

**NOMINATION OF ROMANA ACOSTA BANUELOS TO BE  
TREASURER OF THE UNITED STATES**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON FINANCE**  
**UNITED STATES SENATE**  
NINETY-SECOND CONGRESS  
FIRST SESSION

NOVEMBER 29, 1971

Printed for the use of the Committee on Finance



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1972

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# NOMINATION OF ROMANA ACOSTA BANUELOS TO BE TREASURER OF THE UNITED STATES

MONDAY, NOVEMBER 29, 1971

UNITED STATES SENATE,  
COMMITTEE ON FINANCE,  
*Washington, D.C.*

The committee met, pursuant to notice, at 10 a.m., in room 2221, New Senate Office Building, Senator Russell B. Long (chairman) presiding.

Present: Senators Long, Anderson, Hartke, Ribicoff, Byrd, Jr., of Virginia, Nelson, Bennett, Miller, Jordan of Idaho, Fannin and Hansen.

The CHAIRMAN. This hearing will come to order.

This morning the Committee on Finance will receive testimony regarding the nomination of Mrs. Romana Acosta Banuelos of California to be Treasurer of the United States.

This nomination has received unusual attention because of an incident involving the employment of illegal aliens by a California food establishment operated by Mrs. Banuelos. This happened at a time when unemployment in this country is extremely high, particularly in California, and when welfare rolls are also at an alltime high again in California.

It is, of course, unfortunate that the available jobs are not filled with American labor.

The Committee on Finance has received many letters regarding this nomination, far more than we ordinarily receive, even with respect to Cabinet-level appointments. The tenor of these letters is against the nomination by a ratio of almost 2 to 1.

In large measure, the question posed by this nomination as highlighted by the illegal alien incident is whether a nominee who operates a private business establishment in such a way that Federal officers find it necessary to raid it to discourage the use of illegal alien labor can properly operate the high office of public trust in the best interests of the United States.

Hopefully, the testimony we will receive this morning will enable the committee to consider the nomination on its merit, free of the emotionalism generated by the activities of the Immigration Service following President Nixon's announcement of Mrs. Banuelos' nomination.

This morning we have the senior Senator from California accompanying Mrs. Banuelos, and we will invite Mrs. Banuelos to be our first witness, accompanied by those whom she chooses to represent her today.

Following her testimony, we will hear from spokesmen from the Immigration Service who enforce the immigration laws and spokesmen from the Social Security Administration. The significance of the Social Security witness is that without a social security number the hiring of illegal aliens would be virtually impossible.

The last witness will be the spokesman for the AFL-CIO.

Mrs. Banuelos has an impressive background and I would like to ask that a copy of the biographical information furnished to this committee be provided for the record at this point. We will also include our committee press release announcing this hearing and a description of the duties of the Office of the Treasurer of the United States which was prepared by the Department of the Treasury.

(The material referred to follows:)

**Mrs. ROMANA ACOSTA BANUELOS**

Mrs. Romana Acosta Banuelos was born on March 20, 1925 at Miami, Arizona, the daughter of Juan Francisco and Teresa Lugo Acosta.

Mrs. Banuelos is the mother of three children: Martin A. Torres, Age 28; Carlos A. Torres, Age 27; and Ramona Banuelos, Age 15.

Carlos A. Torres has served in the U.S.M.C. in Vietnam and has received the Purple Heart. Both sons are serving in the Los Angeles Deputy Sheriff Department, and both are active in the management of Ramona's Mexican Food Products, Inc. Carlos Torres is the Vice President and Martin Torres is the General Manager. Ramona Banuelos, the daughter of Mrs. Banuelos, is in High School—accepted with honors to Immaculate Heart High School.

Mrs. Banuelos is the Founder of Ramona's Mexican Food Products, Inc., the largest independent Mexican Food Processing Plant in the State of California.

She is the Founder and Trustee of the Ramona's Mexican Food Products Scholarship Foundation, Inc., formed to assist High School students of Mexican-American descent to receive a college education.

Mrs. Banuelos is one of the Founders and Directors of the Pan American National Bank of East Los Angeles. In June of 1969, she was elected Chairman of the Board of Directors, and currently holds that position.

On November 14, 1969, Mrs. Banuelos was presented with the outstanding Businesswoman of the Year Award by Mayor Sam Yorty and also received the Commendation Award from the Board of Supervisors of the County of Los Angeles.

On January 29, 1971, Mrs. Banuelos received the Certificate of Merit from the Mexican-American Agency Representative of Metropolitan Los Angeles.

Mrs. Banuelos has been indirectly involved in Republican Political activities by contribution or by personal support.

**RAMONA'S MEXICAN FOOD PRODUCTS, INC.**

As a young woman, Mrs. Banuelos had a desire to some day being in business for herself. In 1949, with an investment of \$400, she acquired part-interest in a small tortilla business located in Los Angeles. The factory was small, about the size of a two-car garage, equipped with one used automatic tortilla machine, and a small grinder. Sales were made to local restaurants and neighboring stores.

Mrs. Banuelos' daily routine consisted of preparing her two boys for school, then calling upon each of the local restaurants and stores for their daily sales orders. That afternoon and evening was spent making and delivering the products sold that day. Sales for the first day of operation were \$36.00.

In 1951, due to the increase in sales and the need for additional production facilities, the plant moved to 61st and Hooper Street in the City of Los Angeles. The growth in sales required the purchase of additional equipment consisting of one more tortilla machine and a delivery truck. The larger production facility also required that the first employees be hired—a truck driver and a helper. The production staff consisted of Mrs. Banuelos, her husband, and two sons.

The acquisition of the truck was a big step forward for the Company because now establishments in the entire City of Los Angeles could be served.

In 1952, because of increasing sales, Mrs. Banuelos acquired a small 2,000 square foot building on 69th and San Pedro Streets. Additional equipment and trucks were acquired to meet consumer demands. In 1953, an addition was made to the existing plant doubling the facility in size to approximately 4,600 square feet.

In 1963, construction was completed on the new 17,000 square foot processing plant. The production staff had now grown to 85 employees.

In 1969, Mrs. Banuelos instituted an Employee Profit Sharing Plan. The plan is solely funded by the Corporation.

In 1971, construction was completed on the new 23,000 square foot plant addition.

Today, the Corporation has 41,000 square feet of production facility, employing over 300 employees preparing over 25 different products, and distributing to eleven States with a fleet of sixteen trucks and daily sales in excess of \$23,000.

The Corporation is currently applying for U.S.D.A. approval of products for National distribution.

#### RAMONA'S MEXICAN FOOD PRODUCTS SCHOLARSHIP FOUNDATION, INC.

At one time Mrs. Banuelos was asked to attend a Banquet at which the Governor of the State of California was also to attend. At that Banquet, the prominent Mexican-American Attorney, Mr. Leopoldo Sanchez, asked the Governor why he had not appointed any Mexican-Americans to high Government positions. The Governor's reply was: "If you have any qualified Mexican-Americans I will be very happy to employ them and make some appointments." Because of the Governor's cynical answer, Mrs. Banuelos decided to form what is known today as the "Ramona's Mexican Food Products Scholarship Foundation, Inc. The foundation was formed with the concept that it would aid students of Mexican-American descent to attain a College education. Mexican-American students were predominantly located at three local East Los Angeles High Schools: Roosevelt, Garfield, Lincoln.

Applications for scholarships are open to all 11th Grade students of the above High Schools, and screening is performed by the Board of Directors of the Foundation. Selection is on an individual basis determined by the Board of Directors. The Foundation is primarily interested in those students with interest in the profession—Medicine, Business, Law, etc.

The scholarships are awarded to students upon graduation from High School, and is for the entire period of time while attending College. The Scholarship covers Tuition, Books and Registration.

Presently, the Foundation has three students which it has awarded scholarships. The following is a brief resume of each student:

- (1) Mr. Benjamin J. Esparza, graduate of Garfield High School, science major, attending U.C.L.A.
- (2) Mr. Manuel Godinez, Jr., graduate of Roosevelt High School, medical major, attending U.C.L.A.
- (3) Mr. Pedro Huerto, Jr., graduate of Lincoln High School, engineering major, attending U.C.L.A.

It is the desire of the Board of Directors that three students be selected each year and awarded a Scholarship upon graduation from high school.

#### PAN AMERICAN NATIONAL BANK OF EAST LOS ANGELES

On June 18, 1961, Mr. Alejandro Banuelos was invited to participate with a group of local Los Angeles businessmen to determine the feasibility of starting a Community Bank. Due to increasing production requirements at Ramona's Mexican Food Products, Inc., Mr. Banuelos felt that because of Mrs. Banuelos' vast business and financial background, that she should attend the meeting. Reluctantly, she attended the meeting and was one of the founding members of what is today the Pan American National Bank of East Los Angeles. Due to her increasing interest in Community needs and development, Mrs. Banuelos accepted the position as a member of the Board of Directors. The original Board of Directors consisted of sixteen men and one woman.

Mrs. Banuelos was the first founding member to contribute to the fund for economic study for the need of a National Bank in East Los Angeles. When approval was received from the Governmental Agencies for the sale of stock to

the public, Mrs. Banuelos personally sold shares to members of the Community, ranging in size from two shares to blocks of 1,000 shares.

During her term as general Board Member she served as a member of the Building Committee and then accepted the post as Chairman, also serving as Chairman of the Leasehold Furnishing Committee. Upon completion of construction, the Bank Faculty won the "Los Angeles Beautiful" Award Presentation by the Los Angeles Chamber of Commerce.

Mrs. Banuelos was instrumental in the design and final approval of the now famous Pan American National Bank of East Los Angeles Logo, encompassing the spirit of the Americans and the Mexican-Americans in Los Angeles, which was symbolized by the Che-chin-itze Pyramid at Yucatan, Mexico—one of the oldest and most perfectly constructed monuments of mankind.

In June, 1969, due to the Bank's increasing losses in operations, the Board of Directors chose to alter the direction of the Bank and elected Mrs. Banuelos as Chairman of the Board of Directors. At that time, Mrs. Banuelos established the Bank's Hiring Policy, Officers' Guide and Staff Handbook, established the first rigid Loan Policy and successful Investment Policy, made and installed improved internal controls.

Mrs. Banuelos has been twice re-elected without opposition as Chairman of the seventeen Member Board of Directors of the Pan American National Bank. Mrs. Banuelos has served as Chairman of the Board without remuneration, and during the first year as Chairman devoted five hours daily to the Bank operations while devoting an equal amount of time to her own Corporation matters.

Since Mrs. Banuelos' election, the Bank has made gains and has recovered substantially all of its losses in operations and is presently operating at a profit.

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(Press release—for immediate release, November 23, 1971)

COMMITTEE ON FINANCE,  
U.S. SENATE,  
Washington, D.C.

#### FINANCE COMMITTEE SETS HEARINGS ON BANUELOS NOMINATION

Honorable Russell B. Long (D., La.), Chairman of the Committee on Finance, announced today that the Committee on Finance would hold a one-day hearing on the nomination of Mrs. Romana Acosta Banuelos, of California, to be Treasurer of the United States.

Appearing at the hearing in addition to the nominee, will be spokesmen for—

- (1) The United States Immigration and Naturalization Service;
- (2) The Social Security Administration; and
- (3) The Amalgamated Meat Cutters and Butcher Workmen of North America.

The hearing will be held in Room 2221, New Senate Office Building, on Monday, November 29 at 10:00 a.m.

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#### OFFICE OF THE TREASURER OF THE UNITED STATES

The Office of the Treasurer of the United States was created by the act of September 2, 1789 (1 Stat. 65; 31 U.S.C. 141), and was established as part of the Fiscal Service of the Treasury Department pursuant to Reorganization Plan III, effective June 30, 1940.

The Treasurer of the United States is responsible for the receipt, custody, and disbursement, upon proper order, of the public moneys and for maintaining records of the source, location, and disposition of these funds.

The Bureau organization consists of the Treasurer and immediate staff, five offices performing administrative or technical type functions, and six major operating divisions: Cash, Check Accounting, Check Claims, Electronic Data Processing, General Accounts, and Securities. The Treasurer and immediate staff prescribe the policies to be applied within the area of the Treasurer's duties and responsibilities and direct the performance of various administrative functions and services.

#### *Cash division*

This division furnishes a variety of general banking services, including (1) cashing checks drawn on the Treasurer, (2) receiving deposits from Government officers for credit to the Treasurer's account, and collecting commercial checks, drafts, and postal money orders included in the deposits, (3) receiving and paying out currency and coin in transactions with local area banks, (4) selling and redeeming savings bonds and stamps over the counter, (5) storing and issuing new United States notes, (6) determining and paying the redemption value of all mutilated and burned paper currency presented for examination, (7) verifying the dollar amount of paper currency deposited with the Treasurer by banks in the Washington, D.C. area, and (8) returning to circulation the notes included in such deposits which are in good condition and retiring the notes which are unfit for further circulation.

#### *Check accounting division*

This division (1) establishes and controls the accounts against which disbursing officers draw checks on the Treasurer, (2) prepares certain data for entry into electronic data processing systems which pay and reconcile checks, process Federal tax deposit cards, and perform payroll services, (3) establishes and maintains external accounting controls for transactions relating to checks and Federal tax deposits processed in the electronic systems, (4) performs the manual operations involved in reconciling checks paid by the Treasurer with checks issued as reported by disbursing officers, and (5) proves and balances all credits and charges made to the Treasurer's cash accounts by Federal Reserve Banks and other Government depositories, and compiles data therefrom for financial reports prepared by the Treasurer.

#### *Check claims division*

Acting under authority delegated to the Treasurer by the Comptroller General of the United States, this division adjudicates and settles claims relating to loss, forgery, or other irregularities involving checks drawn on the Treasurer. The Division also collects money from banks, endorsers, and other parties who are liable to the United States for the improper negotiation of such checks and administers the regulations governing the endorsement and payment of all checks drawn on the Treasurer.

#### *Electronic data processing division*

This division provides a variety of electronic data processing services to the Treasurer's Office and to other bureaus of the Department which include (1) analyzing prospective applications or problems as to their feasibility for conversion to, or solution by, electronic methods, (2) designing or modifying computer programs to meet new or changed requirements, (3) performing the EDP operations involved in paying and reconciling approximately 600 million checks drawn upon the Treasurer each year, (4) converting some 50 million Federal tax deposit cards to reels of magnetic tape for use by the Internal Revenue Service's National Computer Center, (5) maintaining a computerized payroll system for biweekly issuance of checks and bonds and for leave accounting for some 5,000 employees, and (6) preparing accounting control and summary reports required for Treasury fiscal and budgetary statements, and daily reports specifying whether individual checks have been paid or are still outstanding.

#### *General accounts division*

This division (1) maintains the general ledger accounts covering all funds (gold, silver, currency, coin, tax receipts, public debt receipts, etc.) coming into possession of the Treasurer (2) keeps certain detail accounts including depositary transit, and U.S. paper currency accounts, and (3) prepares the Treasurer's Account Currency, the Daily Statement of the United States Treasury, and the monthly statement of the United States currency in circulation.

#### *Securities division*

This division (1) conducts all types of transactions in public debt obligations of the United States and Government corporations and agencies, providing facilities for over-the-counter sales, redemptions, and exchanges, (2) holds in custody miscellaneous securities, including those held to secure the Treasurer's cash balances in Government depositories, and (3) makes the final verification, prior to



destruction, of currency notes received by the Treasurer which are unfit for further circulation and have been retired.

In lieu of branch or field offices, the Offices of the Treasurer uses the facilities of Federal Reserve Banks, as fiscal agents of the United States, to perform many of its operations. The primary function which the Federal Reserve Banks perform for the Treasurer is the maintenance of accounts through which are handled most of the Treasurer's cash transactions, such as deposits of public moneys by Government officers, the cashing for the banking community of the Treasury checks which are issued in payment of the Government's obligations, and the sale and redemption of public debt securities. Other duties include redeeming, verifying, and destroying unfit currency, and holding collateral to secure Treasurer's cash balances held by commercial banks.

