants to do a study. As you stated, they don't look at the right things. They don't ask the right questions, and how are they going to get the right answers if they don't ask the right questions? The right questions in this case are just what you stated: How successful has any program really been in terms of what it's supposed to accomplish, getting people up to a minimum reading level, or even surpassing that reading level, or how much they can accomplish from what they learn from those classes. There are ways to measure it.

In regard to the reports, and this is not a derogatory statement, you made no reference to the kind of measurements used in your study. It's because you were given mandates of what you should find out. I think that sometimes, in a responsible way, we should go beyond what the mandate says, because in order to get a true answer to that mandated question you have to ask other questions and go a little further.

What I am wondering is if your program has been so successful and you seem to have so many measurements, why hasn't anybody, let's say in Congress, asked for that information, or had you present that information?

Dr. ARREDONDO. I will be more than happy to.

Mr. MARTINEZ. I think the committee should have this information when questions are asked as to how successful a program is. When we are challenged as to the success of a bilingual education program, whether it's necessary or not, it is important that those of us who support it can answer with factual information.

Dr. ARREDONDO. In all of our educational systems, the first, second, and third is taught by one Hispanic teacher and one non-Hispanic. All the others are taught by a Hispanic individual who is certified in elementary education with an endorsement in bilingual education.

Mr. MARTINEZ. I think it has to be pointed out that you have done this on a voluntary basis and without Federal assistance. Just think what Federal assistance could do for a lot of districts that are lacking in funds.

Dr. ARREDONDO. We are open for discussion.

Mr. MARTINEZ. There are a lot of people, administrators as well as teachers, that are not sensitive to the needs of those with that peculiar problem, the language barrier. I think that is something that only a mandated program can overcome. I really enjoyed your testimony and I would like to talk to you further on it.

Mrs. HALL. Thank you. At this time I wish to yield to the gentleman from Puerto Rico, Congressman Corrada.

Mr. CORRADA. Thank you very much. I would also like to add my word of congratulations to all of you for your excellent presentation today. May I say as far as the information to be derived by this subcommittee, the information provided by you today will be helpful to me as a member of the House Education and Labor Committee, and specifically the Subcommittee on Elementary, Secondary, and Vocational Education. It is the subcommittee that has jurisdiction on the question of reauthorization of the bilingual education program, an issue that we are currently facing through public hearings. I hope also—some of you have already testified in those hearings. I hope those who have not testified yet will have that opportunity very soon.

Basically the situation we are facing now is concerning educational, pedagogical and sociological questions pertaining to it, and that there is a proposal by this administration that the bilingual education should be reauthorized by making certain changes to it. Three of the changes are as follows: First, a 5-year cap on funding to each school district, regardless of whether a need exists in that district. Second, the elimination of the requirement of native language instruction. Third, and there is much feeling about this one



causing the fiscal year 1984 funding for title VII to fall from \$139 to \$94 million. That is reduced by \$45 million. Of course, some may disagree about methods. I don't think there is much disagreement about what the intentions may be when you are proposing that a program should be cut by \$45 million from a very modest \$139 million, when there is a growing eligible population and, second, tremendous demographic shifts, which will continue. No matter what policy is enacted here in these halls, people are there. The constraints of those who provide services are real. As the gentleman has said before, this is no time to cut. It is time to be sensitive to the need, the changes in our country, and provide us the opportunity to be equal participants in this Government of ours. It would be disastrous.

Dr. ZAMORA. Of course I would have to agree with Dr. Lopez that the results would indeed be disastrous. I would like to point out that in my official testimony I commented on this issue, and I pointed out that we had to be perfectly clear about one thing, that if we were to eliminate the requirement of native language instruction, we would no longer have a Bilingual Education Act.

Perhaps the thing that concerns me the most about this particular amendment is the reason behind that amendment. Why is that amendment proposed in the first place? I think that everyone of us here has been able to tell the successes of bilingual education. I have a particular concern, if I might just very briefly share this with you. Apparently it seems to me that this particular amendment is proposed because transitional bilingual education has been found in some cases to be harmful. I would like to talk just a moment about education climate.

You have Dr. Arredondo over here who talked about a very positive educational climate. I would like to remind everyone that programs do not fail by themselves, that the success or failure of a program does not happen by itself, and that you can never separate the success or failure of a program from its human element.

If transitional bilingual education has been found in some cases to be harmful, I would like to suggest that then it becomes our responsibility, not to throw it out or not to make the recommendation that we throw out transitional bilingual education—which, by the way has also had many successes—but rather that we investigate, and we find out what makes it work. That has been said by a number of us today. When we find out what makes it work, then we can continue to improve and to expand bilingual education with the ultimate goal in mind always to help the children achieve—to help them become fully productive American citizens.

Mr. CORRADA. We have a vote and we have to respond to it in 15 minutes. I am sure the chairman would like to respond to it and close the hearing at that time.

Dr. Perez, would you like to add a short comment?

Dr. PEREZ. I was reading recently about a research that was conducted in terms of attitudes, trying to identify attitudes in terms of bilingual instruction. It asked the general population whether people felt this wasn't truly an effective mode of disruption for limited efficiency. A majority of the people were non-Hispanics and also nonlanguage minority people indicated yes, this does make sense as the educational approach.

However, whether it makes sense or not, there is the reality of implementing due to funding and other attitudinal kinds of concerns that are out there.

In New York State we have over 100,000 limited English proficient students who are being provided services through State funding, and under certain conditions. They are in probably 200 school districts. It has been our experience there is a choice of providing either bilingual education or transitional bilingual—excuse me, English is a second language under given conditions.

In every case, only where there has been a court order or where the Commission's regulations mandate that the bilingual education be implemented, those are the only places where they are being implemented. So that although generally our populations agree that bilingual education really does make sense in terms of implementing programs, unless school districts are obligated to do so either through court orders or through regulations, but most often they will not go that route, and that is unfortunate, taking away the requirement of bilingual or the use of native language from our legislation.

Mr. CORRADA. Would either of the two witnesses care to add anything?

Dr. ARREDONDO. Just to support what has been said already, and to give you an example. I have a son who is attending a university and studying telecommunications. He has to take 13 hours of a foreign language. He was given 4 hours of credit for Spanish, which he studied for 4 years.

We have kids who went through school 8 years, with a curriculum of English and Spanish, and they went into high school and continued the Spanish study and tested out at 12 hours of Spanish going into college. That's what makes the difference.

These kids are going to have to take a foreign language in school, and one of the recommendations made was that we strengthen our foreign language departments. I would guarantee that those kids that are traveling through our bilingual program today are going to become our better bilingual students when they graduate than some of us who do not speak Spanish at home, or do not send our kids to study foreign languages in school, or whatever. That is one example.

I stated to you earlier 10 of our students are Anglos and 10 of them are black. On a voluntary basis, their parents put them into those programs. You wait and see when they graduate how well they are going to be speaking two languages.

Mr. CORRADA. It is my recollection that the Secretary of Education has not signed off on your report. In view of that, I would like to know who you represent when you discuss the findings, and whether this report is considered official Department of Education policy?

Dr. BAKER. The Department of Education, as do most Government departments, turns out a number of studies of different things. Some are done by in-house staff. Some are done under contract. Some are done under grant. Our study was done within that tradition. It was a policy analysis of a particular piece of Federal policy that we had been asked to analyze by both the Carter White House and the then Secretary of Education.



Following legal action by the State of Texas, the Department of Education released a draft of our report on September 25, 1981. In April 1983, the Department sent us to make a presentation on the findings of the completed version of the report for the American Educational Research Association.

The July 1983 issue of the Department's official news magazine, American Education, contained another summary of the completed findings of our report.

Mr. CORRADA. Should I take from that, or conclude from that that although formally the Secretary of the Department has not signed off on the report, in fact, it could be deemed as representing the official views of the Department?

Dr. BAKER. I don't believe it's in the procedures of the Department in releasing research reports to the public that the Secretary signs off on all of them. They are reviewed within different offices, and then released to the public following that review procedure.

Mrs. HALL. Thank you very much. At this time the committee wishes to thank all of our panels. You have been great. We do regret that we have to rush to the floor and vote. Thank you so very much. Tomorrow we will resume our hearings at 10 o'clock in this room. We invite each of you back.

[Whereupon, at 3:10 p.m., the meeting was adjourned.]

[The statement which follows was received for the record:]

## Prepared Statement of Raul Yzaguirre, President, National Council of La Raza

## I. INTRODUCTION

The National Council of La Raza, one of the nation's largest Hispanic organizations, appreciates this opportunity to submit comments on bilingual education. It is impossible to talk about Hispanic issues without discussing bilingual-bicultural education; concern about the quality of education, and support for bilingual education figure prominently in almost any discussion. The National Council of La Raza, along with the overwhelming majority of Hispanic Americans, believes that bilingual-bicultural education is a very effective way to remove educational barriers for limited English proficient Hispanic children and provide them with access to the mainstream of American life.

Over the last few months, one report after another has criticized the quality of public education in the United States, and the National Commission on Excellence in Education has charged that the quality of education is "mediocre". For Hispanic children, however, the quality of public education is often much worse than "mediocre." The fact that Hispanic students are increasingly concentrated in the large urban school districts hardest hit by declining school revenues and federal budget cuts makes educational problems even more difficult to solve. The educational situation is especially devastating for those Hispanic children of limited English proficiency. These are the most undereducated of all American children. Dropout rates for Hispanics are still far too high; half of Chicano and Puerto Rican youth never finish high school. Language background is strongly related to high school completion, and Hispanics with a non-English language background, whether or not they "usually speak" Spanish, are almost twice as likely as Whites to drop out of school. The low number of years of schooling obviously affects the number of Hispanics who are classified as illiterate, and has tremendous impact on employment opportunities. Language barriers and

the absence of programs to bridge those barriers remain a formidable problem. Thus, bilingual education is of particular importance for Hispanic children.

Title VII of the Elementary and Secondary Education Act -- the Bilingual Education Act -- provides the only federal funds specifically targeted to assist bilingual education programs, train bilingual teachers, and develop curricular materials for use with limited English proficient teachers. Title VII, always underfunded, has been dramatically cut over the last two years. Unfortunately, state budget deficits have made it impossible for most states to make up for this loss in funds. Given the scarcity of local education resources, and the compelling national interest in educating children of limited English proficiency, federal support for Title VII is more important than ever.

The fact that the current act must be reauthorized in 1984 is of great interest to Hispanics. For the last two years, the National Council of La Raza and many other Hispanic organizations have been examining the existing Act, exploring possible amendment options to maximize its effectiveness and protect its most positive features. NCLR believes that in order for Title VII to serve our national interests and the interests of children of limited English proficiency, the legislation must contain the following features:

- . Provisions to ensure that understandable instruction in subject matter areas continues to be made available to the children;
- . An emphasis on parent and community involvement;
- . Provisions to increase the number of highly qualified bilingual instructional and other school personnel;
- . A focus on full language learning which moves beyond oral proficiency to literacy; and
- . Provisions to comprehensively evaluate the effects of the funded programs.

## II. RECOMMENDATIONS

A. Ensuring Comprehensible Instruction in Subject Areas

This is the cornerstone of bilingual education, and I am sure that its importance is well understood by the members of the Subcommittee. American education does more for monolingual English-speaking children than just work on their English-language skills, and programs for LEP students must do the same. In almost all cases, use of the student's native language is the best way to provide students with comprehensible instruction in other subjects while they are learning English. Otherwise, by the time they become fluent in English, they may be several years behind in other subjects. It is vital that the use of the students' native language remain a central feature of any program funded by Title VII. When Congress created the Bilingual Education Act, the purpose was broader than only teaching English, and attempts to portray the program as only a quick-fix English program do not do justice to either the program's history or the needs of LEP children. Full competence in English is important, but equally important is equal access to education, and education entails comprehensible instruction in math, science, and social studies in addition to English language arts. Districts that, due to extraordinary situations, cannot offer this instruction through the children's native language, must bring their best resources to bear to find another way to make this instruction available. The Supreme Court ruling in Lau v. Nichols demands no less. Title VII should fund no program which does not provide for comprehensible content instruction.

B. Parent and Community Involvement

All educators know that parent participation is closely correlated with student achievement. Parent participation is also an important measure of program effectiveness. Before bilingual education programs, parent participation was all

but impossible for parents of limited English proficient (LEP) students. In many schools, the advent of a bilingual program brings the first school staff able to communicate with the parents of LEP children. Prior to the presence of bilingual staff persons, attempts at communication, where they were made at all, were in a language incomprehensible to the parents. Parents were unable to communicate with the schools in emergency situations, let alone participate as classroom volunteers, join parent organizations, or help their children with homework. Bilingual programs which have been able to increase parent involvement and provide bilingual school staff to deal with LEP parents have had a very important effect. Increasing meaningful parent participation must remain an important goal of Title VII programs. Parent advisory councils, parent education components and training programs are important ways to give the community access to the schools. One of the best things to happen at the Office of Bilingual Education in the last few years has been the funding emphasis placed on parent training programs.

Parent participation is the best form of "local control." The provisions in the current law and special emphasis on funding projects to improve parent participation should be maintained.

C. Increasing the Number of Highly Qualified Teachers and Other School Personnel

The need to train bilingual school personnel is still with us, despite the Administration's contention that we now have enough teachers and can begin to phase out training programs. The recent Teachers' Language Skills Survey, which has been used by the Administration to justify training cuts, does indeed show that the number of teachers teaching through a non-English language all or part of the day has grown over the last few years. However, the increased number of teachers teaching through a non-English language has not kept pace



with the need for such teachers. It is common to find English monolingual teachers assigned to bilingual classrooms because of the lack of qualified bilingual personnel. Many of these teachers are on temporary state "waivers" of state requirements that personnel in bilingual programs be themselves bilingual, and their districts have certified their inability to find and hire bilingual teachers. Some districts have such a need for bilingual teachers that they have mounted year-round search efforts. Houston Independent School District in Texas is one such district, and even offers bilingual teachers a higher salary than non-bilingual teachers in an effort to recruit sufficient numbers of bilingual teachers.

However, quantity is not the only issue here; we need to look at the qualifications of those teachers. A closer look reveals that of 55,000 teachers using a non-English language, 35,000 (over 63%) have absolutely no special academic qualifications to be using that language. Only 21% of all those teachers have basic academic qualifications and can actually use the non-English language competently enough to teach subject matter through the language. So according to that study, what we actually have in terms of teachers with basic qualifications, are about 12,000 teachers. Even without a calculator, it is easy to see that 12,000 teachers for 3.6 million LEP children makes for a terrible pupil-teacher ratio. There is a tremendous need to improve not only the numbers but the skills of the people teaching LEP children.

Bilingual classroom teachers also solve only one part of the problem. Other instructional personnel need to be trained to work with LEP children. The new math-science teacher training initiatives should also provide for training these teachers in the techniques of necessary to teach math and science to LEP students. A special set-aside in these initiatives for this type of training would be an excellent idea. Other school programs also need to be made available to LEP children. Without bilingual special education and gifted and talented teachers, these programs remain inaccessible to limited English proficient children. Additionally, there is a tremendous need to increase the numbers of bilingual school counselors, psychologists, librarians, nurses, principals and administrators. We have not done the whole job simply by training bilingual classroom teachers.

#### D. Literacy

The problem of illiteracy in America has been receiving great attention in the last few years. It is the special project of Mrs. George Bush, and the President recently announced a series of initiatives to help combat the problem. Although some figures on Hispanic illiteracy rates may include people who are literate in Spanish but are limited in their English proficiency, illiteracy in English is a serious problem in the Hispanic community. In fact, a study recently conducted by the University of Texas at Austin suggests that illiteracy rates for Hispanics may be as high as 56%. High rates of illiteracy cost Hispanics full employment and full participation in society. Sadly, educational programs focusing only on teaching children to speak English may be partly responsible for the problem. It is important that we move beyond a definition of English proficiency which is so heavily based on speaking ability. To be English proficient, to be an English user, means being able to understand, speak, read and write English.

The absence of good educational programs designed to help children become proficient language users has caused many children to be illiterate in both Spanish and English. We must insist that any program working with LEP children, including bilingual education programs, teach children to read and write. Children must not be routinely "exited" from special programs as soon as they speak a few words of English; they have only begun their task. They must be able to read and write English before they can compete equally with monolingual children in English-only classrooms. Title VII-funded programs must be designed to provide children with that opportunity.

#### E. Comprehensive Evaluation

Recent studies have amply demonstrated the sorry state of evaluations on bilingual programs. One of the best lessons we can learn from the Baker/DeKanter report is that we need to substantially improve efforts to evaluate Title VII programs. It is important that programs be evaluated in an ongoing and timely manner so that schools can use the information to modify and improve their programs. It is also important that evaluations be broad-based and reflective of all the program goals and objectives, not -- as is often the case -- on one arbitrary measure of student's English-speaking proficiency. Progress toward meeting both student and instructional goals must be assessed. Finally, these evaluations should be used not merely to label programs as successes or failures, but also as tools to improve the program, and increase information about the kinds of programs that seem to be effective in different settings.

### III. CONCLUSION

During the next few months, as additional hearings are scheduled on bilingual education and Title VII, Congress will have the opportunity to protect important features of the Act, and make revisions to improve the delivery of bilingual education services to LEP children. The National Council of La Raza believes that the above five features, coupled with an adequate level of funding, are essential if our nation is to continue efforts to improve educational opportunities for Hispanic children of limited English proficiency.

## HISPANIC BUSINESS PICTURE

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WEDNESDAY, SEPTEMBER 14, 1983

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CENSUS AND POPULATION,  
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,  
*Washington, D.C.*

The subcommittee met, pursuant to call, at 12:37 p.m., in room 345, Cannon House Office Building, Hon. Katie Hall presiding.

Mrs. HALL. The House Subcommittee on Population and Census is called to order at this time. We would like to welcome each person here.

I would like to say that this is the second in a series of hearings that we will be doing this week, and we certainly do appreciate your presence and your participation.

I would like to say that the hearings will focus on the Hispanic business sector as it relates to population. With the rapid growth of the Hispanic population and demographic shifts, it is very important that this subcommittee review the nature of the Hispanic business picture.

We have some very interesting panelists with us today who will discuss various sectors, and during yesterday's hearing the Census Committee heard from a number of very outstanding persons, each representing various areas of our country, and we got a lot of very important information.

I am somewhat disturbed by the figures that we are getting, things that were given us yesterday as well as other information that we have received. Despite the fact that the Hispanic group is perhaps the fastest growing minority, we still find that when it comes to education, unemployment, and other areas we are so far behind.

Today we have a very interesting panel of witnesses, and I would like to present them at this time. We have Mr. Heriberto Herrera, Deputy Administrator, Small Business Administration; Mr. Jesus Chavarria, who is the editor and Publisher of the Hispanic Business Magazine; Miss Dorita deLemos Down of the American Institute for Transportation and Business Development; Mr. Jose Font, president of the Greater Washington Ibero-American Chamber of Commerce; Dr. Harry Pachon, executive director, National Association of Latino Elected and Appointed Officials; and Mr. Victor Rivera, Minority Business Development Agency.

At this time it is my pleasure to present to you Mr. Victor Rivera of the Minority Business Development Agency.

STATEMENTS OF VICTOR M. RIVERA, NATIONAL DIRECTOR, MINORITY BUSINESS DEVELOPMENT AGENCY, U.S. DEPARTMENT OF COMMERCE; HERIBERTO HERRERA, DEPUTY ADMINISTRATOR, SMALL BUSINESS ADMINISTRATION; JESUS CHAVARRIA, PUBLISHER/EDITOR OF HISPANIC BUSINESS MAGAZINE; DORITA deLEMONS DOWN, DIRECTOR OF COMMUNICATIONS, AMERICAN INSTITUTE FOR TRANSPORTATION AND BUSINESS DEVELOPMENT; JOSE ANTONIO FONT, PRESIDENT, GREATER WASHINGTON IBERO-AMERICAN CHAMBER OF COMMERCE; AND HARRY P. PACHON, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF LATINO ELECTED AND APPOINTED OFFICIALS

Mr. RIVERA. Thank you.

With your permission, I would like to submit my testimony for the record and just summarize the highlights, which would obviously allow more time for questions and answers.

Mrs. HALL. Very good.

Mr. RIVERA. One cannot talk about Hispanic business development in a vacuum. One needs to look at the larger picture of minority business development, and even a much larger picture, which is the state of the economy.

I feel very strongly that President Reagan's record on behalf of minority business development, and Hispanic business development in particular, has been quite impressive. Let me cite some examples of why I say that.

As I mentioned earlier, one cannot have Hispanic business development, black business development, women business development, or anybody's business development unless we have a healthy economy. I think that is the strongest contribution the Reagan administration or any administration can make to an entrepreneurial community, developing a climate conducive to growth.

There have been a number of benchmarks, starting out with the President's economic recovery program announced October 1, that are beginning to bear fruit. Hispanic and other minority businesses were adversely affected in the recession of the early eighties. Those businesses that went under, many of them failed because of high interest rates, a high inflation rate, and high unemployment rates in their community. We are beginning to see that turn around.

The interest payments made by minority business, whether Hispanic or any person, in January 1981, if he were to get a \$100,000 loan, payable over 7 years, he would have had to pay a 24-percent interest rate. That is an unconscionable amount of money. That was in January 1981, the month the Reagan administration came into power. That rate has been cut in half. It is still very high, but if that same Hispanic business person were to go to a bank, he would pay \$700 less per month for that loan. You add that up by thousands or millions of loans, that, to me, is a major contribution.

Again, with the inflation rate going down, the purchasing power goes up; disposable income is beginning to go up. That helps many Hispanic businesses because their clients are, in the main, Hispanics. So the President's economic recovery program is a major contributor, and the success of that program is very important to Hispanic business development and the trend line is positive.



On March 1, 1982, the President announced a small business initiative. This is very important. It's the first time in the history of this country that a President made a state-of-small-business report. At that time he reiterated his strong commitment to small business development. He mentioned eight initiatives, as I said, having to do with tax incentives, again rewarding—the philosophy is we need to reward those American entrepreneurs regardless of race or national origin and encourage them to work, to save, and to invest, because that has been the path for economic as well as social mobility in this country. You have to develop a climate, government policies that will reward the risk takers, that will reward those who work, save, and invest.

There were a number of other incentives announced on March 1. They have to do with regulatory relief, paperwork relief. Hispanic and other small business persons are disproportionately burdened by government regulations and paperwork. The President announced his special emphasis on getting more small businesses involved in research and development. Major expenditures are being spent on research and development and small and minority businesses were not getting their share. This administration is committed to changing that.

The President is committed to a policy of privatization, of making sure that small businesses can assume many of the tasks now performed by Government. Whether it is security jobs or gardening or what have you, let the private sector perform those services. As a result of those policies, we are beginning to see many small, and especially black and Hispanic people, pick up those contracts.

I could go on, but there were basically eight initiatives announced then.

On December 17 the President announced a 12-point program to assist minority businesses. For the first time in the history of this country, a President committed himself not only to say we want more minority businesses, but we set a quantifiable goal—120,000 new and expanded minority businesses over the next 10 years.

It is not enough to say we want Government to give more contracts to minorities. The Government set a goal of \$15 billion in procurements over the next 3 years and a target of \$6–\$7 billion for procurements by recipients of Federal cooperative agreements and grants for minority businesses; quantifiable goals.

The President set a goal of \$1.5 billion in credit assistance over the next 3 years, \$300 million in management and technical assistance. That is extremely important in a period of budget cutting, the fact that certain amounts of money, \$300 million, is a commitment on the part of this administration to help Hispanic and other minority businesses.

Very importantly, also the first week in October has been designated "Minority Enterprise Development Week." That is just more than a symbol as far as I'm concerned, because that allows us the opportunity to raise the level of awareness, the consciousness level of all Americans, but especially policymakers in the public and private sector, to the many contributions that Hispanic and other minority businesses are making to their communities and to the Nation as a whole.

Mrs. HALL. Excuse me, Mr. Rivera. I hate to interrupt you, but today the House of Representatives is in session and it means that there is always a possibility that members will have to go to the floor for the purpose of voting. We just got the signal that there is a vote on the floor at this time. We will have to recess briefly to give members time to get over and vote and return.

Before I leave, I would like to introduce my colleague from Texas, the Honorable Mickey Leland, who is a member of this subcommittee, and, of course, to my left is Mr. Scott Pastrick, who is our staff director.

We will leave you shortly. Mr. Pastrick will be staying with you. As soon as we vote, we will return. We regret that, but that's part of the process.

Mr. RIVERA. Certainly.

Mrs. HALL. I should also remind you that this is a very busy day on the floor, so there is a great possibility that we will have to do it again. But we will be back as soon as we vote. Thank you.

We are in recess until the members can vote and return.

[Whereupon, the subcommittee was in recess.]

Mrs. HALL. Ladies and gentlemen, we are going to resume our hearings. I do apologize for the vote.

At this time I should inform you that I have just been advised by my assistant that members will have to go back to the floor every 30 minutes until adjournment today. We have a lot of amendments on the floor and we have a number of bills. These are very important to all of us in this country, and we have to make sure we are there and that the right vote is adopted. So I did want you to know that.

At this time I would like to ask Mr. Rivera if he would please continue.

Mr. RIVERA. Thank you.

I started to mention earlier that when we're talking about Hispanic business development much depends on the state of the economy, and if the economy is not doing well, we're not going to see much Hispanic business growth or expansion. Then I proceeded to talk about the administration's commitment to Hispanic and minority business development in general, as evidenced by the President's statement of December 17, the President's Executive Order 12432 of July 14.

I would like to continue by stating also that there has to be commitment at the departmental and also the agency level, and I am here to assure the committee and the audience that my boss, Secretary Baldrige, is very much committed to minority business development.

The President has seen fit to elevate what was formerly policy decisions at the Interagency Council; that has now been elevated to the Cabinet Council on Commerce and Trade. At our own agency, the Minority Business Development Agency, when I first joined the agency in 1981, out of the top 16 management positions at headquarters, there was 1 Hispanic. Now of the top 16 there are 6. That is important because there has to be involvement of all minority groups in terms of establishing policy for minority business development.

I am also pleased to report that for the first time our agency has named a female regional director in New York, and she happens to be a Hispanic. We are very proud of that appointment.

MBDA has been very active also in developing strong Hispanic business organizations. We recognize that Government obviously cannot do it alone; we have to develop institutions so that some day, as Government reduces its involvement, that the private sector can pick up that responsibility. The U.S. Hispanic Chamber of Commerce, the Latin American Manufacturers Association, the National Council of LaRaza, and many others are just a few of those organizations that we are working closely with in making sure they provide very professional services.

Our agency operates 100 minority business development centers. Approximately 25 of them are operated by Hispanics. We have 15 export consulting firms, 7 of those are operated by Hispanics; 3 rural assistance programs, 2 of them operated by Hispanics. I think in the history of MBDA we have never had as much Hispanic involvement in the delivery of services to our clientele.

In closing, we recognize that Hispanics and minorities in general face two serious problems—lack of access to timely information about business opportunities, and also lack of access to resources. We have focused our efforts on closing those gaps and making sure that Hispanics have access to information and resources.

As I mentioned earlier, Madam Chairwoman, I have submitted my testimony for the record and would be glad to answer any questions that you may have.

[The statement of Victor Rivera follows:]

## REMARKS BY

VICTOR M. RIVERA  
National Director

MINORITY BUSINESS DEVELOPMENT AGENCY  
United States Department of Commerce

- 0 PRESIDENT REAGAN'S RECORD ON BEHALF OF HISPANIC AND OTHER  
MINORITY BUSINESS DEVELOPMENT IN THIS COUNTRY IS IMPRESSIVE.  
THE PRESIDENT VIEWS THE HISPANIC BUSINESS COMMUNITY AS AN  
UNDERDEVELOPED, UNDERUTILIZED NATIONAL RESOURCE. BUT, THERE  
CAN BE NO MINORITY BUSINESS DEVELOPMENT WITHOUT ECONOMIC RECOVERY.
- 0 THERE ARE FOUR MAJOR MAJOR BENCHMARKS DEPICTING THE ADMINISTRATION'S  
EFFORTS. ON OCTOBER 1, 1981, THE PRESIDENT ANNOUNCED THE ECONOMIC  
RECOVERY PROGRAM, THE FIRST STEP TOWARD IMPROVING THE ECONOMIC  
CLIMATE FOR HISPANIC AND MINORITY BUSINESS DEVELOPMENT. THE  
ECONOMIC RECOVERY PROGRAM PROVIDES INCENTIVES FOR BUSINESS  
DEVELOPMENT AND CARRIES THE PHILOSOPHY OF REWARDING THE RISK  
TAKERS AND THE CHANGE MAKERS. IT IS THIS ENTREPRENEURIAL SPIRIT  
THAT HAS MADE THIS COUNTRY A LEADER IN THE GLOBAL MARKET.
- 0 ON MARCH 1, 1982, THE PRESIDENT ANNOUNCED AN 8 POINT INITIATIVE  
ON THE STATE OF SMALL BUSINESS. THESE INITIATIVES INCLUDED AN  
ANALYSIS OF THE PROBLEMS FACING SMALL BUSINESS, A REDUCTION  
OF 1/3 OF THE REGULATIONS FACING SMALL BUSINESS, A 20 PERCENT



2

PAPERWORK REDUCTION, EXPORT PROMOTION, ANTI-TRUST REGULATION, CHANGES IN GOVERNMENT SERVICES AND THE PROMPT PAYMENT BILL. THESE INITIATIVES AGAIN CLEARED THE WAY FOR MORE SUCCESSFUL HISPANIC BUSINESS DEVELOPMENT.

0 ON DECEMBER 17, 1982, THE PRESIDENT MADE A SIGNIFICANT MINORITY BUSINESS DEVELOPMENT STATEMENT. HE ESTABLISHED A GOAL OF \$22 BILLION IN FEDERAL CONTRACT AND SUBCONTRACT AWARDS TO MINORITY BUSINESS OVER THE NEXT THREE YEARS.

HE ALSO DIRECTED MBDA AND THE SMALL BUSINESS ADMINISTRATION TO ASSIST IN CREATING 60,000 NEW HISPANIC AND MINORITY BUSINESSES AND EXPANDING AN ADDITIONAL 60,000 OVER THE NEXT TEN YEARS. HE CALLED FOR ADDITIONAL 6 TO 7 BILLION IN FEDERAL GRANTS AND COOPERATIVE AGREEMENTS TO BE AWARDED TO MINORITY-OWNED FIRMS OVER THE SAME PERIOD.

PRESIDENT REAGAN ALSO ANNOUNCED THAT APPROXIMATELY \$1.5 BILLION IN CREDIT ASSISTANCE AND \$300 MILLION IN MANAGEMENT AND



3

TECHNICAL ASSISTANCE BE MADE AVAILABLE TO PROMOTE BUSINESS DEVELOPMENT DURING THE SAME THREE YEAR PERIOD.

FEDERAL PROCUREMENT THE LAST YEAR OF THE PREVIOUS ADMINISTRATION WAS \$3.1 BILLION. LAST YEAR, FEDERAL PROCUREMENT TO MINORITY BUSINESSES WAS \$4.4 BILLION. AND, THE GOAL FOR THIS YEAR IS \$4.8.

0 IN HIS STATEMENT, THE PRESIDENT ALSO DESIGNATED NATIONAL MINORITY BUSINESS ENTERPRISE DEVELOPMENT WEEK DURING THE FIRST WEEK IN OCTOBER WHICH WILL FOCUS MORE NATIONAL RECOGNITION TO HISPANIC BUSINESS DEVELOPMENT EFFORT AND TO THE CONTRIBUTIONS MADE BY THE HISPANIC AND MINORITY COMMUNITY TO OUR ECONOMIC SYSTEM.

0 ON JULY 14, 1983, FOR THE FIRST TIME EVER IN THE HISTORY OF THIS COUNTRY, THE PRESIDENT SIGNED AN EXECUTIVE ORDER REQUIRING ALL FEDERAL DEPARTMENTS AND AGENCIES TO DEVELOP MINORITY BUSINESS PLANS. THESE DEPARTMENTS AND AGENCIES

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WILL BE GIVEN A REPORT CARD ON HOW THEY HAVE PERFORMED WITH SPECIFIC MEASURES OF ACCOMPLISHMENT AND WILL BE HELD ACCOUNTABLE. IN ADDITION, THEY WILL DEVELOP INCENTIVE TECHNIQUES FOR SUBCONTRACTING TO HISPANIC AND MINORITY BUSINESSES.

0 I BELIEVE THAT THERE ARE TWO MAJOR PROBLEMS FACING THE HISPANIC BUSINESS ENTREPRENEUR. ONE, LACK OF ACCESS TO INFORMATION AND TWO, LACK OF ACCESS TO RESOURCES. IN OUR SOCIETY, INFORMATION IS POWER. MBDA'S NETWORK OF MORE THAN 100 MINORITY BUSINESS DEVELOPMENT CENTERS IS ADDRESSING THESE PROBLEMS.

THIS YEAR, THROUGH THE THIRD QUARTER, THE CENTERS HAVE RESULTED IN OVER 2,000 NEW MINORITY BUSINESSES STARTED, OVER 1,200 SAVED, AND OVER 2,500 EXPANDED. THE CENTERS HAVE GENERATED OVER \$580 MILLION IN CONTRACT AND SUBCONTRACT AWARDS TO MINORITY BUSINESSES, AND OVER \$140 MILLION IN LOANS GRANTED TO THESE FIRMS. OF THOSE TOTALS, OUR CENTERS REPORT THAT 3,795 HISPANIC BUSINESSES HAVE RECEIVED ASSISTANCE

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RESULTING IN \$137.9 MILLION IN BUSINESS FINANCINGS AND  
PROCUREMENT CONTRACTS.

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THE PRESIDENT SIGNED THE SURFACE TRANSPORTATION ASSISTANCE  
ACT. AS A RESULT, AN ESTIMATED \$70 BILLION WILL BE EXPENDED  
TO HELP REBUILD OUR NATION'S HIGHWAY SYSTEM.

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HISPANIC AND OTHER MINORITY CONTRACTORS WILL HAVE THE  
OPPORTUNITY TO COMPETE FOR AT LEAST \$7 BILLION AS REQUIRED  
UNDER THE ACT. WE, AT MBDA, HOPE THEY ACHIEVE EVER HIGHER.  
WE DO NOT VIEW THIS REQUIREMENT AS A "GIVEAWAY" OR SET-ASIDE  
PROGRAM FOR MINORITY BUSINESSES. INSTEAD, IT IS MY OPINION  
THAT THE \$7 BILLION REQUIREMENT WILL HELP TO FACILITATE  
HISPANIC CONTRACTORS TO EFFECTIVELY PARTICIPATE IN THE HIGHWAY  
CONSTRUCTION EFFORT.

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MBDA HAS BEGUN A SERIES OF TRADE MISSIONS TO BRING MORE OF OUR  
HISPANIC BUSINESS MEN AND WOMEN TO TOUCH WITH THEIR COUNTERPARTS  
IN LATIN AMERICA AND THE CARIBBEAN. THE FIRST WAS TO MEXICO,

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THE LARGEST TRADE MISSION IN THE HISTORY OF THE COMMERCE DEPARTMENT, WHERE MORE THAN FOUR HUNDRED MOSTLY HISPANIC ENTREPRENEURS WERE INTRODUCED TO MEXICO AND ITS MARKETS. AND, ANOTHER ONE IS PLANNED FOR THE CARIBBEAN LATER THIS YEAR.

THE REAGAN ADMINISTRATION BELIEVES THAT THIS IS ONE OF THE GREATEST AREAS OF OPPORTUNITY FOR HISPANIC BUSINESS OWNERS. EXPORTING IS A NATURAL FOR HISPANIC BUSINESS.

IN RECENT YEARS, INTERNATIONAL TRADE HAS BECOME INCREASINGLY CENTRAL TO THE AMERICAN ECONOMY. TODAY, ONE OF EVERY EIGHT AMERICAN MANUFACTURING JOBS IS RELATED TO EXPORTS. EVERY BILLION DILLARS IN EXPORTS SUPPORT 25,000 JOBS.

PRESIDENT REAGAN HAS PROPOSED THE CREATIOO OF A NEW CABINET-LEVEL DEPARTMENT OF INTERNATIONAL TRADE AND INDUSTRY. THIS NEW DEPARTMENT WOULD PROVIDE A LEANER, MORE EFFICIENT, BETTER COORDINATED APPROACH TO INTERNATIONAL TRADE.

MBDA'S EXPORT DEVELOPMENT EFFORTS SUPPORT THE ADMINISTRATION'S RUSH FOR INCREASED TRADE.

## Minority Business Development Agency

## Performance Report

Comparison of Cumulative Third Quarter FY 1982 - Third Quarter FY 1983

<u>Performance Measure</u>	<u>3rd Qtr FY 1982</u>	<u>3rd Qtr FY 1983</u>	<u>% Change</u>
MSTA Clients Assisted	6,422	9,474	+ 48%
MSTA Hours Assisted	245,200	346,980	+ 42%
New Business Starts	196	404	+106%
#Procurements Secured	336	2,609	+676%
\$Procurements Secured (Millions)	\$ 63.8	\$ 372.8	+484%
#Packages Obtained	275	1,002	+264%
\$Packages Obtained (Millions)	\$ 23.5	\$ 138.3	+489%



## MINORITY BUSINESS DEVELOPMENT AGENCY

## Assistance to the Hispanic Community

The Minority Business Development Agency funds five different programs which, in turn, provide general and specialized business management, technical, and financial packaging assistance to the minority business community. Of the Agency's total program funding (for FY 1983, \$46 million), it can be reasonably stated that approximately one-third, or \$15 million, is directed at serving the Hispanic (business) community.

MBDA's five programs include:

- 1) The Minority Business Development Centers (MBDCs) - a total of 100 MBDCs located in 90 SMSAs with the highest minority populations (and minority business populations), provide general/specialized business management and technical assistance to minority-owned firms and entrepreneurs. These centers assist in starting new minority (Hispanic) businesses, assist in saving businesses from closing, help minority businesses expand and go into new lines of business opportunities;
- 2) Minority Export Development Centers (MEDCs) - a total of 15 (due to be reduced in number to 7 in FY '84) located in the country's major international trade centers to identify and help expand the number of minority firms in the trade business;
- 3) State and Local Governments (S&Ls) - located in 37 different states and cities whose chief mission is to supplement state and local government minority business development programs and initiatives, primarily in the area of expanding state/local/private sector procurement contracting with minority firms;
- 4) Technology Commercialization Centers (TCCs) - located in 15 cities (due to be reduced to 7 in FY '84) with a high degree of high-tech activity, whose primary objectives are to identify and/or match minority firms with emerging technology products and processes, and assist these firms with full business development of their product or process;
- 5) Business & Trade Association Development - More than 10 of these projects are funded with a primary objective of extending support to membership development and organizational development.

Areas where MBDA programs serve primarily the Hispanic population

Southwestern States

MBDCS	MEDCS	TCCS	S&Ls
California / <u>\$1,189,100</u> San Diego \$405,900 Bakersfield \$168,300 Anaheim \$55,000 Riverside \$459,900	San Diego \$100,000		
Arizona / <u>\$754,800</u> Phoenix \$405,900 Tucson \$198,900		Phoenix \$150,000	
New Mexico / <u>\$347,500</u> Albuquerque \$247,500			Santa Fe \$100,000
Texas - / <u>\$3,615,900</u> El Paso \$405,900 San Antonio \$405,000 Corpus Christi \$233,750 Brownsville \$247,500 McAllen \$247,500 Laredo \$168,300	El Paso \$100,000		

Puerto Rico / \$1,458,800

MBDCs	MEDCs	TCCs	S&L:
San Juan Mayaguez Ponce	\$693,000 \$168,300 \$247,500	San Juan \$150,000	City of San Juan \$100,000

Hispanic Business and Trade Associations

Latin American Manufacturers' Association	\$381,000
U. S. Hispanic Chamber of Commerce	\$281,500
Greater Washington Ibero-American C of C	\$150,000
Rural Assistance (minority business)	\$200,000
	<hr/>
Total	\$1,012,500

Areas where MBOA programs serve a large number of Hispanics of the total minority population

MBDCs	MEDCs	TCCs	S&Ls
California / \$5,041,963 Los Angeles \$1,108,800 \$1,108,800  Santa Barbara \$163,300 Fresno \$247,500 San Jose \$405,900 San Francisco \$793,000 Salinas \$198,900 Valiejo \$168,300 Sacramento \$247,500 Rural Assistance \$200,000  Colorado / \$347,500  Denver \$247,500	\$100,000    \$100,000		State of Ca. \$119,963 City of LA \$75,000           State of Co. \$100,000
Florida / \$1,326,550  Miami \$654,500 Tampa \$247,500 H. Palm Beach \$168,300  Illinois / \$1,508,800  S. Chicago \$776,160 N. Chicago \$332,640 Duff & Phelps \$150,000	\$100,000 \$100,000 (Latin)   \$100,000		State of FL \$56,250

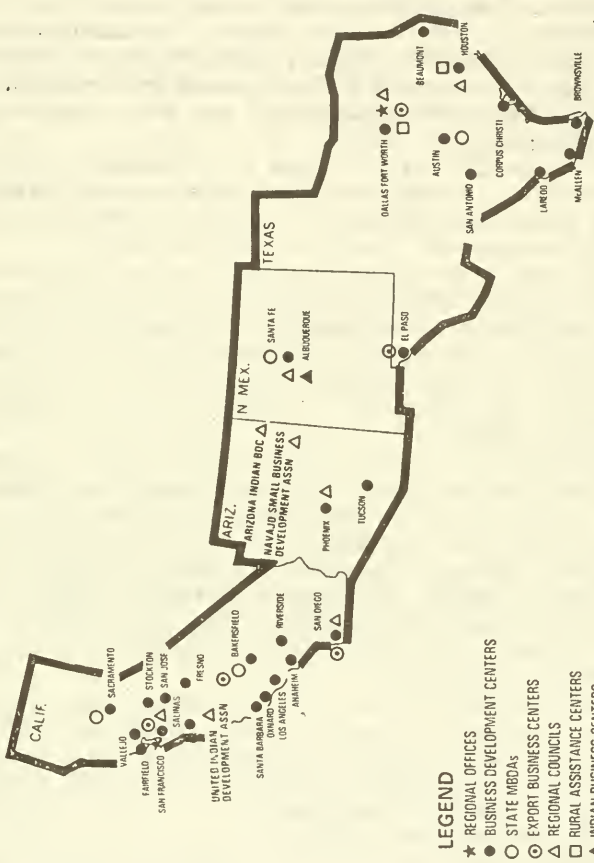


Continued

Areas where MBOA programs serve a large number of Hispanics of the total minority population

MBDCs	MEDCs	TCCs	S&Ls
<u>New York / \$1,964,600</u> Brooklyn \$354,816 Bronx \$310,464 Queens \$210,672 Manhattan \$232,848 Rochester \$168,300 Nassau/Suffolk \$247,500	New York/Newark \$100,000	\$150,000	NY State \$100,000 NY City \$90,000
<u>Texas / \$1,809,400</u>	\$100,000 \$100,000	\$150,000	State \$113,000
<u>New Jersey / \$1,011,300</u> Newark \$693,000 New Brunswick \$168,300			State \$150,000
<u>Connecticut / \$318,300</u>		\$150,000	
Hartford \$168,300			

**U.S. DEPARTMENT OF COMMERCE**  
**Minority Business Development Agency**  
**BDC Network**



Mrs. HALL. Thank you, Mr. Rivera. I do want to apologize for having to go away and vote. But as I said, that is part of the process here in the House.

