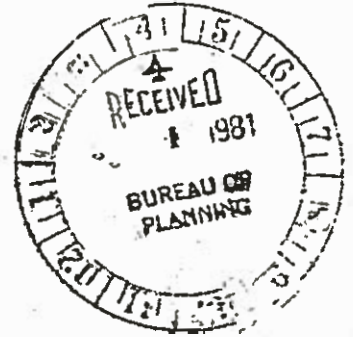


**Immigration and Alien Labor
Policy: A Position Paper**

IMMIGRATION AND ALIEN LABOR POLICY
A Position Paper



ABSTRACT

In order to bring about a sensible policy for assuaging the adverse impacts of national immigration policy as it affects Guam in general, and particularly as this policy applies to the certification of H-2 aliens (temporary workers), the following is recommended:

1. Congress should delegate the control, administration and enforcement of immigration policy for Guam directly to the Territorial Government of Guam, except that the criteria by which immigrants may become naturalized citizens of the United States shall not be within the power of the Territory to change;
2. The authority to certify H-2 alien labor (temporary workers) for project specific participation in Guam's local labor force should be returned to the Territorial Government;
3. Upon transfer of authority over H-2 certification and/or immigration policy to the Territorial Government, all alien laborers who were admitted to Guam as H-2's prior to January 1, 1973 and who

subsequently became illegal aliens, shall be given the option to accept permanent resident (Sixth preference) status within the Territory;

4. Similarly, all H-2 alien laborers who were admitted to Guam prior to January 1, 1973 and who up to the present time still maintain their H-2 status, shall at the end of their current contract period be given the option to accept permanent resident (Sixth preference) status within the Territory.

The adoption of these recommendations by the Federal Government will give Guam the flexibility and responsibility to:

- control the establishment of immigration quotas for the Territory to prevent the undesired and undue concentration of permanent resident immigrants within this western-most port of entry of the United States.
- allow the indigenous labor force as well as the surplus labor from within our Territory the first and fullest opportunity to obtain available employment on Guam, limiting the importation of alien labor to periods of high labor demand far in excess of the available employed and unemployed labor resources on-island such as during periods of extreme economic growth or post-disaster reconstruction.

BACKGROUND ON IMMIGRATION PROBLEMS

Presently, Guam is fully covered by the Immigration and Naturalization Act (INA). Permanent resident immigrants (Sixth preference) quotas established for the Eastern Hemisphere can be accepted through Guam. From 1960 through 1974 (the latest available figures), over 22,000 immigrants were admitted to establish permanent residency on Guam. The overwhelming majority of this flow came from the Philippines which has had a history of social, cultural and religious ties with Guam dating back to the time prior to 1898 when both Guam and the Philippines were Spanish colonies.

This flow has been largely responsible for the rapid rate of population growth during this period. From 1960 to 1975, Guam's average annual rate of population growth was 3%; but from 1970 to 1975, Guam experienced a booming 4.3% rate of growth. During this latter four year period, 10,400 alien immigrants were admitted as permanent residents on Guam, an annual rate of 2100 immigrants per year. This represents nearly 10% of the average annual quota of 20,000 immigrants allowed to come to the country from the Philippines,¹ the primary source of Guam's immigrants. As a result, the proportion of Filipinos on Guam has increased from 12% to 20% since 1970 (Table 1). The proportion of the total population from other ethnic backgrounds has also increased though not as substantially.

1 This figure was taken from the Draft Executive Summary of the Select Commission on Immigration and Refugee Policy.

TABLE 1
TOTAL POPULATION OF GUAM BY ETHNICITY
(Unit: %)

YEAR	CHAMORRO	WHITE	FILIPINO	CHINESE	KOREAN	JAPANESE	MICRONESIAN	OTHER RACES
1920	92.0	2.1	3.0	0.6	(1)	(1)	(1)	2.3
1930	88.6	6.5	2.0	1.1	(1)	(1)	(1)	1.8
1940	90.5	3.5	2.6	1.5	(1)	(1)	(1)	2.0
1950	45.6	38.5	12.2	0.1	(1)	(1)	(1)	3.3
1970	55.9	28.2	12.0	(1)	0.6	(1)	(1)	3.3
1980	47.8	23.5	20.0	1.0	2.9	1.4	2.7	1.2

(1) Included in other races.