Commercial banks in the United States and in foreign countries which qualify as depositories provide banking facilities for activities of the Government at places where they are located. Data on the transactions handled in the name of the Treasurer by the Federal Reserve Banks and commercial banks are reported daily to the Treasurer and entered in the Treasurer's books.

The CHAIRMAN. Mrs. Banuelos, we invite you to take the stand.

Senator BENNETT. Mr. Chairman, at this point I would like to put into the record the statement by the President at the time he nominated Mrs. Banuelos.

The CHAIRMAN. Yes.

(The statement by the President follows:)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

*Statement by The President*

It is with special pleasure that I have today nominated Romana A. Banuelos to be Treasurer of the United States.

Since the tragic and untimely death of Dorothy Andrews Kabis on July 3, we have searched the country for a person of truly outstanding credentials and ability to succeed her as Treasurer. I was delighted to find such a person in Mrs. Banuelos. In her extraordinarily successful career as a self-made businesswoman, Mrs. Banuelos has displayed exceptional initiative, perseverance and skill. In addition, as chairman of the Board of Directors of Pan American National Bank of East Los Angeles, which serves the Mexican-American community of that area, she has not only proven herself a highly able bank executive, but has also contributed substantially to the development of that community.

The post of Treasurer of the United States is one of high honor and high responsibility. Mrs. Banuelos will bring to it a high measure of distinction.

**STATEMENT OF HON. ALAN CRANSTON, A U.S. SENATOR FROM THE STATE OF CALIFORNIA**

Senator CRANSTON. Mr. Chairman and members of the committee, I appreciate very much this opportunity to present Mrs. Romana Banuelos to you. She is accompanied by her attorney, Mr. George J. Jensen.

I met Mrs. Banuelos only after she was nominated for this position. I have discussed her background and the incident that focused considerable attention on her nomination. I have been impressed by her. I was impressed with her responses to questions that I asked her about the incident. I am therefore delighted to be here today to present her to you.

She started out in 1949 investing \$400 in Ramona's Mexican Food Products, Inc., which produces tortillas and other Mexican food. She

has been tremendously successful. She was a founder and a director and is now President of the only Mexican-American bank in all the United States, the Pan American Bank in East Los Angeles. It has been a very successful bank, as her business has been very successful.

In the bank they employ a completely bilingual staff; they render all sorts of services that are not available to the Mexican-American community in other banks.

She has won various awards: the Los Angeles award presented by the Los Angeles Chamber of Commerce a few years ago, and the 1969 Outstanding Business Woman of the Year Award. She has done a great many things connected with public service seeking to improve the lot of Mexican-Americans, such as establishing a scholarship foundation to give new opportunities to Mexican-Americans to get the educational background to give them a better opportunity to work their way into important positions in our society.

I repeat, it is a great pleasure to present Mrs. Banuelos to you.

The CHAIRMAN. Mrs. Banuelos.

Senator RIBICOFF. I am just wondering if I might ask Senator Cranston a question, Mr. Chairman.

Isn't it true that the State of California recently made it a crime for an employer to employ aliens who have entered illegally?

Senator CRANSTON. Yes, the State has done that since the time when this particular incident occurred that Mrs. Banuelos' firm was involved in.

(The Act follows:)

ASSEMBLY BILL No. 528

CHAPTER 1442

*An act to add Section 2805 to the Labor Code, relating to the employment of aliens*

[Approved by Governor November 8, 1971, Filed with Secretary of State November 8, 1971.]

*The people of the State of California do enact as follows:*

SECTION 1. Section 2805 is added to the Labor Code, to read:

2805. (a) No employer shall knowingly employ an alien who is not entitled to lawful residence in the United States if such employment would have an adverse effect on lawful resident workers.

(b) A person found guilty of a violation of subdivision (a) is punishable by a fine of not less than two hundred dollars (\$200) nor more than five hundred dollars (\$500) for each offense.

(c) The foregoing provisions shall not be a bar to civil action against the employer based upon violation of subdivision (a).

Senator RIBICOFF. And it has been estimated that some one-half million illegal aliens have come in from Mexico with forged certificates and forged social security cards?

Senator CRANSTON. Estimates are made. I think their accuracy is very difficult to determine. Certainly there is a very large number of people in California and in the United States under those circumstances.

Senator RIBICOFF. And, of course, California has one of the highest unemployment rates in the United States?

Senator CRANSTON. That's right.

Senator RIBICOFF. As has my own State of Connecticut. Has it been the custom of these illegal aliens to work at wages which are far below the general average that other employees receive in the general Los Angeles area?

Senator CRANSTON. That is true in some places; the exact circumstances in Mrs. Banuelos' concern I think she can best explain.

Senator RIBICOFF. Thank you very much.

Senator CRANSTON. I would like simply to volunteer one point: The employment of illegal entrants was not a crime at the time that this occurred. Mrs. Banuelos can best describe past incidents where illegal aliens were found in her business. Part of the problem is the great difficulty in determining who is an alien entrant and who is not. To establish some system that would require Mexican-Americans to carry proof would, I think, be discriminatory unless applied to all people—proof of their citizenship, proof of their birth or naturalization in this country. I think American society generally does not want the sort of a circumstance where everybody has to carry around proof of citizenship and identification at all times. That could lead us in the direction of a police state.

And I also think that the American people would not want to discriminate against Mexican-Americans by requiring them alone to carry around such proof. I would certainly oppose it. How, under these difficult circumstances, you make it feasible, even possible, for an employer to determine at all times whether or not all employees are legal entrants is a very tough question to answer. It creates a considerable question in my mind as to the enforceability of the California law.

Thank you very much.

Senator BENNETT. Mr. Chairman, it is my understanding that these people don't have forged social security cards. Anybody who shows up at a social security office, he gets a card.

Senator CRANSTON. That's right.

Senator BENNETT. He doesn't have to demonstrate anything except his given name and an address and he can get a card. So these people are carrying genuine social security cards.

The CHAIRMAN. That just raises the question of how long shall we permit Social Security cards to be issued for purposes of breaking the laws of this country and cheating on welfare. Now, that is one of the principal problems we have in this country and it is time we begin to ask some questions about this matter.

Senator CRANSTON. Yes. Senator Bennett's statement is exactly correct and I think you, Mr. Chairman, raise a very good question that does not relate to the problem that Mr. Banuelos faced.

The CHAIRMAN. Mrs. Banuelos, do you have a prepared statement, or do you prefer to explain this particular matter in your own way?

**STATEMENT OF ROMANA ACOSTA BANUELOS, NOMINEE TO BE  
TREASURER OF THE UNITED STATES; ACCOMPANIED BY  
GEORGE J. JENSEN, ATTORNEY\***

Mrs. BANUELOS. No, sir; I do not, but I will be very glad to answer any questions that you might have.

\*Mrs. Banuelos was questioned further by the committee. These exchanges appear at pages 35, 39, and 40.

The CHAIRMAN. Mrs. Banuelos, the highly publicized incident with which you are familiar has to do with the fact that there was a so-called raid of your company and there were found to be a considerable number of aliens who had illegally entered the country working there. Further, the story indicates that this was not the first time that you had had such a confrontation with this government, that this was about the sixth time this type thing had occurred; is that correct or not?

Mrs. BANUELOS. No, sir. I will try to give you an explanation, with your permission.

What is called a raid and what I understand to be a raid, it was in fact performed on October 5 of 1971. But prior to that occasion I have not seen one raid as that one.

I will go back to 1967. The latest part of 1967 and the earliest part of 1968 we had a problem and I was informed that we had some illegal aliens in our plant, and this information came about because the Teamsters Union decided to organize the tortilla industry and they started with Ramona's Food Products.

What happened is that these gentlemen appeared between July 7 and July 11 of 1967, and when I was informed they were in—on the 7th to 11th they requested permission to come into the office to talk to Mr. Banuelos and myself; and we permitted them to come in—these two agents—and I asked them what they wanted and they said that they had acquired—and they made a statement that they represented the Teamsters Union and that they had acquired 51 percent of the signatures of our employees and that they wanted to negotiate a contract.

I asked them for these cards or signatures that they had to compare them with the W-4 signatures that we had of the employees, and they refused and from there we started having problems.

Then they mentioned that we had some illegal aliens working for us and I requested the names of them in order to terminate them; and they refused to give me the names. In fact, they advised me not to terminate anybody because they would file an unfair labor practice against me. So we continued having problems until finally on February 14 of 1968 we had an election and right after that—I don't remember whether it was March or April—the Immigration came in to check up on the employees and whatever they found they took out. I believe there were between seven and 11 persons. That is about the only time that I know. The rest, which they claim they had been raiding on my plant for five times prior to the last, I don't know about it.

The CHAIRMAN. Well, now, news stories—

Senator HANSEN. Mr. Chairman, could I interrupt just a moment, if everyone would be kind enough to use his microphone it would be helpful to us under the cameras. We can't—at least I can't hear.

The CHAIRMAN. The news stories that came to my attention indicated that you had had previous contact generated by the Immigration Service requesting your cooperation with regard to illegal aliens that had been hired by your concern; is that correct or not?

Mrs. BANUELOS. No, sir. No. Previous contacts by whom?

The CHAIRMAN. An agency of the U.S. Government—let me put it that way. Have you had either the Immigration Service or any other

agency of the U.S. Government contact you prior to this occasion and make the point that there had been illegal aliens working in your concern, and asked your cooperation in terminating that practice? Did that happen or not?

Mrs. BANUELOS. I am sorry, sir; it is not true.

The CHAIRMAN. Then any representation to the effect that this was not the first time that such an event had occurred or some protest had occurred from some agency of this Government, I take it to be incorrect from your point of view?

Mrs. BANUELOS. Well, I give you my story, you know.

The CHAIRMAN. Now, can you state for the record whether there were any illegal aliens found on any previous occasion by any agent of this Government?

Mrs. BANUELOS. On that occasion of 1968, between 1967 and 1968, yes.

The CHAIRMAN. Well now, what occasions were those?

Mrs. BANUELOS. Well, I don't remember but it was between March and April of 1968 the Immigration came into the plant with our consent and knowledge of the union to check up our employees to see if it was true that we had illegal aliens. They found them and they took them out.

The CHAIRMAN. How many did they find on that occasion?

Mrs. BANUELOS. I don't remember exactly, sir, but it was between eight and 11.

The CHAIRMAN. Now, subsequent to that, did your company take any steps to insure that its employees would not be persons who had illegally entered the country?

Mrs. BANUELOS. Yes.

The CHAIRMAN. What steps did you take?

Mrs. BANUELOS. Well, we prepared some applications where we asked—where we have one of the questions, from many of the questions we have, we have one of them where we ask if this particular person is a citizen of the country, verbally, and if they are not they ask them if they are legal; and either they show—if they say “yes” or they show their green card.

Senator HANSEN. The what?

Senator BENNETT. Green card.

The CHAIRMAN. What would the green card be? Would that be a social security card or not?

Mrs. BANUELOS. No, sir; it is a document proving that that particular person is legally in this country.\*

Senator BENNETT. Mr. Chairman, I have copies of her applications for employment in both English and Spanish; and the application says, on line 3: “Are you a citizen of the United States? If not, do you intend to become a citizen?” So people have to answer that question. I will submit those for the record.

(Application forms in English and Spanish follow:)

\*Card is reproduced at p. 34.

# Application for Employment

**FOR OFFICE USE ONLY**

Dept. \_\_\_\_\_

Occupation \_\_\_\_\_

Occ. No. \_\_\_\_\_

Rate \_\_\_\_\_

**FOR OFFICE USE ONLY**

Application Filed \_\_\_\_\_

Application Accepted \_\_\_\_\_

Clock No. \_\_\_\_\_

Date \_\_\_\_\_

Name In Full \_\_\_\_\_ (Please Print) Social Security A/C No. \_\_\_\_\_

Present Address \_\_\_\_\_ Phone Own Neighbor \_\_\_\_\_

\* Are you a citizen of the United States? \_\_\_\_\_

\* If not, do you intend to become a citizen? \_\_\_\_\_

Date of Birth \_\_\_\_\_ Height \_\_\_\_\_ Weight \_\_\_\_\_ Sex \_\_\_\_\_

What Physical defects have you? \_\_\_\_\_

Married  Single  Divorced  Separated  Widowed

How Many Persons do you Support? Wife \_\_\_\_\_ Children \_\_\_\_\_ Others \_\_\_\_\_

Have you any outside business interests? \_\_\_\_\_ Explain \_\_\_\_\_

Kind of work desired \_\_\_\_\_ Wages expected \_\_\_\_\_

Previously employed here? \_\_\_\_\_ From \_\_\_\_\_ to \_\_\_\_\_ Dept. \_\_\_\_\_

Have You Any Relatives or Friends in Our Employ? { Name \_\_\_\_\_ Relationship \_\_\_\_\_  
Name \_\_\_\_\_ Relationship \_\_\_\_\_

In Case of Accident notify \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

EDUCATION	Name and Location of School	No. of Years Attended	General	Course of Study	Special	Did you Graduate?	Date of Leaving
Grammar School							Mo. Yr.
High School							
Night School							
Correspondence Sch.							
College or University							

Have you served an apprenticeship? \_\_\_\_\_ How long? \_\_\_\_\_ Trade? \_\_\_\_\_

Where served? \_\_\_\_\_ When served? \_\_\_\_\_

Mechanical Experience \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PARA USO DE LA OFICINA

Dpto. \_\_\_\_\_  
 Ocupación \_\_\_\_\_  
 Número de Tarjeta \_\_\_\_\_  
 Sueldo \_\_\_\_\_

SOLICITUD DE TRABAJO  
 Fecha \_\_\_\_\_

PARA USO DE LA OFICINA

Aplicación Hecha \_\_\_\_\_  
 Aplicación Aceptada \_\_\_\_\_  
 Turno de Día \_\_\_\_\_  
 Turno de Noche \_\_\_\_\_

Nombre \_\_\_\_\_  
 Dirección \_\_\_\_\_  
 Número de Seguro \_\_\_\_\_  
 Teléfono: (Propio) \_\_\_\_\_

\* ¿Es usted ciudadano Americano? \_\_\_\_\_  
 \* Fecha de Nacimiento \_\_\_\_\_ Estatura \_\_\_\_\_ Peso \_\_\_\_\_ Sexo \_\_\_\_\_  
 Categoría \_\_\_\_\_ Soltero(a) \_\_\_\_\_ Divorciado(a) \_\_\_\_\_ Separado(a) \_\_\_\_\_ Viudo(a) \_\_\_\_\_  
 Cuántas personas mantiene usted? Esposa \_\_\_\_\_ Hijos \_\_\_\_\_ Otros \_\_\_\_\_  
 ¿Que enfermedades ha padecido? \_\_\_\_\_  
 ¿Le ha atendido un médico en los últimos 30 días? \_\_\_\_\_  
 Si la respuesta es "sí", explique el motivo \_\_\_\_\_  
 ¿Que clase de trabajo cesará? \_\_\_\_\_ Salario \_\_\_\_\_  
 ¿Ha trabajado anteriormente aquí? \_\_\_\_\_ De \_\_\_\_\_ a \_\_\_\_\_ Dept. \_\_\_\_\_  
 ¿Tiene usted parientes o amigos en esta Cia.? { Nombre \_\_\_\_\_ Parentesco \_\_\_\_\_  
 Nombre \_\_\_\_\_ Parentesco \_\_\_\_\_  
 En caso de emergencia notifiquese a: \_\_\_\_\_ Teléfono \_\_\_\_\_  
 Dirección \_\_\_\_\_ Ciudad \_\_\_\_\_ Estado \_\_\_\_\_

Edificación	Nombre y ubicación de la escuela	Años de Estudio	Curso de Estudio	Graduado	Fecha en que cursó sus estudios	Iterario
Edificio						
Edificio						
Edificio						
Edificio por Dependencia						
Edificio						

RECORD DE EMPLEOS (Anotese primero el ultimo trabajo)

Nombre y descripción del empleador	Clase de trabajo	Sueldo Semanal	Empezo	Dejó el trabajo	Razón

\_\_\_\_\_  
 Firma del Aplicante

The CHAIRMAN. We have had further information that would tend to indicate that following the October raid your company, Ramona's, let a number of other employees go because they were illegal aliens; is that correct?