I understand that you have to leave us at this time.

Mr. RIVERA. Yes; in about 5 or 10 minutes.

Mrs. HALL. I would like to ask a question or two.

I understand that President Reagan has announced that \$22 billion will be awarded in Federal contracts for minority businesses. I would like to know what is the status of the program. How soon do you expect this to be implemented and what impact will this have on the Hispanic community?

Mr. RIVERA. The correct figure is \$15 billion in procurements for the next 3 years and \$6 to 7 billion for procurements by recipients of Federal grants and cooperative agreements. That's where we get the \$22 billion from, and that is over a 3-year period.

In the area of procurements, we're talking about an average of \$5 billion a year. Back in 1980, just to put this in some historical sense, the Federal Government spent some \$3.1 billion on Federal procurements. Last year it was \$4.4 billion. We're talking about a \$1.3 billion increase during the Reagan administration years. Again, our goal this year is \$4.8 billion, and next year it will be in excess of \$5 billion.

We monitor very closely, on a quarterly basis, all of the procurements for Federal agencies. The last report that I have seen is for March 30, the first 6 months of the year. We are running a little bit behind last year. We should be at 10 percent—the President has called for a 10-percent increase. Secretary Baldrige has sent letters to all agency heads, all department heads, notifying them where they are on their goal, whether they are ahead or behind. We expect to reach our goal this year. This will be done every quarter for the next 3 years.

Mrs. HALL. Very good. I do want to thank you for your presence, for your presentation, and for your endurance today. I think you are doing an excellent job. I appreciate you giving us a copy of your presentation. We would also appreciate having a business card for our files, in case you have one with you. If not, you could leave your phone number and whatnot.

I represent the First District of Indiana, which has a large percentage of Hispanics, and I do work closely with them. We certainly would like to take advantage of the services of your office in promoting our Hispanic businesses.

Mr. RIVERA. If I can be of any help in any way, just let me know.

Mrs. HALL. Our next witness is Mr. Heriberto Herrera, Deputy Administrator of the SBA.

#### STATEMENT OF HERIBERTO HERRERA

Mr. HERRERA. Thank you.

Madam Chairwoman, members of the subcommittee, I am honored to be here today. We are pleased that the Subcommittee on Census and Population, in conjunction with the Congressional Hispanic Caucus, has chosen to focus on National Hispanic Heritage Week by holding a series of hearings on special concerns of the Hispanic community. This event provides an excellent opportunity

to reflect on the influence Hispanics have had on our Nation, their contributions to our society, their growth and expansion in business, and their accomplishments as a community. The Small Business Administration is especially proud of the dedication and commitment of our Hispanic business entrepreneurs and we wish to give them special recognition during our observance of National Hispanic Heritage Week.

I am personally very proud that President Reagan designated the week of September 11 through 17 as National Hispanic Heritage Week. My father was born in Mexico and migrated to Texas. He has never lost the values he learned as a boy growing up in Mexico, values he subsequently taught me during my childhood—lifetime values of honor, pride and achievement, and concern for our fellow man. My father has used those values to guide not only his life and the lives of his family, but also the course of his own small business operation. I, too, have made every effort to apply those values in my life. I know that today I have an even greater responsibility to remember and to apply those principles in my position at the U.S. Small Business Administration.

As you know, and as I was reared, Hispanics have traditionally been reluctant to become involved with programs and projects governed by Federal regulations. We are an independent, "go it alone" people who are not interested in seeing how much we can get from our Government. While generally this is an admirable trait to be cherished, we must educate our own to view some Government assistance as an opportunity, not a handout.

For that reason, I was particularly pleased when a Hispanic father and son business team from Tulare, Calif. were named as the national small business winners of the year by President Reagan. Messrs. Louis F. Ruiz and Frederick Ruiz started their frozen Mexican food company almost 20 years ago in a 400-square-foot warehouse, with an old used stove, a small refrigerator, and a mixmaster from the family kitchen.

Through hard work, dedication, and a keen perspective on their goals, they have managed to build Ruiz Food Products, Inc., into a company which projects annual sales this year in excess of \$15 million. They found opportunity, they seized it, and they succeeded.

I am proud that the Small Business Administration played a major part in the company's expansion by making the Ruizes a loan to expand their processing plant into a modern plant. The Ruizes' continued growth and ultimate success is a prime example of the tough strength of small business in America.

Today, small businesses continue to set the economic pace for the U.S. marketplace. They are 13 million strong, account for 98 percent of all businesses, and employ about one-half of the country's labor force. Small businesses are instrumental in the development of most new products, most new ideas, and most new technologies, while producing almost 40 percent of the gross national product in this country.

This fact was acknowledged by President Reagan during the presentation of the President's second annual report to Congress on "The State of Small Business". During 1982, a year which was tremendously difficult for everyone in business, nearly 560,000 new small businesses were launched.



That statistic represents 560,000 personal dreams and individual ideals which refused to go away in the face of adversity—dreams which refused to be scared by skyrocketing interest rates, by reduced spending capabilities on the part of American citizens. Small business owners and managers are today's pioneers on America's frontier.

Our country's economy is on the mend. Interest rates are down, inflation has been slashed, and the buying power of the average American citizen is up. These factors will spur small business expansion to a healthy upturn.

When the Small Business Administration was established by Congress 30 years ago, it was determined that we would be a small, independent agency with a goal of assisting, counseling, and championing the causes of small business. We accomplish this through a variety of programs, including loans and other forms of financial assistance.

We hold the belief, however, that the Government should not remove all risk from small business. We should not be there to provide assistance anytime a firm has a financial shortfall. Instead, we are determined to insure that small businesses receive necessary financial resources through the private marketplace and through private sector initiatives.

We are acutely aware that Americans who are members of minority groups, including Hispanics, have long had difficulty in entering the Nation's economic mainstream. Raising money to open their small businesses has not been easy for minorities. As you know, minority business persons have had trouble finding, keeping, and expanding sales markets. Members of minority groups, of course, are eligible for all SBA programs. But SBA offers special programs for minorities to start small businesses or to expand existing ones. In this effort, SBA has combined its own programs with those of private industry, banks, local communities, and other Federal agencies.

President Reagan has issued an Executive order setting forth his minority business program which spans a 10-year period. I think Mr. Rivera, in your questions, Madam Chairwoman, addressed that Executive order and I will skip over that.

I think these steps will promote an economic environment in which minority entrepreneurs can better use their talents and skills to achieve more productive lives for themselves and, in so doing, contribute to a stronger economic base for America. This agency will strive to assure that the Hispanic community shares equally with other minorities in our expanded efforts.

The Small Business Administration has three broad programs to assist in the creation and expansion of minority owned businesses: management assistance, financial, and procurement.

In management assistance, statistics show that most small businesses fail due to poor management. For this reason, SBA places special emphasis on improving the management ability of small business owners and managers. SBA's management assistance program is extensive and diversified. It includes free individual counseling, courses, conferences, workshops, and problem clinics. While our statistics do not separate classes of minorities served, our district offices and extension services, particularly in the Southwest-



ern portion of the United States, report a large number of Hispanic clients.

Our San Antonio district office, in cooperation with the National Association of Bank Women, holds monthly prebusiness workshops to assist Hispanic women. The San Antonio office has an ongoing management and training assistance program to help those businesses which have been hurt by the devaluation of the peso. Ninety-five percent of the minorities served in this area are Hispanics. The Small Business Administration and the National Telecommunications Information Agency are cohosting a conference in San Antonio in November, directed to Hispanics, to explain from A to Z how entrepreneurs can enter this rapidly expanding, lucrative field of telecommunications.

The Capital Ownership Development Branch of SBA contracts with private consulting firms to assist all minority firms in management and technical assistance. For example, we are preparing to fund the American Association of Hispanic CPA's, a proposal which will link CPA's into the membership of the AAHCPA, establish and operate a national office in Washington, and deliver training and technical assistance to enable minority CPA firms to participate more effectively in SBA's 8(a) program.

The American Institute of Certified Public Accountants has also instituted a peer group review where one CPA will audit the office of another each year. This association will also establish procedures for peer group review. This activity will consist of nationwide recruiting, based in Washington, D.C.

SBA's primary financial resources for minority entrepreneurs are through our direct and guaranteed loan programs, surety bonds, and the 503 certified development companies.

In 1982, Hispanics were allocated 36.8 percent of total minority lending through the Small Business Administration. In the first 9 months of 1983, this figure was 44.2 percent. Hispanics received 28.4 percent of total surety bond guarantees.

As you know, the economic impact caused by the peso devaluation has severely affected many small businesses along the Mexican border. As of July 29, 1983, 323 loans have been approved at approximately \$30 million. It is likely that few additional loans will be made in the border regions, since for many firms additional debt is not a viable solution to the peso devaluation problem. The peso pack initiatives have been well received and the business community recognizes that one cannot borrow ones way out of debt. The true solution is recovery of the Mexican economy. We realize that some small businesses rely heavily on the Mexican economy and will continue to do so. A combination of a reorientation of the business infrastructure and a healthy, stable Mexican economy are necessary for economic confidence in these businesses.

For many small businesses, a combination of financial assistance is required. To help accomplish this goal, the SBA is proud of a program which in the last year has helped to save or create more than 50,000 jobs. The certified development company program, commonly called the 503 program after the section of the Small Business Act, provides long-term, fixed asset financing to spur economic development and the revitalization of America's cities at a cost lower than normally can be obtained by small business. This

financial assistance is provided to small businesses from the private development company which is licensed by SBA. The development company, in turn, sells that debenture to the Federal Finance Bank, a division of the U.S. Treasury. At the same time, the SBA guarantees 100 percent of the debenture to the FFB. This combination of private development companies and the Federal Government results in providing the necessary private capital for a small business to acquire plant facilities, machinery, inventory, and to deal with other financial needs during its developmental phase.

The 503 program is boosting economic development in our cities. Of particular interest to the Congressional Hispanic Caucus is the 503 we have recently licensed in San Antonio. This program, United Communities, is owned and controlled by Hispanic women. The CDC projects that they will submit to SBA six loans for \$800,000 in their first year of operation and \$900,000 in their second year. This is an excellent example of the private sector and Government cooperation. The Government provides incentives and the private sector puts the package together. In one Hispanic group, the Small Business Administration was able to work with the group to correct many of the problems in their application, which went on to become a licensed CDC. Although we have advocated this program in the Southwest, we have received very few applications by Hispanics.

Section 8(a) of the Small Business Act authorizes SBA to enter into contracts with other Federal Government agencies to supply goods and services those agencies need. SBA then subcontracts the actual performance of the work to small businesses owned and controlled by socially and economically disadvantaged individuals. The objective of the 8(a) program is to assist eligible small firms to become independently competitive.

Hispanics are eligible for 8(a) participation. Hispanics represent 39.1 percent of the total minority business owned population of the United States. As of July 1983, Hispanics comprised 22.9 percent of the 8(a) portfolio.

As I mentioned earlier, the President is committed to increasing the number of firms participating in the 8(a) program by 500 by April 1984. We are encouraging additional Hispanic participation in this program to more equitably distribute participation and contract support to the Hispanic community. We are placing a strong emphasis on providing 8(a) contract support to Hispanics, particularly in those areas near the Mexican border which have been devastated by the devaluation of the peso. We are very enthusiastic that the President has called for a Southwest border initiative to recharge this area's weak economy. Vice President Bush is chairing this group, comprised of high level Government officials from all major Federal procuring agencies. The agencies are being strongly encouraged to redirect their efforts to expedite purchasing, loans and grants in the Southwest. We are making vigorous efforts to refuel this area to provide permanent, satisfactory employment. I am honored to be SBA's representative for this group.

I would like to summarize our goals to achieve Hispanic parity in the United States.

We must provide a continued emphasis on the tremendous opportunities available in some Federal programs, particularly those in

cooperation with the private sector. We need to place more Hispanics in key positions in the Federal Government at all levels. We are proud that among our top management the Small Business Administration has three Regional Administrators and three District Directors, in addition to my position as Deputy Administrator, who are Hispanic.

We must continue to encourage the private sector to remove prejudice and other obstacles in assisting minorities with financing, technical and management expertise, marketing, subcontracting opportunities, and others. We must enhance the educational process of Hispanic entrepreneurs in finance, management, marketing, and other areas.

As a representative of the U.S. Small Business Administration, and as an Hispanic with roots in this country, and feeling a deep commitment to my fellow men and women, I encourage all Hispanics to use the advantages created for us, advantages that I have touched on today. But let us remember that many more exist. An array of possibilities are there for us to develop, capitalize, and share.

Madam Chairwoman, thank you for your time today. I will be pleased to answer any questions you might have.

Mrs. HALL. Thank you very much, Mr. Herrera.

First of all, I would like to point out what you mentioned in the latter part of your statement, the needs for more Hispanics to be involved in government at all levels. I agree with that 100 percent. Of course, I am committed to work to make sure that we get a fair share of Hispanics. I, too, believe there should be more, not just at the lower echelons, but all across, we do need to have more involvement. In fact, here in the Congress we would really like to see more Members elected.

I would also like to just emphasize the fact that 40 percent of our businesses are owned by small business persons, and that's almost half, a large percentage. How much, in terms of dollars, how much money in loans do you make to Hispanic businesses yearly? We know the small ones make up 40 percent of the total business community, and I was wondering how many dollars do you loan Hispanic business persons in this group?

Mr. HERRERA. Madam Chairwoman, that information is available. I do not have it with me, but I would be glad to provide it to the committee.

Mrs. HALL. Very good. I would appreciate that.

[The information follows:]

Fiscal year 1983 (through August), \$67,787,829; fiscal year 1982, \$66,813,140; and fiscal year 1981, \$117,040,488.

Mrs. HALL. Then, of course, the third question is, in your opinion, what are the most important services that one could obtain from your office?

Mr. HERRERA. Well, the most important services are in the area of the financial programs that we have, which not only include the debt programs that I mentioned, the guaranteed and direct loans, but also venture capital through our Small Business Investment Corporations or MESBIC's. We have a large number of CDC's that I also talked about that provide long-term capital, which is some-



thing that is very difficult for small businesses to obtain in the financial markets right now.

I was at a meeting earlier today and I questioned the audience in terms of their knowledge of some of these programs. The 503 is one of the most least understood of them all. It is a question of getting information out to the Hispanic community and other minority communities to be sure they know about these programs so that they can form the local development entities that are required, to take advantage of these.

But through our district offices, we have 100 district and branch offices throughout the United States and the Trust Territories. They are the principal delivery system that we have. We also have 10 regional offices that operate directly between the Washington central office and our district offices. All of those offices—the district offices, regional offices, and the central office—have the information available, for the finance, for the procurement, for the economic development programs that I mentioned.

Mrs. HALL. Very good. That sounds interesting.

The final question is, you have regional offices around the country. Do you have persons in these offices who would be available to come to the regional workshops, community workshops, to assist Hispanic business persons? For example, in my district I think it would help a lot if I could have a workshop and have persons from your office come and talk to our people and help them on how they could improve their businesses and improve their services. I think this would be a very good thing to do.

Mr. HERRERA. Madam Chairwoman, that is one of the areas that we participate in to the greatest extent with the local communities, with the State government, with the counties. We are always holding procurement conferences, management assistance conferences, financial assistance conferences. We work with the banks; we work with the local governments, with the State governments. We would be more than pleased to talk to you about holding such conferences in your district and in your State.

Mrs. HALL. Very good.

Mr. HERRERA. Dick Durkin is our Regional Administrator out of Chicago that handles your region.

Mrs. HALL. Very good. Thank you, Mr. Herrera. Again, the committee would like to thank you for your presence and for your participation.

Mr. HERRERA. Thank you.

Mrs. HALL. You are excused at this time.

Mr. HERRERA. Thank you.

Mr. PASTRICK. Mr. Herrera, I would like to point out that counsel for minority and majority members have seven legislative days to submit questions for the record, which we might want you to respond to in writing.

Mr. HERRERA. I would be pleased to do that. Thank you.

Mrs. HALL. Our next witness is Mr. Jesus Chavarria, editor and publisher of Hispanic Business magazine.

## STATEMENT OF JESUS CHAVARRIA

Mr. CHAVARRIA. Thank you, Madam Chairwoman, members of the caucus. My purpose here today is to give testimony before this distinguished panel on "The Hispanic Business Picture."

We are all familiar with the proverbial observation, "A picture is worth a thousand words." Although I hesitate to question such a venerable truism, in this case a picture alone, without an extensive photo caption of, say, a thousand words, would not really convey a correct understanding of the current status of Hispanic business in the United States.

A case in point: If we look at a candid camera snapshot of Hispanic business today, we view a picture of health, vigor, aggressive growth, and performance.

The "Hispanic Business Top 400 in Sales," a directory of the top Hispanic-owned corporations in the country, published in June of this year, suggests as much. The "Hispanic Business Top 400" posted aggregate sales of \$3.71 billion, with the aggregate number of employees totaling 36,734. The top 10 companies of the 400 alone posted sales of \$1.04 billion, and the top 10 companies in number of employees employed 9,398 workers. This information is consistent with the profile of Hispanic business that can be obtained from the 1977 census of minority and Hispanic business, the most recent available document outlining a quantitative account of Hispanic business economy in the United States.

The results of the 1977 census of Hispanic business are fairly well known. According to those findings, Hispanic firms, in aggregate, and their gross receipts, represent the largest single minority business segment in the country. This is the case even though Hispanics do not make up the largest minority population segment in the country.

Moreover, if we compare the performance of Hispanic business firms with the performance of general small business in three critical areas, we find that Hispanic firms compare quite favorably. If we look at the rate of business formation, the rate of business growth, and the degree of concentration in the retail/service sectors, this is what we find. Hispanic firms are forming at a faster rate than the national average for general small business. Second, Hispanic businesses are growing at a rate comparable to small business in general. And third, Hispanic firms are not unduly concentrated in the retail/service sectors. On the contrary, the number of Hispanic firms in construction, transportation, and manufacturing is greater proportionately than for all small business in general.

So, in general terms, the picture we get of Hispanic business economy is one of vigorous growth and expansion of existing stock, precisely in those SIC areas—construction, transportation, and manufacturing—where growth counts. The notion that Hispanics lack in entrepreneurial vigor is clearly unfounded.

But the foregoing notwithstanding, the picture just presented is not complete, for there are two major problem areas which continue to dog—to bar the development of Hispanic business formation and business growth. These areas, succinctly stated, are (1) a lack of marketing opportunities, and (2) capital formation.



One of the major breakthroughs in Hispanic business economy during the past 10 to 15 years has been the emergence of companies capable of marketing products and services in markets of scale, either regional or national markets. We can readily identify two major marketing areas where Hispanic firms, as a whole, have been notably unsuccessful—those two areas being the Federal and national corporate markets.

I am mindful that in the time allotted we must be brief, so let me quickly present some basic facts.

Fact No. 1: There are two major Federal programs set up to make accessible Federal procurement markets to small and minority business firms. Both are administered by the Small Business Administration. The largest program by far originated with Public Law 95-507, which requires major Government prime contractors to subcontract to "socially and economically disadvantaged individuals."

The second largest program is called the 8(a) program, which sets aside subcontracts on a negotiated, sole-source basis to small minority businesses. Between 1968 and 1982, the 8(a) program had awarded approximately \$5 billion in contracts to minority-owned firms, of which approximately \$800 million, or 16 percent of the total dollars awarded, went to Hispanic firms.

If we turn our attention to Public Law 95-507, a law which dates back to 1978, the situation worsens. In fiscal year 1980, in keeping with 95-507, the top Federal procuring agencies stated they were giving out contracts with an estimated value of \$62 billion requiring specific subcontract goals. But the Government could not report, could not break out how many of the subcontracting dollars designated for small businesses went to minority-owned businesses. Asked for this information for an article appearing in "Hispanic Business" magazine, called "Wanted: an Hispanic-SBA Dialogue," a top SBA official said, "That's where our figures, quite frankly, break down." Sophisticated analysis is not required to conclude that minority and Hispanic firms are receiving disproportionate market shares of Public Law 95-507 and 8(a) Federal small business procurement.

Fact No. 2: If one turns to procurement with national corporations, the picture does not get any better. Take one example. The National Minority Supplier Development Council, funded by the Department of Commerce, represents the major pipeline for targeting corporate purchasing from minority firms. According to the council, on whose board and principal committees sit executives such as the chairmen of the boards of General Motors, Coca Cola, and other principal national corporations, in 1982 corporations purchased \$4.2 billion worth of goods and services from minority firms. The NMSDC executive director has emphasized that the announced \$4.2 billion is, in fact, "an understatement of actual performance." The figure, in other words, was much higher. Efforts to obtain breakouts of the Hispanic market share of private sector purchasing obtained through the auspices of the NMSDC, a federally funded program, have not been successful. But until recently, Hispanics have not served proportionately in any influential positions in the organization.

The question that must be asked is how can such publicly-supported and/or Government programs be held accountable to provide services and/or access to all disadvantaged Americans if they are not mandated to report performance—in particular, to report performance as to the intended impact and goals of such programs to insure equity of access to all sectors of the minority business community.

Today one hears that the Federal Government will purchase 15 billion dollars' worth of services and products from minority firms in the next 3 years. If Hispanic firms had received \$800 million in procurements through the 8(a) program as of 1982, is it realistic to believe that Hispanic firms will be receiving anywhere close to a proportionate amount of the targeted goal? The organizational and administrative machinery is simply not in place to insure a proportionate market share of Federal business going to Hispanic firms.

If one examines the broad spectrum of Federal involvement with Hispanic business, the results are similar. Take Hispanic employment at the SBA. As of June 1980, Hispanic employment at the SBA totaled 194 employees, or 4 percent of the agency's work force, and 86 percent of those slots were in the lower grades, 1 through 12. Due to Federal job freezes, the situation is not likely to have changed much since then.

If we look at capital formation, the situation does not vary. There are over 100 minority enterprise small business investment corporations, MESBIC's, originally set up to provide venture capital to minority firms. Again, no information is available as to their performance, especially as to how they perform with Hispanic business firms.

The bottom line is that Hispanics earn over \$67 billion annually, of which a significant percentage goes to pay Federal taxes. Hispanics today have as good a case as the original 13 Colonies did, of charging the Federal Government, as the Colonies did Great Britain, of "taxation without representation." For the sad fact is that so-called Federal programs to assist minority business, and so-called affirmative action programs mandated by Federal law, have not worked, are not working, and will not work for Hispanic Americans.

In the private sector major corporations are signing today substantial covenants to trade with minority communities, to invest in minority economic development. But those agreements will not impact Hispanic Americans. Hispanic Americans here in the United States and in Latin America make up one of the largest racial-ethnic markets of virtually all of the Fortune 500 companies, but these companies, by and large, while they are gradually beginning to invest in minority economic development, are not investing in Hispanic American economic development.

Mrs. HALL. Excuse me, Mr. Chavarria. I am very sorry, but there is a vote on the floor, and I have 10 minutes to get over and cast my vote. We are going to have to recess again. After I cast my vote, I will return and we can continue. I am very sorry, but this I have to do.

Mr. CHAVARRIA. I appreciate that.

[Whereupon, the subcommittee was in recess.]

Mrs. HALL. We will resume our hearings.

I think at the time we left to vote Mr. Chavarria was testifying. Would you please continue, sir.

Mr. CHAVARRIA. Thank you, Madam Chairwoman.

The message, Madam Chairwoman, and members of the caucus, is very clear. The picture of Hispanic business firms, narrowly focused, is one of vigor, performance, and growth. But the market environment in which these companies operate, on the whole, is largely indifferent and unresponsive to their interests.

There are some exceptions, some bright spots, but they are not overwhelming in number. Is this perspective too negative? Is it overly dark and pessimistic? I don't believe so. It is tenable. It is realistic. For the scarce numbers that are available tell the story quite well. Research done by "Hispanic Business" magazine has led to one inescapable conclusion: The bigger the program, the smaller the share for Hispanics. Hispanic entrepreneurs, men and women, have to be triathlon champions. They have to beat the odds, knowing that the house holds all the high cards. They have to know what the reality is out there and still want to pursue their entrepreneurial dreams.

As to remedies that can be recommended, Madam Chairwoman, the best that I can make here is that there is a need for verifiable information, for without verifiable information there can be no accountability. And there is a need for forums, such as this forum, to call attention to the information. Awareness is a great remedy in itself.

Thank you very much.

Mrs. HALL. Thank you very much.

Do you have to leave at this time?

Mr. CHAVARRIA. No, Madam Chairwoman. I will be available.

Mrs. HALL. We would like to continue with the testimony, and then entertain questions. Thank you, sir.

Our next witness is Miss Dorita Down, and she comes from the American Institute for Transportation and Business Development.

#### STATEMENT OF DORITA deLEMONS DOWN

Ms. DOWN. Thank you, Madam Chairwoman.

Distinguished panelists, ladies and gentlemen: I am Dorita deLemos Down and I am the director of communications of the American Institute for Transportation and Business Development.

The institute has given itself the charge to oversee the implementation of section 105(f) of the Surface Transportation Assistance act of 1982. The section requires that not less than 10 percent of the amounts authorized to be appropriated under the act shall be expended with small business concerns, owned and controlled by socially and economically disadvantaged individuals. As Hispanic entrepreneurs, we fall into the category of "socially and economically disadvantaged persons," as identified under section 8(d) of the Small Business Act. As such, we are presumed eligible for participation and funding opportunities available under section 105(f) of the STAA.

You are aware that each State, the District of Columbia, and Puerto Rico are recipients of surface transportation funds, the spe-



cific allocation being determined by Federal formula. As you are aware, 1 cent of the total 5-cent gasoline tax is allocated for mass transit/capital improvement projects, and the remaining 4 cents is allocated for State highway, road, and bridge repairs. A very minimal portion of these moneys will be expended by FAA, NHTSA, the Coast Guard, and the remaining Department of Transportation agencies.

Section 105(f) does not limit participation solely to highway or mass transit contractors. Minority supportive service firms are eligible to participate in this 10-percent goal—for example, minority architects, engineers, accountants and CPA's, any firms in ancillary businesses, as, for example, janitorial services, food services, maintenance services and the like. However, in order to become eligible for State contracting opportunities, the firm must be certified by the State in which they wish to do business. Certification requirements vary from State to State. Some are very rigid and require up to 12 months to be certified. Other States will certify you 1 or 2 days after you have submitted your bids. The institute is now in the process of preparing an information and assessment study to be used by the various State officials as well as contractors, minority as well as majority, on the certification processes.

It is also important to remember that some States recognize the certification of sister States and will grant reciprocity to minority firms seeking to do business out of State. A perfect example of that is my own State of Maryland, which provides reciprocity with 12 other States, some as far removed as Texas.

It is important to clearly understand that the U.S. Department of Transportation does not consider section 105(f) as a set-aside. There remains confusion over this issue, to the extent that Congressman Parren Mitchell consistently states that 105(f) is a set-aside.

Today many States are concerned that they will not or cannot meet the 10-percent-minority-participation requirement, due to what they deem an insufficient minority business population. However, DOT regulations are flexible to meet that very concern. In the event the State discovers that it cannot meet the 10-percent MBE, WBE, DBE participation, it has the right to request a waiver to the Secretary of Transportation by August 1, prior to the end of the fiscal year. However, the request must be justified to the point that, in effect, the State has not been able to identify enough WBE's, MBE's, and DBE's in that State who are certifiable under the law.

It is therefore incumbent upon us to become informed about certification procedures within each State in which we do business or seek to do business. We are not limited to doing business only in that State in which we presently reside. We can become certified as a foreign corporation in the State of our choice.

Let me remind you that over the 4-year authorization of the Surface Transportation Assistance Act the Nation will expend approximately \$74 billion. A minimum of \$7.4 billion will go to MBE's, WBE's, and DBE firms. First, that is a lot of money; second, it must go to those firms because it is the law; third, minorities deserve to become full partners in the major task of rebuilding our

Nation's transportation infrastructure. Finally, it is the responsibility to now take advantage of that opportunity.

Thank you.

[The attachments to Ms. Down's statement follow:]



## SUMMARY OF TRANSCRIPT

DEVELOPING AND MAINTAINING MINORITY BUSINESS  
RELATIONSHIPS

JULY 27, 1983

## WORKSHOP A - OVERVIEW OF THE LEGISLATION'S MINORITY BUSINESS REQUIREMENT

The workshop discussion centered around questions relating to the 10% goal for minority business participation under the Surface Transportation Assistance Act of 1982. Concern was voiced over the prohibition in some states of set-asides for minority procurement and the manner in which these states would handle the federally mandated goals. In that a goal is only a percentage target of all monies to be spent and not a percentage of contracts on which only minority contractors can bid, there is no conflict with state prohibitions on set-asides. Additionally this 10% goal is the starting point for each of the states who must justify lower percentages. Insufficient justifications result in loss of federal funding.

The 10% goal is also monitored in several ways. First, by minority associations and groups who must be consulted when less than a 10% goal is being requested. Secondly by factual justification of a shortfall at the end of the year, with respect to the 10% goal. Thirdly, there is a monthly monitoring process.

## WORKSHOP B - MANDATE FOR MINORITY BUSINESS PARTICIPATION

Workshop B ranged over a wide variety of topics. Federal Highway Administration recapped its efforts to assist MBE's by setting goals, providing programs for financing and training. The question of what defines a minority was addressed. The law specifically states that Blacks, Hispanics, Asian Americans, American Indians and Alaskan Natives fall under the definition. However, a state may say that a successful minority contractor, based on past performance, would not be certifiable as disadvantaged. By the same token, a member of a majority group could, by virtue of circumstances, be certified as disadvantaged by the process within a state.

Many majority contractors complained about the quality of MBE's especially within certain industries. Suggestions for meeting the problem of inferior quality ranged from training programs by the state, OJT by prime contractors on the sites, national and state clearing houses of qualified firms and looking to MBE's to provide supportive services, i.e. legal, accounting, in lieu of industry specific contractors, i.e. pavement, hauling, etc.

Participants were confused over the issue of minority control over a firm seeking certification as an MBE. Essentially this 51% control must be both in equity and day to day hands-on operation. The minority must be the decision maker.

Lastly, the issue of bonding and funding was discussed. Many MBI's cannot get work because they cannot be bonded or lack access to capital. Suggestions for remedies were government support, use of minority financial institutions and expansion of the activities in the area of the Minority Business Resource Centers.

#### WORKSHOP C - MINORITY CONTRACTOR IDENTIFICATION

Finding qualified minority businesses was the prime thrust of the discussions. Since minority firms often have problems with respect to bonding, financing and management, there has to be some mechanism for assistance. One suggestion was gathering the contractors, bankers and bondsmen together to hammer out specific deals. Some states have a very active search program for minority businesses and maintain minority contractor lists by capabilities. Minority Development Centers are also to assist in the process. Majority contractors can help by networking and passing names of minority contractors to those who are bidding on jobs. The minority community must also step forward and seek the opportunities.

The discussion then returned to the problems of percentage of minority participation. With respect to minority contracts for such items as support services, i.e. legal or accounting, only those portions of funds expended for those activities for the contract can be counted in determining percentages.

An additional percentage problem arises when a substantial portion of the contract is for materials. In terms of operating, a 10% goal or participation becomes larger by virtue of a smaller portion of the contract allotted to operating activities. States do have the power to adjust percentages on a specific contract but must eventually arrive at least at an overall 10% figure for all contracts combined.

#### WORKSHOP D - NON-COMPLIANCE AND ENFORCEMENT PROCEEDINGS

Regulations give three situations which constitute non-compliance with Section 105F of the Surface Transportation Assistance Act of 1982.

1. Failure to have an approved disadvantaged program
2. Failure to have approved goals
3. Failure to meet approved goals with subsequent insufficient explanation of the failure.

In the final analysis, though, it is the spirit of implementation and the cooperation of state officials and majority contractors that will make the Act work.

Loopholes in state laws presented problems to several of the attendees. Panelists suggested that particular state procedures be closely monitored by contractors and their associations to avoid falling into non-compliance.

Enforcement of the STAA '82 can be assured by withholding of further funds under the Act. However, minority firms can work within their states to market themselves among the majority contractors thereby precluding future problems with non-compliance.

#### **WORKSHOP E - OUTREACH AND SUPPORTIVE SERVICES**

One state has an active outreach effort through coordinators located in local communities. These coordinators visit MBE's to get to know them. State supportive services people are also asked to troubleshoot in the minority communities resulting in the removal of the bond requirement for sub-contractors.

Minority Business Development Centers serve MBE's in 100 metropolitan areas in the United States. Here the MBE's can find technical expertise to analyze and solve existing problems. A lot of small contractors are excellent technicians but need guidance in financing, bonding and management. There are also computer data bases available with names of minority contractors for certain regions.

Finding and securing contracts essentially remains a function of contracts and networking.



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### STATE CERTIFICATION PROCEDURES

AITED recently embarked upon a state-by-state survey of MBE certification processes. A wide range of forms and processing times were noted among the states with traditionally heavy Hispanic populations: New Mexico, Arizona, Colorado, Nevada, Florida, New York, Texas, and California. All were found to have some sort of MBE certification process as required. New York, California and Colorado were the only states in the group which reciprocated certification - and only on a limited basis usually with adjacent states. Processing time varied from a short 1-2 days for Nevada to 3 months for Florida. Most of the other states estimated 14-21 days for the process to run its course provided all information and documents were submitted with the application. All of the above states had current directories of firms certified with their respective states. Form, content and organization of these directories varied greatly from state to state. Nevada's directory was the most comprehensive in content in that it not only provided the firms, name, address, and type of work done but also, gave a profile of the company to include licensing limits, equipment lists, business references, bank references and bonding capability.

Colorado and Nevada were the only states of the group who had contractors assisting in the certification process. All other states did the processing in-house.

Of the MBE application forms received, most used recommended federal Schedule A or a variation thereof. Florida has an exceptionally onerous and detailed application form with a requirement of approximately 25 enclosures of records, licenses and certificates. A spokesman for the Florida office mentioned that the form, dating from 1980, was currently under revision.

All of the states interviewed indicated that they would meet the 10% minimum minority participation for 1984 required by STAA '82. In part, several of the states notably Colorado, Nevada, California and Florida, comfortably exceeded their goals for 1983.

Texas and Florida indicated that they did not have programs to assist MBE's in achieving certification (bonding, loan guarantees and training). Other states had programs varying from several workshops a year to supportive services contracts for training and technical assistance to in-house training. Texas has a RFP in process to provide assistance to MBE's. Nevada expressed a continuing problem with bonding and loan guarantees. They had sought solutions through DOT but were only provided with contacts.

Nevada has a computer system which targets MBE's for specific jobs. New Mexico publishes a 5 month projection of opportunities for MBE's. Other states publish periodic bulletins for bidding opportunities.

In all, the practices of these states with large Hispanic populations reflect the wide variety of plans, processes, forms and organizations of the remainder of the states.

## FACT SHEET

The Department of Transportation issued a final regulation on July 18, 1983 to increase disadvantaged business participation in the Department's large financial assistance programs for highways and mass transit. The regulation carries out section 105 (f) of the Surface Transportation Assistance Act of 1983.

BACKGROUND

Section 105(f) provides as follows:

Except to the extent that the Secretary determines otherwise, not less than ten percentum of the amounts authorized to be appropriated under this act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals as defined by section 8(d) of the Small Business Act (15 U.S.C. 637(d) and relevant subcontracting regulations promulgated pursuant thereto.

The new regulation builds on the Department's existing minority business enterprise rule (49 CFR Part 23). Under this existing rule, programs. For example, the dollar value of minority business participation in the highway program in Fiscal Year 1982 was \$415 million, over two and a half times more than in Fiscal Year 1979, the year before the rule was published. Minority business participation in the mass transit program was worth \$274 million in Fiscal Year 1983.

RECIPIENTS' OVERALL GOALS

In section 105(f).

The Department recognizes, however, that it may not be reasonable to expect every recipient to meet a ten percent goal at once. A recipient may request approval of a goal of less than ten percent. To decide whether a lower goal is justifiable, the Department needs information about the ability of disadvantaged businesses to work on the recipient's DOT-assisted contracts and the efforts the recipient is making to increase disadvantaged business participation. Thus, recipients requesting approval of a lower goal will be asked to submit such information. Before requesting a lower goal, recipients will also consult with minority and general contractors' community organisations, and other interested groups.

The Department will consider each request for a goal of less than percent on its merits, in light of all circumstances relevant to the request. If the information provided in support of the request is insufficient, the Department will consult further with the recipient. If the Department does not approve the goal the recipient has requested, the Department, after consulting with the recipient, may establish an adjusted overall goal that represents a reasonable expectation for disadvantaged business participation in the recipient's programs.



COMPLIANCE

If the recipient fails to meet its overall goal, it has the opportunity to explain to the Department why the goal could not be achieved. Among the circumstances that may be taken into consideration is the award of contracts to contractors who did not meet contract goals but made strenuous efforts to do so. If the recipient's explanation does not justify its failure to meet the goal, the Department may direct the recipient to take future remedial steps to improve its disadvantaged business participation.

A recipient is regarded as being in noncompliance with the rule, and therefore in danger of losing its Federal funds, in only two situations. First, a recipient is in noncompliance if it does not have an approved disadvantaged business program or goal. Second, a recipient is in noncompliance if it fails to take remedial action to improve its disadvantaged business participation as the Department requests. A recipient is not regarded as being in noncompliance simply because it has failed to achieve the level of disadvantaged business participation called for in its overall goal.

WOMEN-OWNED BUSINESSES

Many women-owned businesses have expressed concern about the effect of this regulation on them. The department's existing requirement of separate goals for women-owned businesses will continue without change. As section 8(d) provides, non-minority women will have the opportunity to request consideration as socially and economically disadvantaged individuals on a case-by-case basis. If a recipient approves such a request, contracts with the woman's company would count toward the goal for disadvantaged businesses on the same basis as a minority-owned firm.

EXISTING PROGRAM PROVISIONS

Most provisions of the Department's existing program will continue to operate as they have in the past. Recipients will set separate overall and contract goals for the participation of disadvantaged businesses and women-owned businesses. Prime contractors must meet these goals or demonstrate that they made good faith efforts to do so. Recipients will continue to make determinations about the eligibility of companies to participate as disadvantaged or women-owned businesses. Effective eligibility screening by recipients will continue to be essential in order to prevent the award to "fronts" of contracts that should go to legitimate disadvantaged businesses.

Mrs. HALL. Thank you very much.

Miss Down, I understand that you do have to leave at this time due to an appointment at the White House, so if you would, I would just like to ask a number of questions.

First of all, I am very pleased to know that you are working with the Surface Transportation Act. I was in the Congress I guess about 2 weeks before it was adopted in 1982, and in my opinion it is perhaps one of the most effective tools to develop the highway system in this country and at the same time provide a fair share for minority businesses. There was a 10-percent set-aside included.

At the present time, approximately how many Hispanic businesses are participating in this program?

Ms. DOWN. Not as many as we would like to see. But we are compiling that information in our office and I will be delighted to provide you with that information.

Mrs. HALL. Very good. When you get the information, would you please share it with us. We would really like to have it.

Ms. DOWN. I would be delighted.

Mrs. HALL. I would also like to say that, as a person who is working in the program, is your office available also to come to areas, or do you have persons in regional offices who can talk to Hispanic business people?