(2) 1978 total population by ethnicity was estimated by assuming that all the military personnel and their dependents are Caucasian.

Sources: U.S. Bureau of the Census; Bureau of Labor Statistics, Department of Labor, Government; Economic Research Center, Department of Commerce, Government of Guam, Department of Commerce 1980 Annual Economic Review, Government of Guam.

These figures dramatically indicate the impact of national immigration policy on Guam. Guam's proximity to East Asia has made it a natural point of entry and location for Eastern Hemisphere immigrants allowed admission under national quotas. There is no question that Guam's permanent resident alien population have become active and productive participants in the island's society and economy. Fortunately for Guam, the majority of immigrants share common cultural and religious backgrounds. However, the sheer volume has placed tremendous strain on the island's infrastructure, housing, public services, and labor market.

Unemployment has consistently averaged 2% more on Guam than in the nation and has been as high as 13.6% during the past decade despite strong periods of economic growth. This trend can be strongly correlated to the rapid growth in the permanent resident alien population which has increased the local labor force at a faster rate than the economy's ability to create jobs. It should also be noted that unemployment among immigrant aliens recently has tended to be lower than for American citizens, which suggests that immigrants may also be displacing citizens in the job market.

The number of people receiving some form of public assistance has swelled at a significantly faster rate than would be expected from natural population growth. Guam's distance from Hawaii and the United States mainland creates a financial disincentive for all but the wealthiest immigrants to seek opportunity elsewhere. As a result, there tends to be a stratification of the resulting immigrant population seeking to migrate to other areas in the United

States. The wealthier and generally more skilled immigrants tend to leave Guam, leaving a higher proportion of less well-off, less skilled or unskilled immigrants on island. These remaining immigrants have a higher propensity to find their way on to public assistance rolls.

A related problem area involves the certification program for H-2 temporary worker aliens. Since 1945, temporary alien workers have been imported to Guam to work on specific construction projects or service contracts. Most H-2 alien workers have been utilized in the construction industry, primarily to provide relatively inexpensive labor for military and local construction. During various periods of economic growth during the past decade, from 2000 to 8000 alien workers worked on Guam. Alien workers comprised as much as 75% of employment in the construction industry during these periods. This percentage has declined to 45% recently, but this figure reflects the overall decline of employment in that sector rather than a significant change in composition. While the proportion of local construction workers has increased recently, the absolute number has decreased.

The number of H-2 workers tends to fluctuate significantly with economic growth and military presence on Guam. Currently, there are 1,100 H-2 workers legally on island, down from a recent high of 5,000 in 1979. The sharp decline can be attributed to the recent explosion in interest rates, the federally mandated tripling of construction wages, and the conclusion of post-typhoon reconstruction.

(Guam has hit by Supertyphoon Pamela in May 1976. The Federal Government provided \$167,000,000 in disaster relief for assistance and reconstruction. In 1977, the Federal Government imposed adverse wage requirements which tripled wages in the construction industry in hopes of attracting more local resident into the industry.)

From 1975 to 1977, alien certification for admission to the Territory was the responsibility of the Guam Department of Labor. However, this authority was transferred back to the U.S. Department of Labor because it was felt that local control was ineffective, let to a buildup of overstays (i.e. illegal aliens), and adversely impacted wages.