Mrs. BANUELOS. No, sir; that is not true.

The CHAIRMAN. Did these persons who had entered the country illegally all have social security numbers?

Mrs. BANUELOS. Yes, sir.

The CHAIRMAN. Do you have any idea how they came to obtain them?

Mrs. BANUELOS. Sir?

The CHAIRMAN. Do you know how they obtained their social security numbers?

Mrs. BANUELOS. Well, I have no idea, sir; but if I may say that when I obtained my social security number in 1942 in El Paso, Tex., I had to present my birth certificate in order to obtain it, so I have not been in a social security office since. I don't know what the law is today.

The CHAIRMAN. Did your company assist its employees or, to your knowledge, did the union representing the employees assist them in obtaining social security numbers?

Mrs. BANUELOS. No, sir; I don't know.

The CHAIRMAN. Do you collect the social security tax from the salary of all employees?

Mrs. BANUELOS. Yes, sir.

The CHAIRMAN. And that would include anyone who might have entered the country illegally?

Mrs. BANUELOS. Yes, sir.

The CHAIRMAN. And you have paid this over to the Internal Revenue Service?

Mrs. BANUELOS. That's right, sir.

The CHAIRMAN. Mrs. Banuelos, I have an Immigration and Naturalization form here that is a report of an illegal alien who on two separate occasions was an employee of Ramona's. In his report this former employee states that he was not asked his immigration status either time that he was employed by Ramona in 1967 and again after he was deported and returned in 1969. He stated that he was asked only if he had a social security card.

When this employee arrived at work on the evening of October 5, he was told that there had been a raid and that he could no longer work at Ramona's without papers. He stated in his report that about a dozen illegal aliens were laid off that same night. Do you know anything about that?

Mrs. BANUELOS. No, sir.

The CHAIRMAN. And you do not know anything about the fact that there were others who were terminated after this so-called raid occurred?

Mrs. BANUELOS. No, sir; they were not.

The CHAIRMAN. Now, you have a considerable amount of bank stock. Have you consulted with those in the Government or with private counsel on the question of a conflict of interest with regard to holding that stock and being confirmed to the job to which the President nominated you?

Mrs. BANUELOS. Yes, I have, sir.

The CHAIRMAN. What is your advice with regard to that stock?

Mrs. BANUELOS. Well, the stock of the bank and the stock of the company will go into a trust. Everything has been prepared by my counsel.

Senator HANSEN. Mr. Chairman, I still can't hear; would you mind moving the mike?

The CHAIRMAN. Would you submit that trust instrument to the committee? That is the only thing that we find incomplete with regard to this nomination.

Mrs. BANUELOS. Mr. Jensen. Yes.

Mr. JENSEN. I will submit the document to the committee.

The CHAIRMAN. Senator Anderson?

Senator ANDERSON. What is the green card? Is it used only in the local area in California? What is the green card?

Senator BENNETT. Is the green card limited to the local area of Los



Angeles, Calif., or is it a standard U.S. document that every person carries who is legally here but not a citizen?

Mrs. BANUELOS. I don't know, sir. I don't know.

Senator BENNETT. Do you know, Mr. Jensen?

Mr. JENSEN. I don't know. In other words, a green card is issued for the right to work here in California and comes out of the Immigration and Naturalization Service and it gives the alien the right to work and if he doesn't have it, of course, he may come in on a passport, may come in on a visa, but it has to do with the right to work.

Senator BENNETT. Maybe when the Immigration witness comes he can explain to us what a green card is.\*

Senator ANDERSON. How would you know if this was a citizen by only asking the question? Does that qualify them? They have to prove some citizenship?

Mrs. BANUELOS. If I ask for proof of citizenship—

Senator ANDERSON. You ask them "Are you a citizen?" and they say, "Yes"—is that the end of it?

Mrs. BANUELOS. That is the end of it.

Senator ANDERSON. How do you find out if they are not a citizen? You could not be sure of that at all?

Senator BENNETT. How can you know whether the person is telling you the truth or not?

Mrs. BANUELOS. That is one thing that you don't know.

Senator BENNETT. Are you allowed under the law to probe any deeper than that kind of a question? Can you insist on identification showing that a person is a citizen?

Mrs. BANUELOS. I don't think so, sir.

Senator BENNETT. Again, I think maybe Immigration can answer that one.

Senator ANDERSON. One of the questions that was asked you earlier was about the situation—where the raids have been. Have you checked up—the attorney apparently has not checked this at all. He had a green card and I don't think that is a very satisfactory card. What do you think about it? Do you think green cards clear you entirely?

Mrs. BANUELOS. I am sorry, sir; I could not hear you.

The CHAIRMAN. He wants to know if you felt that the green card was satisfactory to prove that the person was a citizen?

Mrs. BANUELOS. Yes, sir; it should be.

Senator BENNETT. He is not a citizen with a green card?

Mrs. BANUELOS. No.

Senator BENNETT. He is a noncitizen who is legally here and entitled to work?

Mrs. BANUELOS. I am sorry, sir; the green card shows that that person is legally in this country.

Senator ANDERSON. I might say I have checked with some of the people in New Mexico and they are not aware at all about this so-called green card.

The CHAIRMAN. Senator Bennett?

Senator BENNETT. Mr. Chairman, if you will bear with me a minute, I would like to put this whole thing in perspective.

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\*Card is reproduced at p. 34.

I have a copy of a newspaper article from the Los Angeles Herald Examiner, October 6, 1971, and I am going to read excerpts from it. It begins by saying:

Federal Immigration agents arrested 36 illegal aliens in a raid on Ramona's Food Products in Gardena, owned and operated by Mrs. Romana Bannulos, nominated this month by President Richard Nixon, President of the United States, Immigration officials said today.

One Immigration Service official said the raid here was deliberately planned to generate publicity because of alleged lack of interest in Washington over solving the illegal alien problem.

What effect the raid will have on Mrs. Bannulos' Senate confirmation is not known but word reached Washington today, both on Capitol Hill and the White House.

That doesn't make sense.

Noel Doran, President of American Federal Employees, Union Local 505 here, made up exclusively of Immigration Service workers, said his organization pressured superiors to conduct the raid. There are 250,000 illegal aliens in Los Angeles and/or Orange County alone, he said. If we were given the funds and ability to round these aliens up, we could create 250,000 new jobs or take hundreds off welfare rolls, but our hands are tied by our superiors in Washington.

Now, I am skipping down because the next just rehashes the raid.

Senator ANDERSON. Who was the person you are talking about?

Senator BENNETT. This was a newspaper reporter of a Los Angeles paper reporting a conversation with Noel Doran, president of American Federal Government Employees Union No. 505 here, and I am coming back to him:

The union leader denied that his group was against Mrs. Bannulos because of her politics. We chose her firm because we knew it would generate a lot of publicity. The AFGE will not send letters to Washington asking that she not be confirmed. We will leave that up to the good senators. The Federal Government is spending billions on make-work projects like the old WPA to give a few out-of-work people jobs simply by deporting those aliens who should be sent home.

Now, that doesn't make sense either but you get the tenor.

Then I have copies of correspondence between Mr. Doran and his superior in the Immigration Service.

George K. Rosenberg, District Director, Los Angeles, Director, asked Mr. Doran to comment on the newspaper story and he asks him five questions:

"What and where did the alleged interview occur and were you on duty at the time?"

"What is the name of the Herald Examiner reporter who had the conversation with you which is quoted in the article?"

What is the basis of your alleged statement that the raid here was deliberately planned to generate publicity?

4. What are the names of the superiors upon whom, as alleged, your organization brought pressure to bear to conduct the raid? and

5. What is the basis for the quoted statement attributed to you that quote "We—" apparently your organization "chose her firm because we knew it would generate a lot of publicity?"

Mr. Doran, answering his boss, Mr. Rosenberg, said:

I will attempt to clarify the events surrounding my interview with the Herald Examiner reporter to the best of my memory. This took place by telephone to my home on October 5th at approximately 10:30 p.m. I was not on duty at the time. I do not remember the name of the reporter other than that he was calling from the city desk. To the statement quoted in question 3, "What's the basis of your alleged statement that the raid here was deliberately planned to generate pub-

licity," the statement quoted in question three was not complete in that the deliberate planning of the raid was done at the instigation of the Los Angeles Times. This was only indirectly planned by the Executive Committee of AFGE Local 505. The Committee's objective was to bring to public attention the plight of the Service in its lack of funds, manpower and effective legislation. In view of the general public apathy it was necessary that the Service problems be aired via the vehicle of a newsworthy politically sensitive situation.

By advising the Los Angeles Times that Romana Banuelos, already a newsworthy personage, was a known employer of illegal aliens, the Committee was sure that the reporters would follow through in instigating the raid and providing the necessary publicity. The only pressure brought to bear was the request by the Los Angeles Times reporter to the District Director that a specific raid be made.

At this point I would like to ask Mrs. Banuelos a question: Was the raid, was the official raiding party, accompanied by any employees of the Los Angeles Times?

Mrs. BANUELOS. Yes, sir; they were accompanied by a reporter by the name of Harry Bernstein and by another that I couldn't see, and a cameraman.

Senator BENNETT. They were accompanied by a cameraman?

Mrs. BANUELOS. Yes.

Senator BENNETT (reading):

It was felt that this method would insure that the remote possibility of political suppression of either the raid or the reporter would not occur. As stated above, it was necessary to utilize a newsworthy situation as a vehicle for bringing public attention to the inadequate funding and impotent laws which prevent control of the illegal alien problem in the United States and its effects on unemployment, welfare and balance of payments deficits.

When the Presidential announcement was made that Mrs. Banuelos had been nominated for the post of Treasurer of the U.S., it became clear that in view of the common knowledge of her past employment of illegal aliens, the proper vehicle was available.

The Council is aware—

And he is now talking to his superior, the district director; he signs himself as vice president of the southwest region, National Council of I & N Service and said:

The Council is aware that you had no advance knowledge of the raid or the conditions that brought it about until the Los Angeles Times' reporter presented his request to you for a raid on the Los Angeles firm. As a service director you could not directly initiate this type of a news story. The Council, however, as a separate entity comprised of concerned taxpayers, could and did proceed as outlined above.

Here you have a situation in which a nominee of the President is put under attack not because of any conditions which makes her unsuitable for appointment but in order that somebody down the line in a department could put pressure on the men at the top to put pressure on us to get more money for the department.

Now, to me this is unconscionable and it will be interesting to hear what the union representatives and the Service will have to say. I think they are on trial here today rather than Mrs. Banuelos because this has nothing to do with her qualifications. This is a deliberate trick or trap intended to accomplish a completely different objective, an objective with which she is not in any way related.

Mrs. Banuelos, I have the impression that on earlier occasions, suspecting the presence of illegal aliens in a number of companies that are located in the same area in which your company is located, that

Immigration officers came in and swept through the area ; is that right ?

Mrs. BANUELOS. That is true.

Senator BENNETT. This time did they go anywhere else ?

Mrs. BANUELOS. No, sir, only to my place.

Senator BENNETT. And this time they were accompanied by a newspaperman and a cameraman ?

Mrs. BANUELOS. By a newspaperman and a cameraman and they were lining up the people for these cameramen so they could take pictures of them.

Senator BENNETT. It is an interesting extension of the power of government in that, legitimate as it can be, it is operated for the convenience of a newspaper and behind that, to provide ammunition for one group inside government to put pressure on another group inside government.

I have taken too much time, Mr. Chairman.

The CHAIRMAN. Senator Miller ?

Senator MILLER. Thank you, Mr. Chairman.

Mrs. Banuelos, you had a union to which all employees had to belong ?

Mrs. BANUELOS. Yes, sir.

Senator MILLER. And that was the Teamsters local ?

Mrs. BANUELOS. That is Teamsters Local 630.

Senator MILLER. Was the understanding or agreement you had with that union that any employee who wished to work permanently there had to join that union within 30 days ?

Mrs. BANUELOS. Yes, sir.

Senator MILLER. Did you believe that that union would admit to its membership employees who were illegally in this country ?

Mrs. BANUELOS. I don't know.

Senator MILLER. Pardon me ?

Mrs. BANUELOS. I don't know. You are asking me if I believe—

Senator MILLER. I am asking you if you thought that that union would admit to membership employees who were illegally in the country.

Mrs. BANUELOS. I don't know.

Senator MILLER. Pardon me ?

Mrs. BANUELOS. I don't know.

Senator MILLER. Well, you don't know ; but what did you think ? Did you think that that union would admit employees who were illegally in this country ?

Mrs. BANUELOS. I don't think so.

Senator MILLER. You don't think so ?

Mrs. BANUELOS. No.

Senator MILLER. You thought that the union would, if they found one of these employees who was illegally in this country, say, "You can't join our union" ?

Mrs. BANUELOS. Perhaps.

Senator MILLER. Did you have any occasion in which the union rejected any of the employees after they had worked for 30 days and attempted to join the union ?

Mrs. BANUELOS. No, never. No, sir. If the union ever refused anybody that worked over 30 days in our plant, is that the question ?

Senator MILLER. Well, I want to know this: Was there ever an occasion when an employee who had been in that plant for 30 days or less made application to the union and the union turned him down?

Mrs. BANUELOS. No, sir.

Senator MILLER. So always any employee within that 30-day period joined the union and the union accepted him as a member?

Mrs. BANUELOS. Yes, sir. I was to notify—in the contract is a paragraph where I am supposed to notify the union within 48 hours of every employee that we hired, and if we keep that person over 30 days then he must become a member of the union.

Senator MILLER. And you never had one employee, to your knowledge, who made application to join that union so that they could continue to work in your plant after 30 days who was rejected by the union?

Mrs. BANUELOS. No, sir; never.

Senator MILLER. In connection with this raid which has already been alluded to, there were 36 employees picked up? Were they all members of the union?

Mrs. BANUELOS. Yes, sir.

Senator MILLER. Every one of them or were any of them on probation?

Mrs. BANUELOS. With the exception of three or four who were on probation, sir, yes.

Senator MILLER. Three or four were on probation?

Mrs. BANUELOS. Yes.

Senator MILLER. That means they had not been there 30 days or more?

Mrs. BANUELOS. That's right.

Senator MILLER. All the others had been there 30 days or more and all were members of the union?

Mrs. BANUELOS. Yes, sir.

Senator MILLER. Thank you. I have no further questions.

The CHAIRMAN. Senator Jordan?

Senator JORDAN. Thank you, Mr. Chairman.

Mrs. Banuelos, to your knowledge, is there any law regarding the responsibility of employers to establish either the nationality of potential employees or their entry status? Is it the responsibility of an employer to establish the nationality or the entry status of prospective employees?

Mrs. BANUELOS. No, sir.

Senator JORDAN. I understand from a news report in the New York Times, which I ask to be included in the record at this point, Mr. Chairman, that California now has a law enacted since the October incident involving your firm, to impose a legal responsibility on the employer not to hire unlawful aliens. I think that was just signed by Governor Reagan within the last week. And here I quote an excerpt from the article. It said:

Immigration officials at the San Ysidro border crossing near San Diego estimate that at least half a million illegal aliens—many with forged residence permits and Social Security cards—are holding jobs in California at a time of critical unemployment.