You know, one of the problems I have in my district is that so many of our businesses—not just Hispanic businesses, but businesses period, perhaps with the exception of the large ones—simply do not know a lot of the services that are available. One of my tasks is to bring in resources, to bring in people who can provide information and to make resources available. It is far more convenient to do it as a group. For example, if I could have a workshop and have someone come in to explain the program, perhaps more of my people could participate.

Do you have such people available?

Ms. DOWN. Yes, we do.

Mrs. HALL. Very good. You will be hearing from our office.

Ms. DOWN. Thank you very much.

Mrs. HALL. Our next witness today is Mr. Jose Font, president of the Greater Washington Ibero-American Chamber of Commerce. Mr. Font.

#### STATEMENT OF JOSE FONT

Mr. FONT. Madam Chairperson, distinguished members of the subcommittee, I am pleased to have been invited to participate in this set of hearings concerning our Hispanic population.

Since I have spent the bulk of my professional life working for and with Hispanic business persons, I will attempt to portray for you how our Hispanic citizen or resident tries to enter the mainstream of the American economy.

It may be especially helpful to indicate the problems and challenges faced by the Hispanic business person so that we may give some thought to the efficacy and value of the assistance programs which the Government makes available to our minority business persons. I believe that we all agree that it is in the self-interest of all Americans that the largest number of people work effectively to

generate income and employment in our society and that it is for those purposes that tax dollars are expended to help bring our minority residents into the mainstream.

In the brief time allotted to me today, I would like to assume that the general background and diversity of our population has already been presented and entered for the record of these hearings. I will therefore limit my remarks to business specific matters. In doing so I will (1) speak of problems the Hispanic business person faces in common with other minority business, (2) note certain areas of concern peculiar to our Hispanic business community, and (3) finally address some thoughts to the Government programs available to assist these businesses.

Problems common to minority small business. In the case of most minority start-up and early stage business ventures, we find inadequate capitalization, especially working capital. Generally speaking, these business persons cannot find start-up capital beyond the realm of their own savings and the limited resources of family and friends. Usually, too, the optimism and hope that led to starting a business causes people to overestimate their ability to penetrate the market and sell their product or service.

Due to this same inadequacy of capital, easier entries to the business world, such as buyouts of even moderately successful businesses, or the investment in a franchise, are usually precluded.

Usually businesses are begun in this sector with inadequate or no legal or financial structuring. By that I mean in the strategic sense. This virtually assures such firms that banks will not provide them credit and that major government or commercial contractors will be unable to deal with them.

The owners chores of bookkeeping and the use of proper accounting records are matters foreign to these entrepreneurs. To pay for adequate monthly or quarterly reports from outside accounting firms is often considered a secondary option in the allocation of funds. Hence, many small minority business owners do not even know the true state of their firms.

As you can see, I am speaking of the 95 percent of the minority entrepreneurs. I am not talking about the larger firms who have passed the threshold of infrastructural development.

These firms find it most difficult to penetrate the market if that means selling beyond their ethnic community. They do it, but with difficulty. They do little or no market research. If they provide a service, say professional consulting, which is a big industry in the national capital area, they know little about the marketing and procurement process. Also, even when these business people understand the importance of and the methodology of marketing, they lack the resources to get out and sell. They are often too busy satisfying the last customer to have time to be out looking for the next one.

This list could easily be made much larger with statements about deficiencies in management, personnel policies, public relations, et cetera. Simply stated, the minority business has no room for mistakes, which frequently means that if the enthusiasm and resources thrown into a project don't bring the expected results in the short run, there are no opportunities for a second turn at bat.

The Hispanic business is particular.

Our Hispanic business person, in general, has no history or point of reference within family or immediate community with regard to getting into business in the American setting. This lack of know-how leads to numerous errors and failures. There is simply no "how did my father or my ancestor do it."

It is especially true of our people that they find it hard to penetrate the market beyond the Hispanic community. This condition is further exacerbated when English ability is very limited.

There is frequently an unwillingness to accept the so-called bureaucratic reporting, licensing and tax-paying procedures required in our system.

There is a tendency to be quite secretive and untrusting even toward external support sources. This often results in only immediate problems being disclosed when deeper analysis is called for to guarantee effective aid. Again, I am referring to the problems that Hispanic businesses as well as other minorities face.

Government assistance programs.

While there is a plethora of services available through the government to assist minority businesses, the basic ones are seated in (1) the network established by the Minority Business Development Agency [MBDA] of the Department of Commerce, and (2), the minority business assistance programs of the Small Business Administration which also is deeply involved with (3), the Government-wide procurement regulations calling for certain proportions of purchases to be allocated to minority firms.

Certain of these programs are meant to assist with capital acquisition whether of equity or debt. I would urge that these programs be kept in place, including the MESBIC and direct loan programs of the SBA. The Certified Development Corporation and guaranteed loan programs involving the SBA serve a valuable purpose as well.

In mentioning here a few programs administered by the SBA, I am forced to note that we view that agency as being overloaded. If it is not going to be provided funding and staff to do its tasks in a timely manner—and time is essential to business—then certain tasks should be taken off its back. One such reduction—and we're just throwing this out—in work would be the entire administration of what is known as the 8(a) program and certification for that program.

I fully endorse the congressional mandate that Federal procurement be proportionately allocated to minority businesses. The regulatory procedures developed for the program's implementation may be excellent in theory, but they are proving unworkable in fact. Federal procurement officials usually refuse to give contracts to capable minority firms unless the SBA's seal of approval [certification] has been given to the firm. In this way the SBA serves like a performance bonding entity for the rest of the government which doubts the capacity of minorities to deliver. This is an insult to minorities since the government otherwise self-insures and avoids paying insurance premiums on every job it contracts for.

The programs of the MBDA which offer a broad range of assistance services to minorities are commendable and deserve consistent government support. I would only note that with our Hispanic population becoming a significant minority, attention should be



paid to the amount of assistance available through professionals fluent in Spanish.

I do not suggest that new programs be instituted by the Federal Government. Rather, I urge that present programs be adequately funded and promoted.

Finally, let me emphasize again that the more our Hispanic community gains in its ability to carry out business in the American setting, the greater will be the income and employment opportunities developed. The heart of the entire American economy will be improved in direct proportion to the improved health of its minority business sectors.

I thank you.

Mrs. HALL. Thank you, Mr. Font.

Our last witness is Dr. Harry Pachon, Executive Director of the National Association of Latino Elected and Appointed Officials.

#### STATEMENT OF HARRY PACHON

Dr. PACHON. Thank you, Madam Chairwoman, Commissioner Corrada.

Madam Chairwoman, in the interest of time, I would like to summarize my testimony, and then enter the full testimony in the record.

NALEO is a national association of Latino elected and appointed officials. It is a nonpartisan, national (Hispanic) advocacy group which encompasses all segments of the Hispanic community. NALEO neither seeks nor accepts government funding. Instead, it relies on the Hispanic community and its friends to support its efforts to provide a unified voice at the national level. As an organization which has never received government funding, we therefore feel very objective in our analysis of Federal contracting with Hispanic businesses. To NALEO, this is a policy area that has not received sufficient federal attention.

The point of fact is that the Federal Government is one of the largest purchasers of supplies and services in the United States today. In fiscal year 1982, for example, it purchased over \$136 billion worth of goods and services. This amount is approximately ten times the size of the Department of Education's budget and approximately 30 times the amount the administration is proposing to spend on the Jobs Training Partnership Act.

Federal dollars are spent on construction, professional services, base maintenance activities, food services, sophisticated electronic equipment, and, in fact, on almost all goods available in the private sector. The economic impact of this spending is considerable in terms of jobs, moneys spent in the community, and the development of small and large businesses.

Many of the present Fortune 500 companies, for example, have and continue to be benefited by Federal contracts.

Hispanic businesses are in a position to contribute a great deal to government procurement activities. They have the necessary expertise to participate fully in providing goods and services to the Federal agencies. Yet, government programs set up to assist minority businesses are not reaching out equitably into the Hispanic community. For example, in the Small Business Administration's 8(a)



program, only 22 percent of the businesses certified by the government as 8(a) are Hispanic.

NALEO is deeply concerned with the low participation rates for Hispanic businesses and firmly believes that these programs must become more responsive to the Hispanic business community. Among the reasons for the lack of participation by Hispanic firms in this program are: (1) overall limited access by minority firms to government procurement; (2) administrative and budgetary limitations imposed by SBA, such as steady reductions in the staff required for effective administration of the 8(a) program; and (3) weak performance of SBA's legislatively mandated role under Public Law 95-507 to advocate the development of small and disadvantaged business. These problems serve to underscore the difficulty of accomplishing the administration's goal outlined in the December 12, 1982 statement on minority business, which called for the expansion of 60,000 existing minority businesses and for an increase of 60,000 new minority firms.

NALEO is working to bring about the necessary changes. These changes must, however, extend to more than the 8(a) program, as there are many Hispanic businesses not classified as 8(a) firms that are also interested in doing Federal contract work.

As part of NALEO's involvement in the area of Hispanic business procurement with the Federal Government, one of the first things that we did was to start a survey requesting data from each of the Federal departments regarding a couple of specific questions. These questions encompassed the following items:

No. 1, we asked each Federal department their overall contract goals for fiscal years 1982 and 1983.

No. 2, we asked what the actual dollar amount and percentage of contracts awarded to Hispanic firms were under the 8(a) program, and No. 3, we asked what each department was doing insofar as its compliance procedures to insure subcontracting opportunities under Public Law 95-507.

All departments that we contacted responded to NALEO's inquiry. After review of these responses, NALEO was appalled at the lack of information on Government procurements with Hispanic businesses. Not one department contacted could determine what percentage of 8(a) contract dollars went to Hispanic businesses in fiscal year 1982, nor could any department furnish data to indicate what target goals had been set for contracting with Hispanic businesses in fiscal year 1983.

While we at NALEO realize that Federal departments are not under specific legislative mandate to gather such data—and there is some question there, too, if we examine the legislative antecedents of Public Law 94-311, which asked that Federal agencies improve their data on the Hispanic population—we question the ability of any Federal manager or any agency representative to be able to respond accurately on his or her efforts on behalf of Hispanic businesses.

Based on NALEO's analysis of departmental responses, we find that the departments simply do not know if Hispanic firms are participating equitably, if at all, in the 8(a) program. Moreover, by not being able to provide such information, departments do not know

how they are doing in comparison with one another and, thus, cannot benefit from each other's experience.

The 8(a) program, however, only accounts for 2 percent of overall Government procurement. What of the other 98 percent of Federal procurement activity? The record is the same. In response to NALEO's survey, no Federal department could provide us information on how Hispanic businesses are participating under the sub-contracting procedures of Public Law 95-507. Federal agencies lack awareness of how Hispanic businesses are faring under this critical program.

In response to this situation, NALEO has established a Hispanic Business Advisory Committee to help us in developing policy initiatives to improve procurements in this vital area.

Members of this committee are: Hector Barreto, president of the U.S. Hispanic Chamber of Commerce; Sal Beltran, president of Comprehensive Technologies; Tom Blackburn-Rodriguez, who serves as a NALEO consultant; James Casso, legislative assistant to Congressman Esteban Torres; Stephen Denlinger, president of the Latin American Manufacturers Association; Jesus Chavarria, publisher of Hispanic Business magazine; Jose Antonio Font, president of the Ibero-American Chamber of Commerce; Joe Garcia, executive director of the National Hispanic Association of Construction Enterprises; Juan Gutierrez, president of InterAmerica Research Associates; Robert Moreno, senior vice president of Inter-America Research Associates; and Richard Salvatierra, president of the Triton Corp.

One of the first things that this Hispanic Advisory Committee did was to meet with representatives of the Small Business Administration. Some of those same officials testified before this committee today. We are developing baseline data to try to make an assessment of how Hispanic businesses are participating in the 8(a) program as well as in non-8(a) Federal procurements.

They suggested to us, however, that we have to meet with each of the Federal departments to discuss the problems that exist in regards to Hispanic business procurement. NALEO, therefore, as a result of its studies, urges that Members of Congress and members of the Congressional Hispanic Caucus begin considering what can be done legislatively during the 2d session of the 98th Congress to improve our knowledge of how the Federal Government is dealing with Hispanic businesses. Statistical visibility, after all, is ultimately policy visibility. Until we have up-to-date information, we are simply operating blindly in regards to Federal procurements vis-a-vis Hispanic businesses.

Madam Chairman, thank you for the opportunity to testify before you. We are open to any questions.

Mrs. HALL. Thank you, Dr. Pachon.

I would like to thank all of the panelists who have remained here for your patience and your endurance. It has been a long stay and we have had a number of interruptions. But this happens when the House is in session because votes do come on the floor and we have to leave. I do appreciate your staying and making such excellent presentations. The information is going to be very helpful.

We have been joined by another Member of the Congress. To my right is the Honorable Baltasar Corrada of Puerto Rico. At this time I would like to yield to Congressman Corrada.

Mr. CORRADA. Thank you very much, Chairwoman Katie Hall. I would like to also commend all the panelists this afternoon for their presentation and express the deep appreciation of the Congressional Hispanic Caucus to Congresswoman Hall for holding these hearings on the occasion of the celebration of the National Hispanic Heritage Week.

It is often that during this week we attend social functions and ceremonies, which are very important, but the celebration of these public hearings is definitely important, appraising this subcommittee of the situation of Hispanics throughout the country as it pertains not only to population and demographic matters and issues, but also social and economic issues as well.

It is often believed, apparently because of our continuous quest for the improvement of our people, that our main efforts are geared toward the social issues, such as health, welfare and others. Obviously, those are vital matters for the Hispanic community. But at the same time it is precisely through a larger participation of the Hispanics in the business activities of our country that we can develop the kind of role model that will help other Hispanics who are poorer improve their plight. I believe that Hispanics don't want handouts if they can avoid it. There are, of course, the very poor, the handicapped, the ill, the elderly, who definitely need these welfare programs. But those Hispanics who are physically and mentally able to work are looking forward to the opportunity of being able to have a job, and those who are entrepreneurs and businessmen and businesswomen being given the opportunity of participating in the great economic development of our country.

I think that this panel and your presentations have helped a lot in providing a clear picture of this very important dimension of the efforts of Hispanics in sharing in the fruits of our country and participating as well.

The other day I had, unfortunately, someone mention to me, when we were trying to get funds for the bilingual education program, they said, "Well, yes, it would be nice to get as many millions of dollars for bilingual education as you would want, as long as it is someone else who has to pay for it." I said, "You're wrong, because Hispanics are taxpayers and they do share in the burdens of this country. They are taxpayers who as businessmen and businesswomen have job-creating enterprises. They are hard working as well." So we do pay the price through taxes when our people have the opportunity of being able to develop their business, just as we pay also our price when we share in the defense of our country.

Just last week, one of four U.S. Marines who were killed in Lebanon was a Hispanic, a constituent of mine, Pedro Ramos from Puerto Rico. So we are all over the place in this country, whether it is national defense, whether it is business, whether it is government and political activity, education and so on. I think these programs that you have alluded to in your presentations are vital so that Hispanics will have also a strong leadership role in the business community of our country. I commend you for your presentations.



Mrs. HALL. Thank you, Congressman. Very well stated.

I have to agree with you. We don't feel reluctant at all to ask for programs and for help, because all of us make this country great. We all pay taxes. A lot of times you hear people talking and you would think that this country is great just because one group contributes. But America is the greatest nation in the world because people from throughout this world came and worked hard, they pay taxes, and we make it great. So we feel very honored to take this time to hear from the Hispanic community and to learn more about the problems and the needs and what we can do here to help. Thank you so very much, Congressman.

I have a question that I would like to ask Dr. Pachon. In your opinion, what can the Congress and the leaders of the Hispanic community do in a unified effort to bring about more improvements of Hispanic businesses?

Dr. PACHON. From NALEO's perspective, I think one of the first things we can do is to start providing better information on how these procurements are faring in regards to different ethnic communities.

For example, to give you a hypothetical case, we could have two firms dominating the 8(a) process in a particular Federal agency, or we have 20 firms. Within those 20 firms we don't know how many are minority owned by sub-group, insofar as what type of minorities. So we just need better management information.

I think this fits in very well with the administration's emphasis on improved management efficiency. If we are trying to get programs out that impact on the Hispanic community, we need to know how these programs are faring. That is something that Congress can do.

Mrs. HALL. OK. Thank you very much.

Mr. Chavarria, I have a question I wanted to ask you. Do you feel that the current administration is doing as much as possible or as much as should be done to promote the Hispanic businesses?

Mr. CHAVARRIA. Madam Chairwoman, being consistent with what Dr. Pachon just indicated, it is very difficult to answer that question because there is no data base against which we can hold accountable, either this administration or past administrations, as to what they have done or want to do in this area.

I think I would attach a "rider" to what Dr. Pachon has just indicated by saying we cannot really discuss these issues intelligently unless we have an accurate line of information. We cannot, in turn, hold the Federal Government accountable for any of its goals in the area of minority business unless that information is available.

So what we have today is a very sad situation, where one administration or another is indicating time and time again what their goals are and what it is they are trying to do for minority business, and at the same time there is no machinery of compliance that is being developed. So we cannot hold the Federal Government, and particularly the Federal agencies charged with these missions, accountable for what they are doing. So it is a situation which I am sure you are very familiar with.

I think to the extent we are able to inform our constituencies about this situation, we might be able to look for some future remedies.

Mrs. HALL. Thank you very much.

Mr. Font, would you like to respond to that, also?

Mr. FONT. Very briefly, I would simply say that keeping a balance of progression with respect to Hispanics' participating in the establishment, because it works when people pull in the same direction, whether working in Congress or working in Federal agencies or private sector groups or to the businessmen themselves or in the press. We tend to help each other. This type of information, where it is not available, all the people can try to make it available.

So the answer is yes, we need friends in every place, at every level, to pool resources, so that we can best know where we're going and how to do it.

Mrs. HALL. Very good.

Congressman, do you have further questions or comments?

Mr. CORRADA. No, thank you, Chairwoman Hall.

Mrs. HALL. Thank you.

I would like to again thank all of you for coming, for staying, and for your wonderful presentations. I feel that all of us feel stronger and have a much better understanding of the needs and problems of Hispanic businesses because of your presentations today. I have been able to get a lot of information and we are going to share this with all of the members of this committee, including those who were not able to be here because of obligations over at the House, which is in session.

Of course, personally I plan to go back to my district and share this information and to conduct some workshops. I would invite some of you to come in and to provide more information. I have a lot of Hispanic businesses, and many of them do extremely well. But I think, with this information, many of them could even do better. We thank you so very much.

We would like to give the opportunity to the minority staff persons here to have information inserted in the minutes, or included.

Ms. SOELLE. We would like to submit some questions for the record, Madam Chairwoman.

Mrs. HALL. Thank you very much. You will be given that permission.

Again, we want to thank all of you for coming. We are going to have hearings tomorrow starting at 10 o'clock, and hopefully we will not have as many votes and, therefore, have less disruptions. Thank you so very much.

The hearing is adjourned.

[Whereupon, at 3:05 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Thursday, September 15, 1983.]





## EMPLOYMENT IN THE HISPANIC COMMUNITY

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THURSDAY, SEPTEMBER 15, 1983

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CENSUS AND POPULATION,  
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,  
*Washington, D.C.*

The subcommittee met, pursuant to adjournment, at 10:40 a.m., in room 345, Cannon House Office Building, Hon. Katie Hall, presiding.

Mrs. HALL. The subcommittee will come to order at this time, and the subcommittee would like to thank each person for attending this session. This is our third day of hearings on Hispanic demography.

We would especially like to welcome our panel of witnesses. This morning we have a lot of very distinguished guests as witnesses. I would like, first, to welcome everyone who has come and to really thank you from our hearts for your participation, for your efforts, for everything you have done, and for your endurance. Some of you have been with us for 3 days, and we certainly do appreciate that.

Today, these hearings will provide the subcommittee with sound and forthright testimony that will be extremely useful in our policymaking decisions in the future here in the House of Representatives. This morning our hearings will focus on the issue of employment in the Hispanic community of the United States. We all know that unemployment is one of the most important issues facing America today.

According to census data produced by the Bureau of the U.S. Census in Tuesday's hearings, Hispanic unemployment rates are about 1½ times that of non-Hispanics. Unemployment among Hispanics has climbed from 8.3 percent in 1979 to 13.8 percent in 1982. These high unemployment rates among Hispanics are devastating.

President Reagan has articulated a national commitment to aid the Hispanic community, yet Hispanic unemployment continues to increase, and it skyrockets 1½ times that of non-Hispanic employment. Of course, Hispanics clearly continue to suffer from the current recession, as do most Americans who are unemployed.

With those disturbing words, we welcome this panel of very distinguished persons, and we wish to start with the governor of New Mexico, who has come to Washington to participate and help us with these endeavors. At this time, it is my pleasure to welcome Hon. Tony Anaya, Governor of the State of New Mexico.

STATEMENT OF HON. TONEY ANAYA, GOVERNOR, STATE OF NEW MEXICO

Governor ANAYA. Madam Chairwoman, thank you very much for the opportunity to be here and present some testimony today. I would like, first of all, to ask permission that my entire statement be submitted for the record, and I will attempt to summarize it.

Mrs. HALL. Without objection, so ordered.

Governor ANAYA. You have already pointed out some of the gruesome statistics, and I will not belabor the point by repeating the same statistics with respect to unemployment among Hispanics but simply to underscore that the unemployment rate among Hispanics is very definitely considerably higher than the national unemployment rate. I would also underscore that unemployment among Hispanic youth is almost 30 percent for those in the age group of 16 to 19 years.

In New Mexico, we have an unemployment rate of 13.2 percent, which compares to the overall unemployment rate of 9.2 percent, a full four percentage points higher for Hispanics. Hispanic youth suffered a staggering 32.2 percent unemployment rate in my State.

The national unemployment situation for Hispanics continues to worsen. We hear a lot about how the employment situation is improving for Americans, if in fact it is, it certainly has not trickled down to the Hispanics of this country. In mid-1979, the unemployment rate for Hispanics was 8 percent. It rose to 10 percent in 1980-81, and over 13 percent in 1982. This spring, I am advised, it reached almost 14 percent. The difference between Hispanic and overall unemployment rates continues to widen.

The recent recession, which affected the Nation and New Mexico, has had a severe impact on Hispanic groups. Less than a quarter of Hispanic males are employed in white-collar jobs or professional, technical, sales, and clerical occupations, where the unemployment rate is less than 5 percent. On the other hand, half of Hispanic males are in craft, assembly, and machine-operator jobs, with unemployment rates above 12 percent. Similarly, Hispanic females are concentrated in such jobs as manufacturing assembly, with a current unemployment rate of over 15 percent.

In New Mexico, the Hispanics make up a large proportion of our construction work force, which lost thousands of jobs as Federal policies drove up interest rates. Our mining industry has had tremendous job losses as the recession worsened. Hispanics make up over half of our copper mining work force, where the unemployment rate reached 35 percent earlier this year. Two-fifths of all workers in our almost dormant uranium industry are Hispanics, where 5,000 jobs have been lost in the last three years, and the unemployment rate in the uranium industry is almost at 100 percent now.

Hispanics also make up a large number of the employees in coal, oil, and gas and potash mining, all of which are experiencing major problems and, in some cases, almost disaster.

The outlook for the future is not good for Hispanic employment, unless there can be retraining. The Department of Labor shows over 13 million new white-collar jobs expected in the United States by 1990, compared to 8 million blue-collar jobs and 4½ million

service jobs. But as I mentioned before, less than a quarter of Hispanic males are in white-collar work. In New Mexico, we see relatively little job growth in Hispanic-concentrated employment industries, such as mining and government. On the other hand, we expect major increases in electronics and other types of manufacturing and health services. Less than one-fifth of our existing electronic technician work force is Hispanic. Similar statistics exist in such medical fields as laboratory technicians and technologists, where Hispanic youth and the unemployed need to be trained or retrained in these areas of future growth.

The reemployment prospects for those affected are most unfavorable. For most of them, their work experience has been highly specialized within the industry they serve. They are now displaced by economic factors, by mechanization and automation. They are unprepared to enter the job market in our emerging high-technology industry, such as precision electronics manufacture and computer technology for a growing medical field.

They lack the experience and background to compete in the skilled trades. Even a resurging economy will not restore their rightful place in the labor force. Without resources of their own, there must be positive intervention made on their behalf that will enable them to again become productive workers and to rejoin the mainstream of economic progress.

In view of the immediate need for employment assistance, I recommend your support for congressional jobs bill legislation that will, first of all, fund major infrastructure projects. This will not only provide the necessary basic foundation for overall economic development but will also provide jobs for Hispanics and all others in the construction industry and serve as support to the turn-around in this industry.

Second, long-term job training efforts are needed to provide Hispanics an opportunity to participate more fully in the labor force during coming years. Training under the Job Training Partnership Act should be greatly expanded and focus on jobs that can be expected actually to exist in future years. National forecast data from the Department of Labor is available. Reliable occupational projections, which are not currently funded for States, are needed to select more realistic local training courses. Most importantly, additional funds are needed for research, for training programs, and for financial assistance to enrollees during training.

The Jobs Training Partnership Act is a step in uniting the private sector and the State to work on the unemployment problem. In order to fill these jobs that are being created in the high-technology industries, I would like to propose that additional funds be allocated for the following purposes: (1) A task force composed of private industry to research and focus on jobs that are actually going to exist in the future; (2) Coordinate with education and vocational training to provide the necessary educational and vocational skills to fill the new jobs; (3) Determine which jobs will be obsolete in the future and start retraining programs for the individuals in these occupations.

I have also listed a number of other recommendations in my prepared testimony, including relocation allowances for the retrained, unemployment insurance benefits for retraining without penalty, a



national job bank listing shortage occupations, a detailed skill inventory of displaced workers to identify all relevant skills they have for use in a new occupation, as well as many other recommendations that in the interest of time I will summarize very quickly by making one other point.

What concerns many of us at the State level and concerns, I am sure, every Hispanic is the reordering of priorities that has gone on at the national level in the past 2½ to 3 years, in terms of where our national resources are going to be focused. We have seen a drying up at the State level, and it certainly has had an impact on every New Mexican but particularly on the disadvantaged. With our 37 percent Hispanic population, there certainly has been an adverse impact on Hispanics. We see a drying up of Federal revenue sources for virtually every domestic program, and yet an unseemingly and unlimited amount of money being spent in a defense program of which many have come to question the wisdom.

I would encourage this subcommittee and would encourage the Congress to take a look at the tremendous deficits that are being left, that are creating problems for us at the State and local levels, a deficit that cannot be blamed, as some in the national administration would try, on domestic programs but, instead, has to be blamed on unrestrained defense expenditures.

I would hope that this subcommittee and the Congress would start shifting the priorities to domestic programs, such as job training and retraining, and the need to develop infrastructures, the need to provide a better educational system, and I would make some additional comments with respect to education in my prepared statement, with particular emphasis on the need for an increase in funding that would concentrate on math, sciences, and bilingual education. If these efforts were to be undertaken, I think that not only the needs and concerns of Hispanics but of all Americans would be more properly addressed than the way in which we have been going for recent years in this country. That, in my judgment and in the judgment of many other governors and the judgment of Hispanics and other disadvantaged in this country, is a direction which, if left unchecked, this country is going that will lead to disaster for minorities and specifically for Hispanics.

I would encourage the committee and this Congress to help in reordering the priorities as to where our tax dollars are going to be spent, so that we do not have the growing gap that is obviously there today of forming two Americas: one for the rich and one for the poor. Again, thank you very much for the opportunity to present this testimony. I will be happy to respond to any questions.

Mrs. HALL. Thank you, Governor. We certainly are honored by your presence. We thank you for your presentation. I have to agree with you, I think it is time that we reorder priorities and make sure that people programs, the things which are designed really to improve the lives of the people, be considered in this Congress.

At this time, I would like to introduce two Members who have joined us. To my right, we have the Honorable Esteban Torres of California. Congressman Torres serves on the House Banking, Finance and Urban Affairs Committee. Next to Congressman Torres, we have the Honorable Bill Richardson of New Mexico, who is a member of the House Energy and Commerce Committee. On my



left is Mr. Scott Pastrick, who is our staff director, and other persons here with me include the minority staff director, the minority counsel, and others who work with us to make the process possible.

I would like to yield to Congressman Torres.

[The statement of Governor Anaya follows:]

#### STATEMENT OF GOVERNOR TONEY ANAYA ON HISPANIC EMPLOYMENT

Mr. Chairman and members of the Subcommittee on Census and Population, My name is Toney Anaya and I am Governor of the great State of New Mexico. I appreciate your invitation and the opportunity to appear before the Census and Population Subcommittee to discuss the employment situation in the Hispanic community and the need for an immediate special employment and training bill. I commend you for holding these hearings in conjunction with the Congressional Hispanic Caucus to discuss important issues affecting the Hispanic community.

I would like to begin by presenting some statistics indicating the depth of the problem at both the national level and in New Mexico. In my own State, which is 37 percent Hispanic, these data point out the importance of special government programs and some suggested features which I will mention at the conclusion of my remarks.

The 1982 annual average national unemployment rate for Hispanics was 13.8 percent. This obviously compares quite unfavorably with the overall national unemployment rate of 9.7 percent and an unemployment rate among whites of 8.6 percent. Incidentally, for Hispanics 16 to 19 years old the unemployment rate was 29.9 percent.

In New Mexico, we had a monthly average of 22,000 unemployed Hispanics in 1982 for a 13.2 percent rate compared to our overall unemployment rate of 9.2 percent. Our Hispanic youth suffered a staggering 32.2 percent unemployment rate.

The national unemployment situation for Hispanics has worsened steadily in recent years. The rate was 8.0 percent in mid-1979, rose to 10 percent in 1980 and 1981, over 13 percent in 1982, and has reached nearly 14 percent this spring. The difference between Hispanic and overall unemployment rate has widened over the same period.

The recent recession, which has affected the Nation and New Mexico has had a severe impact on Hispanic groups. Less than a quarter of Hispanic males are employed in white collar jobs of professional, technical, sales and clerical occupations where the unemployment rate is less than 5 percent. On the other hand, half of Hispanic males are in craft, assembly and machine operator jobs with unemployment rates above 12 percent. Similarly, Hispanic females are concentrated in operative jobs such as manufacturing assembly with a current unemployment rate of 15 percent.

In New Mexico, Hispanics make up a large proportion of our construction workforce, which lost thousands of jobs as Federal policies drove up interest rates. Our mining industry has had tremendous job losses as the recession worsened. Hispanics make up over half of our copper mining workforce, where the unemployment rate reached 35 percent earlier this year. Two-fifths of all workers in our almost-dormant uranium industry are Hispanic, where 5,000 jobs have been lost in the last three years. Hispanics also make up a large number of the employees in coal, oil and gas, and potash mining, all of which are experiencing major problems.

The outlook for the future is not good for Hispanic employment unless they can be retrained. The Department of Labor shows over 13 million new white collar jobs expected in the United States by 1990, compared to 8 million blue collar and 4½ million service jobs. But, as I mentioned before, less than a quarter of Hispanic males are in white collar work.

In New Mexico, we see relatively little job growth in Hispanic-concentrated employment industries such as mining and government. On the other hand, we expect major increases in electronics and other high tech manufacturing and health services. Less than a fifth of our existing electronic technician workforce is Hispanic. Similar statistics exist in such medical fields as laboratory technicians and technologists. Our Hispanic youth and unemployed need to be trained or retrained in these areas of future growth.

The re-employment prospects for those affected are most unfavorable. For most of them, their work experience has been highly specialized within the industry they served. Now displaced by economic factors, by mechanization and automation, they are unprepared to enter the job market in our emerging high technology industries, such as precision electronics manufacture and computer technology, or in the grow-

ing medical field. They lack the experience and background to compete in the skilled trades. In this circumstance, even a resurgent economy will not restore their rightful place in the labor force. Without resources of their own, there must become positive intervention made on their behalf that will enable them to again become productive workers and to rejoin the mainstream of economic progress.

In view of the immediate need for employment assistance, I recommend your support for congressional jobs bill legislation that will, first of all, fund major infrastructure projects. This will not only provide the necessary basic foundation for overall economic development, but will also provide jobs for Hispanics and all others in the construction industry and serve as support to the turn-around in this industry.

Secondly, long term job training efforts are needed to provide Hispanics an opportunity to more fully participate in the labor force during coming years. Training under the job training partnership act should be greatly expanded and focus on jobs that can be expected to actually exist in future years. National forecast data from the Department of Labor is available. Reliable occupational projections, which are not currently funded for States, are needed to select more realistic local training courses. Most importantly, additional funds are needed for research, for training programs, and for financial assistance to enrollees during training.

The Jobs Training Partnership Act is a step in uniting the private sector and the State to work on the unemployment problem. In order to fill new jobs that are being created in the high technology industries. (i.e., data processing, medicine, robotics, and the spin-off occupations from those industries.) I would like to propose additional funds be allocated for the following purposes:

1. A task force composed of private industry to research and focus on jobs that are actually going to exist in the future.

2. Coordinate with education and vocational training to provide the necessary educational and vocational skills to fill the new jobs.

3. Determine which jobs will be obsolete in the future and start retraining programs for the individuals in these occupations.

Some possible national employment programs that should be considered in addition to expanded funding on the Jobs Training Partnership Act include:

1. Relocation allowances for the retrained. Even with a job, they may not be able to move. Payments are needed for travel, temporary housing at their new site, and financing to sell their old home, if needed.

2. Unemployment insurance benefits should be increased and used for retraining without penalty. Unemployment is no longer just a short term situation.

3. A national job bank listing shortage occupations in every State and metropolitan area in an accessible up-to-date computer system. Continuing surveys by Federal and State agencies will need to be done.

4. A detailed skill inventory of displaced workers to identify all relevant skills they have for use in a new occupation. I understand such a system has been implemented on a pilot trial basis.

5. Jobs are being exported to other countries where both materials and labor cost less than here at home. Investments here in human capital, together with a stronger economy, can result in productivity increases which will help strengthen U.S. goods for U.S. markets.

6. We need to impress on the administration that the Humphrey-Hawkins Act needs to be implemented, contrary to the moving away seen in the last several years, monetary and fiscal policies must be pursued that will give the economy vigorous growth, then, structural programs should be pursued so that inflation is contained. This is where employment and training programs are so necessary. When the unemployed are trained and become employed, many of our problems will be eliminated, or at least, lessened across the spectrum of economic and social issues.

In any consideration of long term job-preparation training, educational programs and objectives become fundamental. I am aware that primary responsibility for education rests with the States and local communities. Nevertheless, the Federal Government has a basic and essential role. There must be no further cutbacks in educational funds proposed at the national level. Rather, a new appraisal of existing needs should be made with a view toward increased funding where indicated.

Federal limitations on special funding for bilingual education have severely impacted on our ability to solve this continuing problem.

Cutbacks in the school lunch program have denied adequate nutrition to those who no longer qualify, affecting particularly the Hispanic youth and, to that extent, affecting their ability to learn.

Restrictions on underwriting the cost of new facilities for educational purposes serve to limit the advancement of those people most affected, the disadvantaged.

Lack of a comprehensive vocational program at the national level has limited educational opportunities for those disadvantaged persons who would be willing to relocate to other areas where jobs may be found.

We have experienced cutbacks in social programs and education in the local communities at the expense of greatly increased defense budgets. We feel that the principal responsibility belongs to us in our respective communities. The Federal Government, however, must also play a role and accept its responsibility to the States by increasing funding rather than cutting back.

Cyclical unemployment which is occurring in the Hispanic community persists since they traditionally have been at the bottom rung of the career ladder, being the last to enter and the first to be terminated in times of recession or depression.

With increased and proper funding concentrating on math, science and bilingual education, the Hispanic community should be prepared to compete for jobs created by the growth in electronics, computer technology, solar energy and others.

We need to take a look at how our Federal budgetary policies are having a continuing unfavorable effect on jobs for Hispanics and for all Americans generally. Defense spending, and I believe in a strong national defense, contains billions of dollars for unnecessary weapon systems, waste, and unjustified cost over-runs. At the same time, critical domestic programs are being reduced. As unemployment, and especially long-term structural unemployment in basic industries rises, we have a much greater need for employment and training programs. Instead, we find wage cutbacks of billions of dollars in our major manpower programs. Just in New Mexico alone, we are going from a \$50 million peak in Federal CETA funds to an expected \$18 million under the new Jobs Training Partnership Act programs. At the same time our unemployment has jumped, and our basic mining industries have suffered major reductions, some of which they will never recover from.

The States do not have the financial resources to provide this retraining and employment. Private industry will hire those qualified, but they cannot provide immediate training and relocation for the displaced or unskilled. Only the Federal Government can do so.

Federal deficits should not be an excuse for not funding these employment programs. Let's reduce unnecessary defense spending and use the proceeds to fund a comprehensive jobs program. The long-term viability of our entire economy should not be hostage to misguided short-term budgetary policies.

I am sure working together—Congress, the State, the administration, and such groups as the Hispanic coalition—can find ways to retrain and re-employ all Americans as we move through this time of industrial transition of our economy.

Thank you.

#### STATEMENT OF HON. ESTEBAN TORRES, A REPRESENTATIVE FROM THE STATE OF CALIFORNIA

Mr. TORRES. Thank you, Madam Chairwoman, for yielding.

First, I would like to thank the Governor for his statement and also look in anticipation for the rest of the panelists and the impressive statements that I am sure they will deliver before us. I would like to take this brief time to make an opening statement for the record by first of all commending Representative Katie Hall, the chairwoman of the Census and Population Subcommittee, for conducting the series of hearings this week on issues of particular importance to the Hispanic community.

National Hispanic Heritage Week affords us all an opportunity to take an in-depth look at the condition of Hispanics in America today. Unfortunately, "Kika" de la Garza, who was to cochair this hearing with us, is unable to be with us because of illness, and I will read a brief statement from him for the record following my own.

This meeting will focus, as you have already heard from the chairwoman and Governor Anaya, on employment in the Hispanic community, on ways to improve the skills of Hispanic workers, how the jobs bill will help provide employment opportunities, and what we in Congress can do to bring down the staggering levels of His-



panic unemployment. Clearly, Hispanics are becoming an increasingly important sector in the U.S. labor force. Unfortunately, Hispanic workers tend to be concentrated in those occupations which are characterized by low pay and low skills,

The Governor's statement that he just made addressed the Jobs Training Partnership Act. This act is expected to be fully effective in a few short weeks, and it is hoped that it will make a significant contribution toward resolving training deficiencies of Hispanic workers. H.R. 1036, the Community Renewal Employment Act, is another measure that promises to provide employment opportunities to those individuals who have had the most difficulty in securing jobs.

I am a cosponsor of this bill, and I look forward to its passage in the near future. If this proposal is funded at the authorized level, over 500,000 jobless persons could be employed. Additional employment measures will be needed, of course, but this bill is a start in alleviating the problems of the long-term unemployed.

As we listen to testimony this morning, we should get a good idea of what incentives Congress has already taken on this critical issue of Hispanic unemployment, how successful these measures have been, and how great a cost, if you will, remains to be recognized for this particular problem. We have to understand to a fuller extent what remains to be done in the area of policy development and that is why we look forward to hearing your testimony.

We have a distinguished list of panelists here who will enlighten us on this topic. I want to welcome all of you, and I look forward to your comments.

I would like very quickly to read for the record Congressman "Kika" de la Garza's statement.

**STATEMENT OF HON. E. "KIKA" de la GARZA, A U.S.  
REPRESENTATIVE FROM THE STATE OF TEXAS**

Mr. DE LA GARZA. The current economic recovery the administration says is now underway is still not being felt by the Hispanic community. Unemployment rates are higher than the national average and continue to plague Hispanics throughout the country. Without exception, in counties and cities with significant concentrations of Hispanics, the unemployment rate for our people is higher than the average rate.

Currently, the Department of Labor reports that the national unemployment rate last month was 9.5. For Hispanics the figure was 12.9. For the month before that, the figure for Hispanics was 12.3. So things are getting worse for Hispanics, not better.

Wherever the recovery reportedly is occurring—and I presume the administration means by "recovery" that jobs are being created—it is not happening in the Hispanic community. So now, as it reconvenes, Congress again must address the issue that this administration has disregarded for its first 2½ years and has done little about nor cared about, and that is jobs for people.

After all, all our fellow citizens want is to work. Let us put them to work. There are things that have to be done in this country, roads need repair, our bridges need to be strengthened, waterworks and dams need to be rebuilt. Sewer and water mains in our largest

cities are rupturing daily, causing economic dislocation. In passing a comprehensive jobs bill that would include the country's rural areas where our farmers have just finished going through a deathly drought that has ravaged the countryside, we would be repairing not only the internal structure of our country but the internal damage that unemployment is causing individual families.

Let us look at the numbers. In San Diego, unemployment among Hispanics is 20.4 percent. In Chicago, 18.1 percent. In the metropolitan area of Riverside, San Bernardino, just east of Los Angeles, the unemployment rate stands at 17.7 percent. Remember, remember, the national average is 9.5. But these are statistics that could easily lose their meaning.

What these numbers mean for Hispanic families throughout the country is that schoolchildren are starting the school year without clothes and the proper supplies this fall. It means that families are losing their homes and cars are being repossessed, and it means that some people who are sick and who depend on a working individual in the family to buy their medicines are not getting those medicines. And other equally important things that will affect the future, things such as credit ratings that families have struggled to build over the years, are being destroyed.

This is the real national story of unemployment. It is a story of pain and a story of lack of opportunity. For some areas, figures of unemployment are actually even worse. In some rural counties, the unemployment rate among Hispanics can shoot as high as 40 percent. That means four out of every 10 people in that area are not working. A review of these figures as provided by the Government—and they can indeed be much higher—is a litany of unhappiness that continues to sew discontent.