In the past, contractors have been cited for failing to pay mandated wages to aliens. Because of problems of language and limited awareness of the law, the exploited alien worker often has little access to legal recourse. The Guam Department of Labor Employment Service which currently processed contractor requests for alien labor by first trying to place local workers in the desired jobs alleges that contractors continue to avoid paying the mandated industry wage to both local and alien wages even in light of the recent Federal adverse wage program. This has contributed to the problem of attracting locals to the construction industry.

Part of the problem is that the adverse wage program failed to provide enforcement powers to either the local or Federal Department of Labor. In addition, contractors sometimes tailor

job specifications to ensure no local availability of workers for even unskilled and semi-skilled tasks. Aliens are then certified for admission to perform these jobs. The local Employment Service has found it difficult to fight this practice, particularly at the Federal level of certification where the Service's role is strictly advisory.

The number of illegal aliens who overstay their contract is significant. Bankrupt employers have been known to strand aliens on-island, forcing them to become illegal. It has been estimated locally that from 500 to over 1000 aliens are illegally working and living on Guam. The Select Commission on Immigration and Refugee Policy estimates that 10% of the island's population is illegal, although this estimate is considered far too high.

The magnitude of the immigration and alien labor problems on Guam is difficult to comprehend. This administration is firmly committed and ready to fully address this problem in the immediate future. Four recommendations are presented to the Reagan Administration and the Congress. The sense of urgency cannot be overstressed.

1) The Federal Government should delegate the control, administration and enforcement of immigration policy for Guam directly to the Territorial Government of Guam, except that the criteria by which immigrants may become naturalized citizens of the United States shall not be within the power of the Territory to Change.

The central issue is that Guam must have the ability and flexibility to control alien immigration to the island, whether the migrant is an eligible permanent resident, an H-2 worker, or an undocumented alien. Because Guam has only a non-voting Representative in Congress and her residents cannot vote for President, Guam is effectively precluded from direct or indirect input into the determination of immigration policy in general, and the establishment of quotas in particular. Quite unintentionally, national immigration policy has placed a disproportionate burden on Guam for accepting immigrants. What may be an acceptable quota for the United States as a whole, results in an unacceptable amount of direct immigration to Guam. This situation cannot be allowed to continue.

Complete local control gives Guam the ability to limit immigration flows to the island to an acceptable and reasonable level. At the local level, there is a better understanding of the island's socio-economic conditions and capacity to accept immigrants. Such an understanding at the Federal level is, naturally, difficult to expect. Additionally, it is difficult to imagine that Federal interests could be comprised by such a transfer of authority to Guam.

In terms of accepting a volume of immigrants that might threaten federally established quotas, Guam would be the first to lost out in such a scenario, since a significant number of these immigrants would, as they indeed have, seek to reside on Guam. Perhaps, Congress could consider language which limits

territorial decision-making affecting immigration to refer only to immigration coming directly to the Territory. An immigrant's status as a "territorial immigrant" would not be transferrable as an immigrant status relative to the United States, without specific authorization. In the case of respecting Federal interests with regards to acceptance of immigrants from foreign countries that the United States would not normally allow, we would be amenable to a requirement that Guam not accept immigrants that are undesired on the basis of their country of origin.

There are also some very positive economic benefits Guam can gain from having control over the development of local immigration policy. Tourism is one of Guam's major industries and exports. Visa complexities, however, limit the potential to attract Asian tourist to the island. Respective of Federal criteria for acceptable immigrants (e.g. Communist immigrant eligibility requirements), Guam would consider granting temporary fifteen day visas for Asian tourists. This policy could lead to the doubling of the number of tourists coming to Guam to over half a million visitors annually.

It is recognized that Congressional and Presidential action would be required to transfer authority over territorial immigration policy to the Government of Guam. Clearly, Guam would also need initial technical and financial assistance in establishing local immigration administration and enforcement capabilities. The Calvo administration is ready to accept the legal responsibility over immigration and can be ready within two years to accept the financial responsibility.