I would like to ask you if there was any distinction made between

people who were illegal aliens and people who were not with regard to the pay scale?

Mrs. BANUELOS. No. To the pay scale?

Senator JORDAN. Pay scale.

Mrs. BANUELOS. No, sir; there was no difference.

Senator JORDAN. You paid them all—if you don't know who were illegal aliens, you have no way of discriminating wagewise?

Mrs. BANUELOS. That's right, sir, because we have a union contract and we have a wage scale.

Senator JORDAN. You have a closed shop with the union?

Mrs. BANUELOS. That's right, sir.

Senator JORDAN. So all people, whether they are illegal aliens or American citizens, would be treated alike with respect to wages?

Mrs. BANUELOS. Yes, sir.

Senator JORDAN. I don't have any more questions, Mr. Chairman.

(The article from the New York Times referred to previously by Senator Jordan follows:)

[From The N.Y. Times, November 21, 1971]

#### CALIFORNIA LAW SEEKS TO CURTAIL A HEAVY INFLUX OF ILLEGAL ALIENS

(By Everett R. Holles)

SAN DIEGO, Nov. 14—Gov. Ronald Reagan has signed into law a bill to punish employers who knowingly hire migrant Mexicans and other illegal aliens.

The measure, the first of its kind in the United States, is aimed at stemming the flood of Mexican immigrants who succeed in making their way or are smuggled across the border into California. They come at the rate of 400 to 600 a day to work for substandard wages as "stoop" labor on farms, in canneries, as household help and in other low-skill jobs.

Immigration officials at the San Ysidro border crossing near San Diego estimate that at least half a million illegal aliens—many with forged residence permits and Social Security cards—are holding jobs in California at a time of critical unemployment.

#### INTO THE BARRIOS

At least 200,000 of them are said to have assimilated into the crowded barrios of Los Angeles, whose Mexican population is exceeded only by Mexico City and Guadalajara.

Organized labor, with the notable exception of Cesar Chavez's United Farm Workers Organizing Committee, has urged such legislation for years, in the face of opposition from the commercial produce growers and some segments of industry.

The Governor's own State Board of Agriculture opposed the punitive legislation on the ground that it placed an unfair burden on farm operators who employ nearly half of the migrant Mexican workers.

The problem received national attention recently when Federal immigration officials disclosed that Mrs. Romana A. Banuelos, who was nominated by President Nixon to be Treasurer of the United States, was employing illegal Mexican aliens at her food processing plant in Gardena, near Los Angeles.

Many observers aside from the agricultural interests have reservations about the workability of the new law, which was signed last week. It provides for fines of \$200 to \$500 for each offense. Not only must it be established that the employer was aware of the worker's illegal status but it must also be shown that hiring him had "an adverse effect on lawful resident workers."

The produce growers have long contended that they are compelled to rely on Mexican workers, principally those who hold "green card" permits, allowing them to work on this side of the border, because the Mexicans will take the "stoop" jobs in the fields that American workers refuse to accept. Therefore, the growers argue that it cannot be established that jobs are denied to lawful California residents.

Chicano organizations denounced the new law as "legalized racism" that will add "new hardship and horrors" to what they describe as existing discrimination against California's Mexican-Americans, many of whom have been living in the state for years.

State and Federal labor officials contend that the new law will act as a restraint on the exploitation of the Mexican workers.

"It is the Mexican-American who is harmed most by this flood of illegal aliens," said Joseph Flores, regional manpower administrator of the Labor Department. "He must compete with an imported, low-wage work force that serves to deny him proper wages and working conditions and a decent standard of living."

The illegal alien is often compelled to work for \$1.30 to \$1.60 an hour, well below California wage rates, but an abundance compared to the 15 cents to 30 cents an hour he could earn in Mexico.

Federal immigration officials at San Ysidro, where an average of 200 illegal aliens are intercepted each day, expect no radical reduction in the floor but believe that the new law will serve as a deterrent both to employers and to the professional smugglers.

Many ranchers, growers, housewives and small businesses have preferred to hire illegal Mexican aliens, paying them wages below the United States minimum and secure in the knowledge that they were immune from punishment.

Governor Reagan, acknowledging the companies of critics who say that the new California law deals with what is properly a Federal responsibility, said: "The Federal Government has failed to meet its obligations and we cannot wait any longer for Congress to act in dealing with this illegal work force."

The CHAIRMAN. Senator Ribicoff?

Senator RIBICOFF. Mrs. Banuelos, when did you enter into the contract with the Teamsters Union?

Mrs. BANUELOS. In February—no, we had elections on February 21, 1968. A contract was signed in December of the same year. I believe it was December 15; is that correct?

Senator RIBICOFF. When did you enter into the contract with the union?

Mr. JENSEN. The contract was dated February 14, 1969.

Senator RIBICOFF. Now, what type of work were these illegal aliens doing? Will you describe their jobs in your plant?

Mrs. BANUELOS. Illegal aliens?

Senator RIBICOFF. Yes. What type of work were the illegal aliens doing in the plant? Would you describe that work? Did they sweep the floors? Did they process food? Just what were their duties? What kind of jobs were they holding down?

Mrs. BANUELOS. Well, they were doing whatever everybody else was doing.

Senator RIBICOFF. Everybody in the plant does the same work?

Mrs. BANUELOS. Yes. Well, it all depends in which department they are working.

Senator RIBICOFF. Generally, the people who came here did not have much education. What type of work were they assigned to in your plant?

Mrs. BANUELOS. I don't understand your question.

Senator RIBICOFF. How many employees work for you?

Mrs. BANUELOS. About 300.

Senator RIBICOFF. What type of work? What is your plant—a food processing plant?

Mrs. BANUELOS. A food processing plant.

Senator RIBICOFF. What type of work do they do in your plant? Do they cook? Do they pack?

Mrs. BANUELOS. They are packers. They can be operating machines

on corn tortillas or flour; they can be making burritos, making tortillas; they can be cooking.

Senator RIBICOFF. What type of work did the illegal aliens do at your plant? Which functions were they involved in?

Mrs. BANUELOS. Well, if you are going to ask me at this moment what each and every one of them was doing—

Senator RIBICOFF. Generally, Ma'am, what were they doing?

Mrs. BANUELOS. I don't know; they could have been working in one or two or three of the departments. They could have been making tortillas; they could have been packing; they could have been sweeping; they could have been loading.

Senator RIBICOFF. All right.

Do you have a list of the aliens who were rounded up in this raid?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. What were their wage rates?

Mrs. BANUELOS. They all started with between \$1.65 and \$1.75 an hour and go up to \$1.95, \$2.05, and as much as \$2.75. That was an extra special occasion because he was an assistant to the mechanic. Our wage scales go up to \$3.12.

Senator RIBICOFF. But were most of the illegal aliens involved—in the \$1.65 group? \$1.85? \$3.12? \$2.10? What was their general wage rate?

Mrs. BANUELOS. When they were terminated it was \$1.95, \$2.05, \$1.85.

Senator RIBICOFF. Now, when these people were deported, you had to replace them with other employees, did you not?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. What was the average wage rate of the employees who replaced these employees who were deported? What was the average wage rate of those who came in to fill those jobs?

Mrs. BANUELOS. \$1.65 to start.

Senator RIBICOFF. They started at \$1.65?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. And the aliens who were deported, did they start at \$1.65?

Mrs. BANUELOS. Yes, sir.

Senator RIBICOFF. So the wage rate for the two sets of employees were the same in all instances?

Mrs. BANUELOS. Yes, sir.

Senator RIBICOFF. Are you aware of the heavy unemployment in the Los Angeles area?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. And is that employment heavier among Mexican-Americans?

Mrs. BANUELOS. I don't know. I don't know that.

Senator RIBICOFF. You head a bank?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. And you are a large employer?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. And you are not aware of the economic conditions in the Los Angeles area?

Mrs. BANUELOS. Yes.



Senator RIBICOFF. And it says here you are one of the founders and the chairman of the board of directors of the Pan American National Bank of Los Angeles. You are founder and trustee of Food Products Scholarship Foundations formed to assist high school students of Mexican-American descent. You must be generally aware of conditions among Mexican-Americans in the Los Angeles area; are you not?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. And you must be aware of their economic circumstances?

Mrs. BANUELOS. Yes.

Senator RIBICOFF. Which is one of the most unfortunate of this Nation. I think the statistics and records show that the standards among the Mexican-Americans are far below that of the blacks when it comes to employment and wages and housing and other conditions under which they live.

You are aware of that, are you?

Mrs. BANUELOS. No.

Senator RIBICOFF. I mean, you are aware of that situation as it pertains among Mexican-Americans generally?

Mrs. BANUELOS. Well, the comparison between Mexican-Americans and blacks you are making, I am not; I cannot say I am aware of what you are saying because I am not. I know the conditions of the Mexican-American people in East Los Angeles because I am among them. I am always there.

Senator RIBICOFF. And isn't their condition low economically and socially?

Mrs. BANUELOS. Well, yes.

Senator RIBICOFF. One of the problems that makes them worse is the infusion of such a large number of illegal immigrants, who come into the Los Angeles barrios and depress the wage rates and the employment picture of the other Mexican-Americans; isn't that so?

Mrs. BANUELOS. I think so.

Senator RIBICOFF. I assume that one of the reasons you were appointed is that you were supposed to be a representative of a large group of people who needed a lift and a raising of their stature. I am rather surprised that you are not aware of the conditions of Mexican-Americans in the Los Angeles area.

Mrs. BANUELOS. I have done my part to help the Mexican-Americans in East Los Angeles and I cannot give you any other explanation, sir.

Senator RIBICOFF. Do you pay much attention to the social and economic problems of the Mexican-Americans?

Mrs. BANUELOS. Yes, you can see that; that is why I come here.

Senator RIBICOFF. That's right, but yet you are not aware of the implications of 200,000 Mexican-Americans who have entered the country illegally and their impact upon the employment and housing and other conditions that pertain to other Mexican-Americans in the area?

Mrs. BANUELOS. Sir, you don't expect me to solve all their problems; do you?

Senator RIBICOFF. No, ma'am; I don't expect you to solve the problems but I would hope that you were aware of the problem.

Mrs. BANUELOS. Yes, I am aware.

Senator RIBICOFF. But you answered me you were not aware of what the social and economic problems of these people were?

Mrs. BANUELOS. Well, you see my record. You can see that I have dedicated 7 years of my time in East Los Angeles just to organize a bank on the corner of the heart of East Los Angeles because they have been without a bank since 1932 in that area. And I worked very hard and I am still working to keep that bank open. First, I served to organize the bank; second, I serve as a director; third, I became the chairman because the bank went into trouble with about \$500,000 in debts. I brought the bank out of the problem because I was afraid that that bank would lose its charter or that they would just simply disappear and wait another 32 years to get a bank there. You are saying that I am not concerned about the community?

Senator RIBICOFF. I commend you for your success, Madam, but you don't seem to be aware of the problems that exist among the Mexican-Americans in the lower economic scale. You haven't been able to answer the questions on the status of the Mexican-Americans who have come there illegally. This is what is bothering me. I think it has a direct bearing upon the employment of illegal aliens. California has had to act because there have been employers who have taken advantage of the situation of the illegal aliens by paying them wages below the going rate—an action which has had an adverse effect upon the Mexican-Americans who are in the United States legally.

Senator BENNETT. You are not accusing her of doing that?

Senator RIBICOFF. I am not accusing her of anything, sir, but I would like to know what the situation is. I am asking about the problems we have here. If you have a half million illegal aliens coming in and 200,000 of them are going into the crowded barrios of Los Angeles, with the shocking conditions that take place in housing, education, health, and employment, and the disruption of the normal labor market, this becomes a factor.

Senator MILLER. Would the Senator yield?

Senator RIBICOFF. I would be pleased to yield.

Senator MILLER. I think I know what the Senator is trying to get at here.

Senator RIBICOFF. I am just trying to seek information.

Senator MILLER. I would respectfully point out that the Senator asked the witness a question whether she was aware that the Latin American group in the Los Angeles area is in a worse deprived condition than the blacks, and her answer was, "I don't know." But she did say the conditions of the Latin American or Mexican-American group were very bad.

Now, I don't know why the Senator would say she is not aware of those conditions in view of her answer.

Senator RIBICOFF. Well, my feeling is the witness is not very sensitive to the conditions of the Mexican-Americans in that area.

The CHAIRMAN. Senator Fannin?

Senator FANNIN. Thank you, Mr. Chairman.

Mrs. Banuelos, the current problems with your Ramona's Mexican Food Products are no different from those of hundreds of other employers in southern California, Arizona and New Mexico, where a

large part of the working force is Mexican-American, where some of them are aliens. Don't you find that is a condition that generally exists throughout these areas?

Mrs. BANUELOS. Yes.

Senator FANNIN. And you have nothing whatsoever to gain by paying the same wage rates? If the other people had made themselves available they probably would have been hired; isn't that true?

Mrs. BANUELOS. That's right, sir. I have nothing to gain.

Senator FANNIN. The wages paid, as I understand it, are the highest or equal to other employers in southern California working in similar plants or under similar conditions?

Mrs. BANUELOS. That's right, sir.

Senator FANNIN. I feel what you have done is very commendable. Certainly I know there are great problems and I am sympathetic to the American citizens who are not finding employment. But at the same time they have the same opportunity of having employment in your place of business as anyone else; isn't that true?

Mrs. BANUELOS. That is right, sir.

Senator FANNIN. I think you have demonstrated your sensitivity—that was brought out by one of the other questioners—Senators—to the welfare of your employees. I understand you established a non-contributing employee profit-sharing plan, the proceeds being paid solely by the employer?

Mrs. BANUELOS. That is right.

Senator FANNIN. That is rather unusual; is it not?

Mrs. BANUELOS. Well, we decided to do that because it is more beneficial to our company to keep our employees with us and I believe that they will do a better job if they feel they are participating in the profits.

Senator FANNIN. I certainly agree with you. But I know that it is certainly an unselfish practice on your part and it is not a general way of doing business in many of the areas of the country that I am familiar with.

Now, as far as the social security cards, do you insist on the worker when he comes to work to furnish social security cards?

Mrs. BANUELOS. Yes, sir.

Senator FANNIN. As I understand it, the social security cards are just issued for the asking; there is very little problem in obtaining social security cards, so when someone says to you, "Well, I have my social security card," you supposedly would take for granted they had the right to be in the United States and have the right to employment; isn't that true?

Mrs. BANUELOS. Yes.

Senator FANNIN. Because they do have a social security card. Some of the articles in the press which said if you just required them to have social security cards, you wouldn't have the problem but that is not the case. In other words, you would not have clarified all of your employees if they were aliens or nonaliens by just asking, "What is your social security number"?

Mrs. BANUELOS. No, sir; definitely not.

Senator FANNIN. Thank you very much, Mrs. Banuelos.

The CHAIRMAN. Senator Byrd?

Senator BYRD. I have no questions, Mr. Chairman.

The CHAIRMAN. Senator Hansen?

Senator HANSEN. Thank you, Mr. Chairman. I just would like, first of all, Mr. Chairman, to underscore what Senator Miller had said. I think that it will be very helpful for each of us on this Committee to read the record to note the candid, the forthright, honest responses that I think Mrs. Banuelos has made here this morning.

As I recall the question, and I can't state it verbatim, but I thought our distinguished colleague from Connecticut, Senator Ribicoff, was asking Mrs. Banuelos if the condition of the typical Mexican-American was not even more deprived and more destitute than that of the average black; and as I understand it her response was, "I don't know," which I think is a very commendable answer. If she doesn't know that is what she should say. She did not say, as far as I am aware, that she was unaware of the condition of the average Mexican-American. I think what she has done speaks for itself. She has been very much concerned; she has done a great many things to try to improve that condition.