Those of you here present today must at the proper time invoke the pressure that our collective political presence can bring to bear. That time will come when Congress acts anew to pass a meaningful jobs program that addresses the new issues of unemployment. Jobs lost because of computerization, jobs lost because of intense foreign competition, jobs lost because of a shift in national economic focus from some traditional regions to others.

As we delve into these areas today, let us remind ourselves of what Lyndon Johnson once said about what it is that the people want. People want simple things, he said. They want a roof over their heads, they want a job to work at to provide for their families, and they want educational opportunities for their family. If we can strive to do these things, we can hope to secure the progress of our people and the progress of the country as a result.

Thank you.

Mrs. HALL. Thank you.

I would like to recognize at this time the Congressman from New Mexico, Congressman Richardson.

**STATEMENT OF HON. WILLIAM B. RICHARDSON, A U.S.  
REPRESENTATIVE FROM THE STATE OF NEW MEXICO**

Mr. RICHARDSON. Thank you, Madam Chairwoman.

I want to commend you for holding these hearings. I think that whether you are being political or nonpolitical, the figures of your



subcommittee show the nonpartisan statistical base for which we are having this hearing. Governor Anaya, our first witness, is leading Hispanics in this country not just toward full political participation but toward a higher economic profile. Madam Chairwoman, as you know this is Hispanic Heritage Week. In The White House I would like to call it Hispanic Wooing Week.

I say this because the statistics that you have provided and that we have been hearing show that the job situation for Hispanics just gets worse every day. I think this administration, which is blatantly trying to be very political. I think their goal is to increase Hispanic voting support for the President from the 25 percent he got in the last election to a figure that will be a little higher, because he has almost written off the Black constituency and almost all the rest of the minority and poor constituency of this country. So clearly his goal, I think, is political.

All we have to do is look at these statistics that Congressman Torres and Governor Anaya have talked about. The poverty level, is the one that concerns me the most. Since the President has been in office, 2.3 million Hispanics were living below the poverty level. Today, 4.9 million Hispanics are living in poverty. I am very disappointed in the statistics which show 15 percent unemployment among Hispanics, which is considerably higher than the national average. In this calendar year, Hispanic unemployment increased to 50 percent higher than the national average.

I think another telling statistic for the future is that Hispanic unemployment among youth is 80 percent higher than non-Hispanic youth. So I do not want to just sit here and recognize the importance of Hispanic Heritage Week. Yes, the cultural side is important, and we must glorify that. But I think what you are doing here and what we are discussing here are jobs and economic justice. For this reason, I am very interested in wanting to hear from our distinguished witnesses, and I would hope that we not look at the traditional job-creating mechanisms of the past.

We have talked about the shift from a manufacturing society to a high-tech society. We cannot create just Government programs to start jobs. I think we have to look at the private sector as well. That is what we have to fight here in Congress to improve traditional employment programs and to enact new and innovative job training program. So I hope that will be the focus of this hearing.

Mrs. HALL. Thank you, Congressman Richardson.

Governor, we realize that you have a very busy schedule and that it is possible you will have to leave us before too long. At this time, we would like to ask you a few questions.

How do you think the Partnership Act will impact in New Mexico?

Governor ANAYA. As the Chair is aware, we are just now starting to implement it, getting ready for the new budget cycle and to start working under the Job Partnership Training Act. I will say one good comment and one adverse comment about it.

The good comment is that I feel that it will give me, as governor, the additional flexibility I think I think is important to be able to try to formulate the kind of training programs that we need to address the problems in New Mexico. The difficulty with it is that it has been shifted over from the old CETA program to JTPA fund-

ing—and that is what I was alluding to in my earlier remarks. Funding in New Mexico was slashed from \$50 million to \$18 million. Again, this is apparently one of those New Federalism approaches. It is up to us; we have been given the responsibility but with no money to fund it.

The program at this juncture, without any experience under it, I would endorse. But as I indicated in my earlier remarks, the need for resources goes with it. Cutting it from \$50 million to \$18 million is not, in my judgment, a commitment that we in fact want to do something about training in this country.

Mrs. HALL. Thank you. I have another question. At the present time, the Congress is considering another legislative proposal, one designed to create jobs, retraining, and training in this country, known as the Hawkins bill by many. The bill would allocate \$11 billion to create 1 million jobs immediately, putting emphasis on the infrastructure—and you did mention the infrastructure.

How do you feel about that legislation? I am sure that you are in support. Do you see this as a possible solution to at least some of the problems? We know that it is not a panacea. How do you see this, in terms of helping people in your State?

Governor ANAYA. I am glad the question was raised. I will not say it is a panacea, and I think I would support it. I think it is very definitely the kind of program that helps and would help very much in the State of New Mexico. Again in my earlier comments, I alluded to the need to improve the infrastructure. It is one of the things that we are trying to do in New Mexico, and I am sure the story can be told in every other State.

In New Mexico, we have not had much industry in the past. We have been limited primarily to the development of our natural resources, the development of oil and gas and coal and uranium. What we need to continue in those areas, that is not going to be the salvation for our State. We have been 42d in per capita income, and we have always been on the bottom end of per capita income. The only way we are going to improve the quality of life for New Mexicans is by diversifying our economy, and that sounds great. We have a State in which we are going to be able to track high technology, and we are making many steps in that direction.

Thanks to the Federal research laboratories, there is Los Alamos National Laboratory, Sandia, Kirtland, White Sands, Holloman. We have more high-tech research and development going on in our State on a per capita basis than in any other State in the country. But yet we have not been able to translate that into jobs. And I say that to make two very quick points.

One reason is, we do not have the infrastructure. We do not have the necessities that Congressman Torres mentioned, reading Congressman de la Garza's statement. We do not have the roads and bridges and sewer systems and water systems and curbs and gutters and all the rest of the infrastructure that is necessary to bring in industry. So I would support that legislation to help us accomplish two goals: one is to create more immediate jobs, and they are traditionally the kind of jobs that Hispanics have been found in greater numbers, but more importantly to create the basis to attract additional industry.

I would not want to lose the other side of that equation that we talked about in Humphrey-Hawkins. The other side of the equation that also related to the need for training and retraining and educational programs that will help prepare Hispanics to share in the high-technology high-paying jobs.

Mrs. HALL. Very good. My final question is this. Yesterday, we had the assistant director of the Small Business administration testify before this committee. He discussed the millions of dollars in set-asides for minorities that have been made available by the Reagan administration. In your State, have you realized any real help in terms of providing jobs from SBA loans and small businesses?

Governor ANAYA. We have not yet, but he has made that reference to me, and I have told him that I will be over there to pick it up. In fairness to him and the SBA, in talking to the deputy director, he was committed to help us in New Mexico, and we are taking some initiative. We are going to take advantage of whatever is available, and I believe that the director and deputy director themselves are sincere in wanting to get this money out. We are going to be working with them to make sure that it gets out in whatever record numbers we can without our State, but their record in the past has not been a good one.

Mrs. HALL. Thank you, Governor. At this time, I would like to give my colleagues the opportunity to ask questions. Congressman Torres?

Mr. TORRES. Madam Chairwoman, in light of the Governor's pressing schedule, I would yield my time.

Mrs. HALL. Thank you. Congressman Richardson?

Mr. RICHARDSON. I have no questions.

Mrs. HALL. Governor, we thank you for your excellent presentation, and we are indeed honored to have you with us. We would like to work with you, and I am sure that what we have done in our hearings the last 3 days will help us make very sound policy decisions here in the Congress, and we hope we can solve many of our problems. Stay in touch, and thank you again.

Governor ANAYA. Thank you very much. We will stay in touch. The only reason I will be leaving now is that I have some other congressional hearings before which I must testify, and I am trying to make the best possible use of my time while I am here.

Mrs. HALL. We appreciate that. Thank you, Governor.

We have a list of very distinguished persons to testify this morning, including Dr. Fred Romero of the U.S. Department of Labor; Dr. Carol Jusenius, an economist with the Commission on Employment Policy; Mr. Raul Yzaguirre, president, National Council of La Raza; Mr. Michael Borrero, executive director, National Puerto Rican Forum, Inc.; and Mr. Petro Garza, executive director, SER-Jobs for Progress,

At this time, it is our pleasure to present to you, Dr. Carol Jusenius, economist, Commission on Employment Policy.

**STATEMENT OF CAROL JUSENIUS, ECONOMIST, NATIONAL  
COMMISSION FOR EMPLOYMENT POLICY**

Ms. JUSENIUS. Thank you very much, Madam Chairwoman.



I would like to request that my testimony be submitted for the record, and at this time I would like to summarize my remarks.

Mrs. HALL. Without objection, so ordered.

Ms. JUSENIUS. I very much appreciate the opportunity to be a part of this panel on Hispanics and their position in the job market. This is a critical topic, not just for Hispanics but for the Nation as a whole. As the Hispanic community continues to emerge as a significant part of the population, the need to improve its economic well-being is becoming increasingly important to the entire economy.

My comments are based largely on work undertaken by the National Commission for Employment Policy [NCEP]. The Commission was created by Congress in 1973 as part of the Comprehensive Employment and Training Act. It will be continued under JTPA.

The Commission is directed by the law to provide information to the Congress and the President on employment problems in this country and how policies can be made more effective in alleviating them.

In 1981, the Commission undertook a major research effort on the problems of Hispanics in the job market. The purposes were, first, to identify the problem; second, to determine the reasons for those problems; and third, to investigate the effectiveness of various policies and programs in alleviating the problem. The results of this research effort are contained in a report, "Hispanics and Jobs: Barriers to Progress."

The Commission found that on two important measures of a group's labor market position, income, and unemployment, Hispanics have historically been right between blacks and whites. In terms of school dropout rates, however, Hispanics' position is quite bad. Their school dropout rate is 1½ times that of blacks and 3 times that of whites.

But the Commission also found that grouping Hispanics in this manner results in a certain loss of information, because the various Hispanic groups—Puerto Ricans, Mexican Americans, and Cuban Americans have different problems in the job market. In particular, Puerto Rican men and women have severe problems of joblessness. This is true both on the island and on the mainland.

For instance, Puerto Rican youth in 1981 had an unemployment rate of 40.7 percent, an unemployment rate exceeded only by that of black youth. Also, while 50 percent of all women are in the work force, only 37 percent of Puerto Rican women are either employed or looking for work. The economic difficulties of Puerto Rican women are compounded by the fact that many are solely responsible for their families. The much publicized growth in black families headed by women finds its parallel in the situation of Puerto Rican women. Approximately 40 percent of mainland Puerto Rican families are currently headed by women, up from about 25 percent in 1970.

The major problem facing Mexican Americans is low pay. I do not wish to minimize their unemployment problems currently, but rather, I wish to point out that even when times are prosperous and Mexican American unemployment is somewhat down, they are still in low-paying jobs. Mexican American men average lower hourly earnings than any other group of men, regardless of race or

ethnic status. While all women earn less on average than all men, Mexican American women earn less than any other group. In other words, they average lower hourly rates of pay than any other group of men or women.

By contrast, Cuban American men and women do well in the labor market, at least compared to the other Hispanic groups. Relatively speaking, their rate of participation in the labor force is high, and their unemployment rates are low. On the other hand, as a group, their income is substantially below that of non-Hispanic whites.

As important, published figures on Cuban Americans exclude the large number of recent refugees. While there are no precise figures on this group, there is evidence that a substantial number are still jobless.

Some of the differences in the problems the different groups experience are due to their geographic locations—the fact that the Puerto Ricans live largely in the Northeast, and Mexican Americans and Cuban Americans in the more prosperous part of the country, the Sun Belt. But even so, our research indicates that the major reason for the various groups' economic difficulties are the same.

Those reasons are: (1) a lack of proficiency in English, (2) low levels of formal schooling, and (3) discrimination in the job market. In this context, lack of proficiency in English means not only a limited ability to speak and understand the language but also an infrequent use of English.

Of these three reasons, our research indicates that a lack of proficiency in English is the most important cause of their problems because of the ways in which language affects Hispanics. First, a lack of proficiency in English directly reduces their opportunities for well-paying jobs, second, it impedes their education, and third, it operates as a vehicle for discrimination in the job market. Hispanic men who do not speak well are in lower paying jobs than non-Hispanic men who also do not speak well.

Training programs can help improve the position of Hispanics in the job market. While they cannot be expected to reduce problems associated with discrimination or with a lack of job opportunities, they can raise Hispanics' skill levels and their proficiency in English. The research that was undertaken by the Commission found that after taking into account other factors that affect the probability that an individual will participate in CETA, Hispanics were less likely than other groups to be in the programs. The reasons for this relative lack of participation are not clear. It may be due to the particular geographic distribution of Hispanics and the way monies were allocated. It may be due to language barriers and unfamiliarity with the programs. It could be the result of discrimination on the part of various program operators. Or, the relative underrepresentation could be the result of decisions on the part of Hispanic individuals.

We also found that Hispanics who did participate in CETA were more likely than either whites or blacks to want and receive training, rather than public service employment. They were also more likely than the other groups to receive classroom training rather than on-the-job training. There is no research that indicates that



the differences in representation of Hispanics in these programs reflects any differential treatment against or for Hispanics when compared to blacks and whites.

What we did find, however, is that Hispanic women, like their white and black counterparts, were more likely to be trained for low-paying jobs. I would suggest that this is particularly important for Mexican American women because, as I indicated earlier, they are at the bottom of the pay scale.

Determining the reasons for these differences between men and women in CETA and for Hispanics' low rate of participation in CETA would be especially useful at this time. The information would be helpful in assuring that the Hispanic community will be better served under the new Job Training Partnership Act.

Awareness of the problems that Hispanics experience in the job market has increased significantly over the past decade. It is encouraging that the issues have been identified and that policy-makers have recognized their importance. Certainly, recognizing that a problem exists is the necessary first step to finding a solution.

As a next step, concerted action on several fronts will be necessary. First, resources must continue to be devoted to improving the language skills of both young and adult Hispanics, mainland born, island born, and immigrant. Second, a major effort to reduce the school dropout rates of young Hispanics must be undertaken. Third, enforcement of equal opportunity laws is critical.

Finally, it will be important to monitor changes in the position of Hispanics over the coming years. This means improving data on Puerto Ricans on the island, on the mainland, and on their migration between the two places, developing a consistent definition of Hispanics, and increasing sample sizes in individual surveys so that the experiences of the several Hispanic groups can be better understood than at present. Without better information, we will not know the extent to which Hispanics progress, or do not progress, over the coming years.

In closing, let me again thank you for inviting me to appear on behalf of the National Commission for Employment Policy.

[The statement of Ms. Jusenius follows:]

STATEMENT BEFORE THE

SUBCOMMITTEE ON CENSUS AND POPULATION

U.S. HOUSE OF REPRESENTATIVES

AND THE

CONGRESSIONAL HISPANIC CAUCUS

BY

CAROL L. JUSENIUS, PH.D

ECONOMIST

NATIONAL COMMISSION FOR EMPLOYMENT POLICY

September 15, 1983

I appreciate the opportunity to be a part of this panel on Hispanics and their position in the job market. This is a critical topic, not just for Hispanics, but for the Nation as a whole. As the Hispanic community continues to emerge as a significant part of the population, the need to improve its economic well-being is becoming increasingly important to the entire economy.

My comments are based largely on work undertaken by the National Commission for Employment Policy (NCEP). The Commission was created by Congress under the Comprehensive Employment and Training Act of 1973 (CETA) and has been continued under the Job Training Partnership Act. It is directed by the law to provide information to Congress and the President on the nature of employment problems throughout the Nation, to make recommendations on dealing effectively with the problems, and to evaluate the variety of programs and policies in the public and private sectors for dealing with these problems.

The Commission began a major research effort on the problems that Hispanics experience in the job market in 1981. The project sought to (1) identify the problems, (2) determine the reasons for the problems, and (3) investigate the effectiveness of government programs in alleviating them. At the outset, the Commission found that many perceptions existed about the dimensions and causes of labor market problems among Hispanics, but there was very little information to support these views. The first step, then, was to undertake some new, in-depth analyses of available data. At the same time, the U.S. Department of Labor was undertaking a major research project in this area. The results of these two research efforts are contained in a Commission report, Hispanics and Jobs: Barriers to Progress, issued in 1982. More recently, as part of a jointly funded Commission-Department of Labor project on the problems of older Americans in the job market, there are now additional findings on Hispanics' participation in programs funded under the Comprehensive Employment and Training Act.

My statement begins with a description of Hispanics' problems in the job market; I then present research findings on the reasons for their difficulties. Because this panel is concerned with training programs, and training is

one way of improving Hispanics' economic position, I also report on their experiences under CETA. Finally, I offer some suggestions on steps that may be taken to assist the Hispanic population in the future.

#### Hispanics' Position in the Job Market

It is useful to begin a discussion of Hispanics' position in the job market by looking at a summary index. This index identifies those persons who are both economically disadvantaged and either unemployed, underemployed, or in school. It is based on the criteria established by Congress for determining eligibility for the federally funded training programs under CETA (title II-B).

Table 1 shows the proportion of different demographic groups who were eligible for these training programs in 1980. The wide variation in these figures is dramatic testimony to the differences among groups. At one extreme are older white adults, about 7 percent of whom were eligible for training. At the other extreme are black adults, about 30 percent of whom were eligible for training. About one-quarter of the adult Hispanic population were eligible.

Several specific measures are used to indicate the nature and severity of the problems that groups experience in the job market.

- o The labor force participation rate is the proportion of a group that is either employed or looking for work. It indicates a group's involvement in the job market; this involvement is important because most people's income is from employment.
- o The unemployment rate is the share of the labor force that is without work, but actively seeking it. It measures a group's difficulties finding and keeping jobs.
- o Occupations and earnings indicate the economic success of those who are employed.

Table 1  
 Percentage of Different Groups Eligible  
 for Federally Funded Training <sup>a</sup>

Race/Ethnicity and Sex	Age		
	Total, 14 Years & Older	22-44 Years	45+ Years
Race/Ethnicity			
White	9.6	10.6	7.4
Black	33.3	31.4	30.6
Hispanic	26.9	25.7	25.8
Other	21.0	19.5	19.5
Sex			
Male	12.4	13.4	8.9
Female	14.1	14.8	11.6

(a) Eligibility criteria for Comprehensive Employment and Training Act title II-B.

SOURCE: "Eligibility and Participation Rates of Older Americans in Employment and Training Programs," prepared for National Commission for Employment Policy and the U.S. Department of Labor, by Kalman Rupp et al, Westat Inc., June 1983.



- o Income includes earnings from jobs, unemployment compensation, other transfer payments, interest and dividends. It indicates a group's economic well-being.

As I shall indicate, Hispanics differ substantially from blacks and whites along all of these measures.

- o The rate at which Hispanic men participate in the labor force has been, and continues to be, quite high: for example, 85 percent of men over 20 years of age were either working or looking for work in 1982. The figure for white men in this age group was 80 percent and for black men, 75 percent.
- o The rate at which Hispanic women participate in the job market has been rising rapidly; by 1982, 50 percent of Hispanic women 20 years of age or older were in the work force, compared to 52 percent among white women in this age group.
- o The unemployment rate of Hispanics has consistently been between that of whites and blacks -- in good and bad economic times. Again looking at 1982, 14 percent of the Hispanics 16 years of age or older who were in the work force were looking for a job, compared to 9 percent of whites and 19 percent of blacks.
- o Hispanic men are more likely than than black or white men to have blue-collar jobs. Within this broad occupational category, Hispanic men are likely to be either craft workers or machine operators. While Hispanic men are also more likely than whites or blacks to be in farm work, relatively few are in such jobs -- close to 5 percent of the employed Hispanic men, compared to about 4 percent of white employed men. Within the occupations classified as farm work, Hispanics are laborers or supervisors while white men are farmers and farm managers.
- o Hispanic women are also more likely to be in blue-collar jobs than either white or black women. Close to 30 percent hold such positions compared to less than 20 percent of black women and less than 15 percent of white women. Within the category of blue-collar jobs, most Hispanic women are machine operators.

- o Hispanics are better off than blacks in terms of yearly income, but worse off than whites. However, in terms of hourly wages, both Hispanic and black men average almost 80 percent of that which white men earn. While all groups of women average less per hour than all groups of men, Hispanic women are at the bottom of the pay scale. They average close to 80 percent of that of white women, lower than that of black women, who average about 90 percent of white women's hourly pay.

While this kind of information on the Hispanic population provides a useful overview, the statistics largely reflect the experiences of Mexican-Americans, who comprise 60 percent of the Hispanic mainland population. Differentiating among the Hispanic groups -- Mexican-Americans, Puerto Ricans, and Cuban-Americans -- reveals that these different groups have different problems in the job market. Unfortunately, data on Central/South Americans are too limited to permit accurate generalizations. Among the groups for which data are sufficient, we found that:

- o Puerto Rican men and women have a severe problem of joblessness -- as indicated by their low rates of participation in the labor force and high rates of unemployment. This problem of joblessness exists both on the island and on the mainland. For instance, Puerto Rican youth (age 16-19) on the mainland had an unemployment rate of 40.7 percent in 1982; black youth were the only group with a higher unemployment rate, 48 percent. Also, while over 50 percent of all adult women (20 years or older) were in the work force in 1982, only 37 percent of adult Puerto Rican women were either employed or looking for work. The economic difficulties faced by Puerto Rican women are compounded by the fact that many are solely responsible for the economic well-being of their families. The much publicized growth in black families headed by women is paralleled by Puerto Rican families. Approximately 40 percent of mainland Puerto Rican households were headed by women in 1979 -- up from about 25 percent in 1970.

- o Mexican-American men average lower hourly earnings than any other group of men and they are more likely to be in blue-collar jobs and in farm work. Mexican-American women average lower earnings per hour than whites, blacks and the other groups of Hispanic and non-Hispanic men and women.
  
- o Cuban-American men and women do well in the labor market, compared to the other Hispanic groups: their rate of participation in the labor force is high, unemployment is low and their median personal income is also high. On the other hand, their income is substantially below that of non-Hispanic whites. Also, published figures on Cuban-Americans exclude the large number of recent Mariel refugees. While there are no precise figures on this group, there is evidence that a substantial number are jobless.

#### Reasons for Hispanics' Problems in the Job Market

Determining the reasons for Hispanics' difficulties in the job market is an empirical problem. The goal is to disentangle the effects that various characteristics (such as location, education, immigrant status, age, experience and proficiency in English) have on, for example, their earnings or occupational position.

One important theme in the research on Hispanics is that the several groups are rewarded differently in the job market for such factors as education and experience. The reasons for this finding are not fully understood. While the different groups actually may be treated differently, they also live in different parts of the country. Because States and localities vary in their growth rates and occupation/industry structures, the different treatment of the several Hispanic groups may reflect more their location in particular parts of the country than their ethnic status.

Some of the differences in the experiences of the several Hispanic groups are undoubtedly due to their patterns of geographic concentration. Not only is the Hispanic population more geographically concentrated than the U.S. population as a whole, but there is a further regional concentration within

the Hispanic population. Ninety percent of all Mexican-Americans live in the southwest: Southern California, Texas, Arizona, New Mexico and Colorado; over 70 percent of the Puerto Ricans on the mainland are in New York, New Jersey, Pennsylvania; and 60 percent of Cuban-Americans are concentrated in Florida and 25 percent in New York and New Jersey.

Puerto Ricans have difficulties finding work in part because job growth in the Middle Atlantic States has been quite slow in recent years. For example, between the two peak years of 1973 and 1979, when the number of jobs grew by almost 15 percent nationally, the number of jobs declined by 0.3 percent in New York State. By contrast, because Mexican-Americans and Cuban-Americans live in the Sunbelt, a relatively prosperous part of the Nation, they find work more easily. The problem for them, especially for Mexican-Americans, is the low-paying nature of their jobs.

While geographic location plays a role in explaining the problems of the different Hispanic groups, our research finds that the major reasons for their problems are (1) lack of proficiency in English, (2) low levels of formal schooling, and (3) discrimination in the labor market. In this context, "lack of proficiency in English" means not only a limited ability to speak and understand the language, but also an infrequent use of English.

Of these three reasons, a lack of proficiency in English is the most important because of the several ways it affects Hispanics.

- o Hispanic men who have problems with English earn less than those who are proficient in the language, after taking into account other factors that also affect earnings, such as years of schooling and work experience.
- o Language difficulties operate as a vehicle for discrimination in the job market. After taking into account other factors, Hispanic men who lack proficiency in English are in lower-paying occupations than non-Hispanics with the same degree of language difficulties, such as French-, Korean-, or German-speaking workers.

- o Hispanic women's language difficulties are generally associated with reduced participation in the labor force. Those women with 12 or more years of schooling who are not proficient in English earn less than those who are.
  
- o Language difficulties impede Hispanics' educational attainment. The problem is most acute for Puerto Rican youth. Their movement between the island and the mainland requires them to know both English and Spanish; yet this same movement -- sometimes within a school year -- can seriously impede their progress in learning to speak and read either language well.

Hispanics' low levels of education are another important reason for their low wages and poor occupational position. In 1978 the school dropout rate of Hispanics between the ages of 20 and 24 was almost 3 times that of whites and 1-1/2 times that of blacks. Half of the Hispanic population 25 years or older (when most people have completed their schooling) have completed fewer than 11 years of schooling, about 2 years less than whites and 1-1/2 years less than blacks. This education problem is not restricted to Hispanic immigrants. Native-born Mexican-Americans and mainland-born Puerto Ricans average 1 year less schooling than non-Hispanic whites.

Discrimination in the job market appears to operate in two ways against Hispanics. The first way is through language, as I already indicated; the second way is more direct. Our research found that, even if Hispanic men do not have difficulties with English, they are in lower paying occupations than non-Hispanic men. The magnitude of this difference in occupational standing varies across States. In other words, discrimination against Hispanics appears to be less in some States than in others. Discrimination against Hispanic women does not appear to be a major reason for their low earnings. To the extent that they experience discrimination, it seems to be associated more with the fact that they are women than that they are Hispanic.



### Employment and Training Programs

Training programs can help improve the position of Hispanics in the job market. While they cannot be expected to reduce problems associated with discrimination or with a lack of job opportunities, they can raise Hispanics' skill levels and their proficiency in English.

A detailed investigation of participation in CETA reveals that after taking into account other factors that affect the probability that an individual will participate, Hispanics were less likely to be in the programs. The reasons for this finding are not clear. It may be due to the geographic distribution of Hispanics; it may be due to language barriers; it could be a result of discrimination on the part of programs operators; or it could be a result of decisions on the part of Hispanic individuals.

Hispanics who did participate in CETA programs were more likely than either whites or blacks to want and receive training, rather than public service employment. Hispanics were also more likely than the other two groups to be in classroom rather than on-the-job training. There is no evidence that these differences among groups reflect any differential treatment of Hispanics when compared to whites or blacks. Hispanic women, like their white and black counterparts, were more likely to be trained for low-paying jobs than men were.

Determining the reasons for these differences between men and women, and for the low rate of participation in CETA, would be especially useful at this time. The information would be helpful in assuring that Hispanics will be better served under the new Job Training Partnership Act.

### Concluding Remarks

Awareness of the problems that Hispanics experience in the job market has increased significantly over the past decade. It is encouraging that the issues have been identified and that policymakers have recognized their importance. Certainly, recognizing that a problem exists is the first step in finding solutions.

As a next step, concerted action on several fronts will be necessary. First, resources must continue to be devoted to improving the language skills of both young and adult Hispanics, mainland-born and immigrant. It must be remembered, too, that as long as there are immigrants -- from all parts of the world -- there will be a continuing need for language training. Second, a major effort to reduce the school dropout rates of young Hispanics must be undertaken; without it, the Hispanic dropouts of the 1980's are likely to be disadvantaged adults in the 1990's. Once in school, Hispanic youth, like all youth, need to acquire the basic skills necessary to compete successfully in the job market. Third, enforcement of equal opportunity laws is critical.

Finally, it will be important to monitor changes in the position of Hispanics over the coming years. This means improving the data on Puerto Ricans on the island, on the mainland and on their migration between the two places; developing a consistent definition of Hispanics across data bases and within the same data base, over time; and increasing sample sizes in individual surveys so that the experiences of the several Hispanic groups can be understood with greater precision than at present. Without better information, we will not know the full extent of Hispanics' progress over the coming years.

In closing, let me again thank you for inviting me to appear on behalf of the National Commission for Employment Policy.

Mrs. HALL. Thank you very much. We certainly do appreciate your testimony.

The subcommittee would like to announce at this time that the House of Representatives is in session today. There is a possibility that votes will come to the floor and that Members will have to leave to vote. I would like to inform all of our witnesses of that. We are hoping that we will not have to leave too often, but when the House is in session there is always a possibility of a vote. In case there is a vote, we will be notified, and we will have to recess frequently so that members will be given time to go and vote and return.

With that consideration, the Chair wishes to ask each witness to testify and then give members of the subcommittee the opportunity to ask questions. We did make an exception for Governor Anaya due to his schedule, and I hope that is satisfactory to each of you.

At this time, the Chair would like to introduce Dr. Fred Romero of the U.S. Department of Labor.

#### STATEMENT OF FRED ROMERO, U.S. DEPARTMENT OF LABOR

Mr. ROMERO. Thank you, Madam Chairwoman, for the opportunity to participate in these hearings. I do work for the Department of Labor. However, I do not necessarily represent the official views of the Department here, and I feel that you should know that.

Second, I have a prepared text, that I will summarize to try to avoid citing statistics mentioned already to conserve time. However, I would like my text to be included in the record, if at all possible.

Mrs. HALL. Without objection, so ordered.

Mr. ROMERO. This is a timely concern for these hearings, not only because Hispanics bear a disproportionate share of the unemployment and underemployment in this country but because likely developments in the coming years threaten to drive down even further their low relative standing on the American economic ladder.

My major point today is that unless a number of changes are accomplished, Hispanics will continue to encounter disproportionately serious economic difficulties in the next decade and face erosion of some of the gains of the past decade.

In brief, the major threatening trends underlying this concern about employment of the Hispanic subpopulation are these:

One. Changes occurring in the composition of employment will increasingly require an educated work force for the higher paid employment opportunities, and Hispanic youth and adults do not appear to be keeping up with these educational demands.

Second. Technological changes are reshaping the nature of skill requirements, and although much of the projected employment growth will be in relatively low-level service and processing activities, the more attractive jobs will require higher level skills, necessitating substantial training or retraining. Unless the required skill development is actively promoted in the Hispanic community, the gap between its skills and the higher level job opportunities will be further widened.

Third. Demographic trends are working against improving the job-market position of the Hispanic work population. Youth and

immigrants, each of which have specially troublesome employment difficulties, are increasing more rapidly in the Hispanic population than among the general population. Hispanic women who are entering the work force about as rapidly as women generally face problems beyond those being encountered by women entrants in general.

My remarks will concentrate on the demographic and social trends which, I believe, will have serious employment implications for Hispanics in the next 10 years. The four trends which I would like to discuss with this committee are, one, the aging of the general population; two, the labor market problems of youth; three, the increasing number of women entering the labor force, and four, the presence of an increasing number of undocumented workers in this country.

With regard to the aging of the population, we know that the average age of the population and work force will be increasing at least until the end of this century. The age of entry into the labor market has been going up, while the age of retirement has trended downward. Hispanics, along with other U.S. population groups, are living longer, their age of entry into employment and matrimony has also gone up, and their age of retirement has remained above that of the general population. However, while the labor force in general is characterized by an aging population, the Hispanic population is not. Fifty percent are under 24 years of age, and almost one-third are under age 15.

Hispanics share the general concerns about older Americans, but the special situation of the Hispanics requires continuing attention as well to the particular problems of youth. My concern is that as policy attention becomes directed toward the problems of an aging population, we do not neglect the needs of the more youthful Hispanic population.

Another aspect of the changing age distribution of the labor force is that equal employment will take on new meaning as people in their thirties and forties find their upward mobility blocked by an increased proportion of the population in their fifties and sixties. The problem of discrimination against Hispanics may well be exacerbated.

The second trend with serious employment implications for Hispanics is the number of Hispanic youth. Because Hispanic birth rates are higher than the birth rates of the general population, Hispanic youth continue to grow in numbers and as a percent of all Hispanics at a time when the youth population or youth proportion of the general population is declining. The Hispanic youth unemployment rate was 30 percent in 1982, and the numbers have been increasing.

Part of the Hispanic difficulty is rooted in nationwide economic conditions, and part of the difficulty is an inability to compete for the limited job opportunities available. A sizable proportion of Hispanic youth have language and school dropout problems so severe as to effectively confine them to a life of poverty and despair. Young Hispanics also face and will continue to face difficult competition for part-time and entry-level jobs. As new labor force entrants seeking entry-level jobs, adult women are often in direct competition with teen workers. Without a substantial increase in



job opportunities, any increase in adult women labor force entrants could effectively cancel any improvements for teenagers that might result from an ease in the overall teenage population.

In addition, Hispanic youth will be competing with those displaced workers who lack transferable skills. Further, Hispanic youth will also likely be in competition with older workers who continue to seek jobs because of economic necessity and other considerations. Finally, Hispanic youth will be competing with undocumented workers, a subject that you will consider this afternoon.

With regard to women, (as you know and as has been cited by Carol Jusenius and others,) since World War II an ever-increasing proportion of women has been entering the work force, a trend that is expected to continue into the 1990s. The phenomenon is due, in part, to population growth and in part to the rising rate of participation. Hispanic women, especially those of Mexican ancestry, have been part of this general trend.

While Hispanic women's interest in work outside the home is on the increase, their unemployment rate remains terribly high and their pay generally low. Their labor market problems are due primarily to the lack of education.

With regard to undocumented workers, another major social trend that will have implications for Hispanics in the future, their presence in the labor market poses problems not only for American workers but for themselves as well. Undocumented workers have been identified as an emerging underclass, subject to violations of their civil rights, vulnerable to exploitation, living in a shadowy existence in this country. The illegal status, per se, of undocumented workers is a greater contributing factor to their problems than their numbers or their characteristics. And their presence does cause economic damage to American workers.

What steps do I think are necessary to improve the social well-being of Hispanics? The steps necessary to improve Hispanics' economic status involve the individual Hispanic, Hispanic organizations, and the broader institutions of society that provide general education and job skills.

Individually, Hispanics must stay in school or seek training opportunities to acquire the requisite skills for an increasingly competitive job market. Collectively, Hispanics must dedicate their efforts to obtain open and effective education and training systems. For example, the new Job Training and Partnership Act [JTPA] presents many useful opportunities for Hispanics.

Since training programs are one way to improve the position of Hispanics in the job market, it is imperative that Hispanics monitor the implementation of JTPA to insure an equitable representation of Hispanics in this program. A recent study, the study that Carol Jusenius cited, shows that Hispanics seemed to have been underrepresented nationwide in CETA, the program to be replaced by the Job Training Partnership Act on October 1, 1983. My own observations corroborate the findings in the study. Although the findings require additional analysis to pinpoint the causes, it seems reasonable to assume the following: Hispanics can be expected to apply for training programs only if they perceive that the benefits of program participation will exceed the opportunity cost of partici-



pation It is my observation that, in general, Hispanics' perception of training programs is that the benefits do not match their needs.

Potential benefits depend on the match between the skill needs of the individual and the specific training programs offered. Hispanics who participated in CETA were more likely than either Whites or Blacks to want training, as has been cited, rather than public service employment. Also, they were more likely than the other two groups to be in classroom rather than on-the-job training. In other words, Hispanics more than others in CETA preferred and took basic skills training. This indicates that Hispanics are aware of their need to improve reading and math skills and language proficiency. At the same time, training in these areas was not offered in adequate amounts. Further, without these basic skills, Hispanics do not expect to benefit from training programs oriented toward high-skilled occupations, and they did not expect to benefit over the long run from much of the short-term training being offered for low and semiskilled occupations.

In general, the range of program offerings in CETA was not consistent with Hispanic needs. The absence of English language training and basic skills training within CETA in sufficient amounts was a deterrent to program participation by Hispanics. There is evidence that nationwide, training program operators treated our participants in a similar fashion. Cost measures used for setting performance standards, specifically the cost-per-entered-employment measure, had the effect of making program operators selective in the range and type of training provided. The absence of English language training sufficient to meet the special needs of Hispanics, for example, could very well be the result of attempts to keep program costs down. There is no doubt in my mind that English language training, when coupled with other basic and technical training Hispanics may require, is costly.

Some of the factors that I think may help explain some Hispanic underrepresentation in CETA include family size, education, and geographic location. With regard to family size, on an average, Hispanic families are larger than the general population. Studies indicate that the larger the family size, the lower the likelihood of participation in training. Second, likelihood of participation in training programs is lower among people with fewer years of education. The low schooling levels of Hispanics, in conjunction with their language difficulties, could be expected to affect participation because Hispanics would be less likely to know of the availability of training and/or less likely to perceive sufficiently large enough payoff to compensate for foregone earnings. Third, Hispanic communities are generally some distance away from training facilities. In the early days of CETA, transportation allowances were readily available to Hispanics living in barrios some distance away from CETA services. Gradually this support was withdrawn as pressure mounted to keep program costs down.

To many Hispanics, the benefits offered by past training programs were not worth the investment of time and the expenses involved. Under JTPA, with its exclusive focus on training and with the involvement of the business sector, there are new opportunities to provide needed service to Hispanics. Taking advantage of these opportunities means learning from the past and making full use of

the flexibility that JTPA allows to tailor programs to the specific needs of Hispanics.

I want to thank you for inviting me, and that concludes my remarks.

[The statement of Mr. Romero follows:]

TESTIMONY OF FRED E. ROMERO, DEPUTY ADMINISTRATOR, OFFICE OF STRATEGIC PLANNING AND POLICY DEVELOPMENT, EMPLOYMENT AND TRAINING ADMINISTRATION

Madam Chairwoman and Members of the subcommittee, I appreciate the opportunity to be part of this panel on employment in the Hispanic Community. The views expressed here today are mine and do not reflect the official views of the Department of Labor.

This is a timely concern, not only because Hispanics bear a disproportionate share of the unemployment and underemployment in this country, but because likely developments in the coming years threaten to drive down even further their low relative standing on the American economic ladder. My major point today is that unless a number of changes are accomplished, Hispanics will continue to encounter disproportionately serious economic difficulties in the next decade and face erosion of some gains of the past decade.

In brief, the major threatening trends underlying this concern about employment of the Hispanic subpopulation are these:

Changes occurring in the composition of employment will increasingly require an education workforce for the higher-paid employment opportunities—and Hispanic youth and adults do not appear to be keeping up with these educational demands.

The internationalization of the economy, technological advances, and other shifts are reshaping the nature of skill requirements. Although much of the projected employment growth will be in relatively low-level service and processing activities, the more attractive jobs will require higher-level skills necessitating substantial training or retraining. Unless the required skill development is actively promoted in the Hispanic community, the gap between its skills and the higher-level job opportunities will be further widened.

Demographic trends are working against improving the job market position of the Hispanic work population. Youth and immigrants—each of which have specially troublesome employment difficulties—are increasing more rapidly in the Hispanic population than among the general population. Hispanic women who are entering the work force, about as rapidly as women generally, face problems beyond those being encountered by women entrants in general.

MAJOR DEMOGRAPHIC AND SOCIAL CHANGES

My remarks today will concentrate on the demographic and social trends which, I believe will have serious employment implications for Hispanics in the next ten years.

Four major trends affecting Hispanics and employment over the next decades are: (a) the aging of the general population; (b) the labor market problems of youth; (c) the increasing number of women entering the labor force; and (d) the presence of an increasing number of undocumented workers in this country.

*Aging population.*—We know that the average age of the population and work force will be increasing, at least until the end of this century. The birthrate of the general population has been decreasing, longevity has been increasing. The age of entry into the labor market (and into matrimony) has been going with the number of years of work in the period between.

Hispanics, along with other U.S. population groups, are living longer, their age of entry into employment and matrimony has also gone up, and their age of retirement has remained above that of the general population.

However, while the labor force in general is characterized by an aging population, the Hispanic population is not—50 percent are under 24 years of age and almost one-third are under age 15.

Hispanics share the general concerns about older Americans: health, retirement income, age discrimination in employment, difficulties finding work, and other problems. But the special situation of Hispanics requires continuing attention as well to the particular problems of youth. My concern is that as policy attention becomes directed toward the problems of an aging population, we do not neglect the needs of the more youthful Hispanic population.

Another aspect of the changing age distribution of the labor force is that, as the post-war baby boom generation ages and moves into the prime years of worklife, it

will encounter unprecedented competition for positions and promotion across the full spectrum of the economy, whether conditions be recessionary or prosperous. Equal employment will take on new meanings as people in their 30's and 40's find their upward mobility blocked by increased proportions of the population in their 50's and 60's. The problems of discrimination against Hispanics may well be exacerbated.

*Young workers.*—It is projected that in 1995 there will be 3½ million fewer white men between the ages of 16 and 24 than in 1982, a drop from over 15 million to 11.4 million. At the same time, two million fewer will be in the labor market, a drop from over 11 million to about 9 million. In 1982, young white men accounted for 10.3 percent of the total labor force. By 1995, the percent will decline to 7.3.

Because Hispanic birthrates are higher than birthrates of the general population, Hispanic youth continue to grow in numbers and as a percent of all Hispanics at a time when the youth proportion of the general population is declining. By 1990, it is anticipated that over 10 percent of all 15- to 19-year-olds in the United States will be Hispanic, compared to less than 8 percent in 1980.