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Because of the necessarily time-consuming legislative process required to transfer full immigration authority, and given the urgent need to address the particular problem of H-2 aliens on Guam, three interim recommendations are made:

2. The authority to certify H-2 alien labor (temporary workers) for project specific participation in Guam's local labor force should be returned to the Territorial Government;
3. Upon transfer of authority over H-2 certification and/or immigration policy to the Territorial Government all alien laborers who were admitted to Guam as H-2's prior to January 1, 1973 and who subsequently became illegal aliens, shall be given the option to accept permanent resident (Sixth preference) status within the Territory;
4. Similarly, all H-2 alien laborers who were admitted to Guam prior to January 1, 1973 and who up to the present time still maintain their H-2 status, shall at the end of their current contract period be given the option to accept permanent resident (Sixth preference) status within the Territory.

We believe these three recommendations require only Presidential or Immigration and Naturalization Service directives.

The Calvo Administration is confident that it can administer the certification process without encountering the problems and inadequacies which occurred prior to 1977. There is a much

greater awareness both in the government and in the private contracting sector of the negative impacts of a poorly administered certification program.

The Calvo administration has also embarked on an extensive manpower development and training program. For example, open enrollment was instituted this year at the Guam Community College and Vocational-Technical High School. The result: a 500 student increase in enrollment. A task force was created to study and project labor demand and supply by occupation through 1985. The demand study has just been completed. A small business development program has been developed by the Guam Economic Development Authority which will generate thirty to sixty new small businesses within the next year. Small businesses generate a significant number of new jobs. Data collection has significantly improved in recent years, allowing government economists to better monitor changes in the island's labor market.

Local control over certification will allow the government to restrict the flow of alien workers only to periods where the marginal rate of job creation significantly exceeds the marginal rate of growth in Guam's labor supply, such as during periods of extreme economic growth or post-disaster reconstruction. Indeed, the Calvo Administration hopes to create short-term periods of over demand for labor in order to force wages higher such as to be attractive to surplus and unemployed labor from Hawaii and the West Coast. Meanwhile, local control over certification will give the island the maximum flexibility

to force local contractors to train, re-tool, and hire the island's unemployed; a requirement by local and Federal law that has been generally avoided because of the relative ease in obtaining alien labor.

As part of this Administration's overall manpower and economic development program, the legalization of all illegal H-2 aliens currently on island will automatically maintain the available supply and skills of the island's labor force. The legalized aliens will more easily be able to fill available jobs, and their incomes would then be reported and taxable. Undoubtedly, aliens working illegally are potentially subject to wage and conditions exploitation by employers; and their income is never reported.

Correspondingly, the offering of permanent residence status to H-2 workers currently working on contracts also supplies the local labor economy with skilled workers available for present and short-run future labor demand. It is believed that these two policy positions regarding legal and illegal aliens provide Guam an adequate labor supply and skill base to meet increases in labor demand during the next six to nine months. By that time, it is expected that our manpower training programs will turn out additional skilled laborers. To the degree that there may be shortfalls or lags in our island's ability to generate additional skilled labor over the next nine months, local control over labor certification gives Guam the flexibility to meet these short-falls.

The acceptance as permanent residents of legal and illegal aliens will mean that their immediate families will be allowed to join them on Guam. It is critical, therefore, that the Federal Government promptly consider either the transfer of immigration authority to the Territorial Government or that the Immigration and Naturalization Service grant an interim waiver for Guam in accepting additional permanent resident immigrants other than the immediate families of newly legalized aliens during the coming year.

We on Guam believe these recommendations are the steps that must be taken to address critical immigration and alien labor problems on Guam. We are proud of the cosmopolitan society that our island's uniqueness supports. We are ready to accept the contributions of new immigrants to our island. But, we must be able to sensibly administer the future flows of immigrants to Guam in order to protect the rights and quality of life of Guam's current residents. We approach the Reagan Administration and the Congress with this input and ask their responsible consideration.