Now, to try to impute that there is something wrong with Mrs. Banuelos because of the fact that alien Mexicans coming into this country compete for those jobs that are presently being held by Mexican-Americans in this country, and those aliens who are here legally and are permitted to work by having in their possession a green card, as I understand it, seems to me to go a little beyond the measure of fairness. I don't think that is quite fair.

What we are saying, if we were to agree, is that because the Mexican-American has a deprived place in the economy, Mrs. Banuelos should undertake a one-woman crusade to keep out all of the other Mexican-Americans entering into this country illegally or Mexicans entering this country illegally; and I think that goes just a little bit beyond what is fair.

I was impressed with your testimony.

As I understood you, Mrs. Banuelos, you said that when these raids had been made by Immigration authorities and that for the first time you found out some of the people on your payroll had no legal right to employment, and they were discharged and had to be replaced, I understood your testimony to be that those persons who were hired to replace those who had lost jobs were hired at the same wage scales as those whose jobs had been lost; is that right?

Mrs. BANUELOS. That's right, sir.

Senator HANSEN. Well, I think that is a rather significant point, too. It seems to me that it speaks well in denying any contention that might be made that you have been trying to avail yourself of the presence of aliens in this country to discharge duties within your plant at wages less than you would be paying someone else. You paid them the same wages?

Mrs. BANUELOS. Exactly the same wages.

Senator HANSEN. As far as you know, there is nothing in the law that requires you to undertake the responsibility of determining if every person who seeks employment in your plant or with your company is an alien legally here or is a citizen of this country or who is an alien? So far as you know, there is no law, or was at that time—there was no law that imposed such a requirement on you? Am I right about that?

Mrs. BANUELOS. That's right, sir.

Senator HANSEN. No further questions, Mr. Chairman.

The CHAIRMAN. Senator Hartke?

Senator HARTKE. Mrs. Banuelos, did you know that aliens worked at your plant?

Mrs. BANUELOS. Did I know that aliens worked in my plant?

Senator HARTKE. Yes.

Mrs. BANUELOS. I know that workers work in my plant.

Senator HARTKE. Did you know that aliens worked there?

Mrs. BANUELOS. When?

Senator HARTKE. At any time?

Mrs. BANUELOS. Sir, I was aware for the first time that illegal aliens were working in our plant in the years 1967 and 1968.

Senator HARTKE. Did you know that illegal aliens were working there?

Mrs. BANUELOS. When?

Senator HARTKE. At any time?

Mrs. BANUELOS. On this occasion, yes.

Senator HARTKE. Pardon me; I am sorry: I did not hear you. I just plain didn't hear your answer. I am sorry. Perhaps the other Senators did.

I just asked you whether or not you knew that illegal aliens were working at your plant at any time?

Mrs. BANUELOS. No.

Senator HARTKE. You never did know it?

Mrs. BANUELOS. No.

Senator HARTKE. But you—but did you know the Immigration Service had raided your plant six times?

Mrs. BANUELOS. No, sir.

Senator HARTKE. Pardon me?

Mrs. BANUELOS. No, sir.

Senator HARTKE. You never did know it?

Mrs. BANUELOS. I gave already an explanation and I will repeat it again, that in the year of 1967, late 1967 and early 1968, we had a dispute with the Teamsters Union and there were accusations that we had illegal aliens. But then we were in a situation in which I asked these agents from the Teamsters Union that if they knew that I had illegal aliens to give me their names so that I could terminate them; and they refused and in fact they advised me not to terminate anybody because they would file an unfair labor practice against me and that is the reason why I learned that I had illegal aliens on that occasion.

Now, after we had our elections in February of 1968, between March and April, the Immigration office came in with our consent and knowledge of the union, Teamsters Union Local 630, and they picked up those that were not legal in this country.

Senator HARTKE. Well, during this time can you tell us whether or not at any time you knew that illegal aliens were working at your plant?

Mrs. BANUELOS. During what time?

Senator HARTKE. Anytime that you—since you have been there? In other words, the Immigration Service raided your plants six times; is that correct?

Mrs. BANUELOS. No, sir.

Senator HARTKE. They did not?

How many times?

Mrs. BANUELOS. That is the only time that I know about it and it was not raided because they came in with our consent and the only raid that we ever had, and what I understand is a raid, is the October 5 of 1971 when they brought in reporters and cameras into our plant and they came to raid only our plant.

Senator HARTKE. All right.

Let's take the October 5 and put it aside for the moment.

Prior to that time, did they find that illegal aliens were working at your plant?

Mrs. BANUELOS. If they did, sir, I don't know about it.

Senator HARTKE. And you don't know about it?

Mrs. BANUELOS. I know only about that occasion between February and April of 1968.

Senator HARTKE. That is the only time?

Mrs. BANUELOS. That I know, yes.

Senator HARTKE. The only time?

Mrs. BANUELOS. That I know.

Senator HARTKE. Did you make any effort to find out?

Mrs. BANUELOS. Find out what?

Senator HARTKE. Whether or not illegal aliens ever worked at your plant? The accusations in this newspaper story say that there were six raids conducted and it has been publicized widely. Have you made any effort since you heard of these accusations to find out whether there was any truth to the accusations?

Mrs. BANUELOS. Yes.

Senator HARTKE. What did you find out?

Mrs. BANUELOS. I find out that I know nothing about it because normally if somebody was to be picked up from the plant, this person or the Immigration officer calls and requests checks for those people; that I remember very clearly in 1968. They requested checks of those people that they picked up at our plant and we sent them their checks, to the Immigration Office; and I have no record where it will show that we have sent any other checks to anybody else on a given occasion.

Senator HARTKE. On the raid which occurred in October of 1971 there was a newspaper report by the Associated Press saying that you didn't know illegal aliens worked at the plant and you said the Government raid may have been, in your words, "A part of an attempt by Democrats to block my nomination as Treasurer of the United States."

Would you explain that statement?

Mrs. BANUELOS. I was misquoted, sir.

Senator HARTKE. You were misquoted?

Mrs. BANUELOS. Yes.

Senator HARTKE. You didn't say that?

Mrs. BANUELOS. No, sir.

Senator HARTKE. What did you say?

Mrs. BANUELOS. What I said is that I had received a call 5 days prior to the raid and this call was made to me by Paul Hernandez,

president of the Pan American National Bank; and he said Mr. Felipe Montez was in the bank and he wanted to advise me that there was a group of Democrats, that they were going to try to oppose my appointment in any way that they could possibly do it. My answer to Mr. Paul Hernandez was to forget it and to say thank you to Mr. Felipe Montez, and that was the end and that is exactly what I told the reporter.

Senator HARTKE. When was that?

Mrs. BANUELOS. When was that what?

Senator HARTKE. That that occurred?

Mrs. BANUELOS. On October 5 in the morning in my upstairs office.

Senator HARTKE. Before or after the raid?

Mrs. BANUELOS. You mean the call?

Senator HARTKE. Yes.

Mrs. BANUELOS. The call was made 5 days prior to the raid.

Senator HARTKE. Five days prior to the raid, right?

Mrs. BANUELOS. Yes.

Senator HARTKE. Did you connect the two in any way whatsoever?

Mrs. BANUELOS. Sir?

Senator HARTKE. Did you connect the two incidents in any way whatsoever?

Mrs. BANUELOS. No, sir.

Senator HARTKE. It is your contention that at no time prior to this time in 1971 that you knew any illegal aliens were at any time working in your plant?

Mrs. BANUELOS. Prior to 1971?

Senator HARTKE. Right.

Mrs. BANUELOS. I already stated that in 1968 I knew about it.

Senator HARTKE. All right. Thank you.

The CHAIRMAN. Senator Nelson?

Senator NELSON. I have no questions.

The CHAIRMAN. I believe Senator Anderson has a question.

Senator ANDERSON. I simply want to say to you we have in our Spanish-American population a great many people who have employed Spanish-Americans and been employed by them. I think you have done a pretty good job with your testimony and I like it myself.

Mrs. BANUELOS. Thank you very much.

The CHAIRMAN. Might I ask you just one thing?

I noticed that your corporation has applied to the U.S. Department of Agriculture for the approval of your products for national distribution. Has that been approved or is that still pending?

Mrs. BANUELOS. It has not been approved yet because we haven't completed our building and we are still moving into it.

The CHAIRMAN. Thank you.

Any further questions? If not, thank you very much, Mrs. Banuelos.

Mrs. BANUELOS. Thank you, sir.

The CHAIRMAN. Next we will call the Honorable Raymond F. Farrell, Commissioner, U.S. Immigration and Naturalization Service.

Will you please, Mr. Farrell, identify the person who accompanies you, and then give us any statement that you care to make about the matter in controversy and then we will ask you whatever questions that occur to the Committee.

**STATEMENT OF HON. RAYMOND F. FARRELL, COMMISSIONER, IMMIGRATION AND NATURALIZATION SERVICE; ACCOMPANIED BY JAMES F. GREENE, ASSOCIATE COMMISSIONER, OPERATIONS; AND LEONARD GILMAN, SOUTHWEST REGIONAL COMMISSIONER FOR IMMIGRATION**

Mr. FARRELL. Thank you, Mr. Chairman.

On my left, Mr. Chairman, is James Greene, Associate Commissioner of Immigration, and on my right is Leonard Gilman, the Southwest Regional Commissioner for Immigration.

Mr. Chairman, I would like to by way of background point out that the Immigration Service is constantly going into plants all over the Los Angeles area. We have been doing this for many years. Last year, for example, we located over 412,000 aliens who were illegally in the United States and approximately 100,000 in the Los Angeles area alone.

We do not really conduct raids. We go in, as Mrs. Banuelos has pointed out, and we ask to check the records. In the case of this lady we were there five times before, and I don't believe we found as many as 12 illegal aliens on any one of those occasions.

On the occasion in question, we went out there because a newspaperman came to us with information about the location of some illegal aliens. My District Director was told that if he gave the name of the place to the officers that perhaps somebody would tip them off. He sent the investigators out and instructed them as to where they were going. They were told on the way, and the newspaperman and the photographer followed them out there, sir.

I might say, sir, to go back a bit——

Senator BENNETT. At this point——

Mr. FARRELL. Yes, sir.

Senator BENNETT. If the newspaperman and photographer followed them out, could not they have said to these people, "This is official business," rather than let the newspaperman and the photographer go into the plant and line the people and take their pictures?

Mr. FARRELL. Senator, I don't know exactly what the setting was. It was my understanding that the newspaperman did follow them in and the photographer was not far behind him; but I think that it was all done rather quickly and I don't think anyone really knows how they appeared on the scene so suddenly. We do know they followed them out there. We do know that one of the men was the man who actually went to the District Director and said to him that he didn't want to tell him exactly where it was because he thought some of our investigators might tip the plant off; and the District Director, I think, he knows better now, went along with it and didn't tell the investigators where they were going.

Senator BENNETT. It took time to process 300 people, and the implication is that the newspaperman and the photographer got in there and the raid was over so fast that you couldn't get rid of them. Actually it took time——

Mr. FARRELL. Yes, sir; that is correct, sir.

Senator BENNETT. To process 300 people but you didn't throw the cameraman or the newspaperman out?



Mr. FARRELL. No, sir; we did not.

Senator BENNETT. No. So, as far as I am concerned, they were part of your operation or you were part of theirs and I choose to think the latter was probably more nearly correct.

[Laughter.]

The CHAIRMAN. Well, frankly, it is sometimes hard to throw the newspaper people out. They sometimes think they are paid to be there, too.

Mr. FARRELL. Yes, it is.

Senator BENNETT. Well, do the police take newspapermen along on their raids?

The CHAIRMAN. Well, now——

Senator BENNETT. This was a put-up job and these letters which I have read give the whole plot away.

Mr. FARRELL. Senator, I agree with you. I think it was a put-up job but we were not in on it, sir, and our District Director was not in on it. It was put up this Mr.—the head of the union out there.

Senator BENNETT. Doran.

Mr. FARRELL. There has been a campaign on by the union to try to get more employees for the Immigration Service. These figures that are bandied around about the number of illegals in the United States, they are out of thin air. No one knows the number of illegals in the United States. I don't know. It is like asking how many marbles are in the jar. All we know is we picked up 412,000 illegals and we know, for example, we have apprehended over 302,000 illegal aliens just in the Southwest; and we are at it all the time and we are going to hundreds of plants all the time, Senator. We go in there and when we find the illegals we get them out and remove them to Mexico.

Now, we do this, sir, because we have no law that makes it a crime to employ illegal aliens or for the aliens to seek employment. So all we can do is keep going constantly and we have been doing it for years; we are still doing it.

In this instance, however, this was a case of where the District Director was told by this newspaperman that there were people there and he went along with it. He sent the people out and they followed him. Now, I am sure, sir, that he did not know that these people were going to go in and take photographs and were going to follow our men out there.

The CHAIRMAN. Well, now, you say that you think that this was something of a putup job?

Mr. FARRELL. Yes, sir. Yes, sir. The head of the union, and, incidentally, sir, most of these figures that are bandied around about the number of illegals here and there, they are attributed to officials of the Immigration Service. None of these people are spokesmen for the Immigration Service. These are mostly people who are spokesmen for the union who are trying to get more money and more manpower for the Immigration Service; and this was done by the vice president of the local there in an effort to underline the situation by taking a lady who was in the public eye and singling her out.

There are hundreds of employers in the area doing the same thing and have been doing it for many years.

The CHAIRMAN. Please understand I am not familiar with this practice; I have no direct contact with it. But is it your impression that someone who is violating the law is entitled to the benefit of privacy when they are apprehended breaking the law of this country?

Mr. FARRELL. No, sir. Generally speaking, we make no effort to interfere with the press, or with the television. However, we just will not set people up, after we have apprehended them. We can't prevent them from taking photographs of somebody apprehended. This is a general rule of the Department of Justice. But we will not hold them there in order that some one can take a photograph or interview them.

The CHAIRMAN. Well, now, your people were told that there were a considerable number of illegal aliens working at this plant. Was it your duty to go there and see if that was correct?

Mr. FARRELL. Yes, sir; we were told there were some. We had no idea how many.

The CHAIRMAN. Well, how many did you find?

Mr. FARRELL. We found on this occasion 36.

The CHAIRMAN. Had you previously been to that same plant or had your service previously been there and found illegal aliens there before?

Mr. FARRELL. Yes, Senator, but very few; but generally this was a part of what we are doing every day. What I hope we are doing today. We are constantly going to all of the plants in the Los Angeles area and we have been to all of them repeatedly in an effort to ferret out any aliens who are working there illegally and removing them to Mexico.

The CHAIRMAN. Well, now, the newspaper story said this was the sixth time that this type violation had been found at this plant; is that correct or not?

Mr. FARRELL. That is correct, Senator, but I might point out, I should point out we have been to many other plants many times also.

The CHAIRMAN. Well, now, is that a typical experience that you go and find there are people who are illegal aliens in the plant and then you go back and find that the violations continue to occur and then you go back and find that they continue to occur and go back and find that they still exist and go back—

Mr. FARRELL. Many instances.

The CHAIRMAN. And go back and back and back and every time you go back to the plant, still it employs these people, still breaking the law in these plants?

Mr. FARRELL. Senator, we go many times to many of these places and many of the farms and ranches in the area also and we do find this, yes, sir.

The CHAIRMAN. Well, now, California has now passed a law, according to the New York Times of November 21, 1971, in which California makes it a crime for the employer to have, to knowingly hire migrant Mexicans and other illegal aliens; and I note Governor Reagan is quoted there as saying "the Federal Government has failed to meet its obligations and we cannot wait any longer for Congress to act in dealing with this illegal work force."

What is your reaction to that?