There are approximately 2 million Hispanic youth aged 16 to 19, a large proportion of whom face serious employment problems. The Hispanic youth unemployment rate was 30 percent in 1982 compared to 23 percent for the total youth population of the same age group. Hispanic youth labor force participation was 45 percent—the lowest since 1977, compared to 54 percent for all youth.

Part of Hispanics' difficulty is rooted in nationwide economic conditions, but part of the difficulty is the inability to compete for the limited job opportunities available: Sizeable proportions of Hispanic youth have language and school drop-out problems so severe as to effectively consign them to a life of poverty and despair. Thirty-eight percent of Hispanic 18 to 19 diplomas, compared to 13 percent for total American youth of the same age. The situation is not likely to improve rapidly. Hispanic students in every region of the country are more likely to be held back in school than white students.

Reading performance between 1971 and 1975, as measured by achievement tests, decreased for Hispanic students ages 13 to 17, while it increased for white and black students. Math scores for Hispanic 17 year olds were 18 percentage points below those for white students during the same period.

Young Hispanic also face—and will continue to face—difficult competition for part-time and entry-level jobs:

About half of all women over age 16 are working or seeking work. By 1990, this proportion will have risen to three quarters. If the percentage of working women went up to 65 percent, it would bring an extra 6 million women into the labor force. As new labor force entrants seeking entry-level jobs, adult women are often in direct competition with teen workers. Without a substantial increase in job opportunities any increase in adult women labor force entrants could effectively cancel any improvements for teenagers that might result from an ease in the overall teenage population.

In addition, Hispanic youth will be competing with those displaced workers who lack transferable skills and are forced by economic necessity to accept any work they can get.

Hispanic youth will also likely be in competition with older workers who continue to seek jobs because of economic necessity, changes in the social security system, and the passage of new age discrimination laws.

Finally, Hispanic youth will be competing with undocumented workers, a group discussed later.

*Women.*—Since World War II an ever increasing proportion of women have been entering the workforce—a trend that is expected to continue into the 1990's. This phenomenon is due in part to population growth and in part to the rising rate of participation. Hispanic women, especially those of Mexican ancestry, have been part of this general trend. For example, in 1977, 47 percent of white women 20 years or older and 47 percent of Mexican-American women were in the labor force; by 1982, 52 percent of adult white women and 51 percent adult Mexican-American women were either working or looking for work. Further, we can expect this trend among Hispanic women to continue. Evidence from the National Longitudinal Survey's youth cohort (young people ages 16 to 21 in 1979) indicates that young Hispanic women, like non-Hispanic white women, are aware that work outside the house will be an important part of their adult lives. When asked "What would you like to be doing at age 35", two-thirds of both groups indicated a preference for paid employment.

While Hispanic women's interest in work outside the home is on the increase, their unemployment rate remains high and their pay generally low—on average



they earn less per hour and year than any other group of men or women and they suffer from serious problems of career mobility. Obtaining a more positive future for Hispanic females will remain a challenge for the next decades.

The labor market problems of Hispanic women are due to lack of education (as well as discrimination). Although most minority groups have reduced school non-attendance rates since 1970, in 1976 Mexican-American females 15 to 17 were still more than twice as likely as white males to be out of school. Indeed, Hispanic females suffer the worst non-attendance rates of any Hispanic sub-group. Attaining a college education is still far beyond the reach of almost all Hispanics, particularly Hispanic women. In 1976 the college completion rate of Puerto Rican females was only 12 percent of the rate of white males.

#### UNDOCUMENTED WORKERS

Although reliable estimates are hard to come by, it is evident the impact of undocumented workers in the labor market is being felt by Hispanics and other groups across the United States. Their presence in the labor market poses problems not only for American workers but for themselves as well.

Undocumented workers have been identified as an emerging underclass, subject to violations of their civil rights, vulnerable to exploitation, living a shadowy existence in this country. The illegal status, per se, of undocumented workers is a greater contributing factor to their problems than are their numbers or their characteristics. It is because of their illegal status that:

They are exploited by some employers who do not pay them either the minimum wage or overtime, or do not follow the required work standards. A Mexican government study indicated that over three-fifths of apprehended illegal aliens interviewed by Mexican officials reported they were not paid regularly and/or were owed wages (due them).

They are excluded from some social support programs, employment and training programs, Unemployment Insurance, and food stamps.

In many cases, they do not seek needed medical and other services, or report crimes committed against them.

They are abused by landlords and others who can threaten exposure.

They do not make use of laws applicable to them, such as social security.

The presence of undocumented aliens causes economic damage to American workers.

Since the principal labor market impact of illegal aliens is in low wage, low status jobs, the undocumented workers compete directly with America's poor, including of course its Hispanic citizens and legal residents.

Illegal aliens compete very successfully: They are often willing to work longer hours, at lower wages, without complaining. This creates unfair competition for American workers, who may find themselves displaced from their jobs.

The presence of large numbers of illegal alien workers reduces pressures toward upgrading labor standards. Because employers who seek out such workers tend to find an ample supply, they are little concerned about quality of work life, and often can avoid dealing with unions.

In some cases, labor standards are undercut. In areas where illegal aliens congregate, employers may use their presence to lower wages offered to all individuals seeking the same kinds of work. The wages paid to illegal alien workers become in effect the prevailing wage. Surely this has happened in seasonal agricultural work, in garment factories, in domestic household employment and in other service jobs.

#### TOWARD IMPROVEMENT

The steps necessary to improve Hispanics' economic status involve the individual Hispanic, Hispanic organizations and the broader institutions of society that provide general education and job skills.

Individually Hispanics must stay in school or seek training opportunities to acquire the requisite skills for an increasingly competitive job market. Collectively, Hispanics must dedicate their efforts to obtain open and effective education and training systems. For example, the new Job Training and Partnership Act (JTPA) presents many useful opportunities for Hispanics. Hispanic organizations need to get involved and work as partners to insure that unemployed unskilled Hispanics access this Federally-supported training system and to assure the adequacy and relevancy of the training provided.

Since training programs are one way to improve the position of Hispanics in the job market, it is imperative that Hispanics monitor the implementation of JTPA to ensure an equitable representation of Hispanics in this program. A recent study

sponsored jointly by the Department of Labor and the National Commission for Employment Policy (NCEP) of the CETA program, now being replaced by JTPA, shows that after taking into account other factors likely to be associated with participation in CETA, Hispanics seem to have been underrepresented nationwide.

My own observations corroborate those found in the study. Although the findings require additional analysis to pinpoint the causes, it seems reasonable to state the following: (A) Hispanics can be expected to apply for training programs only if they perceive that the benefits of program participation will exceed the opportunity costs of participation. It is my observation that, in general, Hispanics' perceptions of training programs is that the benefits do not match their needs.

Potential benefits depend on the match between the skill needs of the individual and the specific training programs offered. Hispanics who participated in CETA were more likely than either whites or blacks to want training, rather than public service employment. Also, they were more likely than the other two groups to be in classroom rather than on-the-job-training. In other words, Hispanics, more than others, in CETA preferred and took basic skills training. This indicates that Hispanics are aware of their need to improve reading and math skills and language proficiency. At the same time, training in these areas was not offered in adequate amounts under CETA. Further, without these basic skills, Hispanics did not expect to benefit from training programs oriented toward high-skilled occupations; and they did not expect to benefit over the long run from much of the short-term training being offered for low and semi-skilled occupations.

In general, the range of program offerings in CETA was not consistent with Hispanic needs. The absence of English language training and basic skills training with CETA in sufficient amounts was a deterrent to program participation by Hispanics.

There is evidence that nation-wide training program operators treated all participants in a similar fashion. Cost measures used for setting performance standards under CETA, specifically the "cost per entered employment" measure, had the effect of making program operators selective in the range and type of training provided. The absence of English language training sufficient to meet the special needs of Hispanics for example, could very well be the result of attempts to keep program costs down. There is no doubt that English language training when coupled with other basic and technical training Hispanics may require, is costly. (B) Cultural and Hispanic-specific demographic factors have been cited by program operators as the reason for their inability to attract or serve Hispanics. We know that CETA participation among eligibles is far from random. There is a relationship between demographic variables and program participation and this relationship in many instances applies across ethnic and racial groups. For example, the DOL-NCEP study found that older persons are less likely to participate; males participate more than females; and single and widowed persons are more likely to participate than married persons.

Some of the factors that I think may help explain Hispanic underrepresentation in training programs are: family size, education and geographic location. First, on average, Hispanic families are larger than the general population. Studies indicate that the larger the family size, the lower the likelihood of participation in training. Second, likelihood of participation in training programs is lower among people with fewer years of education. The low schooling level of Hispanics (in conjunction with language difficulties) could be expected to affect participation because Hispanics would be less likely to know of the availability of training and/or less likely to perceive a sufficiently large payoff to compensate for foregone earnings.

Third, Hispanic communities are generally some distance away from the training facilities. In the early days of CETA, transportation allowances were readily available to Hispanics living in barrios some distance away from CETA services. Gradually this support was withdrawn as pressures mounted to keep program costs down.

To many Hispanics, the benefits offered by past training programs were not worth the investment of time and the expenses involved. Under JTPA, with its exclusive focus on training and with the involvement of the business sector, there are new opportunities to provide needed service to Hispanics. Taking advantage of these opportunities means learning from the past—and making full use of the flexibility that JTPA allows to tailor programs to the needs of the persons JTPA was designed to serve.

Mr. TORRES. Thank you, Dr. Romero. Representative Hall had to step away momentarily, so I have assumed the Chair on her behalf, and we thank you for your testimony.



The panelists have agreed in a procedure of testimony here whereby we will try to accommodate their schedules. We will hear next from Mr. Michael Borrero, executive director of the National Puerto Rican Forum. Mr. Borrero, please proceed with your testimony, sir.

**STATEMENT OF MICHAEL BORRERO, PRESIDENT, NATIONAL  
PUERTO RICAN FORUM, INC.**

Mr. BORRERO. Thank you, Mr. Chairman.

Mr. Chairman, honored member of the Subcommittee on Census and Population and the Congressional Hispanic Caucus, my name is Michael Borrero and I am president of the National Puerto Rican Forum.

The National Puerto Rican Forum is the Nation's oldest and largest Puerto Rican community-based organization. Since 1957 our mission has been the improvement of the socioeconomic condition of Puerto Ricans, Hispanics, and other disadvantaged groups in the mainland United States. With headquarters in New York City, we maintain offices in five Eastern States and Washington, D.C.

My comments today reflect not only my experience as a community leader and chief executive officer of the forum, but also that of an educator and researcher in the field of public policy, employment, and training, given that prior to coming to the National Puerto Rican Forum, I was a professor at the University of Connecticut and director of the Center for Human Resources Planning.

Any honest analysis of employment or unemployment must incorporate the stubborn dilemma our economy and policymakers face in dealing with this issue of employment and unemployment. Since the 1950's, we have become painfully aware of the relationship between employment and inflation. It seems that our economy is unable to sustain high levels of employment without experiencing high levels of inflation. This every President, from Eisenhower to our current President, has accepted and realized. Most recently, President Reagan has said that "reducing unemployment without reigniting the fires of inflation is the most significant domestic challenge we face."

The consequence of such a dilemma is that by keeping inflation down, a significant number of Americans must be unemployed. The number of unemployed keeps growing, year after year, usually absorbing the most vulnerable, the least skilled, educated, and experienced. Hispanics are a prime example and target of this event.

The official rate of unemployment among Hispanics was already covered. For Puerto Ricans, the most disadvantaged of all Hispanic groups, the figure is close to 17 percent, but we all know that the rates are much higher. In a recent national study I conducted, the rate of unemployment for Puerto Ricans reached well over 20 percent. Moreover, 24 percent of all Hispanics have income below the poverty line, and the poverty rate for families headed by Hispanic women is currently 53 percent. The tepid recovery now underway promises little help for Hispanics, who traditionally have been employed in light manufacturing, companies which increasingly are leaving the United States to take advantage of cheaper foreign labor.

The cornerstone of the administration's policy for the disadvantaged is the Job Training Partnership Act. While I commend the initiative to involve the private sector in the design and implementation of manpower training, I have reservations about the impact of this legislation on the Hispanic community. I have no doubt that some Hispanics will be served by JTPA, but it will be those most fluent in English, those most educated, indeed, those most job-ready, who will benefit from this legislation. In effect, JTPA represents the last rung on a prevocational ladder leading to a good job, but many Hispanics will be left, grasping for the intermediate rungs that have been eliminated as a result of this legislation and other Federal cuts.

Because JTPA money, are allocated to the States, there is a danger that funding will be diverted away from urban areas, where Hispanics are concentrated, to suburban and rural areas with greater clout in the State legislatures. And, the legislation gives the States the discretionary power to allocate funds to State-supported community colleges over community-based organizations, which have been the traditional providers of job training in the Hispanic community.

Community-based organizations [CBO's] must remain vital participants in the employment and training delivery system. Their value lies in their knowledge of the populations they serve. They are capable of recruiting and screening Hispanics not reached by public agencies because of the linguistic and cultural barriers experienced by many members of the Hispanic community. But since 1981, CBO's—those that have survived—have seen their funding slashed by as much as 60 percent. Right now, the Forum has been notified that its career service and job placement program, which has from the beginning in 1978 exceeded its goal in job placement and at a very low cost per placement, will be terminated at the end of this month. This means that approximately 1,650 Hispanics will not be placed in jobs by the Forum or any other Hispanic organization next year. When you are Hispanic with limited resources, this could be the difference between welfare and self-sufficiency.

The 15-percent limitation on administrative costs stipulated by JTPA represents an extreme hardship to CBO's, especially since the portion allocated to them will be 7 to 8 percent, in most cases. It is clear to all involved in administering these programs that it is virtually impossible for CBO's or municipalities for that matter to operate these programs with these resources. Obviously, the quality of services will deteriorate.

Let me give you an example of what New York City is currently facing. Over the last few years, New York City's Department of Employment and Training has lost 80 percent of its employment and training programs. The impact of these cuts has meant that 80 percent fewer people are being served. More specifically, in terms of job placement, in 1981 New York City placed 30,000 people in jobs. As a result of the cuts only approximately 20,000 people were placed in 1983.

JTPA allows the States great discretion in setting performance standards. This, however, creates disincentives for training individuals who require remedial or educational preparation in addition to skills training. In its report, "Hispanics and Jobs: Barriers to

Progress," the National Commission for Employment Policy stated that a lack of fluency in English is the main source of labor market difficulties of all Hispanic subgroups. The second major reason for Hispanics' poor labor force experience is a low level of education.

Policies that emphasize short-term skills training and immediate job placement ignores this large segment of the Hispanic population which requires English as a second language preparation or basic skills remediation in order to qualify for skills training. Furthermore, other funding sources that have provided these services in the past, such as the WIN program, bilingual education, and adult education, have also been sharply reduced. In effect, we are cutting off all our opportunities and hope for these Hispanics who find themselves relegated to the underclass of American society and, may I add, at an alarming rate.

What can be done in the short run? Congress must take an active role in monitoring the implementation of JTPA to insure that funding is targeted to Hispanics, at levels proportional to their representation in the eligible population. Second, States must be held accountable for servicing all disadvantaged communities, but especially Hispanics, who have historically been underrepresented in many parts of the program as we have heard this morning.

Third, funds must be set aside to address the educational and vocational needs of disadvantaged Hispanics and should be appropriated to community-based organizations, agencies best suited to meet their special needs. Fourth, training contracts must provide funding that reflects realistic administrative costs, so that community-based organizations as well as municipalities can compete with State-subsidized institutions for JTPA allocations.

Fifth, additional legislation is required to provide long-term educational preparation for Hispanics of limited English-speaking ability and low literacy skills. Appropriate control and monitoring mechanisms must be established to insure that these moneys be coordinated with JTPA service delivery areas, providing Hispanics and other members of disadvantaged groups with the necessary linguistic and educational competencies to qualify for JTPA programming.

Finally, I urge you to support the Community Renewal Employment Act now under consideration by the House of Representatives. Funding authorized by this legislation will provide employment opportunities to the most disadvantaged in areas of high unemployment through grants to local governments, and I think we have covered this before.

The jobs created will benefit the local community through repair and maintenance of roads water systems, educational facilities as well as conservation of public lands. Further, jobs will provide much-needed social services in the areas of health care, emergency food shelter, and dependent care. According to a report by the U.S. Conference of Mayors, of the population targeted by this legislation, only 36 percent now receive adequate health care; 14 percent receive the day care they require; and just 4 percent are reached by employment and training programs. Moreover, local officials are currently able to meet only 43 percent of the demands on their resources for emergency food and shelter.



These are urgent measures which I am proposing. As the pace of social and technological change increases, we cannot afford to abandon to poverty the skills and talents of a significant minority of American people. Nor can we risk the consequences of crime and civil strife which are the likely consequences of doing nothing. We must act now to meet the short-term needs of the disadvantaged through job creation and to prepare for the manpower needs of the future through a revamped system of basic education and job training.

To address the problem in the long run, we must come to grips with the real issue of the stubborn dilemma between employment and inflation. Until then, most of our training and employment efforts will sidetrack the number one issue facing our economy, our policymakers, and our people.

I thank you for the opportunity to speak to you today.

Mr. TORRES. Thank you, Mr. Borrero.

Mr. BORRERO. Madam Chairwoman, I have another appointment where I am expected at 12 o'clock. With your permission I would like to get to that quickly.

Mrs. HALL. Thank you. What we can do is take questions so that you can go to your next appointment. At this time, I would like to yield to Congressman Torres.

Mr. TORRES. Madam Chairwoman, I would like to make a request that I be able to submit questions to the last witness in writing, and we may get responses from him. I would yield back the rest of my time.

Mrs. HALL. Congressman Richardson?

Mr. RICHARDSON. I wanted to ask a question, Madam Chairwoman, of Mr. Yzaguirre. I also have a noon commitment, but I would like to listen to Mr. Yzaguirre.

Mrs. HALL. Dr. Borrero, we want to thank you for your presentation. We certainly appreciate your coming at this time. And since you have an appointment, the subcommittee will excuse you.

Next, we will hear from Mr. Raul Yzaguirre, president, National Council of La Raza.

#### STATEMENT OF RAUL YZAGUIRRE, PRESIDENT, NATIONAL COUNCIL OF LA RAZA

Mr. YZAGUIRRE. Thank you, members of the subcommittee and members of the Hispanic Congressional Caucus. Let me indicate how gratified I am to take advantage of this first opportunity to testify before two of the newest and most prominent Members of Congress from the Hispanic community.

Chairwoman Hall, Congressman de la Garza, Congressman Torres, my name is Raul Yzaguirre and I am president of the National Council of La Raza. I would like to thank the Congressional Hispanic Caucus for inviting me to testify on such a crucial issue as Hispanic unemployment. Unemployment continues to be an extremely serious problem of national proportions. For our minorities and disadvantaged citizens, high unemployment rates aggravate already difficult employment barriers. The August 1983 unemployment rate for the white population was 8.2 percent; in sharp contrast, however, the unemployment rate for the Hispanic population



was 12.9 percent. The Hispanic unemployment rate is consistently 60 percent higher than the rate for the white population. Whereas unemployment for the general population did not reach 10 percent until last year, the Hispanic unemployment rate has been above 10 percent since 1976. Hispanics are the youngest, and least-educated U.S. subpopulation, with an alarming poverty rate of 30 percent. Employment is thus a primary concern. The House of Representatives will soon consider passage of H.R. 1036, the Community Renewal Employment Act. We support passage of that bill because it would provide employment opportunities in community improvement projects for the long-term unemployed. However, we are equally concerned with the implementation of the Job Training Partnership Act, and such issue will be the primary topic of my testimony.

Statistics reveal that Hispanics are a visible and growing constituency, with multifaceted problems which require national attention. The National Council of La Raza, in its role as a national Hispanic civil rights organization representing Hispanic organizations in 20 States, the District of Columbia, and the island of Puerto Rico, supports a strong Federal employment and training policy which focuses on providing disadvantaged individuals with the marketable skill necessary to compete in the labor market. As the Hispanic population grows in importance, the need to improve their labor market position will become more critical.

The Federal Government has attempted to respond to the specific unemployment problems of youth, the economically disadvantaged and minorities. However, some of their programs have not been successful in meeting the needs of these populations. The Federal Government launched programs in the 1960's, namely the Area Redevelopment Act of 1961, designed to provide economic opportunities for economically depressed areas. This was followed by the Manpower Development and Training Act of 1962, designed to provide training to those persons who had become unemployed through technology or other structural changes in industry.

Not until 1965, however, was MDTA amended to shift its focus from the technologically displaced individual—essentially meaning the white community—to the economically disadvantaged community—meaning, of course, the poor and minorities. The shift in focus occurred as a result of increasing unemployment among economically disadvantaged individuals and President Johnson's "War on Poverty." Due to the Federal Government's active targeting efforts, Hispanic participation rates during the MDTA era accounted for 15.7 percent of the targeted individuals.

The 1970's witnessed the birth of a new federalism and its decentralized policies. Thus, the Federal Government decentralized employment and training programs, giving increased responsibility to the States. In 1973, the Comprehensive Employment and Training Act [CETA] was enacted to provide job training and employment opportunities for the economically disadvantaged, unemployed, and underemployed persons. CETA gave States and local governments the major responsibility for planning, administering, and operating manpower programs in their jurisdictions.

In 1978, with a population about 50 percent larger than it was during the 1960's, Hispanic participation under CETA accounted

for 10.2 percent of total clients, a decrease of one-third from MDTA levels. CETA was amended in 1978 to increase Federal oversight and targeting, and Hispanic participation increased to 14 percent of the total client population.

This experience leads to the clear conclusion that strong targeting and Federal oversight are necessary to assure equitable access to employment programs by Hispanics and other disadvantaged individuals. Decentralized programs void of targeting provisions and Federal oversight, such as the Job Training Partnership Act, are more than likely to underserve Hispanics.

As you know the JTPA will replace CETA as the primary Federal employment and training legislation, effective October 1. JTPA seeks to prepare youth and unskilled adults for entry into the labor market and to afford job training to those economically disadvantaged who are in need of such training to obtain productive employment. Thus, its purposes are not unlike those of CETA.

In order to accomplish such goals, the act espouses four major principles: (1) Decentralization; (2) Private sector involvement in policymaking; (3) Strictly defined training, with little or no support services; and (4) Performance impact, in terms of the process.

The National Council of La Raza has grave concerns that the principles embodied by the Job Training Partnership Act may limit the access to JTPA programs by Hispanic clients and Hispanic community-based organizations.

JTPA illustrates a shift in duties between the Federal and State governments. Whereas under CETA, employment and training programs were under the responsibility of the Federal and local governments, under JTPA, these programs fall under the responsibility of the State and local governments, with the State as primary actor and the Federal Government assuming a less than minimal role.

JTPA decentralizes the employment and training programs. It represents a further delegation of Federal authority to the States. It greatly increases State responsibility for the authority over local operations, imposing States as a layer between Washington and local programs. In addition, the Governor's authority to set statewide goals and objectives, enforce coordination criteria, and reorganize service delivery areas [SDA's] represents a potentially important shift in authority from the local to the State level,

In line with the concept of decentralization, the Department of Labor has issued regulations for JTPA which give States maximum authority to interpret most provisions of the law. The effect of DOL's approach is to create a policy and oversight void. Thus, it will be up to the States to fill this void in a manner consistent with the intent of the law. Granting such discretion to the States may result in a lack of uniform protections for Hispanics, other minorities, disadvantaged and powerless individuals who have relied on the Federal Government as the source for enforcement of protections such as nondiscrimination, targeting, and equal access to employment programs.

What I am trying to say, members, is that not all the Governors have the same sensitivities as Governor Anaya.

With the so-called New Federalism as its rationale, the Department of Labor issued regulations much briefer than the law itself.

These regulations granted an inordinate amount of discretion to States in interpreting the law. The result may be 50 different interpretations, with hardly any uniformity. For example, the final regulations issued by DOL did not establish nationally consistent definitions of a participant's family and what constitutes family income—two constructs fundamental to determining participant eligibility.

If there is no national standard by which individuals will be deemed eligible, each State has the authority to define eligibility differently. A possible scenario may be one in which a participant's family income is deemed to high, making him or her ineligible for services in one State, whereas in a neighboring State, the definition of family income may be flexible and thus make the same participant eligible for services. The Department of Labor's hands-off approach encourages varied and conflicting interpretations. Such may result in lawsuits based on inconsistent State definitions, thereby denying citizens the equal protection of the law.

An effect of decentralization is to decrease Federal oversight to accomplish stated national goals. The 1978 amendments to CETA increased the Federal role in targeting efforts. Whereas CETA prescribed services to be made available to significant segments of the population, JTPA merely suggests that local programs shall make efforts to provide equitable services to substantial segments of the eligible population. The differences in language illustrate a strong mandate for targeting in CETA versus a permissive approach to targeting the JTPA. JTPA is a training program whose content—including determination of the client population—is left to the discretion of the States.

The provisions regarding the job training plan further demonstrate the lack of targeting which accompanies JTPA. Under CETA, each prime sponsor was required to submit a plan to the Department of Labor detailing the services it planned and manner in which those services would be delivered. Provisions of CETA specified 37 different elements that had to be included in the plan, including targeting provisions which established a requirement for affirmative services to one group or another: significant segments, low-income persons, veterans, youth, persons with limited English proficiency, offenders, et cetera. Although JTPA calls for a job training plan to be submitted to the Governor, not to the Department of Labor, it specifies only 10 provisions that must be addressed by the plan and none of these call for targeted or affirmative or priority services. Under JTPA, the success of the job training plan, from an equal opportunity perspective, will depend on the commitment to this ideal by State and local officials. There is no Federal oversight to prevent civil rights violations, thus the State is responsible and accountable for any acts of discrimination on the part on the part of its subrecipients.

Since JTPA delegates to the service providers and the States discretion in deciding who is eligible to receive services, specific efforts to insure equal opportunity and nondiscrimination become all the more critical. With the authority that is conveyed to the Governor to administer a job training program is a concomitant responsibility to see that the program is implemented free of any discrimination and provides equal opportunity for all,



JTPA's strong focus on private sector involvement is useful since private business and industry are the primary sources of unsubsidized employment. The act mandates that half the membership of the private industry councils [PIC's], which govern JTPA activities at the local level, be from private industry. The PIC, in partnership with local elected officials, has overall policy and oversight responsibility for a local job training program. JTPA differs from CETA by granting the PIC's a far more definitive role in the policy design of employment programs. However, it is questionable whether private industry alone can design a policy targeted to meet the needs of the economically disadvantaged and the long-term unemployed. Therefore, in order to achieve a responsive policy, it is necessary for the PIC's to reflect constituencies such as small and minority businesses, community-based organizations, as well as minority individuals including Hispanics. Yet, initial information suggests that this is not the case.

Small business generates two-thirds of all new jobs in the United States. However, the language of JTPA is permissive on the issue of small and minority business representation in the PIC, simply providing for such interests to be represented whenever possible. The possible exclusion of these groups in the PIC's may result in a plan that ignores the dynamics of employment generation.

Community-based organizations CBO's play a dual role as advocates and service providers for their constituencies. They are known to have a high success rate in reaching the disadvantaged. Representatives from CBO's are to be chosen as part of a broad and extremely varied group that also includes representatives from organized labor, educational agencies, economic development agencies, and the public employment service.

The statutory definition of a community-based organization is extremely broad. Therefore, Hispanic community-based organizations, which act as service deliverers, may be excluded in favor of an organization which represents a more general constituency.

Unlike specific provisions mandating private industry representation, the act does not contain language which mandates specific numbers for CBO representation. Exclusion of CBO's may result in policies which do not effectively address the means for reaching the disadvantaged.

The language of the law with respect to PIC representation of small and minority business, minority individuals, and CBO's is therefore, tenuous at best. Such ambiguity grants discretion to the local elected official, who may or may not appoint such groups to the PIC's. For example, in Houston, Tex., where the Hispanic population in central Houston is 31.2 percent, there are only 4 Hispanics in a PIC of 42 members. In Long Beach, Calif., where the Hispanic population is estimated to be between 15-18 percent, there is only one Hispanic in the PIC. These cases demonstrate the percentage of Hispanic PIC representation does not approximate the percentage of the Hispanic population in those cities. It is crucial that these interests are represented in the PIC planning and decisionmaking process. The law's ambiguity creates an excuse for local governments to exclude such groups. However, in order to create a true partnership, efforts must be made to include the



public, private and voluntary sectors which is needed for a successful employment and training program.

The Job Training Partnership Act eliminates all public service employment slots and nearly eliminates funds for training stipends. CETA provisions relating to public service employment and mandatory allowances have been repealed.

JTPA requires that 70 percent of funds be spent on training. The remaining 30 percent of funds may be divided between a maximum of 15 percent for administrative costs (a 5-percent reduction from CETA) and 15 percent for supportive services, wages, and allowances.

Many Hispanic and other community-based organizations may want to participate in JTPA but are effectively excluded because they do not have the non-JTPA resources to absorb the administrative responsibilities required by JTPA, such as management information systems, fiscal accounting, or do not have the capacity to provide such systems while staying within the 15-percent cap on administrative costs. As a consequence, larger established organizations like the employment service, school systems, and training institutes which do have sizable administrative staff funded by other resources can absorb some of the administrative costs of a JTPA program. Therefore, the limits on administrative costs may preclude some of the most effective recruiters and service providers such as CBO's from participating in the Job Training Partnership Act. If CBO's are effectively excluded from JTPA, then there will be a lack of organizations which effectively reach the disadvantaged, such as the Hispanic community, thus causing Hispanic participation rates to plummet.

The lack of training stipends also affects the access to training programs by the truly disadvantaged, including many Hispanics. Due to family income needs, there may be a strong tendency for individuals to take any job which becomes available, rather than completing training. This is a particular problem for the Hispanic community which has a high poverty rate and also a high rate of underemployment. If the disadvantaged want to take advantage of a training program, they would have to incur additional expenses such as transportation and child care costs, and suspend personal job search efforts. The lack of training stipends may effectively exclude Hispanics and other minorities from participating in a training program. The law allows needs-based payments necessary for participation; however, they are to be determined under a locally developed formula or procedure, which will mean a lack of uniform standards, thereby resulting in 50 different needs-based payment formulas.

The 15-percent cap on supportive services may be waived if certain conditions are met and the waiver is requested by the PIC. This assumes, however, that the PIC will be sensitive to the needs of the disadvantaged and will want to extend greater service to those who might benefit most from training but who also can least afford the extra costs of child care or transportation. If a waiver is granted, however, the service delivery area is still subject to meeting national performance standards. This may have a chilling effect because the continued application of performance standards regardless of a waiver may affect not only the local area's decision

to apply for one, but also the Governor's decision to approve a waiver.

Asking for a waiver means that a local area needs more money to provide supportive services for its participants. This implies that the participants are economically disadvantaged. The economically disadvantaged are the clients with severe economic and educational problems. Thus, they are also the most likely to fail to meet performance standards based on positive placements. Consequently, service delivery areas may be denied waivers because of their inability to meet performance standards due to the characteristics of the specific population they serve. As a result, the ability to serve the most disadvantaged will be severely constrained if supportive services are not increased through a waiver.

In the past, the Federal Government prescribed at great length and detail how training programs were to be conducted, emphasizing the means rather than the ends. JTPA's emphasis on results is a major legislative shift in social policy. Performance standards, more than any other part of JTPA, are critical to the outcomes-based system. Their importance is emphasized by the fact that up to 6 percent of the funds allocated to the States can be used to reward high performers, and that sanctions must be applied to consistently poor performers. While the benefits of such accountability are obvious, the inherent danger of performance standards based on positive placement is that it may encourage creaming. Creaming is the tendency to select as clients persons who are least disadvantaged and easiest to place. Unfortunately, Hispanics and other minorities do not fall in this category.

Community-based organizations [CBO's] are affected the most by performance standards emphasizing placement. It makes little sense to have performance standards which develop unit costs per placement without considering the nature of the client and any special problems such client may have. Clearly, the more disadvantaged the client, the more likely that effective program services will cost more and run longer. Consequently, CBO's, as well as other entities, may be encouraged to "cream" by serving clients who are least disadvantaged, have least need for employability development, and are easiest to place, in order to meet the performance criteria and get refunded. The practice of "creaming" would totally neglect the intended and most important beneficiaries of the act, the disadvantaged and structurally unemployed. The mechanism for ensuring that services are delivered to those most in need is targeting, a mechanism which is nonexistent in the Job Training Partnership Act.

The principles espoused by the Job Training Partnership Act may have a severe negative effect on Hispanic participation rates. The concept of decentralization erodes Federal oversight over targeting and monitoring efforts, thus endangering equal opportunity to training programs by the disadvantaged and minorities. Hispanic, small and minority business and CBO representation in the PIC's may be low due to the lack of strong language mandating such representation. The restriction on training stipends may have a chilling effect on those individuals who are most in need of training but who can least afford the extra costs associated with training such as transportation and child care. The emphasis on per-

formance standards based on positive placements may cause organizations to "cream" participants, thus, ignoring the disadvantaged and long-term unemployed.

Factors affecting Hispanic participation, whether as clients or as service deliverers, must be identified early, and policy makers and community leaders must become aware of the need to remove obstacles to such participation and encourage full Hispanic involvement in JTPA planning and implementation. The manner in which JTPA was drafted, in such ambiguous and non-targeted language, may lead to a potential disaster. It also points out the short-sightedness of policymakers. Hispanics are the fastest-growing constituency and the youngest subpopulation group in America. Therefore, Hispanics will be the bulk of the future labor market. It will be the salaries of future Hispanic workers that will support the social security system. Thus, in order to achieve a long-term benefit for society in general, it is critical to have a Federal employment and training policy which effectively addresses the needs of the Hispanic community. The Federal Government has to assume the responsibility for assuring equitable Hispanic participation and non-discrimination. The Federal Government has to develop a policy which meets the economic, educational and social needs of Hispanic and other minority clients. For until all groups are equitably served, then can we say that America is back on track to an economic recovery.

Mrs. HALL. Thank you very much. We appreciate your presentation. I am very sorry that we have to leave at this time, but it is part of the process.

At this time, the Chair will call a brief recess for the purpose of giving members time to vote. Of course, we will return and resume this hearing. We are in recess until the sound of the gavel.

[Recess taken.]

Mrs. HALL. The hearing will resume at this time. We would like for our panel please to be seated, as well as our guests.

Our next witness is Mr. Pedro Garza, executive director, SER-Jobs for Progress.

#### STATEMENT OF PEDRO GARZA, EXECUTIVE DIRECTOR, SER-JOBS FOR PROGRESS

Mr. GARZA. Thank you, Madam Chairwoman, Congressman Torres and Congressman Roybal. I would like especially to thank the subcommittee for having invited the three representatives of community-based organizations to testify before you this morning.

Community-based organizations, after all, are the organizations that deal one-on-one with the client community, and it is the client community for which legislation has been designed and is being implemented.

I would like to say that on Monday afternoon of this week, I had the opportunity to meet Governor Anaya in Santa Fe to discuss Hispanic community-based organizations and JTPA in the State of New Mexico. I would like to say for the record that if we only had 49 other Governors like Governor Anaya, we would all be much better off.



One thing I learned back in the eighth grade was that no matter how bad things are, they can always get worse. I remember at the time, as a 14-year-old student, along with my other classmates being quite unsatisfied with a very tough, harsh English teacher. We lost her at midyear, and we were all very happy, until we got the replacement in the spring. It was at that time that we missed what we used to have. The replacement made her predecessor look very good. I suspect that in this instance, JTPA likewise will make CETA look very good.

In prepared testimony before the relevant committees, back when JTPA was being drafted, SER-Jobs for Progress went on record as saying that there was no need at the time to overhaul the employment and training system in this country. We felt we had a good system in place that needed fine tuning, but there was no need to dismantle the system in place of a new one. We felt that the existing system provided an opportunity for governors to participate more fully. CETA had a role for business and, there was room to fine tune and make the system more accountable.

So why was CETA overhauled? I would like to take you back, in order to understand JTPA, to 1962 and MDTA, the Manpower Development and Training Act. At the time, MDTA was developed in response to the overwhelming unemployment needs in this country, and a call for Federal intervention in the job market. At that time, the national philosophy called for strong Federal action to address the problems of poverty. In time, there was a backlash; a backlash against central power in Washington. We saw political ideas like revenue sharing and decentralization and returning power to the people come to the forefront.

MDTA was scrapped, and its place was taken by CETA. The predominant political philosophy at the time was, "Let us make local elected officials accountable to the people. Let us make the programs accountable to local elected officials, instead of to Washington." So we dismantled the system of the MDTA and turned to CETA. CETA worked. CETA was in place. CETA was amended and fine tuned, until the philosophy of this country changed. Instead of placing responsibility and accountability under local elected officials, as CETA did, a new administration decided to place responsibility on the private sector. CETA was no longer saleable, and we had a new system that responded to giving business the delivery of manpower services.

In my opinion, there was no need to overhaul the system. We simply responded to another philosophy: making business officials accountable. So we have JTPA. We have had JTPA now for almost a year, and what we have seen in the course of the year is essentially the formulation of a legal and administrative framework for a new delivery structure. We have lost a year in the delivery of services to the clients, while we have been readjusting the administrative machinery.

There was no need change CETA. There was no need to take stipends away from participants, Again, political philosophy took over. In the old days, one of the strongest elements in employment training programs was that the money went into the hands and the pockets of the needy through training allowances and through subsistence allowances. That was good, until the philosophy changed.



The philosophy said, "We must not make those people wards of the state. We must not make those people dependent on government. Let us take those stipends away."

So we are very concerned—those of us who work day in and day out with the client community—about what is going to happen to the hard-core unemployed who need that subsistence allowance, who need the training and who cannot afford to go into a training program because they have a family to feed. We are very concerned about the lack of stipends and what that will do to Hispanics who need employment and training services.

That is by way of background. It is recognized that we are not going to return to CETA. We recognize that we need to adapt to a new system. We are professionals, and we do deliver services at a competitive price for our community. But we do see the need for continued congressional oversight of JTPA, and we will look for amendments to JTPA as the experience demonstrates that we need to target on those most needy, and to ensure that community-based organizations are included in planning, operation, and evaluation of the system.

We are going to insist that those double standards that apply to community-based organizations be erased. In Los Angeles, in the SER program, we are told that if there is an urban league, that we are duplicating services. As I look at the private sector, I can see a Sears Roebuck store on one corner and a J. C. Penney store on another corner. Nobody talks duplication. What they talk about is competition, and competition is good. But if you see two organizations working with the community, they say it is duplicating services.

As I look at elementary schools, and a new elementary school is opened, nobody says that the elementary school is duplicating what another elementary school is doing. But if you see a SER-Jobs for Progress Center and then you see an OIC program, they tell you that you are duplicating. So we have double standards that still apply to community-based organizations.

When we go out there to compete, we operate performance contracts. But the word used is "funding." We are social programs; therefore, we are "being funded". If General Dynamics gets a contract from the government, it is a contract, not "funding." We operate performance-based contracts. We deliver services. We provide products for American business and industry. We are a business, and we have performance contracts, and that should be recognized. We are not out there receiving grants and not being held accountable.

There are double standards in performance for community-based organizations and minority groups. If an elementary school is not performing, they receive management assistance or technical assistance. The principal may be changed, or a number of remedial actions are taken. Nobody suggests that the school be closed. As you look at community-based organizations throughout the country, if one of them should not be performing, the first remedial action recommended is "Wipe it out." So that is what happens. There is no talk about technical assistance or management assistance. The first remedial action for a CBO is to close it down.

That is a double standard that should not be allowed in this country, because we are a business, and we do perform and we do need that assistance.

In closing, I would like to say that the biggest challenge facing us in the community and us as Americans in this country is Federal deficits. I am terrified when I consider the size of the projected Federal deficits over the next 3 to 4 years. I am terrified because I know that once again, efforts will be made to balance the budget on the backs of the poor. The poor have already paid too high a price for efforts to balance the Federal budget, and I respectfully request our elected officials to resist all efforts to reduce the size of Federal deficits by reducing services that are so vitally needed by the Hispanic and other minority communities of this country. Thank you so much.

Mrs. HALL. Thank you, Mr. Garza.

At this time, I would like to introduce another Member who has joined us, The Honorable Robert Garcia of New York, sitting to my right.

We would like to take a few minutes to ask questions, and after such time we are going to seat the next panel.

The first question I would like to ask is for Dr. Jusenius. During your presentation, you talked about high unemployment among Hispanics, and you listed as the main cause the inability to speak English, which in turn results in the second reason, and that of course was poor education, and you mentioned discrimination.

On Tuesday, the first day of our hearings, we had a number of persons come in and talk about bilingual education and the various programs which have been established at universities around the country and in our public schools around the country. I represent northwest Indiana and, of course, about 12 years ago we established one of the most effective bilingual programs in the history of this country. Our program has been used not just in northwest Indiana but throughout our State and in many parts of our country.

In your opinion, would more effective bilingual programs and more programs in general to meet a larger number of Hispanics be perhaps a key factor in improving the ability of Hispanics to achieving in school?

Mr. GARZA. Yes.

Mrs. HALL. Thank you. I have other questions, but I am going to hold them. I see the lights are on, which means that a vote is probably taking place. Instead of asking more questions, I am going to yield to the other congressmen so that we can try to wrap up the question period before we have to leave to go to the floor to vote. I would yield to Congressman Garcia.

Mr. GARCIA. I would yield at this point, Madam Chairwoman, to my colleague from California.

Mr. TORRES. I thank my colleague for yielding. I have just one quick question to one of our panelists. In light of the time constraints, I will make it a short one and ask for a short answer of Mr. Yzaguirre.

As he and other panelists are aware, I serve on the Small Business Committee of the House of Representatives. It is of great interest to see to the development and the enhancement of small business in America as a viable job producer.

I know that in your presentation your testimony was short because we had to leave on a vote, but it touched lightly on the question of small businesses, and I would like to ask a question. What should be done so that small business is not overlooked in the implementation of the Jobs Training Partnership Act? Obviously that is an important factor. Could you address yourself to that?

Mr. YZAGUIRRE. Indeed. As I indicated in my testimony, the vast majority of new jobs that are created are created by small business, so it is an important segment. The problem is that the law as it is written now, and the regulations as they are promulgated by the Department of Labor, do not really focus on the involvement of small business in the Private Industry Councils.

I think one of the things that needs to happen is that the Congress needs to impress upon the Department of Labor to make sure that it encourages more small business participation. Then I think JTPA must be amended in such a way that it makes very clear that small business must be an important and critical part of this program.

Mr. TORRES. Thank you very much. I have no further questions. I yield back my time.

Mrs. HALL. Thank you, Congressman. At this time, the Chair would call on Congressman Garcia.

Mr. GARCIA. Thank you, Madam Chairwoman.

To my good friend, Mr. Garza, I just caught the tail end of your statement. You were concerned about the deficit and communities throughout America. Your concern for that, I guess, is that they are going to try and cut back this deficit on the backs of the poor. Is that what I got out of it?

Mr. GARZA. That is correct. As we look at our experience in SER as a community-based organization, by 1980 we had 55,000 people in our system being trained in jobs. As a result of the cutbacks over the past few years, we now have 25,000 people in our system, and that means approximately 30,000 individuals who are going without training, who are going without employment and, therefore, without income. They are either wards of the state or, again, caught up in that cycle of poverty that we used to hear so much about in the sixties.

Mr. GARCIA. What would your recommendation be on how to cut back?

Mr. GARZA. There is no question in my mind that we have to cut other areas of the Federal budget. Defense certainly could be trimmed back. Certainly the Pentagon could be made more efficient, more effective. Expenditures that were projected to be made this coming year could be deferred for another year. Weapons systems and their development could be deferred over time, and we would also question the need for some of those new very costly weapons systems.

I believe that this country has the resources to address the needs of the poor and the needs of the unemployed. It is a matter of will and wanting to make these resources available, to address these problems.

Mr. GARCIA. Thank you very much.

Mrs. HALL. Thank you. The subcommittee would like to thank all of our panelists. We certainly appreciate your endurance and your



excellent presentations. We do regret that we will have to call another brief recess for the purpose of going to vote. After the vote we will return and call the next panel. Thank you very much.

[Recess.]

#### AFTERNOON SESSION

The subcommittee met, pursuant to recess, at 1:25 p.m., in room 345, Cannon House Office Building, Hon. Robert Garcia, presiding.

Mr. GARCIA. I would like to call to the witness stand the following panel: Arnold Torres, Delores Huerta, Richard Fajardo, Jack Shaw, and Stan Davis.

This panel is going to offer statements to this subcommittee on the subject of immigration. As many of you know, immigration reform has been a subject talked about in the Halls of Congress for quite a few years. I believe the panel that we have before us is a diverse group with varying points of view. Of all the issues that confront us on a community in the year 1983, there is no issue that has more of an impact than the Simpson/Mazzoli bill, the Immigration Reform Act of 1983.

In opening this portion of there hearing of Congressional Hispanic Caucus and the Post Office and Civil Service Committee hearing, I would hope that those of you who are with us today understand that this hearing is not only timely but extremely important. With that, and not because I believe in Women first—only because your name is first on the panel—we will hear from Delores Huerta, first vice president of the United Farmworkers.

#### STATEMENT OF DELORES HUERTA, FIRST VICE PRESIDENT, UNITED FARM WORKERS, AFL-CIO

Ms. HUERTA. My name is Delores Huerta. I am the first vice president of the United Farm Workers of America, AFL-CIO. We have membership in our union in California, Arizona, Texas, and we represent workers also in the States of Illinois and Washington.

I really would like to begin by asking the Hispanic Congressional Caucus, because I know that you feel very strongly about this legislation, to say to you that we out there really depend on this caucus to be the loudest and the strongest voice in dealing with the immigration policies that are being made in Congress. I really believe that the eyes of the world are on the United States of America to see whether Hispanic people are going to be treated properly or not.

From this morning's panel, we heard of the terrible economic condition in which we find ourselves, the worsening condition in which the Hispanic workers in this country find themselves, and as Hispanics we are going to be probably the group that will be the most strongly affected by the Simpson/Mazzoli bill. We really cannot say that we are going to make life better for other people in other parts of the world if we cannot make it better for people who are here.

This piece of legislation, I think more than any other, would directly affect the lives of thousands and thousands of Hispanics.

If you look at the history of the United Farm Workers, interestingly enough, when we had the previous contract labor programs,



like what we had in the fifties and was terminated in the sixties, I do not think it is any accident that the union of farmworkers was not able to even get organized until after that was terminated. The United Farm Workers came into existence after the termination of the first Public Law 78. Even though in that previous law they had all kinds of so-called protections for workers, they really did not exist. Workers really did not get any kind of protection.

We now see in the Simpson/Mazzoli bill again an attempt to bring in workers, many hundreds and thousands of workers to be brought into agriculture. We feel that this is just a ploy and attempt to destroy the 20 years of organizing that we have done in the field. We have been able to bring farm workers some segment of decency into their lives, so they have a guaranteed job, where they have a medical plan, where they have a pension plan, where they have job security.

We feel that the Panetta amendments specifically go so far as to say that the Department of Labor will be only in an advisory capacity and will not have any enforcement power, not that we would have much faith in the enforcement powers that they would have to begin with, because again under the old Public Law 78 the enforcement powers were in the Department of Labor, and they were never enforced.

I have recently been working in the border town in San Diego County, and I just want to relate to the subcommittee some of the experiences that I have had first hand in organizing farm workers and in trying to negotiate contracts in that area. This, I think, relates to the cutoff date of the amnesty provision of January 1, 1982.

In one month alone, there were 36,000 deportations in that area, the San Diego area. Those deportations, I want to say to you, were very selective. Many of the agricultural growers are in that area who have refused to negotiate contracts with the union. I must add, these are very large contributors to the Republican Party. Yet, these growers who have gotten workers from as far away as the State of Oaxaca who do not even speak Spanish—These workers do not even speak Spanish—and they live in the ground. They do not have housing for these workers.

As union organizers, it is very difficult to get into those workers because they are behind locked gates. Interestingly enough, in all of these raids that have been made on the border towns near San Diego, these particular workers have never been bothered by the Immigration Service. These particular growers have never been bothered by the Immigration Service. So I am sure that if the amnesty provisions were extended, these workers would then qualify for amnesty. The other workers who have crossed the border and tried to find jobs as well as they can every day have been deported, some of them many times, would not qualify for amnesty.

Again, we think the Border Patrol is working as a union buster, as it has always done. The farm workers who attempt to unionize—We recently lost an election in the Delano area because the Border Patrol moved in just before the election and took out the leaders and deported them. If there was any possibility at all that any kind of immigration bill should say that workers who are trying to be unionized, whether they be farm workers, whether they be garment workers, or whether they be construction workers, that they

have to get some kind of amnesty from the Immigration Service, that they need more protection not less protection. If we do not have that, then they are always going to use the Border Patrol as a way to scare workers.

There is one employer in San Diego County who has his own immigration gate. Workers do not have to go through the regular border crossing. This particular employer has his own immigration gate, and the people come in from Mexico to his farm. If they are prounion or if he finds out that they have been to a union rally or to a union meeting, then he cuts off their entry to his farm. Literally, people just cross the border and go to work.

The reason I am bringing this up is, I think a lot of the Simpson/Mazzoli bill is not going to work because the real intention of the bill I think is for it not to work. I want to say that we are on record supporting both the Hawkins and the Miller amendments, and we would hope that it would be possible that these would be workable, but we have very serious doubts whether this would work or not.

I do not think this is anything that should be taken very lightly. I think certainly the life of our union, whether we will be able to continue to organize farm workers and get them into union contracts, get them decent wages, get them a medical plan, get them decent housing, rests very much on what happens to this legislation. I think it will be only the voice of the Congressional Hispanic Caucus fighting loud and saying, "No, we do not need these additional people" that is the only way that our union literally can have any kind of future.

We have worked for the last 20 years to have the little that we have, and we can continue to organize farm workers so they can have their own union. And interestingly enough—and this is something people do not think about—in the Salinas area, where we have good contracts for our workers, where our workers make twice the minimum wage or three times the minimum wage, in that county workers there do not have to get food stamps. They are able to buy their food. If you take other parts of the State of California, where we do not have the union, most of the farm workers have to get food stamps and they have to depend on relief. They have to depend on taxpayers' money. If workers have a union, they do not have to depend on taxpayers' money. They can support themselves.

If we are really sincere about amnesty, then I think that amnesty should extend to deportations also. How can we say that we are going to give people amnesty on one hand and then we are giving them daily deportations on the other hand.

We are talking about jobs here. Maybe we need a count of how many unemployed there are in each area before we talk about extending these programs. Certainly the countries to the south need help. They need economic assistance. But the problem is much too complicated. We cannot have a quick-fix. It is not a quick-fix problem. We are talking about the lives of people, and it takes a lot more study.

This legislation cannot be passed just to take care of the problems of, say, a few agricultural employers or a few special interest groups. It cannot be done because we are talking about the lives of

people. I think that now we have an Hispanic Congressional Caucus, where before we did not have one in the Fifties and the Sixties. Now we have larger numbers of Hispanic organizations. Now we have a union for farm workers. We must let them know that they cannot do it to us again like they did it before. Thank you.

Mr. GARCIA. Thank you very much, Ms, Huerta.

For the rest of the panel, as you can probably see, there is a vote taking place on the Floor. I am going to have to run over. I promise I will be back, just as soon as that vote is completed. So we will stand in recess until after this vote is terminated.

[Recess taken.]

Mr. GARCIA. Before we ask the next panelists to read their statements, I would like to introduce the dean of the Congressional Hispanic Caucus, who is also the chairman of the Appropriations subcommittee dealing with many of your agencies, he is also chairman of the Select Committee on Aging. I guess more importantly for the purpose of this hearing, he has been the champion of the fight to stop the Simpson/Mazzoli bill from being enacted in its present form.

With that, I would like to ask Congressman Roybal if there is an opening statement he would like to make at this time.

**STATEMENT OF HON. EDWARD R. ROYBAL, A U.S.  
REPRESENTATIVE FROM THE STATE OF CALIFORNIA**

Mr. ROYBAL. I would like to thank Chairwoman Hall of the Census and Population Subcommittee for affording the Congressional Hispanic Caucus the opportunity to participate in these hearings. I share your confidence that these hearings will serve as a valuable tool for policymaking decisions affecting the Hispanic population in this country.

We all know that the Simpson-Mazzoli immigration bill is perhaps the most complex and controversial legislation that has been presented to the Congress of the United States. We will be dealing this afternoon with various sections of the bill. One of those is employer sanctions for hiring undocumented workers. A national identification system to carry out this provision is probably the most dangerous part of this bill. I feel that if this passes, we will all be carrying identification passes or dog tags and be asked to identify ourselves as those people in Germany were forced to do during the Hitler regime. I hope that does not happen.

We will also look into the matter of expanding the temporary workers' program, the legalization program and the conditions of legalization. All these are areas of great interest, and I am pleased to see such a distinguished panel making a presentation this afternoon.

The panel will represent the various sections of the country. From the Immigration Service, I am pleased to welcome Mr. Shaw and Mr. Davis. I also welcome Ms. Heurta, Mr. Torres, and Mr. Fajardo. I sincerely believe that you will add a great deal to this discussion. I also hope that some comment will be made with regard to the Hispanic Caucus' position regarding this piece of legislation. So in this particular panel, we want to explore all these things and



feel free to make comments with regard to any of these subject matters, and I thank you for being present today.

Mr. GARCIA. I would also take the prerogative as the Chair to invite Mr. Jake Alarid, who is the national chairman of the American GI Forum, a very respected group here in America, to come up and take a place as one of the panelists. You will have to bear with us, Mr. Alarid. Unfortunately, we did not get you the request in time, so you were not placed on the roster. However, I want to assure you that we will give you a few minutes to express the views of the American GI Forum, a very respected organization in America.

To sort of shuffle things around, so that we get a different perspective, I would like to ask Mr. Shaw and Mr. Davis to testify now.

**STATEMENT OF JOHN F. SHAW, DIRECTOR, IMMIGRATION REFORM ACT OFFICE, IMMIGRATION AND NATURALIZATION SERVICE; ACCOMPANIED BY STAN DAVIS, ASSISTANT DIRECTOR, IMMIGRATION REFORM ACT OFFICE; AND RICHARD NORTON, DEPUTY ASSISTANT COMMISSIONER FOR INVESTIGATIONS**

Mr. SHAW. Fine, Mr. Garcia. I think because Stan and I have been so intimately involved in this process, as well as Mr. Norton, from the employer sanctions side, I asked Mr. Norton to come along in the event—

Mr. GARCIA. Can I have Mr. Norton's full name for the record?

Mr. SHAW. Richard Norton.

Mr. GARCIA. And his position at Immigration is?

Mr. SHAW. Deputy Assistant Commissioner of Investigations, U.S. Immigration and Naturalization Service.

Mr. GARCIA. Thank you, Mr. Shaw,

Mr. SHAW. Because of brevity and our desire to adhere to your schedule, Mr. Garcia, we have prepared a slide presentation. I will get into that and allow for interruptions or questions to be raised any any given moment, but I will try to move through it swiftly. To put the slides into a context, however, I will ask my colleague, Mr. Davis, who brings really the examinations expertise from a long career in the service. There are many problems, questions or conflicts that may be raised in so many varying parts of different bills, both on the Senate side and the House side. Stan is really my examinations expert, and he will start to give you the historical context from which INS legalization program stems.

Mr. DAVIS. The administration has supported the concept of legalization in immigration reform. They feel that it is necessary for overall immigration reform. Because of the extreme importance we place on these provisions, the service has for some time now devoted a high level of planning effort to develop a program which we hope will be as successful as possible.

In the very beginning of our planning, we set three basic objectives for ourselves. One was to create a structure outside of Immigration, made up of organizations of various kinds, a wide range of organizations who dealt with problems of the alien community, whom we thought the aliens could be encouraged to go to, to seek information as to whether they individually qualified for legaliza-



tion for residence, without any fear of being detected by Immigration in the event they were not qualified.

The second objective was to develop a structure, an INS service structure, that would provide facilities and personnel at all possible places in the United States where you might expect illegal aliens to be residing so that they could arrive or go to these places and file their applications without undue hardship.

The third objective is more procedural than anything else, but that was to develop a procedure which would be cost-effective and provide results, that is responses to these decisions on applications in a timely manner. The process itself, that of receiving and considering applications, we see as a nonadversarial fair process, not unduly burdensome to the applicants. It, of course, will be designed to grant residence where it is called for but withhold it when it is not called for.

The facilities that we would develop or establish for the most part will be outside of present INS offices. We will, in this instance, attempt to establish these facilities where it will be the most convenient to the public. Our offices at the present time are not always that accessible, and if you have experience with them, it is often difficult to get in.

The offices that we are envisioning are not normal INS offices. They are put there for the specific purpose of receiving applications just for legalization. The people that we have there will be devoted strictly to that function. They will be trained for that function. Many of them will be people who are not now in INS. We will have to start quite a number of them. We will do this, we believe, in a very short period of time, that which is allowed by versions of the legislation.

The legalization program, I would like to emphasize, is not an enforcement program. We would like to have only those people in our legalization system who are eligible for residence. We would like to have those who are not eligible screened out before they get to us. Our goal would be 100 percent approval, if that is at all possible. Obviously, that will not be met, but that is the goal. We will be concerned about such things as the forgery of documents, and I do not think anyone wants that. But we are most concerned about granting this very substantial benefit to everyone, and I say everyone without exception, who is eligible.

Our publicity program will be extensive. We will, in all manner possible, publicize the legislation, with the provisions of it so that the people can clearly see for themselves whether they are or are not eligible. We are thinking of areas of the country where the normal media methods do not reach too well. We naturally will go to the national media. We will have a rather extensive training program for the non-INS organizations and individuals I mentioned previously. We will train them initially in the requirements of the law, what they have to look at with the person who comes in for advice or assistance. But we will also be there in case there are specific problems or where there is need for additional information. We will be behind them but not out there.

Anyone, without exception, who wants to go to one of the organizations that we hope we can reach an agreement with can go there without fear of action by INA. We have never considered, nor do

we want, for any cooperating organization to furnish us any information concerning any individual or individuals who come to them but who are found ineligible. The rest of the legislation will take care of that.

Our objectives, as I said in the beginning, are very simple, very straightforward. There are no hidden objectives. Now, Jack has our slide show here, and what it does is exhibit graphically generally how the program will be set up and how it will be structured. Thank you.

Mr. SHAW. Again, Mr. Chairman, in the interest of brevity, I am going to try and move through these fairly rapidly. The focus is on the legalization program within the legalization service within the Immigration Service, those aspects of Simpson-Mazzoli which, if enacted, would translate into a legalization program,

Obviously, it fits into a context. While there are provisions of the Simpson-Mazzoli legislation that have an overtone to them that clearly provides INS additional enforcement tools, legalization is recognized as a program that is required to address the equities that have been earned by a substantial part of the alien population that may be affected by such legislation.

The general provisions of the law that are depicted here reflect a concentration on S. 529. It is a two-tier system which is different in the House versions of the bill. But again, legalization would be implemented under the responsibility of the attorney general, INS would have to articulate by regulation its eligibility requirements to the extent that they were not specifically spelled out in the law, and the program would have to be implemented within 90 days of passage, and it would have to be carried out within one year after INS went into operational mode.

A key part of the draft provisions of law now and of the Senate version would allow INS to work with community-based organizations, voluntary organizations, and State and local agencies in seeking assistance in identifying prospective applicants, and explaining to them their opportunities for qualifying for a legalization program, for providing them assistance in filling out the INS forms, and for referring them with a completed application to INS staff legalization sites.

This is not terribly clear, but the schematic would start on the left, and it is an attempt to depict the legalization process. The applicant is on the left. He would collect his documentation that would allow him to receive consideration for legalization, and he could seek out at his choice a local organization with which he was familiar, a community-based organization which INS would identify through advertisements, to provide him risk-free information on the dimensions of the program, what are its requirements, what are the forms required, the medical inspections required, the estimated costs involved to provide him this information in information packets without contact with the Service.

On the other hand, if the applicant chose to come directly to INS, he could come into the third tier immediately. It is his option to determine whether he wants to seek information and wants to have counseling or information or observations made concerning his possible qualifications for acceptance through a distinctly separate organization or come to INS. Eventually having completed his

forms, having secured what he considers to be adequate documentation, he would come into the middle diamond, which begins for the first time the element of risk in the process, in the sense that he now comes to INS for a preliminary adjudication.

INS would receive and accept from the applicant his completed forms and, for the first time, accept a fee. That would bring him into the system. The information would then travel downward to the processing box, and in order to expedite the volume of applications in this system—whether it is 2 million or upward, or 4 million or in excess of that—and depending on what the dates are in the law, we have designed a system that we feel could easily accommodate through 95 to 99 separate legalization sites throughout the United States 2.3 to 4 million applicants with their completed forms. To process those readily and not get caught in a paper snarl, INS has designed and has in existence now a facility design for a centrally located facility at some location in the United States that will house up to 250 INS employees and 400 to 500 contract employees, with the purpose of establishing a records center, an application processing center, which integrates the FBI and CIA background and security checks, which involves quality assurance oversight by on-site INS supervisory personnel, but will basically be a contract service, contract operated facility.

Many of the applications will be computerized, automated, in order, once again, to assimilate the work load of 2 to 4 million applications within the period of 1 year. We have projected that once an application is received at a legalization site and mailed to the central facility with the review of the files and the necessary security checks, INS believes and is basing its estimate on the fact that an application can be adjudicated and a card issued within 60 to 90 days after receipt.

The bottom line continues on and turns to the left, and at that point, after the record checks, after a final review by an INS examinations person at the facility, the applicant will either be notified that his legalization has been accepted, or he will be notified by letter that he has been denied and appeal rights under such denial.

Absent his appeal or that appeal failing review by a review panel of INS examinations personnel, the failed applicant would be notified that he was not accepted for legalization and he would be given an opportunity. His case would then be referred to the routine work load of the district offices. For the first time then, that person, unless there is a serious criminal offense involved or a major espionage charge against him, determined by the background checks, his failed or denied case would be referred to the normal work load to be handled according to existing service priorities. To that extent, the applicant would be at risk of deportation.

We believe, however, with the screening process that we have set up, with the facility of counseling organizations and community groups involved in the process as buffers, we believe that 95 percent of applications received by INS would be favorably adjudicated. We operate on the assumption that no one is going to come into the system at risk if he knows that he is not entitled and cannot document his residence, cannot meet his residency requirements.



Based, again, on the dates in the Senate version, we have broken out what we anticipate to be those eligible for and those that would qualify under a legalization program. With the dates of January 1982 in the House version, those numbers would change, and we would leave that with a single-tie system. Three-and-a-half to four million persons would come into the system and attempt to establish their qualifications for legalization, versus 2.3 million.

Those are planning figures, only to allow us to determine sites and to staff them with a reasonable level of staff that could carry what is the foreseeable burden of the program. We are not in the predictive intelligence area, saying that 2.3 million people will in fact come into the system. And if a year from now I am wrong in my planning estimates, I will have had to make considerable adjustments in the staffing levels and the legalization sites that we intend to establish. As a planning figure, we feel that we can handle anywhere from 2 to 4 million persons coming into the pipeline where constructed.

Very briefly, the assumptions on which legalization planning has been based is that we are going to minimize, to the extent possible, adverse impacts on the existing INS structure. Therefore, we have designed a different field organization, a separate field organization. Legalization is not going to be part of INS district office operations. It is designed to operate at separate facilities outside of the daily activities of our existing district offices.

Applicants will be charged what we feel is a reasonable expense for participating in the program and for recognizing what we feel are substantial benefits. There will be costs. We will promulgate criteria for counseling organizations. We intend that they be broad based and that a number of nationally recognized counseling or voluntary organizations and, to a lesser extent, other qualified organizations may participate in the program. We are operating on the assumption that the process has to be quick and streamlined, and it will be mostly ADP support.

Again, very briefly, we break out the overall responsibility for what INS has to do in order to have a successful legalization program. It has to recruit and train people in a relatively short time frame. It has to establish legalization offices around the country, working with GSA and working independently if Congress gives us direct procurement authority. It has to make adjudication in all cases. It does not delegate its adjudicatory responsibilities under the law. It has to monitor the program to make sure that voluntary organizations who are participating community groups do a fair, efficient, and a credible job. And it has to coordinate a massive public information campaign in many different languages to make sure that the program is assessed from the point of view of participation.

Very briefly, the district offices clearly will play a role. Even if they do not have responsibility for directing the program, they are going to be required to give information. They are known entities. They are there. Many people will come to them for brochures and information. Follow up investigations of reported fraud cases will be handled through the existing investigative staff of the district office.



At the legalization offices, the following activities will occur. We will provide information and train the organizations that cooperate with us. We will be colocated with them. They will be at separate sites. However, if they are giving out false or erroneous information or directing people to INS with incompleting or erroneously filled-out forms, quality control will require us to take corrective actions with those organizations.

We will receive the applications and fees and make preliminary adjudications and forward the information on to a central facility that I described before. The central processing facility sites will integrate all the records and review processes that now go on manually in most INS offices. From this process, a machine-generated card should be issued to any one of three categories: To a permanent resident; a temporary resident in the event those distinctions stand up under the law; and to a Cuban-Haitian entrant, according to specific provisions of the law.

Basically what this slide says is that we can't do it all on day one. But incrementally, after 90 days after passage of law, INS expects to have a field structure in operation. It has to get a public information program under way immediately. It has to distribute millions of brochures which GPO will print very readily. It has to kick in with a massive contracted-out public information program, which will take 45 to 60 days to start up. And within 90 days, INS feels it will be in operational mode and have doors open to receive legalization applications either for requesting information or for submitting applications in 54 major cities.

We tried to do a design right now of how this project is handled today within the Service without the law. We are set up as a project in red, and we are functioning. We are integrated with all the programs of the Service. I have representatives working under me, separate and apart from the Service structure. We are dealing now through designated interim area managers, people who are wearing two hats: they do their normal functions, and they work for me for purposes of planning and putting together the skeletal outline of the structure in support of legalization.

With that, sir, I appreciate the time you have given me. Simply, the last two charts specify some of the tasks that the Service has thought of and are already moving forward to the extent that we can, in planning brochures, speech packages, information packets, and ask immigration tapes in several languages that will be added and distributed to our existing district office structure to support this program in the event the law is passed. Thank you.

Mr. GARCIA. Thank you, Mr. Davis. Thank you, Mr. Shaw.

Is there anything that you would like to say regarding employer sanctions?

Mr. NORTON. Not unless it is to respond to some direct questions you have, which I would be happy to answer.

Mr. GARCIA. OK. Then we will save you for the end.

I would like now to call Mr. Richard Fajardo, who is representing the Mexican-American Legal Defense and Educational Fund. Mr. Fajardo, we will take your statement and enter it in its entirety in the record. What I would ask you to do is to give us a summary of what is in your statement.

**STATEMENT OF RICHARD P. FAJARDO, STAFF ATTORNEY,  
MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND**

Mr. FAJARDO. Thank you, Mr. Chairman. I would like to take this opportunity to thank Congresswoman Katie Hall for setting up these hearings, and obviously I would like to thank yourself and Congressman Roybal for being here, and Susan Herera for helping to coordinate and put everything together.

My name, as you mentioned, is Richard Fajardo, and I am an attorney with the Mexican American Legal Defense and Education Fund. We have been very interested in immigration simply because it has such an impact on so many Hispanics in our community. In particular, I think everybody knows what our position of Simpson-Mazzoli has been: we are very much opposed to the bill, and we continue to oppose the bill. The primary reason is because of the employer sanctions and the discriminatory impact that it will have on the Hispanic community.

In particular, we are concerned because of what we have already seen with various operations that the INS has conducted to identify undocumented aliens and try to remove them from the work force, and the impact these efforts have had on Hispanic citizens and permanent resident aliens. What we are concerned that the Simpson-Mazzoli bill will do is to aggravate and create a suspect class of persons. Many persons in our country equate immigrants with undocumented immigrants. They equate Hispanic persons of all kinds, whether they be citizens or permanent resident aliens with the undocumented population. This bill, I think is going to aggravate that assumption.

Employers themselves are going to refuse to hire Hispanics for two reasons. One, of course, is that they do not want to risk having to pay fines for persons who may turn out to be undocumented and identified as such. But more importantly, one thing we have already seen is that the INS is not going to have the kind of resources it needs to enforce the law equally as to all firms. What the INS is going to do is target their enforcement. The way they have done that in the past—with Operation Jobs, with the raids that were conducted in major cities—is to identify those communities or firms that hire high numbers of Hispanic individuals. Employers, in order to avoid being targeted, and to avoid the INS coming on to their work place, are going to try to reduce the number of Hispanics working in their firms.

What is interesting is that in a time of recession what is going to happen is that job opportunities for Hispanic are going to be curtailed. It will make their high unemployment, now up to 15 percent, even higher.

Another problem we are concerned with is that employers are now being asked to operate as INS agents. Employers are the ones that are going to be enforcing INS law. Whenever that happens, they are not going to be having the kind of background and training that INS agents themselves have. As a result mistakes are going to be made, and those mistakes are going to be costly for Hispanics.

A couple of proposals have been submitted, I guess, in order to try and take care of this discrimination. The bill currently relies on

title VII in order to protect Hispanics and other individuals who might be discriminated. The problem is that title VII has some very glaring loopholes.

First of all, it does not apply to any firm that hires less than 15 employees. More importantly, it has no application to seasonal employment. These are the two major types of firms that hire Hispanics. The other problem is that title VII permits discrimination on the basis of alienage. That is, if a firm can come up with a reason why citizenship is required to work at that place, they can discriminate against persons who are permanent resident aliens.

The other thing that has been discussed is the possibility for curbing or slowing down the discrimination aspects with the so-called good faith defense. That is, if an employer keeps records of the persons that come up to them seeking employment, and if they later turn out to be undocumented, they can raise this good-faith defense that they checked the documentation before they hired and, therefore, are not susceptible to the sanctions.

The only problem is, that provision protects employers; it does not protect employees. The problem that we are concerned with is not so much the problem where a person comes up and shows documentation and the employer takes a risk and hires the person. What we are concerned with is where a person comes up and shows documentation and the employer says, "I do not believe that document to be accurate," or the employer who intentionally discriminates against the individual, saying, "I want more documentation." The employee in that situation is not protected.

What we are supporting is the Hawkins amendment, which does provide an antidiscrimination claims process. It does specifically provide protections for those individuals not covered by title VII. However, we are not supporting the Hawkins amendment because we think Hawkins is going to cure the defects of the bill. It will not. If this bill goes through, the Hawkins amendment will provide some minimal protections, some remedies, that Hispanics can look to protect themselves in the event they do lose their jobs.

But recognize, again, that this is an after-the-fact remedy. Once employees have been fired, it is still incumbent upon them to go to hire a lawyer, to press their claim, to prove, not only that they have been discriminated, but also that they are documented. The burden is placed on the employee, and it should not be there.

Another problem with the Hawkins amendment, as we see it, is that it is unprecedented in the history of civil rights legislation. Hawkins is designed to take care of discrimination that is inherent in the bill itself. That is unprecedented. Usually, civil rights legislation is designed to take care of discrimination that is already existing in our society.

What makes this whole thing even more puzzling is that employer sanctions are not going to work. Indications from studies have been that employer sanctions have not worked in the countries that have used them. The GAO did a study that indicated this. Also, California has a law that makes it illegal to hire undocumented aliens, yet undocumented aliens are part of that society.

I should also say, just briefly to cover some of the other issues, we are also opposed to any effort to increase the temporary-worker program—that is, to increase the number of foreign workers



coming into the country, without keeping the restrictions necessary to protect: one, domestic workers, to make sure they get a first crack at jobs, and two, foreign workers, from exploitation or being used to undercut the domestic labor market.

We do, however, support the Miller amendment, again because we think this has the minimal protections that are necessary to protect both domestic and foreign workers.

We are adamantly opposed to the Panetta amendments. We think it is too open a system, and it provides almost no protection for anybody, either domestic or foreign worker.

Finally, as to legalization, we obviously support the program. We obviously would like to see as many undocumented aliens come in and be a part of our society as possible. We are very supportive of the 1982 cutoff date, and would be opposed to any move to roll it back. We are also very supportive of the one-tier system, which grants permanent residency to all persons who meet the eligibility requirements.

We are concerned, however, that there are other obstacles in the program that may weaken the efforts to bring in undocumented aliens. We think that any legalization program should be designed to bring in as many persons as possible within the program. We also think that the eligibility requirements should be very clear, very concise, and very simple. We also think that legalization should not be combined with any enforcement activity. If persons feel that there is going to be a risk that if they go through this process and lose, if they are denied this legal status, there may be deportation proceedings filed against them, that word will get out very quickly, and it will subvert any effort to get a legalization program off the ground,

The only other comment I want to make is that there will be a lot of talk in the near future about the cost of legalization. Just to point out a couple of things about costs, there are two major assumptions that are very critical and very erroneous that currently are circulating. Right now, it is estimated that the cost of legalization includes more than just the cost of bringing people in under the program and processing them. Under the current administration, I believe, they set the cost of legalization upward of \$11 billion. We think that estimate is much too high.

Part of the reason is that they estimate that about 70 percent of undocumented aliens, once they become eligible, will use social services. They get that number because of the refugees who have come into this country, whether they be Cubans, Haitians, and some of the Indochinese, who have used social services at about those rates. However, it is important to note that the two populations are very different. Refugees do not have jobs, they do not have families, friends, and other social networks that can help them, that they can rely on in the event they lose a job or they have nothing to support them. Undocumented aliens, on the other hand, do work. They are working now, many of them, and they do have families and other relatives they can rely on.

There have been a number of studies that have indicated that immigrants, many of whom were undocumented before, use social services at a much lower rate, around 20 percent, and also have un-



employment rates that are much lower than the rest of the populations.

With that, I would say that if this bill should pass, MALDEF would like to see the Hawkins amendment as part of it and the Miller amendment. We would also work very hard to see that as many persons who are undocumented as legalized as possible. However, we do not think, in balancing all the various aspects of the bill, that there is anything in this bill that justifies the cost of employer sanctions.

[The prepared statement follows:]

TESTIMONY OF RICHARD P. FAJARDO, STAFF ATTORNEY, MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND

Mr. Chairman, my name is Richard Fajardo, and I am an attorney for the Mexican American Legal Defense and Educational Fund (MALDEF). MALDEF is a national civil rights organization dedicated to preserving the civil and constitutional rights of persons of Mexican and Hispanic descent. We currently have offices in San Francisco, Los Angeles, Denver, San Antonio, Chicago, Sacramento and here in Washington, D.C.

In recent years, issues concerning U.S. immigration policy and immigrant's rights have become increasingly important to MALDEF, because of their significant impact on our Hispanic community.

In particular, MALDEF has adamantly and actively opposed the Simpson-Mazzoli bill since its introduction last year.<sup>1</sup> Our opposition to the bill is not to be confused with opposition to immigration reform. MALDEF, like many other Hispanic organizations favors fair reform of our immigration laws. However, MALDEF will never support any "reform" which includes employer sanctions as a vehicle for controlling undocumented immigration.

EMPLOYER SANCTIONS

The heart of the Simpson-Mazzoli bill is the employer sanctions provision. The bill provides civil and criminal penalties for persons or entities who employ, refer or recruit undocumented aliens. This legislation attempts to reduce the number of jobs available to undocumented aliens, thus removing the economic incentive that draws them to this country. However, employer sanctions will not work; it will not stop, or even slow, the flow of undocumented immigrants. Moreover, sanctions will have a severe discriminatory impact upon Hispanics and other "foreign-looking" workers who are citizens and permanent resident aliens.

A. *Employer sanctions will be discriminatory*

MALDEF's main objection to the employer sanctions provision is that it will have an extremely discriminatory impact upon the Hispanic community. These discriminatory aspects of the bill will be manifested in a number of ways.

First, employer sanctions will create a suspect class of persons: all persons who appear "foreign" will be suspected of being undocumented aliens. Undocumented immigrants are erroneously perceived to take jobs away from U.S. citizens, make extensive use of social services and otherwise drain the U.S. economy. Many Americans perceive the problem of illegal immigration to be associated with Latin-American or Caribbean immigrants. As a result these persists a pervasive anti-alien sentiment in many parts of our country. Since many immigrants both documented and undocumented, share many of the same characteristics, including appearance, culture, language, etc., it is not surprising that little distinction is made between legal and illegal immigrants.<sup>2</sup>

<sup>1</sup> See, e.g. Antonia Hernandez, *Testimony before the House Subcommittee on Health and the Environment, Committee on Energy and Commerce* (June 17, 1983); Antonia Hernandez, *Testimony before the House Committee on Agriculture* (June 15, 1983); John E. Huerta, *Testimony before the House Subcommittee on Immigration, Refugee and International Law, Committee of the Judiciary*. (March 14, 1983); Joaquin Avila, *Testimony before the Senate Subcommittee on Immigration and Refugee Policy, Committee of the Judiciary* (February 25, 1983).

<sup>2</sup> Milton Morris and Alberto Mayo, *Illegal Immigration and U.S. Foreign Policy*, (U.S. Department of Labor, 1980).

In fact, it is not uncommon for communities where legal immigrants have settled from developing countries, for residents to "routinely comment upon the country's illegal immigrant problems by reference to this entire new immigrant population".<sup>3</sup>

The employer sanctions provision encourages and exacerbates these anti-alien sentiments. Employers are now asked to be vigilant against hiring "illegal aliens". Thus, all persons who exhibit those characteristics thought to be associated with undocumented immigrants will be scrutinized.

The immediate consequence of the sanctions provision is that employers, faced with possible fines and penalties if undocumented workers are found in their employ, will simply refuse to hire Hispanics and other "foreign-looking" individuals. Even those employers who do not wish to discriminate against Hispanics, will, in an effort to comply with the law, resolve questions of doubt in favor of not hiring any one who might appear to be undocumented. In addition, employers who do wish to discriminate may now defend their actions by claiming Hispanic applicants failed to produce sufficient documentation to prove they were entitled to work.

A second way in which discrimination will surface is that INS will target their enforcement operations to those industries and communities with high Hispanic populations. The INS does not have the resources to enforce current law, much less the new responsibilities the employer sanctions provision will impose. Thus, the employer sanctions provision will be selectively enforced. In the past enforcement operations, such as "Operation Jobs" and "Operation Cooperation", have been disruptive to the work place and costly to employers. Therefore, employers will try to avoid being targets of INS enforcement by reducing their Hispanic work forces. This will result in less job opportunities for Hispanic citizens and permanent resident aliens.

Finally, the law will effectively require employers to enforce INS immigration law without the benefit of INS training. As a result, employers familiar with immigration law, will make mistakes that will cost Hispanic citizens their jobs. During the Operation Cooperation the INS sought their cooperation of employers to identify undocumented workers and voluntarily remove them from the work force.<sup>4</sup> However, employers were unfamiliar with many of the documents which authorized an alien to remain in this country. Furthermore, the INS's computer files are not completely up to date. Thus, they cannot verify the documented status of all permanent residents or citizens.<sup>5</sup> The result is that Hispanic citizens and permanent resident aliens will have the burden of proving their documented status to the satisfaction of employers. Even then employers may still not wish to risk hiring Hispanics.

#### *B. Current anti-discrimination laws will not protect Hispanic workers*

Supporters of the Simpson-Mazzoli bill argue that employees are protected from discrimination under Title VII of the Civil Rights Act of 1964 and the "good-faith" affirmative defense for employers who check a worker's documentation.<sup>6</sup>

Employment discrimination laws, such as Title VI, will be of little value to a worker who is turned away from a job. First, Title VII protections only apply to workplaces with 15 or more employees.<sup>7</sup> Title VII does not apply to seasonal employment.<sup>8</sup> Secondly, alienage is not a protected class.<sup>9</sup> Finally, job applicants do not have the time and resources to become involved in costly and time-consuming administrative or legal procedures: their sole interest is in finding employment.

The "good-faith" defense protects employers not employees. Where an employer checks documents and keeps records of the legal status of an employee who later turns out to be undocumented, the employer can claim a "good-faith" defense. It is thought that by protecting employers who check the legal status of employees, employers will be more willing to risk hiring Hispanics and so, will not discriminate. However, the "good-faith" defense only protects employers who inadvertently hire undocumented aliens. It does not protect those Hispanic employees who are authorized to work but are not hired because their documents are not believed to be authentic. Nor does this provision protect Hispanic employees from employers who deliberately discriminate, claiming an employee has not provided adequate documentation.

<sup>3</sup> *Id.*

<sup>4</sup> *See, e.g. U.S. Civil Rights Commission, The Tarnished Golden Door 70-73* (Sept. 1980) (An excellent discussion of some of the impact "Operation Jobs" had upon Employers and U.S. citizens and legal resident aliens).

<sup>5</sup> *See Antonio Hernandez, Testimony before the House Committee on Agriculture, at 7-10* (June 15, 1983).

<sup>6</sup> 42 U.S.C. § 2000 (e)-2(e).

<sup>7</sup> 42 U.S.C. § 2000 (e)-2(e).

<sup>8</sup> *Id.*

<sup>9</sup> *Espinoza v. Farah Manufacturing Co.*, 414 U.S. 86 (1973).

MALDEF does support the Hawkins amendment, which provides an administrative anti-discrimination claims process. MALDEF supports this amendment, not because we believe it resolves the defects of the bill, it does not. However, we recognize that if this bill is passed, Hispanics will need some protection against the discrimination that is certain to occur. This amendment will provide remedies that will help ameliorate the defects of the bill.

### *C. Employer sanctions will not work*

MALDEF is particular concerned that the employer sanctions provision, while increasing the discrimination against Hispanics will not stop or even slow undocumented migration to this country.

A recent General Accounting Office (GAO) study,<sup>10</sup> commissioned by Senator Simpson and published in April, 1982, concluded that employer sanctions will not effectively curb illegal immigration. GAO surveyed 20 nations which had adopted employer sanctions. The study found employers were able to evade responsibility for employing undocumented aliens. Insufficient resources and personnel prevented effective enforcement of the sanctions provision. Employers found to have violated the law were either left unprosecuted or were punished with fines too small to be an effective deterrent.

More importantly, the bill makes no attempt to deal with any of the other reasons why persons immigrate to the U.S. Many aliens come to this country to be reunited with their families, others flee from the political, social and economic upheavals of their home countries. Nor does the bill make any attempt to cooperate with other countries such as Mexico, to resolve the political or economic problems which encourage aliens to leave those countries.