Mr. FARRELL. Senator, there are two bills pending in the Congress right now that have been pending, I believe, since 1968, but they both would make it an offense for either the employer or the alien to participate in this, for the employer to employ them or the alien to seek employment if he is illegally in the United States, sir.

The CHAIRMAN. How many U.S. jobs do you believe these illegal aliens are displacing right now?

Mr. FARRELL. Senator, I have no idea.

The CHAIRMAN. Just give me a guess.

Mr. FARRELL. But if we go back to—I really couldn't, sir, any more than I could tell you how many illegals there are. I know there are many but there are not millions and I know if you go back you may recall we begged these people to come in during World War II to help us with the defense effort and thousands of them came here and then we had the bracero act which allowed us to bring them in legally and brought in around 400,000 or 500,000 a year. This induced these people to come here; they tasted these wages and economic conditions are worsening at home then they have dug in all through the Southwest and there are millions of people there of Mexican origins and some have been here many years. Some have come in legally and overstayed and some have come in across the border illegally and we are constantly trying to ferret them out.

As I say, 412,000 last year, and we are up about 10 percent over that figure this year; but we have no law which makes it an offense, so the only thing we can do is to keep going into these plants and keep going out to the farms and trying to get them out in an effort to solve this situation.

The CHAIRMAN. Have you been hampered in your efforts by the fact that illegal aliens have been able to get social security numbers?

Mr. FARRELL. I think, Senator, if in the beginning we had been able to have it in the law that a person had to state whether he was a U.S. citizen it would have been very, very helpful. It is a violation of the law for a person to claim U.S. citizenship falsely and we feel that if this would be a part of the other law we are talking about here, this law that would make it an offense, it would take away the incentive. We are probably the only nation in the world that an alien can go to and get a card and go to work without it being a violation of the law and this is the incentive that not only brings the Mexicans here but it brings people from all over the world here, particularly from the Caribbean area and we are confronted with this also.

I think what is needed here is not just more money to pour down this drain out there; we do need some more men, but we need a law that will make it an offense to employ them and a law that will make it an offense for the alien illegally here to work.

Many of these people, Senator, are coming in legally and then they are overstaying and going to work, particularly those from South America and the Caribbean area and Europe. Many of these Mexicans come in legally, lawfully, but overstay and go to work.

The CHAIRMAN. Last year one isolated instance came to my attention where a person was on welfare four times, applying to go on a

fifth time and would have gone on a fifth time had it not been that she happened to run into the same caseworker who put her on the first four times. By the way, they went to the house with a search warrant and found she also had five driver's licenses as well as five social security numbers.

Now, they found that the neighbor next door was on the program twice, planning to go on a third time. She had three social security numbers.

Now, it appears like the issuance of multiple social security numbers is just fundamental to crime and fraud in this country and I just want to know what your reaction is to stopping this thing of issuing more than one social security number to people, issuing them loosely to just anybody who wants one?

Mr. FARRELL. Senator, if the alien or person were asked if he is a U.S. citizen, this would go a long way toward solving the problem. All aliens who are admitted to this country for permanent residence and who have a right to work are issued a card by the Immigration Service called an alien registration card and if the person isn't a citizen, and doesn't possess one of those cards, he shouldn't be given a social security card.

Now, in fairness to the people in Social Security, it is my understanding that many of them feel that legislation would be required for them to get into this question of whether a person is a citizen. Even in California until just recently a person wasn't allowed to dig into this question of citizenship and it presented quite a problem for the employers employing aliens.

The CHAIRMAN. Well, does the law forbid a person from asking if you are a U.S. citizen when they go to employ someone?

Mr. FARRELL. The law does not forbid it but I understand that in California until recently there have been some very severe restrictions on an employer digging into that question of the citizenship.

The CHAIRMAN. Well, do you think that would be a good law to ask if you were a citizen?

Mr. FARRELL. I do, sir, and I think it would be a good thing if the Social Security Administration could find its way clear to ask that question because the alien who is entitled to work has in his possession authority to be in the United States permanently and to work.

Senator BENNETT. Is that the green card we are talking about?

Mr. FARRELL. Yes, sir.

The CHAIRMAN. Let me ask you this: Have you requested assistance from Social Security to combat illegal entry?

Mr. FARRELL. Yes, sir, we have. They have been very, very helpful to us in individual cases where we already know that the man is an alien and we are trying to locate him. But this other question as to whether he is an alien presents this problem where they feel that perhaps legislation is necessary to cure this.

The CHAIRMAN. Do you have a copy of the card with you?

Mr. FARRELL. No, sir.

The CHAIRMAN. You can just submit one for the record.

Mr. FARRELL. Yes, sir; I will.

(A reproduction of the card follows:)

FRONT

THIS IS THE FRONT SIDE

REGISTRATION NUMBER

has been duly registered in accordance with the laws of the United States as an immigrant of

NAME NO. OF DEPENDENTS AGE NO. OF YEARS IN UNITED STATES SEX

**SAMPLE**

Commissioner of Immigration and Naturalization  
 UNITED STATES DEPARTMENT OF JUSTICE  
 If in doubt as to the rules, you are recommended to ask the consular officer in the office

Card laminated after data inserted

BACK

ALLEN REGISTRATION RECEIPT CARD

The person named on this card must report to the nearest Immigration and Naturalization Service office within thirty days after becoming fourteen years of age for registration and fingerprinting as required by Section 162 of the Immigration and Nationality Act, as amended.

**SAMPLE**

Photo attached here

6535248

This card will be honored in lieu of visa and passport if rightful holder is not returning from a country of area specified in Part 211 of Title 8, Code of Federal Regulations, was not absent over a year and is not otherwise excludable under immigration laws. If travel in such a country or area, or absence of over a year is contemplated, consult Immigration and Naturalization Service office before you depart as to whether you should apply for another document. Notify I&N Service of address during January each year and within ten days after each change of address. Obtain forms from any Immigration or Post Office. Always include your "A" number in communications to I&N Service.

The CHAIRMAN. Senator Anderson?

Senator Bennett?

Senator BENNETT. Mr. Farrell, I would like to ask a question over your head to Mrs. Banuelos. I saw the list of the illegal aliens and it is my memory that 19 out of the 36 answered yes to the question as to whether or not they were U.S. citizens. Do you remember anything like that?

Mrs. BANUELOS. Yes.

Senator BENNETT. Is that about the figure that you remember?

Mrs. BANUELOS. I don't remember the exact figures, sir.

Senator BENNETT. Have you got the list there? Do you have copies of the applications?

Mrs. BANUELOS. The copies of the applications, yes.

Senator BENNETT. Look them over while we are talking and see if my memory is correct.

Mrs. BANUELOS. All right.

Senator BENNETT. But, Mr. Farrell, you don't go behind that asking for a birth certificate, for a certificate of naturalization or anything of that kind?

Mr. FARRELL. We do, sir, but the employer does not. The employer generally—what happens here, Senator, for the most part of these people are claiming to be U.S. citizens.

Senator BENNETT. That's right.

Mr. FARRELL. Even the ones who are here illegally. Even those who have border crossing cards which permit them to come in and shop in the border area, and we have millions of those, those people—it is our experience—they sometimes come in through the ports legally and mail the card home because they know we take it away from them if they find them working illegally; and then they go up and claim to be U.S. citizens and go to work. This is a practice to claim you are a U.S. citizen when you are an illegal, so I wouldn't be surprised if she found many of them had claimed to be U.S. citizens.

Senator BENNETT. What is coming out of this discussion this morning, it seems to me, is a very clear picture that we must control the issuance of social security cards to aliens and we must devise some system by which we can identify more clearly both citizens and aliens who are legally here so as to isolate the others.

Are you aware—are there many counterfeited social security cards? Do you ever run into those?

Mr. FARRELL. No, Senator. There isn't much difficulty of getting a social security card. The idea seems to be to get the man in a position where he can go to work as soon as he can and this applies to all people in America; and I think they are issued rather quickly and I think if you lose one its not very difficult to get another one.

Senator BENNETT. What about the green card, are they counterfeited?

Mr. FARRELL. Yes, some are counterfeited. We are working on this constantly, and we do develop quite a few fraud cases in this way by finding that they have been altered. But it is a difficult card to alter.

Senator BENNETT. I have no other questions, Mr. Chairman.

The CHAIRMAN. Senator Miller?

Senator MILLER. Mr. Farrell, how many illegal aliens did you say were picked up so far this year?

Mr. FARRELL. The fiscal year 1971 it was 412,000, Senator.

Senator MILLER. Were some of those members of labor unions?

Mr. FARRELL. We really don't know, Senator. We are so busy just trying to find them and remove them that we don't get into that side of it.

Senator BENNETT. Apparently some of those who were picked up on this October raid were members of the local Teamsters Union in the Banuelos plant.

Mr. FARRELL. Yes, sir; Senator, this is true, sir.

Senator BENNETT. Well, you mentioned going to the employers to check on some of these people. Do you go to any of the unions to check on them?

Mr. FARRELL. No, sir. We haven't been to the unions that I can think of. Many time the unions are the source of the information where they are trying to organize, as they have been in the Southwest, trying to organize the farmworkers; they are coming to us repeatedly alleging that there are illegals working on this farm or that farm; and we are kept pretty busy with a very efficient but small force.

I might say, Senator, you know we find these illegals everywhere. I found them working up at West Point. I know the Superintendent there didn't know anything about it. We found them over here at Fort Myer. We found them working for contractors, people doing work for governmental agencies. It is a case of just trying to find them wherever they are.

Senator BENNETT. Well, I can understand that, but it would seem to me you might go to the unions, especially those that have union or closed-shop contracts, and if you could get them to cooperate you wouldn't have to bother going to some of these employers because they are not going to permit—if they really mean what they say—they are not going to permit these illegal aliens to become members of the union.

Mr. FARRELL. That is our understanding of it, Senator, so we didn't think it was probably the best source or the best place to go to find illegal aliens.

Senator BENNETT. Have any of your field people been over to this local union that was in the Banuelos plant to ask them if they would cooperate in this respect?

Mr. FARRELL. No, sir; we have not.

Senator BENNETT. You don't know or you have no basis for knowing whether or not there are any illegal aliens in this union that Mr. Doran is an officer of, do you?

Mr. FARRELL. No, sir. There shouldn't be. These are employees of the Immigration Service, and they have exclusive recognition contract with our service. They are in excess of 3,000 officers of the Immigration Service who are members of it and, as I said, this was a part of an effort on the part of this union try to get more manpower for the Immigration Service.

Senator BENNETT. Well, do you know what they do as a matter of union policy to make sure that none of their members is an illegal alien?

Mr. FARRELL. Well, sir, those people, of course, are employed by our Service and we screen them out. They are all investigated by the FBI before they are put in our Service.

Senator BENNETT. So they have a little different situation so far as Mr. Doran is concerned.

Mr. FARRELL. They are citizens.

Senator BENNETT. And from the local Teamsters Union in the Banuelos plant in that there has been an FBI investigation of all of the members of that union that Mr. Doran is an officer of?

Mr. FARRELL. Yes, sir.

Senator BENNETT. It seems to me, Mr. Farrell, that it might be helpful in trying to run these people down, to prevent rather than catch them when it is after the fact, to obtain the cooperation of the unions that have closed-shop contracts, union shop contracts, because then they wouldn't allow them to come into the union and you wouldn't have a problem with the employer.

Mr. FARRELL. I might say in connection, Senator, with the unions trying to organize in the Southwest, they are coming to us all the time pointing out illegal aliens on the farms and on the ranches. As a matter of fact, they feel that we are not doing all we could do in this area. They feel we should be doing much more. With the manpower we have we think we are doing a remarkable job, if you will forgive me for saying so. We picked up about 64,000 people who are in the larger cities of the United States, which is a separate problem, of course, from the one we are discussing here, which is the Mexican national who comes in illegally and this past year it ran in excess of 300,000, about 302,000.

Senator BENNETT. Well, I recognize that not only unions are going to operate the same but it seems to me as a matter of Immigration Service policy that where there are a number of illegal aliens found to be working in a plant that has a union or closed-shop contract with the union, that one of the very next moves would be to contact the union officers and indicate that some of their members are illegal aliens and ask them to prevent this from recurring.

Mr. FARRELL. I think it is a good idea, Senator, and we will do it.

Senator BENNETT. Thank you, Mr. Farrell.

The CHAIRMAN. Senator Hartke?

Senator HARTKE. How many times, Mr. Farrell, was Mrs. Banuelos' place raided?

Mr. FARRELL. Well, Senator, we went there on this last occasion in force for the first time. On the other occasions we went in as we do to most of the plants where we go in and we talk to the—usually we get the personnel manager and tell him we would like to talk to some of his employees and we would like to look at his records and this is what happened on the previous occasions. On this last occasion it was a surprise visit where they just went in and screened them all immediately.

Senator HARTKE. Mr. Chairman, has this record been put in—has the record been put in of all the actions here in this place?

Senator BENNETT. You mean the list of the times?

Senator HARTKE. Yes.

Senator BENNETT. No, it has not.

Mr. FARRELL. There were five previous occasions as I pointed out. I recall that we got, I think, on one occasion it was as many as 11 and that is all.

Senator HARTKE. Yes. Mr. Chairman, I would like to request that those records be made a part of the record.



The CHAIRMAN. Without objection, would you provide that for the record?

Mr. FARRELL. Yes, sir; I would be glad to.

Senator HARTKE. Can you give me the dates of those other five occasions?

Mr. GREENE. The first occasion was October 9, 1967; April 9, 1968; November 14, 1968; March 12, 1969; April 15, 1970, and then the last occasion we were there was October 5, 1971.

Senator HARTKE. Can you give me the number of aliens that were found in each case?

Mr. GREENE. Yes, sir. The October check there were five aliens found.

Senator HARTKE. How many?

Mr. GREENE. Five.

Senator HARTKE. Five.

Mr. GREENE. October 9, eight aliens found; November 14, six; March 12, 1969, 12; and April 15, 1970, 12.

Senator HARTKE. Then on October 5 how many?

Mr. GREENE. Thirty-six.

Senator HARTKE. Thirty-six, right?

Mr. GREENE. Right.

Senator HARTKE. So this was the largest number of any time?

Mr. GREENE. Yes, sir.

Senator HARTKE. In each of these cases could Mrs. Banuelos be aware of what happened?

Mr. GREENE. Not necessarily.

Senator HARTKE. Do you know whether she was alerted and told about these situations?

Mr. GREENE. I can't tell you, sir; only her testimony that she gave a few moments ago.

Mr. FARRELL. If I may, sir, it is my understanding she was not. There was a plant manager there and a personnel officer. It was the personnel man with whom they were dealing most of the time. It is my understanding she was not aware of it until, I believe it was, the 1969 occasion.

Senator HARTKE. She said it was 1969.

Mr. FARRELL. It could be 1968, sir; I thought it was 1969.

Senator HARTKE. Do you know whether she was aware or not or are you just making an assumption?

Mr. FARRELL. Well, in making inquiries about it, I asked that question and no one could tell me that she personally was aware of it.

Senator HARTKE. There was a report that you had been told:

Another 100 illegal aliens at Ramona's but I have not investigated this information and I feel it would be inappropriate to do so right now—

Was quoted from Mr. Rosenberg.

What information do you have on that?

Mr. FARRELL. We have no information on that, sir.

Senator HARTKE. Are you aware of that charge?

Mr. FARRELL. I recall reading something in the newspaper to that effect.

Senator HARTKE. It went on further to say:

It is not my purpose to embarrass anyone since we have hundreds of companies to investigate. It would almost be persecution to use my limited manpower just to go to her place twice within a few days. Normally, we would not do that and we will not in this case.

Mr. FARRELL. Well, Senator, that sounds as though that came from my District Director in Los Angeles, and I think what happened here is that he felt that he had been sort of taken, as it were, by this newspaperman and he didn't want to be taken again and I think he is working on priorities, as we all are; and we are going to all of the plants in the area as often as we can and our job is to go out and pick up as many illegals as we can and not concentrate on this lady who was victimized in the first place.

Senator HARTKE. Just to clarify something that Senator Bennett said, as far as the record is concerned, the visit on October 1971, whether with or without newsmen, did provide illegal aliens working there, right?

Mr. FARRELL. Yes, sir, Senator; it produced 36, 36 aliens illegally in the United States.

Senator HARTKE. And so far as the law was concerned, they were there illegally and there was nothing improper about the visit; isn't that true?

Mr. FARRELL. This is correct, sir. They found 36 and removed them and no one can quarrel with that. The only thing that I wanted to bring out here was the fact that this is not an isolated instance; we are finding illegals in all the plants in the area all the time and we are going to them over and over again just as we have here.

Senator HARTKE. Isn't it true that one of the reasons there are complaints about these illegal aliens is the fact there are a lot of Americans unemployed who are looking for jobs?

Mr. FARRELL. I believe, sir, you are getting more complaints now than you ever did before.

Senator HARTKE. In that group, of course, are veterans?

Mr. FARRELL. Well, I would assume so, sir.

Senator HARTKE. Yes, and they are being denied the right even though they have been participating in military service and they are American citizens; they are denied a right while people who come in illegally are still working?

Mr. FARRELL. Senator, that is the reason that I felt that you need a law which will make it an offense to employ them so you can take the incentive away. Many of these people have been here for years and have dug in and many of them came in under the old bracero law which went out of existence in 1964. We picked up a lot of illegals. It is going up every year to last year where we picked up 412,000 illegals.

Senator HARTKE. That is all.

Senator BENNETT. Mr. Chairman, I would like to ask as a part of this, Mrs. Banuelos, what percentage of your employees are men and what percentage are women?

Mrs. BANUELOS. I must say that about 75 percent are women and 25 percent men.

Senator BENNETT. It is a little hard for veterans to do the cooking and the rest of the things that these girls do in that plant?

The CHAIRMAN. Senator Jordan?

Senator JORDAN. Mr. Farrell, did I understand you to say that you had found illegal aliens at West Point and various other military installations and also with contractors working for the Federal Government?

Mr. FARRELL. Yes, sir. We found, I believe it was, 26 working at West Point.

Senator JORDAN. Was that on only one occasion or have you gone back to these places where it was being done?

Mr. FARRELL. That was one occasion. We found an illegal alien and when we asked him where he was working he told us and we got some other information from him and then, as we tried to do in most instances, rather than conduct these raids—we just don't like that word—we went there and with their cooperation we were able to clean out all of the illegals, most of whom were from the Caribbean area and removed them.

Senator JORDAN. Have you gone back to any of these installations where you found illegal aliens on your first checkout? Have you gone back to any of them to ascertain whether more aliens were being employed?

Mr. FARRELL. Yes, Senator, we have. We make it a practice of going back repeatedly.

Senator JORDAN. This has no pertinence here, but I want your personal opinion as to whether you think this new California law\* that has been passed and signed within the last week or so, whether this new law that will impose a legal responsibility on the employer not to hire unlawful aliens, in your judgment, can be enforced without some Federal help?

Mr. FARRELL. Senator, I think that there is a clause at the end of that law that puts the burden on the employer of ascertaining whether employing the illegal would affect labor conditions in the State of California and that will make it, I think, very difficult for the State to enforce.

Senator JORDAN. Well, obviously if there are unemployed people in the work force who are American citizens, and illegal aliens are holding the jobs, it would affect the work chances of the people.

Mr. FARRELL. I would think so but I have heard people commenting on it, lawyers commenting on it, saying that they think that it may be a difficult one to enforce for that reason, sir.

Senator JORDAN. Thank you. That is all.

The CHAIRMAN. Senator Ribicoff?

Senator RIBICOFF. Do your records indicate whom you talked to when you visited the Ramona plant on the six occasions?

Mr. FARRELL. Senator, we do not have that information. I don't know whether our Los Angeles office has it but I do know they did not talk to Mrs. Banuelos. She was not there.

Senator RIBICOFF. You did not talk to a Carlos Torres?

Mr. FARRELL. I am sorry, Senator.

Senator RIBICOFF. Did you talk to a Carlos Torres?

Mr. FARRELL. I don't know, Senator.

Senator RIBICOFF. You could find out whom they talked with?

Mr. FARRELL. That is correct.<sup>1</sup>

Senator BENNETT. Mrs. Banuelos can probably answer that question.

Senator RIBICOFF. Do you know, Mrs. Banuelos, whom in your plant they talked with when they came on those six occasions?

Mrs. BANUELOS. I only know about in 1968, I understand that a girl that is in charge of the production opened the door for the officers to come in; and on this last occasion, Carlos Torres.

\*See p. 7.

<sup>1</sup>The committee was subsequently informed that the U.S. Immigration and Naturalization Service records do not show to whom agents talked to on previous visits.

Senator RIBICOFF. Carlos Torres is your son?

Mrs. BANUELOS. Carlos Torres is my son.

Senator RIBICOFF. And your son never conveyed to you what has been going on? Your son never told you what was going on?

Mrs. BANUELOS. Going on when?

Senator RIBICOFF. I mean at the time the Federal authorities had come and found illegal workers, did he ever tell you?

Mrs. BANUELOS. On that particular day, sir, yes he told me. He called me to my office and informed me that the Immigration and Naturalization was present and also he told me that Mr. Harry Bernstein, reporter of the Times, had asked him if he had a letter that the Immigration Department had sent to Ramona's and Carlos accompanied Mr. Harry Bernstein up to the upstairs office where we have all our records and they went through the files of 1968, 1969, and 1970 and two of the secretaries went over letter by letter of correspondence that we have received in those 3 years; and they—there was no letter from the Immigration Department. But Mr. Harry Bernstein failed to report it.

Senator RIBICOFF. When you find an employer who continually employs illegal aliens, do you leave information or a booklet to the employer explaining what they should do to make sure that their employment practices are correct? Do you give them any information or instructions?

Mr. FARRELL. We try on those occasions to tell them that they are not supposed to employ them. We tell them what we are up against, about what I have stated here; and that is about what it is. Senator.

Senator RIBICOFF. But you don't tell them how they can find out whether a person is here illegally or not?

Mr. FARRELL. We do try to get them to check with us in the event they have any question about it. It is an effort on our part to get them to cooperate with us because we have no way of compelling it.

Senator RIBICOFF. Of course, when you have a situation such as exists in Los Angeles, it is much more difficult because there are so many people who are involved and it is almost impossible to find them.

Mr. FARRELL. Yes, Senator, and so many people there who are of Mexican ancestry and it is almost impossible to separate the citizen from the resident alien who is entitled to work, and the illegal because, as you know, they are not saying they are illegals; they are saying they are citizens.

Senator RIBICOFF. Most of the people whether illegal or legal entrants speak Spanish instead of English?

Mr. FARRELL. This is correct, Senator.

Senator RIBICOFF. So the language that is used is a common tongue where they entered legally or illegally, generally?

Mr. FARRELL. Generally, that is true, sir.

Senator RIBICOFF. Do you find in your experience that most of these employees are members of unions or are they nonunion employees?

Mr. FARRELL. Most of them have been nonunion, Senator.

Senator RIBICOFF. In other words, they are usually in the inexperienced, nonskilled, low-paying jobs? I am referring to the general picture.

Mr. FARRELL. Yes, sir; that is correct.

Senator RIBICOFF. It would be only a minority that would be union employees, so it would be difficult to find out from union sources who the illegals were?

Mr. FARRELL. Well, of course, in the area of the farmworker there has been a great movement out there, as you know, to organize the farmworker and here we do get quite a bit of cooperation from the unions. They are telling us where these illegals are working constantly and unfortunately we are not able to cover it all to the extent that we would like with the manpower we have.

Senator RIBICOFF. Are illegal aliens from Mexico your biggest problems or is it more widespread?

Mr. FARRELL. We have an overall problem. As I pointed out we apprehended about 64,000 who would be non-Mexican and these would be mostly in your large cities. Now, these people are coming here with visas issued by the consuls abroad. They are for the most part coming legally and then overstaying and going to work. Right now we are having a lot of trouble with people from the Caribbean area, particularly. Then you have this other problem you speak of—is a separate problem in the Southwest—which is composed mostly of the people from Mexico who have come up here looking for work. Conditions are terrible there, as you know, and they come here to get the wages which they became used to as a result of our bracero law and because of our inducements prior to that.

Senator RIBICOFF. Are there employment agencies who comb the Caribbean or Mexican market for employees for designated employers for a fee, and place these people into jobs even though they know that what they are doing is illegal or wrong?

Mr. FARRELL. Yes, Senator, there is quite a bit of this, quite a bit of this.

Senator RIBICOFF. Do you think that employment agencies which bring in illegal aliens and place them in jobs should be allowed to operate?

Mr. FARRELL. Well, I think that they may perform in normal times a great service, but I think there should be some more controls on them; there should be some controls.

I was just talking to Mr. Greene, who is my associate, and he is pointing out to me how these people get in here legally; they come in as visitors, as students or in any temporary capacity and then these agencies help them to find jobs when they are here, even though they may know that that man will be working illegally and keeping the U.S. citizen or resident alien off a job.

Senator RIBICOFF. Unfortunately these problems aren't within the jurisdiction of this committee, but are the concern of the Judiciary Committee.

Senator BENNETT. We could probably move on social security.

Senator RIBICOFF. We could come to that next, whatever that would be, but there obviously are many national features that have nothing to do with the Ramona case.

Mr. FARRELL. Senator, I would like to point out that the Subcommittee on Immigration of the House Judiciary Committee has been making a study of this for the past 6 months and they have been holding hearings; they held hearings in El Paso and Los Angeles and

Denver, in Chicago; and they are planning, I believe, to add them in Detroit and in New York area in the near future and they are going into this whole question that we have been discussing here.

Senator RIBICOFF. Thank you very much.

The CHAIRMAN. Senator Fannin?

Senator FANNIN. Thank you, Mr. Chairman.

Mr. Farrell, when we talk about 412,000 picked up, they would average out what would you think, say, in number of months they were in this country since their repeats. Would you think it would be half that much?

Mr. FARRELL. Repeaters, sir?

Senator FANNIN. Yes; you talk about 412,000 and we are talking about them displacing jobs for a period of time, for a year, that covers a year—the 412,000 picked up; isn't that right?

Mr. FARRELL. Yes, sir; that is 1971.

Senator FANNIN. Yes. How many—you don't have any idea of the number of jobs they replaced? Could it have been half that many or a third that many?

Mr. FARRELL. Senator, I have no way of knowing. Of course, the concept always is, you know, they are working in jobs that the average U.S. citizen or resident alien wouldn't take; but in a period of unemployment, I don't know whether this would hold.

Senator FANNIN. Well, I know that is true in many cases, in harvest seasons and in my State of Arizona, where, for instance, in the Yuma Valley, it is just almost impossible to get workers during canning season or one of the harvest seasons, so we are not talking about 412,000 people displaced so far as jobs were concerned in this country for a full year in 1971, man-years.

Mr. FARRELL. Yes, Senator, we are picking up about 50 percent of these in 72 hours.

Senator FANNIN. Yes, that is right, so that is what I am bringing out that this sounds like a tremendous number of people but some of them perhaps never had a day's work?

Mr. FARRELL. This is correct.

Senator FANNIN. I know this is true in the Yuma area so I think we exaggerate when we start talking about the people displaced. I am concerned about it when we talk about displacing American workers but also I want to be realistic about what is happening. When we are talking about Ramona employment we are talking about, over a period of time we are discussing, less than one-half of 1 percent of her total employees. When you take 36 picked up, why, taking into consideration the turnover and all, you probably are talking about 600 or 700 people having worked there during that full year. Isn't that true?

Mr. FARRELL. That is correct, Senator.

Senator FANNIN. Well, thank you very much.

The CHAIRMAN. Senator Hansen?

Senator HANSEN. Mr. Farrell, it has been implied, at least, that it might be helpful to query each applicant for work to determine citizenship. I was just wondering—I gather from your testimony that a rather large percentage of the aliens illegally working in this country that have come under your purview in fiscal 1971 have been Mexicans; is this right?

Mr. FARRELL. That is correct, Senator.

Senator HANSEN. Do you subscribe to the idea that it should be the responsibility of an employer to query any job applicant regarding his citizenship?

Mr. FARRELL. Well, I think, sir, that the only way you are going to stop illegals from coming into the United States or stop legals from coming into the United States and staying here and working is to destroy the incentive for staying here, that is, stopping the job. If they can't get the job they won't come and stay; and the only way we know how to do it is to make it an offense for the employer to employ them. We are thinking particularly of the employer who employs large numbers of people and also to make it an offense for the alien to work when he is in those circumstances.

Senator HANSEN. Now, would it be your thought that every employer in the United States should query every job applicant to determine the status of his citizenship?

Mr. FARRELL. Well, sir, yes, because, you see, sir, the alien carries in his possession, one entitled to work carries in his possession authorization from the Immigration Service; he has been admitted to the United States for permanent residence; he is entitled to work or he may be a student who is given permission to work part time; and he has a document which says he can work. All of the other aliens are not in possession of these cards and they obtain work by claiming they are U.S. citizens.

Senator HANSEN. Well, now, didn't you testify that it wasn't difficult at all to get a social security card?

Mr. FARRELL. I don't think it is, sir. I think that there it is a matter of insurance that they are interested in, and they think of themselves, I think, as trying to get this man to work as quickly as possible, to help his employer as well.

Senator HANSEN. Well, now, insofar as the average employer is concerned, he has little reason to go beyond getting a person's social security card before he employs him; isn't this true?

Mr. FARRELL. As of right now, sir, that is true.

Senator HANSEN. Do you recommend that because most of the aliens who have come to your attention in fiscal year 1971 are Mexicans that we should single out the Mexican population to pursue this line of questioning as to citizenship?

Mr. FARRELL. No, sir; I think it should apply across the board. We are getting more and more people right here in the East who are coming into the United States with visas, coming in legally and overstaying and going to work by claiming they are U.S. citizens.

Senator HANSEN. You spoke about a number of people from Caribbean countries entering here illegally. Are most of those persons black?

Mr. FARRELL. No, sir. Many of them are from the Caribbean and also from South America and they are a mixture of a little bit of everything. There are many blacks among them.

Senator HANSEN. There are many blacks among them?

Mr. FARRELL. Yes, sir.

Senator HANSEN. Do you think the Equal Employment Opportunity Commission would look with favor upon singling out any one group of persons?

Mr. FARRELL. No, Senator; I wouldn't want them to single them out. It is a violation of the law to falsely claim U.S. citizenship now,

and I would like to have the law state that the employer would ask whether he is a U.S. citizen and that the Social Security agency would ask the same question when they seek the card.

Senator HANSEN. Insofar as the typical employer is concerned, it would be rather difficult, would it not, in your opinion, for him to make a competent investigation so as to assure himself that a person was indeed a citizen of this country excepting by the possession, say, of a social security card? Is this not right?

Mr. FARRELL. Well, Senator, I think it would place the burden, a burden on the employer.

Senator HANSEN. Do you think that if you are going to place the burden on an employer you can go beyond requiring that a person make a statement that he is a citizen and that he also present a social security card? I mean, what further measure do you think would be practicable?

Mr. FARRELL. May Mr. Greene answer that question?

Senator HANSEN. Yes, indeed.

Mr. GREENE. Senator, I think it could be done in rather simple fashion, namely, if the requirements were there that the person declare his citizenship and if he did he would go no further. If he said he was an alien then he would ask for his immigration document which would show his authorization to work. There is a law on the books—18 U.S.C. 911—which relates to false claims to citizenship. In most of these menial type jobs it has been held that it is not material whether you are a citizen or not to take the job. If this law were on the books it would then be material and if a person made a false claim we would have another means to go after the alien.