It is a mistake to think that there is an easy solution of the problem of undocumented immigration. There is none. A solution will require three things. First, bilateral or multilateral discussions with countries whose citizens come to the U.S. in undocumented status. The discussions are necessary to resolve the problems that send persons to this country in the first place. Secondly, more resources must be provided for border enforcement activities. This can be done without "militarizing" our border. Finally, MALDEF supports increased enforcement of current fair labor laws as a means of removing the incentive to hire undocumented aliens. Employers hire undocumented aliens in order to circumvent minimum wage and health and safety laws. By requiring the same wages and working conditions for all workers, there is no incentive to hire undocumented workers. Why hire undocumented workers when employers can hire a citizen or permanent resident alien?

Finally, it is important to realize that Simpson-Mazzoli is not a jobs bill. Many Americans erroneously believe that Simpson-Mazzoli bill will free jobs for U.S. citizens. However, many undocumented workers are employed in jobs citizens will not take. After Operation Jobs, the national campaign of workplace raids conducted by INS, a survey of businesses targeted for the INS raids indicated that 80 percent of the undocumented workers apprehended in Los Angeles and Orange counties had returned to their former employment.<sup>11</sup> Employers interviewed by the Los Angeles Times stated that citizen and legal residents hired to fill the vacancies had left, either because the pay was too low, the working conditions were not to their liking, or the job was too demeaning.

Instead of freeing more jobs for U.S. citizens, employers' sanctions will have the opposite effect. Sanctions will make it more difficult for Hispanics, and other "foreign-looking" individuals who are authorized to work, to find employment.

### TEMPORARY WORKER PROGRAM

There are three proposed temporary worker programs being considered: the Judiciary Committee's version of the H-2 program, the Education and Labor Committee's version of the H-2 program (the Miller Amendment), and the Agriculture Committee's version worker program (the Panetta Amendment). These temporary worker programs, however, point out the contradiction of this bill. Proponents of the Simpson-Mazzoli bill indicate immigration reform is necessary to control immigration ostensibly to provide more jobs for U.S. workers. Yet these temporary worker programs provide for large numbers of foreign workers to enter the U.S. to work.

MALDEF opposes the proposed H-2 provisions as adopted by the House Judiciary Committee. In an effort to "streamline" the H-2 certification process, the Commit-

<sup>10</sup> General Accounting Office, *Information on the Enforcement of Laws Regarding Employment of Aliens in Selected Countries* (August 31, 1982.)

<sup>11</sup> Larry Stammer and Victor M. Valle, *Most Aliens Regain Jobs After Raids*, *Los Angeles Times* (August 1, 1982).



tee version has drastically reduced the amount of time in which the Department of Labor can search for and recruit domestic workers. Furthermore, many protections necessary for both domestic and foreign workers are not in the current H-2 program. All non-citizens working in the United States should be protected by the same civil and labor rights as citizens. Anything less is economically unfair to U.S. citizens and permanent residents, and encourages the continued exploitation of non-permanent U.S. residents. The Judiciary Committee's H-2 program for temporary workers falls seriously short of satisfying this standard.

MALDEF does support the H-2 program as set forth in the Miller amendment adopted by the Education and Labor Committee. The Miller amendment reinstates the 80 day certification, so that the Department of Labor will have 60 days to recruit domestic employees (not 30 days as under the Judiciary Committee version). In addition, the Miller amendment provides various protections to ensure that wages and working conditions of H-2 workers will not adversely affect the wages and working conditions of domestic employees. Furthermore, the amendment provides that regulations promulgated under the Act be at least as stringent as current H-2 regulations. Moreover, domestic workers can challenge granting of certification where an employer has violated the conditions of the program.

#### MALDEF STRONGLY OPPOSES THE PANETTA AMENDMENT

This amendment is the latest version of the "Bracero program". It applies only to agricultural producers of "perishable" crops (however, the committee report language refers to raisins and hops as perishable crops, this would effectively open the law to include most agricultural commodities). The Panetta is offered as an additional program, so conceivably it can be enacted in addition to one of the H-2 programs.

The Panetta amendment poses a number of problems. First, the amendment effectively eliminates the protections designed to protect both domestic and foreign workers. Employers are no longer required to certify the unavailability of domestic labor (as required in the H-2 program). The Department of Labor no longer recruits domestic laborers as part of the certification process. In addition, foreign workers no longer have enforceable contracts with particular employers, nor are they guaranteed employment. Thus, the Panetta workers will be competing for labor, not only among themselves, but with domestic workers as well. Moreover, while some protections are written into the amendment, they are ambiguous and, more importantly, no enforcement mechanism is provided to ensure compliance.

Second, the Panetta amendment will aggravate the immigration problem rather than alleviate it. The visa issued will be good for up to 11 months. It is unrealistic to think that foreign workers will work in this country for 11 months, return to their home countries for a month, only to return again to the U.S. the following season. What is more likely is that workers will stay or live in the U.S. year round. The proponents of the Panetta amendment argue that an incentive is built into the amendment to encourage employees to return to Mexico. A trust fund will be established in which employers are to make payments ordinarily made to governmental entities, i.e. social security, unemployment compensation, etc. The foreign workers would be allowed to apply for their portion of the contributions at the U.S. Consulate in their home country when they return. However, in many instances the amount of money in the trust fund may not justify the expense of a trip home.

Thus, the Panetta amendment will create a permanent pool of foreign laborers who will have no rights as permanent resident aliens. These workers will only be allowed to look for work and pay taxes. They are not even assured employment). MALDEF recognizes that under certain conditions labor shortages are created. However, in creating a temporary worker program to meet such shortages Congress must not weaken the protections available for domestic and foreign workers. It is important that domestic workers be given the first opportunity to work and that foreign labor not be exploited or used to undercut the domestic labor market. The Miller amendment provides a realistic approach for securing foreign labor where real shortages exist while still protecting the interest of domestic and foreign workers.

#### LEGALIZATION

MALDEF supports a realistic and humane legalization program. As such, MALDEF supports a legalization program which grants permanent resident status to persons eligible under a single cut-off date of January 1, 1982. We will oppose any effort to limit, restrict or eliminate this legalization program.



The legalization program is necessary to bring undocumented alien "out of the shadows"; to give them legal rights and a legitimate place in a society to which they have contributed a great deal in the form of labor, taxes and cultural diversity. But to achieve such a goal the program must include as many persons as possible. In addition, the qualifications must be clear, concise and unambiguous. It must be clear to the undocumented alien who will be eligible and what is required of persons seeking legal status. It is also important that the offer to legalize be genuine and not a pretext for massive deportations or repatriation. The legalization program must not be tied to enforcement, otherwise undocumented aliens will not risk deportation in order to seek legal status.

#### WHY LEGALIZATION?

Legalization benefits all Americans. Undocumented aliens live in fear of detection and deportation. As a result, many fail to report crimes, illness, violation of housing, health and safety or labor laws. Thus, legalization integrates undocumented aliens into the mainstream of American life, conferring obvious benefits upon the aliens, with corollary benefits upon all Americans.

The alternatives to legalization are impractical, disruptive and expensive. Mass deportation, such as those which occurred in the 1930's are very disruptive to the lives of millions, including citizens and legal residents (who are sometimes mistakenly deported along with aliens). Moreover, deportations are deeply offensive to the principle of a free society which the United State holds dear.

In addition, deportations are ineffective in dealing with the problem of undocumented immigrants. Operation Jobs, the most recent large-scale INS deportation effort, was not only ineffective in freeing jobs that Americans might want, but it was also extremely costly financially and in terms of INS resources that were expended. The operation cost approximately \$1 million, was planned for two to three months, and involved temporarily transferring border patrol agents from the border to the interior. This huge expenditure of funds resulted in the arrest of about 5,000 aliens. According to Senator Simpson, approximately 500,000 aliens enter the country each year. These figures suggest that even if the INS wanted to deport all aliens here illegally, the agency simply does not have the resources to begin such an undertaking.

#### THE COST OF LEGALIZATION

It is undeniable that legalization entails a number of costs. However, the cost estimates prepared to date are exaggerated. They include a number of erroneous assumptions which inflate estimates and give an inaccurate picture of the financial responsibility of the undocumented alien population.

Any estimate of the cost of legalization must start with an estimate of the undocumented alien population. However, there are no solid reliable figures on the exact size of such a population. In April 1983 report, the U.S. Bureau of the Census estimated that about 2.1 million undocumented aliens had been counted in the 1980 census, with about 900,000 from Mexico.<sup>12</sup> Given a fairly substantial undercount of the undocumented population, the Bureau estimates the total undocumented population at no more than 4 million, and possibly quite a bit less than that. The Census Bureau is the most recent population and is based upon a central court. Thus, MALDEF believes this estimate is the more accurate than the estimates prepared by the Congressional budget offices which put the undocumented alien population between 5 and 6 million people.

The cost estimates of legalization reflects not only the cost of actually processing undocumented aliens into the program, but also the expected cost of social services used by the newly legalized immigrants. However, the administration estimates that about 70 percent of legalized aliens will use some form of social services. This estimate is based on the extend to which refugees used social services when they entered the United States (Indochinese, Cuban and Haitians). However, the employment and welfare patterns for immigrant and refugee populations are very distinct. Immigrant, including undocumented immigrants, tend to have jobs, families, friends and other social ties. Hence they are less likely to use social services.<sup>13</sup> Moreover,

<sup>12</sup> U.S. Bureau of the Census (April 1983).

<sup>13</sup> Alejandro Portes, *Latin American Immigrants to the U.S. Summary of a Six Year Study of Their Adaptation* (March, 1982).

unemployment rates for immigrants, including former undocumented aliens, is consistently lower than for the population as a whole.<sup>14</sup>

One of the most glaring omissions in all legalization cost estimated is the failure to include the contributions of the undocumented alien population. Several studies have indicated that undocumented workers pay taxes. In an analysis prepared for Los Angeles County, it was estimated that undocumented residents paid over \$2.535 billion in taxes.<sup>15</sup> Of this total, about 58 percent was paid to the federal government, 33 percent to the state, 4 percent to the county and 5 percent to other local governments.<sup>16</sup> Thus, the problem is not that undocumented aliens do not pay for services, but the revenues generated are paid to the federal government, while services are delivered at the local level. For this reason, we support the House Judiciary Committee's plan to fully reimburse local government the costs they incur in the delivery of services as a result of the legalization program.

In addition, undocumented aliens are an integral part of their communities. They support these communities in that they buy goods and services and contribute their labor as well. Thus, in any evaluation of the cost of the legalization program, it is important to consider their dollar contributions, too.

#### CONCLUSION

There is a urgent need for immigration reform. However, immigration reform must be fair and circumspect. It must include long range solutions. Therefore, MALDEF remains opposed to the Simpson-Mazzoli bill. Congress should not react to the problem of immigration with short-term solutions or vindictive measures. More importantly, immigration reform must not be enacted at the expense of U.S. citizens or resident aliens. Instead Congress should strike a balance of comparasion for immigrants and safeguard for our national interest. Therefore, we urge you to oppose the Simpson-Mazzoli Bill.

Mr. GARCIA. Thank you very much. Now I would like to call Arnoldo Torres, representing the League of United Latin American Citizens.

#### STATEMENT OF ARNOLDO TORRES, NATIONAL EXECUTIVE DIRECTOR, LEAGUE OF UNITED LATIN AMERICAN CITIZENS

Mr. TORRES. For the record, Mr. Chairman, my name is Arnoldo Torres, and I am the national executive director for the League of United Latin American Citizens, the country's largest and oldest Hispanic organization.

I would like to convey the national president's apologies for not being able to be here. He has had a scheduling difficulty and finds himself in another meeting.

Before I begin, as my colleague from MALDEF has indicated, I would like to thank Congresswoman Katie Hall, an outstanding freshman Member of the 98th Congress and the chairman of the subcommittee, and the staff director, who has been here throughout these hearings, somewhat delayed but very patiently here, the two members of the caucus who are here with us, and out outstanding work that Ms. Susan Nereda has done on behalf of the caucus over a number of years now. It has been very good for an organization like ourselves to work with someone who is so open and so easy to work with.

I would like to indicate for the record that the league has been intricately involved in the debate on immigration over the last 3 or 4 years. We testified, I believe, an estimated 15 times before House and Senate committees on this issue. The brief overview has been

<sup>14</sup> *Id.*

<sup>15</sup> Harry L. Hufford, Chief Administrative Officer, *Cost of Services to Undocumented Aliens* (April 14, 1982).

<sup>16</sup> *Id.*

given to you on the employer sanctions, For the record, the league is vehemently opposed to this legislation, under all circumstances. Regardless of what changes are made, the league always will be opposed to this bill. As aggressively as it was from the beginning, it will be so in the end, should this bill pass.

On sanctions, it is a foolish approach. It is a dangerous approach to tinker with. The idea of creating an employment verification system, while protesting or contending that it is an ID only for employment verification, is very dangerous because it eventually will become a national ID, regardless of what is on a piece of paper as the legislation says that "nothing in this bill is to be construed as the creation of an ID system."

The H-2 temporary worker programs, unlike the Senate bill, the House version has two other committees reporting, which present three different versions of H-2 workers. You have three versions of programs that, in essence, will continue to feed the insatiable appetites of agricultural growers in this country to secure their cheap labor. If we do this again, Mr. Chairman and the outstanding member from California, Mr. Roybal, we will be once again insulting the integrity, the lives, the dignity, the respect of America's farmworkers, which Hispanics make up a significant segment of that working group.

We will not only create additional problems, but we will in essence create a condition that will truly relegate these groups of people to a substandard way of life forever. I think that is one area that has not received enough attention from Congress and the different groups lobbying on this issue. It is the poor American farmworker over the decades that has always been abused. Their lifestyle, what they do, the economic conditions, their education—nothing has really improved for these people, and this bill really does not do anything to alleviate matters at all. If anything, it creates significantly more problems.

It is a major contradiction because, on the one hand, proponents of this bill want to stop the flow and yet, on the other hand, they want to bring in at least 500,000 or perhaps many as a million workers, depending on how well the agricultural sector can cheat and manipulate this program to come in and work on a temporary basis.

Legalization is an extremely enticing concept. It is the concept that the proponents of this bill have used to hook the Hispanic community and say that this is what we offer to the Hispanic community and to other immigrant communities, We offer you salvation, ladies and gentlemen: you support this bill, and you will be legalized.

Many people have referred to this program as an "amnesty" program. It is not an amnesty program; it is a legalization program. And as a legalization program, it has specific criteria that must be met before you can become legalized. It is not amnesty; amnesty is blanket, and this is not, by anybody's imagination, a blanket program of amnesty. It is what we in the Hispanic community refer to as the greatest obstacle course since that which ABC has featured on our television screens.

Many people feel that if you meet the date, you get in under the date, you can legalize your status. That is very far from the truth,



because once you meet the date, that is only the first criterion, the first obstacle that you clear. There are many questions that still remain unanswered:

Will the fraudulent use of a social security card or things of this nature be held against a person? What kind of tax liability will a person have; will they have to pay right away the taxes that they have not been able to pay or cannot track back? Will they be given a phase-in period, to pay over a period of time? Will this result in their being rejected under the legalization program? If a person's child has been on public service under the Federal Government, will that make that person ineligible? Had a person been on unemployment compensation over a period of time, yet has paid their taxes, been on unemployment compensation, would that require a person to be removed from the legalization program and rejected?

These are things that have also troubled the INS and the representatives that are here at the table today. Unfortunately, there are no answers forthcoming. To try and address this in legislation on the House floor will not meet with much success, because the opposition to this bill comes in large chunks because of the legalization program.

#### THE APPEALS PROCESS

In the House bill, you allow for an appeal on the final deportation. The difficulty is: Will the undocumented people who are rejected actually be insured of the appeal in a final deportation hearing? I would submit to this subcommittee that there are no assurances that can be made, in view of what the INS has done in the past, its proclivity to encourage voluntary departures, without letting the person know that they have a right to go to court and to try to establish that they do have equities in this country.

There are simply so many things that make it so difficult for the INS to be the lead agency in this legalization program. For example, they are responsible for enforcing and responsible for the deportations of many people in this country and now all of a sudden to allow them to come into the country and legalize their status. There is a problem of image, a problem of public relations, that I do not think ever will be overcome, regardless of how many Catholic churches, Baptist churches, or Lutheran churches are in the legalization program.

There is a contention that sanctions will create jobs.

That is the greatest contention the proponents of this bill have made throughout the debate. I personally happen to believe that there is a displacement factor. Some of the studies that organizations have done have covered this, but the displacement factor is one that can be addressed much better by other means than simply looking for sanctions.

One person called me up and said that there were 11.3 million undocumented workers in the country, and that was the same number, by coincidence, of the unemployed Americans in the United States. If you deported all the 11.3 million undocumented, you also would have 11.3 million back on the job. Nothing really indicates that is the case. Our studies indicate that Reaganomics is more responsible for the economic hard times of this country, espe-



cially for Hispanics, than anything that the undocumented have created.

We have already gone over the ID system. It is not simply going to be used for employment. It eventually will be used to legitimize the status of a person in this country. In order to get a job, you must have this card or whatever system is employed. And the only way to get this card is to show that you are legally in the country. So employment verification cards are undesirable.

One last point is the fact that legalization really is not going to bring 2 to 4 million people. I know the INS would like to bring those people forward, but will be unable simply because of the problems that I indicated earlier.

The next point I want to make, with your indulgence, is on the foreign affairs and immigration issue. This bill does not address such factors. This bill does not address how foreign affairs of the United States have, in fact, increased the number of people coming into this country. If we look at Nicaragua, we find that more people came to the United States during the Somoza regime and during the civil war than you have now under the Sandinista government. That is not an endorsement of the Sandinista government; it is simply a reality of population movement to the United States. The same is the case with Chile. The same is the case with Argentina. All of these factors have not been brought into the debate.

That is why we cannot, as an organization, simply oppose the bill on only one factor. We must oppose it on the fact that it is perhaps the worst example of public policy devised by the Congress in the last 20 to 30 years, next to S. 1, the criminal reform bill. This is a major insult to the intelligence of those people who are reasonable and who are trying to address the problem in a reasonable manner. When the questions come, I will be more than happy to suggest some of the alternatives that we have been able to try to present in a much more realistic, reasonable, and honest fashion.

I appreciate the fact that you have allowed me to go over the 5 or 10 minutes you usually allow, but as you can see, there is so much to discuss on this issue, I appreciate your indulgence.

Mr. GARCIA. Thank you, Mr. Torres. I would like to finish this up by 3:15. This gives us about 20 minutes. I know Congressman Roybal, who is heading our task force on the Simpson-Mazzoli bill, has many questions he would like to ask. But I am going to ask the next panelist to make his statement.

[The following letters were submitted by Mr. Torres:]

AUGUST 8, 1983.

To: LULAC members and interested parties.

From: LULAC National Office.

Subject: Update on Civil Rights Commission and Nominations.

We are pleased to inform you that the House of Representatives approved on a voice vote the extension of the U.S. Commission on Civil Rights. Specifically, the House approved a bipartisan bill which would extend the Commission for 5 years and allow for the removal of commissioners only if there is cause for such removal, i.e., malfeasance in office, neglect of duty. This language was very important for it clarified the legislative history of the Commission for an independent entity which was to be free of executive and legislative interference. This clarification was also a clear statement, from the House of Representatives that the President was not to remove seating Commissioners as he presently is attempting to do, (refer to LULAC issues brief book for more details).

This legislation H.R. 2230 now is before the Senate and so are the nominations. It is absolutely imperative that you convey your views to your U.S. Senators and to the members of the Senate Judiciary Committee during August recess for they will vote in September. The message should be:

DEAR SENATOR: We strongly urge your support for H.R. 2230—Civil Rights Commission extension legislation and your opposition to the President's efforts to undermine the independence of the Commission by attempting to fire commissioners and stack the Commission. In addition, the Commission will be without Hispanic commissioners for the first time since 1968.

LEAGUE OF UNITED LATIN AMERICAN CITIZENS,  
TEMPE, ARIZ., July 23, 1983.

ARNOLD TORES,  
*Congressional Liaison,*  
*Washington, D.C.*

DEAR ARNOLD TORES: I am Frank Q. Carrillo, LULAC Far West National Vice-President. This letter is the express our concern regarding continuance of our basic human rights as guaranteed by the Constitution of the United States.

To illustrate our concern I cite the following:

The recent demonstration of anti-bilingualism in Elizabeth, New Jersey. In my perception is more racial bigotry than concern for use of languages. Another example of this negative attitude towards other language Americans is that demonstrated by the recently established organization called, U.S. English, which is promoting a constitutional amendment change to establish English as the official language of the United States.

In Tucson, Arizona four hispanic women exercised their First-Amendment rights, the right to Freedom of Speech and the right to petition the government for redress of their grievances one was jailed, fined, and all were indicted.

In Elizabeth, New Jersey a City of 106,000 population where several languages are spoken and 25 percent of the population is Hispanic the Mayor ordered English be spoken only.

It is my hope that America continues to progress in all spectrums of achievements and human rights and that we don't forget that we are living in a pluralistic society. In 1949-50 I spent 17 months in Japan with the 24th Infantry Army Division and during that time I learned to speak Japanese which later helped me to survive 14 months during the Korean conflict. While touring Europe with my family I found it very exciting to hear Europeans speak 4 or 5 languages. We don't need a "smoke screen" for the problems of this nation. Illegals are not responsible for the Economic and Social problems of this nation. Even today these people are the ones that are willing to work the fields to put food on our table.

My purpose for this introduction is to indicate our strong opposition to the Simpson/Mazzoli bill. At the LULAC National Convention in Detroit, Michigan in June the delegation went on record to oppose this most un-American piece of Legislation.

The authors of this bill apparently are not in tune with times or History. First of all the bill would only affect Hispanic-Americans, regardless what others may say. We would be harassed, as would others, creating internal turmoil.

Employer Sanction penalizes both the employer and employee of Hispanic descent. Second, an employer should not be responsible to assume the authority of the Immigration Department. Strict enforcement of the borders on all persons entering the United States in essential and helping our neighbors to the South of the border and Central America will eventually decrease the flow of illegals entering from other countries.

We already have Labor Laws that if enforced will keep any employer from exploiting any employee, legal or otherwise.

The Social Security Card is the best I.D. there is, we don't need to spend millions of dollars to develop another system.

America doesn't need to "tag" or suppress it's citizens, nor create internal distrust among its people. We have proven that when there is a National Emergency we have sacrificed and never failed.

As an Officer of the League and member of the largest Hispanic American Legion Post in Arizona, Post No. 41, I publicly protest the Simpson/Mazzoli bill. National Identification Systems should not be part of a freedom based society. These card systems have led to the eventual destruction of countless human beings in Europe and other parts of the World.

I, therefore, in behalf of the membership urge your support to help us defeat HR 1510, keep the bill off the floor and vote against the bill should floor action proceed as well as the amendment being formulated by Mr. Hayakawa.

Respectfully yours,

FRANK Q. CARRILLO.

### STATEMENT OF JAKE ALARID, NATIONAL CHAIRMAN, AMERICAN GI FORUM

Mr. ALARID. Thank you, Congressman Garcia, for giving me the opportunity to speak at this hearing. My name is Jake Alarid, and I am the national chairman of the American GI Forum.

The American GI Forum, at its national convention in El Paso, Tex., has totally opposed the passage of the Simpson-Mazzoli bill. We oppose the employer sanctions provisions of the legislation because it would result in greater discrimination in hiring and layoff policies against all Hispanic workers.

We oppose the national work identification card system, or as Mr. Roybal called it, the carrying of dog tags, because it intrudes into the freedom of individuals and the respect of personal rights.

While we are in favor of some type of amnesty program, the bill includes a provision on amnesty which has the appearance of being benevolent, but in reality it will be nothing more than a mechanism to detect illegality of status and result in a major disruption of our social life by deporting millions of Hispanics undocumented, many with U.S. citizen children in this country.

In addition, the American GI Forum totally opposes the policy and practice of mass, arbitrary, and discriminatory immigration raids as places of employment and communities. The course of inhuman events made it necessary for the American GI Forum to petition the Subcommittee on Civil Rights to conduct a full investigation by the U.S. Department of Justice of a reckless pattern of deportation raids by the INS which has resulted in the death of 10 California farmworkers.

According to eye witnesses, the INS and the U.S. Border Patrol raid squads have driven undocumented farmworkers toward barriers of water, having caused the drowning of 10 farmworkers statewide in the following areas: Los Banos, Westley, Courtland, Stockton, Sacramento, Tracy, Escalon, and Mantech. In addition, the raid squads have been seen running over and ramming into undocumented farmworkers, killing one and maiming two others.

Just recently, about 2 weeks ago, two border patrolmen in El Paso, Tex., were indicted for the beating and handcuffing of a 12-year-old who appeared to be an illegal alien, even though he was an American citizen.

Statistically, 50 percent of immigrants in this country are Mexican Americans. Yet, 90 percent of enforcement in communities is directed to the Mexican American.

In closing, we urge you to reject the Simpson-Mazzoli legislation.

Mr. GARCIA. We thank you very much for presenting the GI Forum's position to the Committee on Post Office and Civil Service.

I am going to ask my colleague, Mr. Roybal, if he will immediately get into questions that he has so that we can expedite this hearing.



Mr. ROYBAL. Thank you, Mr. Chairman. I would like to question the representatives from the INS to try to set a base to finally make a determination as to how you are going to do all these very ambitious things that you have presented to the subcommittee.

Has your budget been increased in the last 2 years?

Mr. DAVIS. I believe the budget has been increased.

Mr. ROYBAL. But is it not true that the budget has not been increased beyond the inflation rate?

Mr. DAVIS. I believe that is correct.

Mr. ROYBAL. I sit on the Appropriations Committee, so I know the answer to the question. The answer to the question is that it has not in fact been increased beyond the inflation rate; that you are holding and probably will hold to the 1983 level in the continuing resolution that we are considering today in the Committee on Appropriations. Do you agree with that?

Mr. DAVIS. I agree with that.

Mr. ROYBAL. Your level of operation, moneywise, will be based on the 1983 level of expenditures. We are talking now about something that will happen in 1984, if this legislation passes. You have stated that one of the objectives is to coordinate a comprehensive program to gain control over undocumented workers. I assume that at this point you have lost control over the workers; is that a correct assumption?

Mr. DAVIS. I believe the testimony that has been offered in the past has acknowledged that.

Mr. ROYBAL. Again we have established the fact that you have acknowledged a flaw within your own operations—you have lost control of something over which you previously had control. Now that can probably be due to a lack of money; is that not correct?

Mr. DAVIS. That is one cause; yes.

Mr. ROYBAL. Am I also correct in assuming that the number of personnel stationed at ports like Los Angeles or Houston, that the personnel have not been increased in the last few years?

Mr. DAVIS. I cannot answer that. My feeling is, however, that at least in Los Angeles—and I am not sure about Houston—there probably has been some increase. There has been a move to reallocate resources on the basis of current workloads. I cannot speak with any certainty, however, on the staffing of the Los Angeles Airport, for example, now as opposed to 1 or 2 years ago.

Mr. ROYBAL. I know the situation in Los Angeles. I also know that the personnel that you now have throughout the country has not been redistributed to take care of the backlog that one can find in the city of Los Angeles, for example. On almost any day, you can see in Los Angeles people surrounding the Federal building, seeking to adjust their status. I assume that all those individuals can adjust status if any attention is paid to them.

My question is this. How are you going to put into place a very ambitious program, in view of the fact that your funding has not been increased over the 1983 level and in view of the fact also that you cannot take care of those people who are eligible to adjust their status in Los Angeles, in Houston, in Miami, and in New York, and in various ports of entry elsewhere. How can you, without money, put this ambitious program into operation?



Mr. SHAW. Mr. Roybal, if I may, the straightforward answer to your question is that we cannot, without specific funding authority provided by the Congress. The plan never envisioned any implementation relative to any provision of Simpson-Mazzoli without separate, additional, supplemental funding authority provided by the Congress.

Mr. ROYBAL. How much money is authorized in Simpson-Mazzoli for this specific purpose? Not 1 cent.

Mr. DAVIS. For the legalization program?

Mr. ROYBAL. For your program.

Mr. DAVIS. There is no specific amount allocated for that. There is a total, I believe—

Mr. ROYBAL. There is no money authorized in the Simpson-Mazzoli bill for those things that you have outlined to be in place. I think it is commendable that it be done, but I am looking at the reality of the situation. The reality of the situation is that we will have a deficit this year of \$200 and some billion, and it is not going to be possible to make these additional increases for all these things. I assume the President will continue to cut back various programs in this Nation. What I am saying is that while this may be a good program, I do not see that you will have the necessary funding to do all of this. I also want to know whether or not your estimate of 6 million people who are undocumented is correct. On what do you base that?

Mr. SHAW. First of all, that is a planning figure. It comes from our own internal reviews and our own analysis of any number of reports, including GAO studies that have been done over the past 5 years. Select Commission Immigration Reform has used that as a best estimate of the numbers of illegal aliens in the United States. The Bureau of Census demographers work in conjunction. It is a commonly accepted number between two variants, two extremes, from as low as 2 million up to 12 million.

Mr. ROYBAL. Let us use, then, the 6 million figure. It may or may not be correct. Let us also use the 2 million figure that you estimate will be eligible for legalization. If 2 million are eligible for legalization, what will happen to the other 4 million? Will they be immediately eligible for deportation? Will they immediately be deported?

Mr. SHAW. I doubt that their status would be substantially changed from what it is today.

Mr. ROYBAL. In other words, it is quite possible that this program, once put into place, will result in the mass deportation of those who do not qualify. Is that a possibility?

Mr. SHAW. Over time, the normal avenues of the law, in the event the law is enacted and immigration reform legislation occurs, a certain number of people are going to be identified in the workplace. There would be gradual attrition. There would be additional risk in the event employer sanctions legislation would pass. But it would not be an overnight major achievement of demonstrable proportions, as you may be suggesting, sir.

Immediately, INS would be required by law to put into operation a legalization program within 90 days of passage. At the same time, it might commit itself to a schedule of events that would enhance its border posture. Six months after passage of law it would

begin the preliminary steps to undertake a national employer sanctions program, which probably would take 1 to 3 years to come to full operational mode.

Mr. ROYBAL. That is 6 months later. Now again, it is my understanding that INS is supporting sanctions. If my understanding is correct, how are you going to enforce it?

Mr. NORTON. Again, that is an answer that would require further clarification. I would have to have something on which to base my answer. Can we assume that we are going to get additional resources, for example, based on our projections that we would need about 500 more investigators to implement employer sanctions?

Mr. ROYBAL. We come back now to the matter of financing and the tremendous deficit that we have in this Nation and the mere fact that the program that you have in mind will add to that deficit. You agree with that, do you not?

Mr. SHAW. Yes.

Mr. NORTON. As Mr. Fajardo has pointed out, it has failed in other countries that have not supplied the resources necessary to enforce employer sanctions laws.

Mr. ROYBAL. In your opinion, if there is no enforcement of sanctions, will sanctions work?

Mr. NORTON. Certainly not.

Mr. ROYBAL. In other words, the same thing can very well happen here in the United States as we have found in at least 19 countries in the world that had sanctions imposed on the employer; they failed, and they failed because there were not sufficient funds to enforce them?

Mr. NORTON. That and the failure of the judicial system to support it.

Mr. ROYBAL. Now, in those countries the evidence is quite clear that employers, instead of facing penalties under their sanctions provisions, just took the work and had it done in some other countries. I represent an area that I think is the textile center of the United States, right along with New York. Those people tell me that if sanctions are going to be imposed on employers, they will just simply cut the garment and then send it out to be assembled in some other foreign country. Perhaps they will even take it all the way to China. Do you envision that such a thing might happen here in the United States also?

Mr. NORTON. I think you have to look at both sides of that. The other side of that same coin is the fact that Mr. Fajardo brought out: without it, you are facing displacement and wage suppression right now because of that very same factor.

Mr. ROYBAL. Yes, but right now we do not have sanctions. The employer is not going to be faced with the choice. The choice is: Shall I start hiring individuals with the danger of facing a penalty? One thing he will do is, he will not interview those who may look foreign or who are Spanish speaking. Discrimination comes into play immediately. The other choice that he may have is that he will farm his work out to some other foreign country.

You see, we have enough of that now. We are facing too much of it here in the United States. If you do not believe it, try to buy a shirt or a tie or a suit that is made in the United States. We can buy them but the market is a little glutted with stuff that is assem-

bled elsewhere. And that is one of the other problems that we will have under this particular bill.

I think we have established three things. No. 1, that the funding level will be the same as 1983; that this amount was not even sufficient to patrol your borders, to provide for the proper legalization of those people qualifying in the United States—that is the second thing. The third thing that I think we have agreed on is that sanctions, unless they are enforced—and that means at least 500 more employees, and my estimate is that it would be more like 1,500—they will not work. Am I correct in those assumptions, that those are the three points we have agreed to?

Mr. SHAW. I would respectfully disagree, sir. I think there is some misunderstanding in the terms as you state them. First of all, the number of employees that would be required to support various provisions implementing Simpson-Mazzoli, enactment that we discussed here today in the event of enactment, would be far from 500.

Mr. ROYBAL. It would be more than 500?

Mr. SHAW. It would be more than 500. We would have to talk about 500 investigators, per se, relative to employer sanctions. Legalization program, to my recollection, would require 1,100 to 1,500 persons who would be specifically brought on board, recruited, and trained.

Mr. ROYBAL. If I remember correctly, a briefing was given by your department that clearly indicated in the neighborhood of 1,500 additional people could be hired, plus 400 to 500 investigators.

Mr. SHAW. Mr. Roybal, I do not know when the briefing was. I do not know at what point it was. I do not even know if we had transitional agriculture even in the law at that time as draft provisions. Our planning has been evolving, and these budget numbers continue to change. In front of me, incidentally, I have a copy of H.R. 1510, reflecting the Immigration Reform and Control Act as passed by the Senate, and in that version reported by the House of Representatives Committee on the Judiciary on May 13, 1983—I note that section 404 specifically states that there are authorized to be appropriated for the fiscal year 1984 \$200 million to carry out provisions of this act.

We are far beyond the stated existing budget levels for the Immigration Service for 1983, and we have never as an organization argued, nor am I aware that the department has not argued for an additional appropriation and authorization and for a specific supplemental that would support Simpson-Mazzoli in the event of passage.

Mr. ROYBAL. I understand that when Simpson-Mazzoli does pass, you are entitled to request a supplemental and entitled, of course, to increase your budget request. There is no doubt about that. The money that is authorized under this bill, in my opinion, does not include this program that we are talking about. There is no reference to that in the bill anyplace; \$200 million is to carry out the provisions of this act, which does not include your program, and that is the point I was trying to make. I was trying to point out to you that everything is not rosy under the language of this bill when it comes to the implementation of the program that you have in mind.



I have a great deal of sympathy for the Department and its work, but I am also critical of the fact that you do not have enough money now to do the work you have been assigned to do and that there are too many people in the United States today who could adjust their status and do not. In Los Angeles, there are only three clerks taking care of people that sleep there that night in order to be first in line the next morning. There are only three people taking care of the whole crowd.

I sympathize with the fact that you do not have the personnel or do not have the money to do it. What I am saying is, if we really want reform, let us put into this bill real reform. There is no reform in this bill. There is a lot of control but no reform. If we want reform, let us give your department the necessary funds to do your job right. You are capable individuals. You have proven that in the past, and it just seems to me that you should just have the money that is necessary to do the job of the Immigration Department in its totality. 1

Mr. Chairman, I realize I am taking a long time, but I wanted to clarify this matter of finances to some degree.

Now you said that the applicant was going to pay for this. How much are you going to charge the applicant?

Mr. DAVIS. The provisions of S. 529 would require that we charge a minimum of \$100 per application. The H.R. 1510 does not address the amount that should be charged.

Mr. ROYBAL. Here is a requirement of \$100 per applicant, and we are dealing now with an individual who probably is getting less than the minimum rate and with a man who is trying to support a family elsewhere. I do not think this program will have much of a response, particularly when that individual has to face, No. 1, the immediate deposit of \$100; No. 2, the chance that he will not qualify anyway; and then the possibility that he will be one of the 4 million unfortunate people who will face eventual deportation.

I am pointing out some of the flaws that I see in this legislation.

I have one other question to ask of Mr. Torres, but I want to ask each one of you. I have been told on several occasions about a survey that was made stating that 60 percent of Hispanics in the United States favor the Simpson-Mazzoli Act. What do you think, just one at a time? Since you represent various segments of the Hispanic community, is it your opinion that the Hispanic community supports the Simpson-Mazzoli Act?

Ms. HUERTA. Speaking for the Farm Workers Union, we have under collective-bargaining agreements over 40,000 workers. We represent an additional 45,000 workers whom we are certified to represent. And I can assure you, Mr. Roybal, that they do not support this bill.

I want to mention, too, and I think I mentioned it earlier, that we have a very high unemployment in agriculture. There are literally 10 workers for every single job now in agriculture, and we have in some of those areas I mentioned in San Diego County, workers who are living in the ground. We have workers who live there, hoping they can get 1 day's work, and their relatives are feeding them. These are all undocumented workers, as I said before, that are a kind of select group and special group that do not get bothered by anybody.



Also, on the list of workers that have been killed, there were 11 farmworkers that were killed about 2 weeks ago in Cochella area, where they were being chased by the Immigration Service and they were killed. There are 11 farmworkers that add to the numbers of growing workers who are killed under the very harsh enforcement by the Immigration Service. The workers do not have any faith in the Immigration Service, even as you were saying to try to get a status adjustment. When the worker has lost his immigration card and he sent it in to the Immigration Service and if he tries to get his card back, it can take him years to get his card back.

Mr. TORRES. I appreciate the question, Congressman. The survey that you talked about is an exaggeration of what the Hispanic really wants. Most Hispanics that we represent indicate they want some reform of immigration law, but there is no survey that we are aware of that has ever been done of what Hispanics think about Simpson-Mazzoli. If those people who did the survey want to say that it was done of Simpson-Mazzoli, then that is their interpretation, and they have paid I do not know how many hundreds of thousands of dollars to do it. But that is not what the survey indicates. It indicates simply that Hispanics do want reform in immigration law. But if they understand the repercussions of issue that obviously you know affects the Hispanic community very deeply.

Mr. GARCIA. I always ask one question of everybody I deal with. I say, "If you are Hispanic, and if you were a Member of Congress, would you vote for this bill?" I think that is the bottom line.

With that, I will close this meeting. Thank you very much.

[Whereupon, at 3:25 p.m., the subcommittee adjourned, to reconvene at the call of the Chair.]

[The information which follows was received for the record:]



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**DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS OF THE HISPANIC POPULATION:  
RESULTS FROM THE 1980 CENSUS**

Prepared for the Subcommittee on Census and Population  
of the House Committee on Post Office and Civil Service

**Kirk Brown  
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September 12, 1983**

DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS OF THE HISPANIC POPULATION:  
RESULTS FROM THE 1980 CENSUS

INTRODUCTION

This summary highlights some of the major demographic and socioeconomic characteristics of the Hispanic population of the United States. The figures are primarily from the results of the 1980 Census, but are also supplemented with evidence from other recent Federal surveys of Hispanics. The figures contained in this report are compiled from published sources, mainly Census documents, and do not represent any independent statistical analysis.

The first section of this paper details the demographic characteristics of the Hispanic population.

The second section will discuss the socioeconomic characteristics of the Hispanic population. Statistics on education, language, income, poverty, employment and housing for Hispanics are compared with similar figures for the white non-Hispanic and Black populations. When possible, figures from the 1980 Census are used in conjunction with earlier surveys so that changes over time can be analyzed.

Included in the memorandum are the following figures:

- In 1980 the Census Bureau reported that there were 14.6 million Hispanics living in the United States, a 61 percent increase over the 1970 figure of 9.1 million.
- Over 60 percent of the Hispanic population reside in three States—California, Texas and New York. Almost one-quarter live in the Los Angeles and New York areas.

- The Hispanic population is younger than the population as a whole. The median age of Hispanics is 23 compared with the national average of 30.
- Hispanics lag behind both the white and black population in educational attainment. In 1983, the percentage of Hispanics aged 25-34 who had completed four or more years of high school was 58 percent compared with 88 percent for the non-Hispanic population.
- The 1980 census reported that 11.1 million speak Spanish at home, including 2.9 million children ages 5 to 17.
- Unemployment for Hispanics exceeds the national average by 40 to 50 percent. Puerto Ricans average almost double the national unemployment rate.
- According to a Census Bureau report, from 1981 to 1982, Hispanics' median family income fell 6.8 percent (compared with a drop of 1.4 percent for whites). Almost thirty percent of all Hispanics, 4.3 million, were classified as living below the poverty line in 1982. The percentage of Hispanics below the poverty line in 1982 represented the highest level, by three percentage points, since statistics for Hispanics were first computed in 1972.

#### DEMOGRAPHIC CHARACTERISTICS

##### The 1980 Census Count

The 1980 Census reported that there were 14.6 million Hispanics living in the United States. 1/ The figure represented an increase of 5.5 million Hispanics over the 1970 estimate of 9.1 million. 2/ The 61 percent growth of

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1/ U.S. Department of Commerce. Bureau of the Census. Supplementary Report. Persons of Spanish Origin by State: 1980. (PC80-51-7. Aug. 1982).

2/ The 9.1 million figure is based on the Spanish-origin question on the 1970 Census that only appeared on the long-form which was distributed to a five percent sample of the total respondents. In 1980, the Spanish-origin question was included on all Census forms. A study by the Development Associates and the Population Reference Bureau for the Department of Health and Human Services estimated that the actual Hispanic population in 1970 was 10.1 million. JoAnne Willette, et al, The Demographic and Socioeconomic Characteristics of the Hispanic Population of the United States: 1950-1980, Report to the Department of Health and Human Services by Development Associates, Inc. and Population Reference Bureau, Inc., Jan. 18, 1982.



the Hispanic population from 1970 to 1980 outpaced the national increase of 11.4 percent. 3/ Since the Hispanic population has been growing at a faster rate than the national average, Hispanics now constitute 6.4 percent of the national population, up sharply from 4.5 percent in 1970.

#### Reasons for the Population Growth

Several reasons have been suggested to explain the rapid growth of the Hispanic population during the past decade. Five different factors are the most important:

- 1) The natural increase in the Hispanic population. Since Hispanics are on average younger than the rest of the population and have higher fertility rates, a large proportion of the population increase can be attributed to natural increases—births outnumbering deaths. The Census Bureau estimates that 1.8 million of the 5.5 million increase in the Hispanic population has resulted from the natural increase. 4/

Other studies indicate that natural increases may be responsible for as much as two-thirds of the Hispanic population increase. 5/

- 2) Legal immigration. During the 1970's, the largest percentage of legal immigrants to the United States (42%) came from Latin America. Approximately 1.4 million Hispanics legally emigrated to the United States from 1970-1979. 6/

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3/ If the 10.1 million estimate for the 1970 Hispanic population is used, the increase from 1970 to 1980 is 40 percent.

4/ Letter from Daniel Levine, Acting Director, Bureau of the Census. Hearings before the Subcommittee on Census and Population, Committee on Post Office and Civil Service, U.S. House of Representatives, 97th Congress, 1st Session, Hispanic Immigration and Select Commission on Immigration's Final Report, Apr. 27, 28, 1981, p. 19-20.

5/ Cary Davis, Carl Haub and JoAnne Willette. U.S. Hispanics: Changing the Face of America. Population Reference Bureau. Volume 38, No. 3, June 1983. p. 15.

6/ Davis et al, p. 22. The figure includes persons moving to the United States from Puerto Rico. These persons, however, are not counted as immigrants by the Immigration and Naturalization Service because Puerto Rico is a part of the United States.

- 3) Illegal immigration. The contribution of illegal immigrants to the growth in the Hispanic population from 1970-1980 is difficult to gauge. Census projections indicate that 1.1 to 1.25 million illegal immigrants were added to the national population from 1970 to 1980, with three-quarters of a million arriving from Mexico. 7/ How many of these persons were counted in the Census is unknown. A recent Census Bureau study concludes that 2 million undocumented persons were included in the 1980 Census totals, with 1.3 million of those from Latin America. 8/ The total population of illegal aliens, however, has been projected to be between 3.5 and 6 million. 9/ Therefore, although there was significant number of illegal Hispanic immigrants who entered the country from 1970 to 1980, this population is probably only responsible for a small proportion of the reported increase in the Hispanic population.
- 4) Changes in the propensity of persons to identify themselves as Hispanics. The 1980 Census count of Hispanics was based on a subjective question that asked the person whether they are of Spanish/Hispanic origin or descent. Changes over the decade in identification with and consciousness of Hispanic heritage could result in a higher propensity of persons to identify themselves as Hispanics. As evidence that such changes in response patterns have occurred in the past ten years, in 1970 only 1 percent of Spanish origin persons classified their race as "Other" while 93 percent reported "White"; by 1980, however, 40 percent of the Hispanic population indicated that their race was "Other" and the percentage selecting "White" dropped to 56 percent. 10/ The effect of the increased propensity of persons to identify themselves as Hispanics on the increase in the Hispanic population is difficult to measure. The Census Bureau, however, has estimated that .2 million of the increase can be traced to a greater propensity among Filipino and American Indians to identify themselves as Hispanics on the 1980 Census. 11/

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7/ Robert Warren, Bureau of the Census, "Estimation of the Size of the Illegal Alien Population in the United States. Prepared for the Annual Meeting of the Population Association of America, Apr. 1982.

8/ Robert Warren and Jeffrey Passel, Bureau of the Census, "Estimates of Illegal Aliens from Mexico Counted in the 1980 United States Census," Paper presented at the Annual Meeting of the Population Association of America, Apr. 1983.

9/ Jacob Siegel et al, Bureau of the Census, "Preliminary Review of Existing Studies of the Number of Illegal Residents in the United States," Prepared for the staff of the Select Commission on Immigration and Refugee Policy, Jan. 30, 1981.

10/ Persons of Spanish Origin by State, p. 6-7.

11/ Levine, p. 19.

- 5) Improved efforts to include Hispanics in the 1980 Census. Efforts by the Census Bureau and community groups to locate and encourage all Hispanics, especially illegal aliens, to respond to the 1980 Census may be responsible for a portion of the higher count of Hispanics in 1980. The Census Bureau concluded that the undercount for Hispanics in 1970 was between 1.9 and 7.7 percent (the rates for Whites and Blacks) and consequently a total undercount of significantly less than 1 million persons. Even if all the Hispanics who were missed in 1970 were counted in 1980, improved efforts only account for a fraction of the 5.5 million increase in the Hispanic population.

#### Geographical Distribution of the Hispanic Population

The Hispanic population is highly concentrated in three sections of the country: the Southwest, Florida and the Northeast. Ninety percent of the Hispanic population reside in the fifteen States that have Hispanic populations in excess of 100,000 persons; over 60 percent of the Hispanic population live in only three States—California, Texas and New York. (see Table 1)

The map presented in Figure 1, in which the area of the State is proportional to the number of Hispanics in the State, clearly shows the geographical concentration of the Hispanic population.

The map also details the economic situations conditions of the Hispanic population in each state. The states are shaded to show the ratio of the median family income of Hispanics to that of whites.

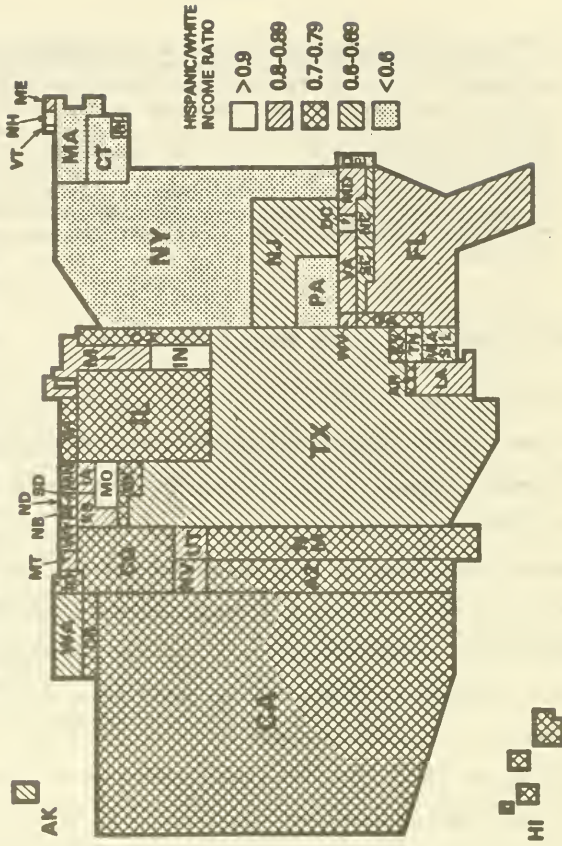
The Hispanic population is also overwhelmingly urban. Eighty-eight percent of Hispanics, compared with 75 percent of the general population, live in metropolitan areas. Almost one quarter of all Hispanics, 3.5 million, live in the Los Angeles and New York City areas. <sup>12/</sup> Table 2 shows the population and the socioeconomic characteristics of Hispanics in the 25 cities with more

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<sup>12/</sup> Davis et al, p. 13.

# Distribution of the Hispanic Population

The area of each State is proportional to the number of Hispanics that live in the State. The colors represent the ratio of Hispanic median family income to white median family income in the State.





than 50,000 Hispanics. Half of the Hispanic population reside in central cities, while only almost three-quarters of the non-Hispanic population live outside the central cities.

#### Ethnic Composition of the Hispanic Population

The Hispanic population is divided into four categories by the Census Bureau: persons of Cuban, Mexican-American, Puerto Rican and other Spanish descent. In 1980, persons of Mexican-American origin accounted for 60 percent of the Hispanic population while Puerto Ricans constituted 14 percent and Cubans 6 percent. During the past decade, the Mexican-American proportion of the total Hispanic population has grow from 50 percent in 1970 to almost 60 percent in 1980. <sup>13/</sup> Projections of the future growth of the Hispanic population, however, indicate that the ethnic composition will remain almost constant. <sup>14/</sup>

The four ethnic subgroups of the Hispanic population are located in different areas. As shown in Table 1, the Mexican-Americans live primarily in the Southwest, California and Texas, whereas the Cubans reside in Florida (also a growing number in New Jersey) and the Puerto Ricans in New York (with more moving to Connecticut, Massachusetts, New Jersey and Pennsylvania in the 1970s).

#### Age Composition of the Hispanic Population

The youth of the Hispanic population, combined with the higher fertility ratios for Hispanic women, is responsible for a large portion of the rapid

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<sup>13/</sup> Persons of Spanish Origin by State, p. 6-7.

<sup>14/</sup> Projections of the Hispanic Population in the United States, 1990-2000. Report to the Department of Health and Human Services. Prepared by Developmental Associates and the Population Reference Bureau, Feb. 1983. p. 26.

TABLE 1  
POPULATION CHARACTERISTICS OF HISPANICS LIVING IN STATES WITH 100,000 OR MORE HISPANICS

State	Total 1980 Hispanic Population	% Population Change From 1970 to 1980	% Hispanics of Mexican Origin	% Hispanics of Puerto Rican Origin	% Hispanics of Cuban Origin	% Hispanics Living in Urban Areas	Median Age of Hispanics
California	4,544,331	91.8 %	80.0 %	2.0 %	1.3 %	93.5 %	22.8
Texas	2,985,824	62.2 %	92.2 %	.8 %	.5 %	86.1 %	22.1
New York	1,659,300	22.7 %	2.3 %	59.4 %	4.6 %	98.5 %	23.1
Florida	858,158	111.9 %	9.3 %	11.0 %	54.8 %	94.7 %	32.2
Illinois	635,602	61.6 %	64.2 %	20.3 %	3.0 %	97.5 %	22.1
New Jersey	491,883	70.5 %	2.7 %	49.5 %	16.4 %	97.4 %	24.4
New Mexico	477,222	54.8 %	49.0 %	.3 %	.1 %	72.4 %	23.2
Arizona	440,701	66.4 %	89.9 %	.9 %	.2 %	86.4 %	21.7
Colorado	339,717	50.6 %	61.0 %	1.2 %	.4 %	84.9 %	22.5
Michigan	162,440	7.5 %	69.1 %	7.6 %	2.6 %	80.2 %	21.3
Pennsylvania	153,961	41.4 %	12.6 %	59.6 %	3.6 %	22.0 %	22.0
Massachusetts	141,043	113.2 %	5.2 %	54.2 %	4.7 %	95.4 %	21.2
Connecticut	124,499	90.2 %	3.6 %	71.0 %	4.5 %	93.3 %	21.1
Washington	120,016	109.2 %	67.6 %	4.2 %	1.0 %	72.0 %	21.1
Ohio	119,883	-7.8 %	44.5 %	27.1 %	2.7 %	83.0 %	22.5
National Hispanic Population	14,608,673	61.0 %	59.8 %	13.8 %	5.5 %	89.9 %	23.2

Figures from 1980 Census, PC80-1-B1.

TABLE 2  
SOCIAL AND ECONOMIC CHARACTERISTICS OF HISPANICS LIVING IN CITIES WITH 50,000 OR MORE HISPANICS

City	Hispanic Population	% of City's		Median Income	% Below Poverty Line	Percent Unemployed	% Completed < 4 Years of High School	% Households That Rent Housing	Children Who Speak Spanish at Home
		Total Population	Population						
New York, NY	1,406,389	19.9 X		\$ 10,415	35.7 X	10.4 X	60.5 X	90.1 X	324,873
Los Angeles, CA	815,305	27.5 X		\$ 13,368	24.2 X	8.5 X	65.1 X	75.1 X	166,397
Chicago, IL	423,357	14.1 X		\$ 15,630	24.1 X	12.1 X	68.2 X	75.5 X	99,425
San Antonio, TX	421,808	53.7 X		\$ 12,835	28.3 X	6.4 X	59.7 X	40.9 X	96,242
Houston, TX	280,691	17.6 X		\$ 16,702	18.0 X	4.7 X	61.7 X	63.5 X	68,788
El Paso, TX	265,997	62.5 X		\$ 12,385	28.6 X	9.1 X	58.1 X	44.3 X	73,060
Miami, FL	194,185	56.0 X		\$ 16,094	22.1 X	6.2 X	54.7 X	70.1 X	30,796
San Jose, CA	140,318	22.3 X		\$ 20,133	13.5 X	10.0 X	51.0 X	49.8 X	19,174
San Diego, CA	129,953	14.8 X		\$ 14,397	21.6 X	8.9 X	50.3 X	59.7 X	25,768
Phoenix, AZ	116,875	14.8 X		\$ 15,711	21.3 X	8.9 X	56.1 X	44.9 X	20,272
Albuquerque, NM	112,030	33.8 X		\$ 15,619	17.6 X	8.2 X	39.2 X	41.1 X	12,078
Dallas, TX	110,511	12.2 X		\$ 15,192	21.2 X	4.2 X	66.1 X	62.2 X	25,690
Corpus Christi, TX	108,229	46.7 X		\$ 15,145	22.8 X	5.5 X	58.1 X	43.0 X	23,918
Bialeah, FL	107,889	74.3 X		\$ 15,931	15.0 X	6.7 X	55.5 X	54.4 X	21,719
Denver, CO	92,257	18.7 X		\$ 13,945	23.9 X	8.8 X	57.2 X	58.6 X	7,659
Santa Ana, CA	90,652	44.5 X		\$ 16,996	19.2 X	7.8 X	73.4 X	57.6 X	20,095
Laredo, TX	85,057	93.0 X		\$ 11,038	36.0 X	7.6 X	39.2 X	39.2 X	25,098
San Francisco, CA	84,194	12.4 X		\$ 17,025	17.1 X	8.4 X	42.4 X	69.1 X	10,975
Tucson, AZ	82,106	24.8 X		\$ 15,433	20.3 X	8.9 X	51.7 X	38.2 X	16,443
Brownsville, TX	71,215	83.8 X		\$ 11,312	37.7 X	8.4 X	66.2 X	45.7 X	21,088
Austin, TX	64,945	18.8 X		\$ 14,750	22.7 X	5.0 X	52.8 X	58.9 X	12,279
Philadelphia, PA	64,323	3.8 X		\$ 9,214	45.9 X	16.5 X	61.0 X	58.2 X	18,733
Newark, NJ	61,322	18.6 X		\$ 10,300	41.2 X	13.7 X	66.4 X	84.9 X	17,826
Fresno, CA	51,271	23.5 X		\$ 13,399	25.8 X	13.1 X	54.3 X	56.6 X	6,926
Long Beach, CA	50,450	14.0 X		\$ 14,245	23.8 X	7.8 X	52.9 X	73.2 X	7,939

Figures are from the 1980 Census, PHC80-S2. Income and poverty statistics refer to 1979 income levels. Education figures are for persons 25 years of age and older. Language statistics are for children 5 - 17 years of age.

growth of the Spanish-origin population during the past decade. The differences in the age composition of the Hispanic population compared with that of the rest of the population are striking. The age pyramids in Figure 2 show that the Hispanic population, particularly the Mexican-Americans and Puerto Ricans, is significantly younger than the national average. The median age for Hispanics is 23 years old, seven years younger than the non-Hispanic median of 30. 15/

#### Projections of the Future Growth of the Hispanic Population

To project the future Hispanic population, accurate assumptions must be made concerning the future fertility rates, the level of legal immigration and the number of illegal immigrants. Economic and political factors in Cuba, Mexico, Puerto Rico and other Latin American countries during the next few decades will have a significant effect on the growth of the Hispanic population. Despite the problems in projecting the future population growth, several attempts have been made.

A 1983 study by Development Associations and the Population Bureau for the Department of Health and Human Services presents two different projections of the Hispanic population in 1990 and 2000. Without any illegal immigration, they predict that the Hispanic population will increase to 19.4 million in 1990 and to 24 million in 2000. If, however, illegal immigration is assumed to add 400,000 Hispanics annually, the study projects a Hispanic population of 24 million in 1990 and 34 million in 2000. 16/

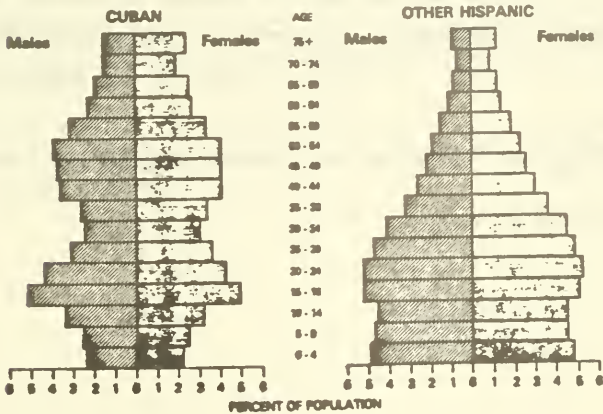
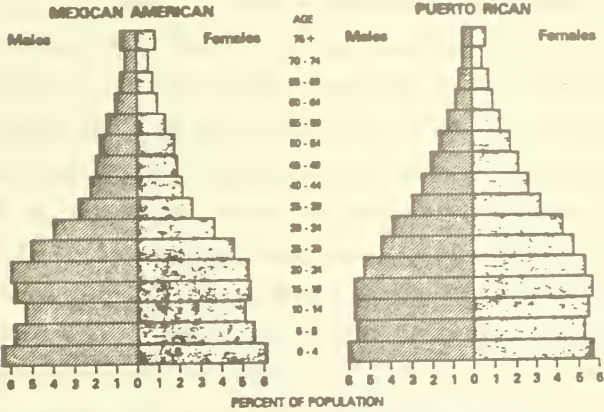
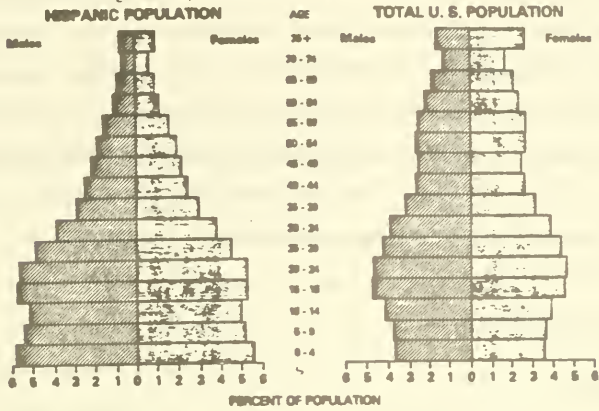
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15/ U.S. Department of Commerce, Bureau of Census. General Population Characteristics. United States Summary. PC80-1-B1. May 1983. Table 43.

16/ Projections of the Hispanic Population in the United States: 1990-2000.



**Figure 2. Age-Sex Composition of the Hispanic and Total U.S. Population: 1980**



A study conducted by the Center for the Continuing Study of the California Economy also develops two different scenarios for the growth of the Hispanic population by 1990 and 2000. The low growth projection, with immigration adding 2.8 million Hispanics between 1980 and 2000, produces estimates of 18.8 million Hispanics in 1990 and 23.1 million in 2000. The high growth scenario, with immigration of 5.1 million from 1980-2000, projects a Hispanic population of 20.4 million in 1990 and 26.9 million in 2000. 17/

### Socioeconomic Characteristics

#### Education

The youth of the Hispanic population means that education is a particularly important concern. The amount and quality of the education received by the current generation of school-aged Hispanics will affect the occupations available to and the incomes earned by Hispanics in the future. Unfortunately, educational attainment is an area in which Hispanics lag behind both the White non-Hispanic population and the Black population. For instance, in 1981, 36 percent of Hispanics aged 18 and 19 were not attending school and were not high school graduates, that is, they were dropouts. The figure is more than twice the rate for Whites (16 percent) and significantly higher than the statistics for Blacks (19 percent). 18/ When Hispanics remain in school, they are much more likely to fall behind the grade level of their peers. In 1976, 24 percent of 14 to 20 year old Hispanics were at least two years behind the grade level of their peers. In 1976, 24 percent of 14 to 20 year old Hispanics

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17/ Cheryl Russell. The News About Hispanics. American Demographics. Mar. 1983, p. 25.

18/ Davis et al, p. 29.

their 'expected' grade in school compared with only 9 percent of non-Hispanic whites. 19/

There has been improvement in the educational attainment of Hispanics. The progress is most apparent in Hispanics ages 25 to 34, the youngest cohort to have completed their education. From 1970 to 1983, the percentage of Hispanics aged 25-34 who completed four or more years of high school increased from 45 to 58 percent; the percentage who had completed four or more years of college doubled from 5 to 10 percent. During the same period, however, the non-Hispanics 25 to 34 years old made similar gains. The percentage completing four or more years of high school rose from 73 to 88 percent and the figures for those completing four or more years of college increased from 16 to 25 percent. 20/ Although the average Hispanic youth receives more education now than in the past, the gap between the educational attainment of Hispanics and that of non-Hispanics still persists. The problem is especially acute for Mexican-American and Cuban youths.

One crucial problem faced Hispanic youths in school is differences in language. The 1980 Census reported that 11.1 million persons speak Spanish at home, including 2.9 million children ages 5 to 17. (see Table 3) A larger number of children, perhaps twice as many, live in households in which Spanish is spoken, even though they do not speak Spanish themselves. 21/

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19/ Susan Boren. Education of Hispanics: Access and Achievement. The Hispanic Population of the United States: An Overview. A Report Prepared by the Congressional Research Service for the Subcommittee on Census and Population of the Committee on Post Office and Civil Service. U.S. House of Representatives. Apr. 21, 1983. GPO: Washington.

20/ Testimony of the Census Bureau.

21/ Dorothy Waggouer. Language Minority Children and Adults in the United States: 1980. p. 9.

TABLE 3  
STATES WITH MORE THAN 100,000 PERSONS WHO SPEAK SPANISH AT HOME

	Persons Age 5 - 17		Persons 18 Years of Age and Older	
	Number Who Speak Spanish at Home	Proportion Who Speak English Poorly/Not at All	Number Who Speak Spanish at Home	Proportion Who Speak English Poorly/Not at All
U.S. Total	11117606	.16	8170555	.28
California	3134915	.20	2330261	.33
Texas	2485324	.16	1734317	.25
New York	1400852	.13	1024478	.31
Florida	787335	.12	622929	.37
Illinois	500011	.18	359002	.33
New Jersey	414577	.14	293729	.36
New Mexico	352731	.09	269574	.11
Arizona	331176	.12	242707	.17
Colorado	179802	.12	146635	.11
Pennsylvania	134315	.13	92833	.22
Massachusetts	108682	.16	72979	.28
Michigan	103623	.09	77774	.14
Connecticut	102988	.16	67902	.29

1980 Census, PHC80-82.



Table 3 also shows that 16 percent of the children and 28 percent of the adults who speak Spanish at home report that they speak English poorly or not at all. Studies using objective measures of English language proficiency, instead of self-evaluations, indicate that the number of children with difficulty speaking English may be underestimated by as much as a factor of four. 22/

#### Employment and Unemployment

Hispanics tend to be employed in lower paid and lesser skilled jobs which are more susceptible to economic slumps. Less than 15 percent of Hispanics are employed in professional and technical or managerial positions, compared with 28 percent of the total population; twice as many Hispanics work in occupations classified as nontransport operatives (sewers, ironers, sorters, inspectors, packers, textile operatives, etc.) as the average for the entire workforce. 23/

There are significant differences in occupations among the subgroups of the Hispanic population. Cubans tend to be employed in more white collar positions, while Mexican-Americans and Puerto Ricans find work in less skilled occupations. For instance, 18 percent of Puerto Rican men are employed in service occupations compared with the national average of 9 percent. More than three-quarters of Hispanic women worked in three occupational categories: clerical, nontransport operatives and service. Although historical comparisons are limited to 1973 when

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22/ Waggoner, p. 9.

23/ Employment statistics used in this section are from: Dennis Roth. Hispanics in the U.S. Labor Force: A Brief Examination. The Hispanic Population of the United States: An Overview. A Report Prepared by the Congressional Research Service for the Subcommittee on Census and Population of the Committee on Post Office and Civil Service. U.S. House of Representatives, Apr. 21, 1983. Washington: GPO.

data was first collected, there are indications that gradually more Hispanics are finding jobs in higher skilled occupations.

The unemployment rate for Hispanics tends to exceed the national average by 40 to 50 percent. In the last quarter of 1982 when unemployment rose to a post-Depression high of 10.7 percent, 15.2 percent of Hispanic workers over age 20 were without work. Puerto Rican workers have the highest unemployment rates of all Hispanics, averaging 30 to 45 percent above the Hispanic rate and 80 to 100 percent above the national rate (thus, similar to rates for blacks). Cuban workers, however, have an unemployment rate of 25 percent less than the overall Hispanic rate.

#### Income and Poverty

Less skilled jobs and higher rates of unemployment result in lower incomes and a larger number of Hispanics living below the poverty line. In 1982, the median family income for Hispanic families totaled \$ 16,227 compared with \$23,433 for all families. <sup>24/</sup> The ratio of Hispanic to white median family income has remained at about 70 percent for a decade. According to a Census Bureau report from 1981 to 1982, however, Hispanic median family income fell 6.8 percent, from \$17,406 to \$16,227 in 1982 dollars compared to a drop of 1.7 percent for whites. Thus, the ratio of Hispanic to white income declined to 66 percent, the lowest figure since Hispanic income statistics were first collected in 1972. The median income for Hispanic families, adjusted for

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24. Income and poverty statistics referred to in this section are from the March 1983 Current Population Survey. U.S. Department of Commerce. Bureau of the Census. Money Income and Poverty Status of Families and Persons in the United States: 1982. P-60. No. 140.

inflation, also reached a record low in 1982. The income of Hispanic families has declined by 14 percent over the past decade, almost half of the decrease occurring from 1981 to 1982.

In 1982, 4.3 million Hispanics, 29.9 percent, were classified as living below the poverty level. The poverty rate for Hispanics was more than double the rate for whites (12 percent) and approached the rate for blacks (36 percent). From 1981 to 1982, the number of Hispanics living below the poverty line increased by 600,000 persons (a 16 percent rise). As with the income statistics, the percentage of Hispanics below the poverty line in 1982 represented the highest level, by 3 percentage points, since statistics for Hispanics were first computed in 1972.

#### Housing

Two general criteria are often used to compare the housing of different population groups: the percentage of persons who own their home and whether the housing meets minimal standards (plumbing, heat, telephone service, not overcrowded). By both standards, Hispanic housing lags behind that of the White population. Because the Hispanic population tends to be poorer and more urban than the rest of the population, far fewer Hispanics own their own home. The 1980 Census found that 43 percent of Hispanics own their homes, compared with 66 percent of non-Hispanics. 25/ Puerto Ricans are especially likely to rent their housing as 79 percent live in rented dwellings. Figures for the percentage of Hispanics that rent their housing are listed in Table 2.

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25/ Census Bureau testimony.

A study by HUD of housing conditions in 1975 and 1976 found that Hispanics were twice as likely as the general population to live in housing that were classified as inadequate (lacking heating or plumbing, or inadequate electrical or kitchen facilities). 26/ Earlier studies also show that Hispanics are more likely to live in overcrowded housing, defined as more than one person per room. 27/ Since Hispanics have lower incomes, live in cities and rent their housing, they must devote a larger share of their income to housing costs. Twenty-nine percent of Hispanics, compared to 20 percent of all households, must pay in excess of 25 percent of their income in rent. 28/ The 25 percent figure is considered as the maximum portion a family should allocate for housing costs.

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26/ Dorothy J. Bailey. Housing of Hispanics. The Hispanic Population of the United States: An Overview. A Report Prepared by the Congressional Research Service for the Subcommittee on Census and Population of the Committee on Post Office and Civil Service. U.S. House of Representatives. April 21, 1983. Washington: GPO. pp. 109-122.

27/ U.S. Commission on Civil Rights. Social Indicators of Equality for Minorities and Women. August 1978. pp. 75-79.

28/ Bailey, p. 119.



NATIONAL PUERTO RICAN COALITION, INC.,  
ALEXANDRIA, VA., *September 23, 1983.*

HON. KATIE HALL,  
*Chairwoman of the Census and Population Subcommittee,  
Washington, D.C.*

DEAR MRS. HALL: I take this opportunity to congratulate you for hosting the recent hearing entitled, "The Hispanic Population: Demographic and Issue Profile," and request that the enclosed Executive Summary be included in the Hearings record.

The findings and recommendations contained in our study, "Assessing the Impact of Federal Cutbacks on Employment and Training Opportunities for Puerto Ricans" are specially relevant to your review of Employment in the Hispanic community and the Job Training Partnership Act.

We look forward to future opportunities when we may share before your committee our concerns regarding the public policy concerns of the Puerto Rican community.

Sincerely,

LOUIS NUNEZ, *President.*

### EXECUTIVE SUMMARY

#### BACKGROUND TO THE STUDY

Puerto Ricans throughout the nation's fifty states confront enormous obstacles to their well-being. The socio-economic profile of this second-largest, youngest subgroup of Hispanic Americans is not only stark but appears to be worsening. Compared to the U.S. non-Hispanic white population, other Hispanics and almost every other minority group, Puerto Ricans have fewer jobs, lower family income, higher poverty rates, and lower levels of educational attainment. To cite two examples, 42.8 percent of Puerto Ricans in the United States lived at or below the poverty level in 1981, compared to 34.2 percent and 11.1 percent the U.S. black and white populations respectively. Mean family income that year was \$14,272 for Puerto Ricans, \$16,696 for blacks and \$26,934 for whites.

While this Puerto Rican reality had been partly reflected in statistics gathered by New York City officials and Puerto Rican organizations over two decades, it was not until 1980 that official U.S. Census figures began to document the bare outlines of the condition of the Puerto Rican community nationally. Recognizing that the need for more complete data on this distressed community persists—especially during times of economic austerity and significant federal domestic policy changes—the National Puerto Rican Coalition conceived and carried out a Rockefeller Foundation-funded study to assess the employment and training opportunities for Puerto Ricans in seven cities with sizable Puerto Rican populations: Hartford, Rochester, Boston, Newark, New York, Chicago and Philadelphia. Support for the study was also received from the Ford Foundation.

The primary purpose of the study was to document and analyze the actual and anticipated impact of federal cutbacks on employment and training opportunities for Puerto Ricans. Beyond that, its goal was to identify useful policy recommendations which would serve to improve such opportunities for Puerto Ricans.

#### METHODOLOGY

Seven individual city studies were designed and carried out during the period February 1982 to August 1983 by principal investigator I. Michael Borrero. Data were collected through questionnaires sent to key administrators of employment and training programs (Comprehensive Employment and Training Act [CETA], Private Industry Council [PIC], Work Incentive Program [WIN] and Vocational Education) in each of the seven cities studied; workshops held in the cities involving key Puerto Rican and non-Puerto Rican members of those communities who were knowledgeable about the needs of the Puerto Rican community and concerned about the economic progress of their city; and questionnaires administered to a randomly selected sample of Puerto Ricans who had participated in public employment and training programs in Hartford, Rochester and Newark.

These studies culminated in reports on five cities (Boston, Hartford, Newark, New York and Rochester) and a summary report.

*Finding 1*

There continues to be a great need for precise, accurate social and economic statistical data on Puerto Ricans in the United States, including data on the labor market participation of Puerto Ricans. Available data on this community are usually limited, dated or unfocused.

*Recommendation 1*

As a matter of policy, federal, state and municipal agencies must begin in earnest to routinely collect socio-economic data concerning Puerto Ricans. Unless this happens soon, policy decisions that could serve to improve the well-being of Puerto Rican communities may never be made.

*Finding 2*

Given the low socio-economic profile of Puerto Ricans in the cities studied, one would expect appreciable numbers enrolled in public employment and training programs. Our study revealed that, of all groups, Puerto Ricans had the lowest participation levels even though they would be the most eligible. Consequently, across the board program cuts being implemented or considered will have a disproportionate impact on the Puerto Rican community.

*Recommendation 2*

Puerto Rican community-based organizations, PICs and program administrators must assure that eligibility criteria and service priorities under the Job Training Partnership Act of 1982 are extensively disseminated within the Puerto Rican community. They should also collaborate in local oversight efforts of programs implemented under that act. Program advisory boards and councils, as well as program administrators, must make every effort to ensure that the employment and training needs of the Puerto Rican community are forthrightly addressed through these programs.

*Finding 3*

There is a wide-spread belief among employment and training program administrators and within the Puerto Rican communities studied that, because of an increased emphasis on producing quantifiable results with significantly reduced program budgets, citizens with additional training needs (e.g., English language instruction [ESL] and basic education) will be overlooked as trainees. In other words, those with the most training needs will receive less.

*Recommendation 3*

While efforts by employment and training administrators to do more with less are laudable, we should recognize that Puerto Ricans in the cities studied may well be denied entry into such programs precisely because their needs are greater than those of other groups. This would have serious consequences for the Puerto Rican communities involved, and steps must be taken immediately to prevent that from happening. At a minimum, targeted efforts to meet the special needs of this population, such as ESL, basic education and school-to-work transition programs must be strengthened.

*Finding 4*

Very few Puerto Ricans were found to be members of Private Industry Councils, advisory councils or any important decision-making body, and none of the cities studied had a Puerto Rican or Hispanic administrator in a key decision-making position of employment and training programs.

*Recommendation 4*

A major commitment must be made by all employment and training program decision-making bodies and by community-based Puerto Rican organizations to assure that knowledgeable Puerto Ricans are identified and recruited to serve on these councils. Committees should be established within each Private Industry Council and other such decision-making bodies to assure the appropriate participation, at all levels, of the Puerto Rican community. Community groups must set up oversight efforts to assure Puerto Rican input into the decision-making process.

*Finding 5*

The percentage of Puerto Rican female-headed households averaged 42 percent of all Puerto Rican households in the seven cities studied. Comparable 1979 national figures (derived from the 1979 Current Population Survey) indicated that while 15

percent of all U.S. households were female-headed, the figures for Hispanic female-headed households were as follows: Puerto Rican, 40 percent; Mexican American, 16 percent; Cuban American and other Spanish Origin, 17 percent.

#### *Recommendation 5*

It should be clear that this finding has implications far beyond the focus of this study, and we urge policy makers at all levels as well as the Puerto Rican community itself to give it serious attention. Since, as our study points out, such Puerto Rican households have special child care, pre-training and transportation needs, it is imperative that all groups directly involved or concerned with public employment and training programs ensure that the special employment and training needs of Puerto Rican female heads of households are not overlooked. We therefore recommend that stipends and special support services be made available to assure the participation in employment and training programs by these Puerto Ricans.

#### CONCLUSION

A 1976 report by the U.S. Commission on Civil Rights, *Puerto Ricans in the Continental United States: An Uncertain Future*, reached conclusions that remain valid seven years later:

"Those who designed and implemented [Federal poverty programs of the last decade] lacked, almost entirely, an awareness of the Puerto Rican community, its cultural and linguistic identity, and its critical problems . . . causing job training and other programs to operate in vacuums. In some cases, the data the programs are based on are so inadequate that those who should be targets for help, such as Puerto Ricans, have been shortchanged \* \* \* .

"The Commission's overall conclusion is that mainland Puerto Ricans generally continue mired in the poverty facing first generations of all immigrant or migrant groups \* \* \* .

"The United States has never before had a large migration of citizens from offshore, distinct in culture and language and also facing the problem of color prejudice. After 30 years of significant migration, contrary to conventional wisdom that once Puerto Ricans learned [English] the second generation would move into the mainstream of American society, the future of this distinct community in the United States is still to be determined."

As our study makes clear at the outset, its findings and recommendations should be viewed as a significant step toward the long-overdue, precise documenting of the Puerto Rican condition throughout the United States. While Puerto Rican migration between Puerto Rico and the U.S. mainland remains a significant factor that must be considered by all concerned with the well-being of Puerto Ricans, these Americans are no longer a primary Puerto Rico-New York City phenomenon. Indeed, they face similarly acute problems wherever they reside, throughout the 50 states. Yet their growing numbers and untapped talents and energies represent a vital factor in this nation's progress. By understanding and responding to the distinctive needs of the Puerto Rican worker, all Americans will benefit.

[The letter which follows was received in response to written questions which were submitted by Congressman Dannemeyer to the witness subsequent to the hearing.]



UNITED STATES DEPARTMENT OF EDUCATION  
WASHINGTON, D.C. 20202

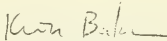
November 1, 1983

The Honorable Katie Hall  
Chairwoman, Census and Population  
Subcommittee  
Post Office and Civil Service Committee  
U.S. House of Representatives  
Washington, D.C. 20510

Dear Madame Chairwoman:

We are pleased to respond for the hearing record to the questions submitted by Congressman Dannemeyer from the September 13, 1983, hearings on educating language minority children. If you have any further need of information, please do not hesitate to contact us.

Sincerely,

  
\_\_\_\_\_  
Keith Baker

  
\_\_\_\_\_  
Adriana de Kanter

Enclosure



QUESTION: Is the Baker/de Kanter Report an anti-bilingual education report?

ANSWER: As we stated in our testimony, the Baker/de Kanter report documents several cases in which bilingual education was an effective pedagogical method for language minority/limited English-proficient youth. Many schools have used and should continue to use quality bilingual education programs. However, because we also found other effective programs for teaching this school-age population, English as a second language and immersion, we recommended that the Federal government not mandate only one approach for meeting the educational needs of language minority/limited English-proficient students.

That no one approach for teaching language minority children was found to be uniformly effective should not come as a surprise to anyone familiar with the general literature on education instruction. A clear lesson of modern education research is that children's educational needs differ and that no one single instructional method has ever been proven uniquely effective for all types of children.

QUESTION: Some critics of your report have charged that the Reagan Administration is responsible for the results of your study. Is this true?

ANSWER: This charge is utterly baseless. Our report was done at the request of the Carter Administration. Our conclusions were reached and first communicated to officials of the Carter Administration. We discussed the problem of making the report public with officials of the Carter Administration and they decided that, in making the report public, we should fully document how we reached our conclusions. Documenting the report was a lengthy process which caused the report to appear publicly during the Reagan Administration.

At no point did political appointees in the Office of the Deputy Under Secretary for Planning, Budget, and Evaluation, in the Under Secretary's Office, or the Office of the Secretary in either the Carter or Reagan Administration try to censor our findings or interject their beliefs.

QUESTION: Two employees of the American Psychological Association pulled together the critiques of several professors on the Baker/de Kanter report at the request of the Congressional Hispanic Caucus. Do you have any comment on the letter they sent up to the Caucus?

ANSWER: We have quite a few comments on this critique which we attached to our testimony. Briefly, allow us to summarize the highlights of our submitted response for the record.

This review of our study was done at the request of the Congressional Hispanic Caucus. Two employees of the APA's Washington office wrote a letter summarizing the comments of five college professors. As we pointed out in our testimony none of the APA reviewers disagreed with our conclusions. In fact, two of them explicitly agreed with our conclusions stating "the government should not recommend exclusive adoption of the TBE approach" and "there is no one most suitable approach." It is significant to note the APA employees omitted these conclusions from their summary letter to the Hispanic Caucus.

As for the rest of the letter, it begins by stating that our report does not address the total question of "whether or not bilingual education is effective." As we pointed out in our testimony, we were asked to answer two basic questions derived from the principal intent of Federal policy toward language minority students:

1. Does TBE lead to better performance in English?
2. Does TBE lead to better performance in nonlanguage subject areas?

Although a number of other goals are often recognized for bilingual education, our review was limited to these two overriding questions. The issue underlying the study was whether or not the Federal government was justified in proposing a legal requirement of TBE. However, the letter goes on to discuss our report as if it were a general evaluation of bilingual education--which, as the letter itself acknowledges, is not at all the case. Having set up their strawman, the letter even makes mistakes in attacking the strawman. The letter criticizes our report for "inconsistencies." Only one example of an inconsistency is ever claimed in any of the review material and that reviewer was factually wrong in his assessment of the supposed "inconsistency."

QUESTION: Would you again state what the Supreme Court decision (Lau) had to say precisely about what must be taught in our schools with respect to non-English speaking students?

ANSWER: First of all, we would like to remind you we are not lawyers, so we cannot give you a legal interpretation of the Lau decision. However, we can quote from the Supreme Court's decision:

"...there is no equality of treatment merely by providing students with the same facilities, textbooks, teachers, and curriculum; for students who do not understand English are effectively foreclosed from any meaningful education."

The Court's majority opinion did not specify any specific program of instruction as a remedy to the unequal educational treatment of language minority students. It remanded this issue for the "fashioning of appropriate relief" to the lower court. However, the Court's decision noted:

"Teaching English to the students of Chinese ancestry who do not speak the language is one choice. Giving instruction to this group in Chinese is another. There may be others."

Nowhere in the Lau decision did the Court state, or even imply, that transitional bilingual education must be the sole remedy to the problem. The instruction from the Lau decision to the schools was simple: here are students with a unique problem in school--help them.