This is an unclear area. We certainly understand it would be a burden on the employer if we went any further than that, but we would like to stop at that point and the employer then has to dispose of his responsibility and if a person made a false claim we certainly wouldn't expect him to go into it. It is a complex business at most. I think most people would want to operate honestly and they would make an effort and we could go as a backstop and give them assistance in those questionable cases. Most immigrants and aliens now in the country who have a right to work have documents in their possession and it is a mere matter of asking for it.

I might mention in connection with the fair employment practices, we have a ruling from the one in California that it is perfectly legal to ask a person whether he is a citizen and, if he is not a citizen, for his immigration document. This I151 or the green card does not show nationality or race. It merely shows you are in the country in a legal status and they can ask for that card without violation of civil rights.

Senator HANSEN. As a matter of practical application, would it be your judgment, Mr. Greene, if a person were obviously of Mexican extraction or Carribbean or South American extraction he might expect to be queried in detail on his citizenship in greater depth than would be the case of a person of obvious Anglo-Saxon, Caucasian extraction?

Mr. GREENE. I wouldn't say in greater depth. I would say he would be asked, like every other employee. He should be asked whether he is or is not a citizen and if he is not a citizen, by his own statement, he should be asked for his immigration document.



Senator HANSEN. I would like to say for the record, Mr. Chairman, that I agree wholeheartedly with you that we ought to tighten up on social security cards. I think your idea of requiring that every welfare recipient have one is most commendable and I intend to support you in every way I can. It seems to me though that this must be a Federal responsibility. I commend the Governor of California and the legislature for taking steps that they think may be helpful in filling the breach in the meantime: but it seems to me as though it is going to be a pretty difficult thing particularly if it can be demonstrated that the only persons who get asked these questions are Mexicans. If I were a lawyer representing a minority group, I would sure hop on that if the only people who get held up when they try to find a job are those of obvious Mexican parentage. I should think they would have a perfect right to say that they are being discriminated against.

I don't have any further questions, Mr. Chairman.

The CHAIRMAN. Senator Ribicoff?

Senator RIBICOFF. For the purpose of the record, I would like to have Mrs. Banuelos tell us how many employees she had in 1967, 1968, 1969 and 1970. Certainly five or eight or six people working there illegally are not a large number if she has 350 employees. So if she has those figures she can present them now; if she doesn't, she will present them to the committee.

The CHAIRMAN. I will ask the staff to obtain that for the record.

(The following was subsequently submitted for the record by Mrs. Banuelos:)

Our records show, from our W-4 Forms, that in 1967 Ramona's hired approximately 600 employees. Immigration & Naturalization has claimed that it took out 5 aliens from our plant during that year. This means that only one alien was picked up by Immigration & Naturalization out of each 120 employees hired by Ramona's. Our W-4 forms reflect that during 1968, 1969, 1970 and 1971, we hired over 3,600 individuals. Immigration claims to have picked up 79 aliens during these years. This amounts to only two aliens out of each 100 employees.

The CHAIRMAN. Senator Miller wanted to ask a question.

Senator MILLER. Yes, just a couple of questions of Mr. Farrell.

You testified you knew of instances of illegal aliens being on the payroll at some of our defense bases and West Point?

Mr. FARRELL. Yes, Senator. We have found illegal aliens about everywhere.

Senator MILLER. Let me get a little closer to home. Do you know of any illegal aliens who are employed over here on Capitol Hill?

Mr. FARRELL. Well, sir, we haven't checked it but I wouldn't be surprised if we found a few in the cafeteria. I have no basis for the statement but we find them every place we go, and—

Senator MILLER. Would you be surprised to find any in the congressional offices or the committee staffs?

Mr. FARRELL. Yes, sir; I would. [Laughter.]

Senator MILLER. You are not contemplating any little raiding party over here, are you?

Mr. FARRELL. Oh, no, sir; that raid is a bad word with us sir. We really don't conduct any raids.

Senator MILLER. May I commend you for a very prudent answer.

Mr. FARRELL. Thank you, sir.

The CHAIRMAN. Thank you very much, sir.

Mr. FARRELL. Thank you, sir.

Senator BENNETT. Mr. Farrell, don't check the Senate, please.

[Laughter.]

The CHAIRMAN. The next witness will be the Honorable Arthur E. Hess, Deputy Commissioner, Social Security Administration. He is to be accompanied by Mr. Hugh F. McKenna and Mr. Jack S. Futterman.

Mr. Hess, can you throw some light on this situation to our advantage?

**STATEMENT OF HON. ARTHUR E. HESS, DEPUTY COMMISSIONER, SOCIAL SECURITY ADMINISTRATION; ACCOMPANIED BY JACK S. FUTTERMAN, ASSISTANT COMMISSIONER FOR ADMINISTRATION; AND HUGH F. MCKENNA, DIRECTOR, BUREAU OF RETIREMENT AND SURVIVORS' INSURANCE, SSA**

MR. HESS. Mr. Chairman and members of the committee: Mr. Futterman, Assistant Commissioner for Administration is at my right and Mr. McKenna, Director of the Bureau of Retirement and Survivors' Insurance is at my left. We are all from Social Security.

I have a statement that I would like to summarize and speak from. It will be very short and, with your permission, I will offer the full statement for the record.

The CHAIRMAN. Yes.

MR. HESS. I would particularly like to describe the long-range program the Social Security Administration has initiated for improving our social security number issuance procedures and for assisting welfare agencies with their claims because I believe the specific issues presented this morning must also be seen in the light of the overall social security program and operating objectives.

But first I want to summarize the assistance we give to the Immigration and Naturalization Service.

Under section 290(c) of the Immigration and Nationality Act, enacted in 1952, we do, upon request, provide information to the Attorney General on aliens who have been issued social security cards.

We have sought to work out procedures with the Service, within the reach of available resources of the two agencies, that reflect the effort to achieve a balance between two opposing but desirable combinations of considerations. On the one hand, we seek to assist the Service in its effort to detect and locate aliens who have entered the country illegally. And, on the other hand, we seek to avoid invading the privacy of, and imposing evidentiary hardships upon, applicants securing employment generally—citizens and noncitizens—including naturalized citizens and aliens who have entered the country legally.

We also must adhere to the pledges we have made to keep social security records confidential. We have therefore developed with the Service procedures that take into account practical considerations and the fact that social security records contain no information with respect to citizenship or alienage.

Over the years we have furnished information pursuant to requests from the Service in about 370,000 cases; in fiscal year 1971 alone we received over 30,000 individual requests from the Service to which we responded.

Now, if I could touch briefly on the present procedures for issuing social security numbers, I think it will help you to understand and inquire into some of our plans for improving these procedures.

The information requested of an applicant for a number is only that which is needed for the administration of the social security program. Recently, however, in response to growing concern on our part and also the part of others about the increasing outside uses of the social security number, the problems of invasion of privacy that this has presented, and the need to tighten up social security number issuance procedures because of the dependence of other programs upon the number, a special task force was formed in the Social Security Administration. Based on the recommendations of the task force, the Social Security Administration has adopted new policies and is designing new systems which, when fully operative, will have the result of tightening up very considerably the issuance of social security numbers.

By and large our strategy now is this: (1) it is desirable for reasons of cost and operational effectiveness to issue social security numbers to people in groups, such as welfare recipients, school children, et cetera, under circumstances that afford assurance of systematic enumeration and concurrent verification rather than to issue them individually; (2) we plan therefore to initiate a positive program of issuing social security numbers to all individuals early in life, such as at the ninth grade, and perhaps later on, when we have the capability and can work it out with the school systems, at first entrance into school; and we will do this now if the school authorities so request.

The third point in this strategy is that a new, positive approach of seeking to enumerate all school children and getting, for example, not only their birth certificates but the assurances of correct age and identity that come along as a part of school registration, would permit us to assume, after this program has been in effect for a given period of time, that everyone reaching adulthood will have been issued a number; and fourth, we would then require an adult, should he seek to obtain a social security number, to provide not only information as he does now but also evidence to overturn the presumption that he has already been issued a number before we would issue one to him. This new approach will over time greatly reduce the chances that an individual may be able to obtain more than one social security number. Of course, and I must add this quickly, the full implementation of such an extensive new policy, going to all school children, for example, will require the availability of substantial amounts of additional staff and money resources and will have to be phased over a fairly extended period of time—particularly in view of the very heavy load of anticipated welfare enumeration which is our first priority and which we will start next year. I will discuss that in a moment.

Until this long term procedure based on school enumeration becomes fully effective, we will continue to do what we have always done, screen certain categories of applications against our files, and not issue numbers in the district offices until this screening takes place, and then request evidence of identity from certain individuals before issuing a number if the screening indicates a problem.

In addition, we recently instituted the requirement—a blanket requirement—that older individuals provide evidence to establish their

identities and to demonstrate that they had not previously been issued numbers.

Beginning early next year, all new numbers will be issued centrally by computer after the applications, without exception, are screened against our national records, and by then we will have a semiautomated system and we afterwards will be moving in the direction of a fully automated system, which means eventually reducing to computer tape and to automated screening procedures all the hundreds of millions of existing files which we have on individual applications.

At this point, I would like to emphasize that the social security number is not a means of personal identification. An authentic social security card is only an indication that the social security number shown on the card has been issued to an individual with the name on the card. It does not purport to identify the bearer.

Unlike some cards, it does not show a photographic likeness of the individual to whom the card was assigned. It does not have positive indications like fingerprints or certainly not like a driver's license, descriptive information.

No arrangement to deny the issuance of a card to an individual not entitled to one is a complete solution to the problems of other agencies. This is because possession of a social security card is not assurance that the bearer is the person to whom the card has been issued, and we know cards can be illegally printed, stolen or borrowed—especially borrowed. The more incentives we create in these directions, the greater the internal problems for social security recordkeeping.

Thus the social security card is not a reliable mechanism to use as a work permit or identification card, nor was it ever so intended.

But now I hasten to distinguish between the limitations that are placed, or that exist, with respect to the usefulness of the card as an identification for the bearer and the positive usefulness of the number as a mechanism to avoid improper or duplicate payments.

Without regard to the needs under pending legislation, we are now working with the State agencies administering public assistance programs and we are going right ahead in any event to help them change their claims' numbering systems. The use of the social security number for claims control purposes by the States requires us to issue numbers to welfare recipients and applicants—or to validate existing numbers on cards which they already carry in their possession, and we have to do this in a way that will limit the opportunity for an individual to receive multiple welfare payments based on multiple social security number "identities."

So, as I indicated, there is a distinction between limitations on the usefulness of a social security card as an identification of the bearer and the usefulness of the card, and the number itself, as a claims control. It is easier and much more effective to tie positive identification to a claims process. We do this in social security and, for example, under the proposed welfare reform program, now under consideration by this committee, applicants for benefits will submit necessary proofs, such as age, relationship, et cetera, in the claims process.

The information on these proofs will be used as a basis for verifying the person's existing social security number and, incidentally, correcting our own record, if necessary, or for issuing a new number if he does not have one. This will assure that only one claim can be filed

based on the unique identifying information which is peculiar to an individual.

I would like to comment now on some considerations involved in issuing social security cards to aliens.

Applications are issued in large numbers every day to foreign born applicants, some 60,000 a month, and we have no cause to look into their citizenship or immigrant status. There have been many suggestions, some of them unfortunately overly simplistic, as to what we can accomplish in this process.

I would like to point out that the consequences of inquiring into, or securing documentary evidence of, citizenship or immigrant status, if we had authority to do so, would involve the application of such procedures to large numbers of naturalized citizens and other foreign-born persons who are legally in the United States. Moreover, such a procedure would not be effective in identifying illegal entrants into the United States because such an alien, in the absence of a requirement that all applicants for numbers—normally some 6 million a year—submit proof of citizenship or right to be in the country, could easily avoid submitting proof of legal entry simply by stating that he was born in the United States. So we would really have to go to evidentiary requirements in all of these cases for all applicants to be sure that we did not degrade the process by simply accepting the allegation of the individual that he was born in this country.

The Social Security Administration is anxious, of course, to cooperate with the Immigration and Naturalization Service but we would be concerned about proposed remedies which could be either costly or impractical or might lead to degrading the quality of information we would obtain for social security purposes by stimulating the furnishing of false information.

As you know, H.R. 1 includes a provision for criminal penalties when an individual furnishes false information in applying for a social security number with intent to deceive the Secretary as to his true identity in connection with the establishment and maintenance of social security records, and this provision will be helpful in some situations.

Another point that we will have to keep in mind is the continuing concern that requiring information which is not needed in the administration of the social security program, but instead is being obtained for law enforcement purposes, opens the door to public anxiety over what could be considered unwarranted invasion of privacy.

In summary, we believe that the improvements in technology and systems that permit us now to go to central computer screening, together with the long-range policy developments which I have described—such as enumerating welfare recipients and school children in groups—will provide us with a firmer basis on which to challenge, and subject to evidentiary requirements, individuals who claim that they do not have a number and cannot convincingly explain why. We think it extremely important to proceed with the urgent and massive task of welfare enumeration.

Finally, we will again sit down with the Immigration and Naturalization Service to see whether the advent of automated capabilities might make economically feasible now what earlier may have seemed costly and unproductive for the returns achieved.

Mr. Chairman, that completes my statement. We will be glad to answer questions. If you would like, I will enter the recommendations of the Social Security Accounting Task Force in addition to my statement.

(The prepared statement of Mr. Hess and the task force recommendations follow. Hearing continues on p. 55.)

[Excerpt from the Social Security Number Task Force Report to the Commissioner, May 1971]

#### SUMMARY LISTING OF TASK FORCE RECOMMENDATIONS

1. SSA's basic posture on the use of the number for non-program purposes should be, first: that the increasing universality of the SSN in computer data collection and exchange presents both substantial benefits and potential dangers to society; and, second: that in order to maximize the benefits and minimize the dangers, there needs to be developed a national policy on computer data exchange and personal identification in America, including a consideration of what safeguards are needed to protect individual rights of privacy and due process.

2. SSA should do all in its power to stimulate the development of a national policy along the lines described above.

a. SSA should be prepared to make substantive input to the Secretary's Advisory Council on the role of the SSN in society.

b. On its own initiative, or in support of Department of Health, Education, and Welfare initiatives, SSA should seek additional ways to encourage and contribute to the development of computer safeguards and to the public and Congressional debate on the issue of protecting privacy in a computer age.

3. Pending resolution of the issue of the proper role of the SSN in society, SSA's basic posture toward taking actions that might increase the non-Federal use of the number should be a conservative and cautious one. Such actions should be limited to areas in which the advantages to the individual and to society are clear-cut and demonstrable, the risks to personal privacy minimal, and the effects restricted enough in impact so as not to foreclose societal options regarding future non-program uses (or non-uses) of the number.

4. SSA should consider cooperating with, and providing SSN services to, public and private organizations using the SSN for health, welfare, or educational purposes, provided (a) the proposed use involves clear advantage to society and little or no risk to individuals, (b) the individual consents to the proposed use, and (c) the organization agrees to defray all non-program-related costs.

5. SSA should continue to support the use of the SSN as a research tool, and should continue to cooperate with such uses, provided that such research is clearly in the public interest and that rigid safeguards to protect the confidentiality of personal information are incorporated into the research design.

6. SSA should embark on a positive program of enumerating school children at the ninth-grade level, with concurrent establishment of proof of age and identity. After such a program is well-established, SSA should require individual applicants for SSN's later in life to present documentary evidence of identity.

7. In order to achieve the widest possible participation in the enumeration program, SSA should offer school-entry enumeration to school systems that desire such option. SSA should not require reimbursement for its services in connection with a school-entry enumeration program.

8. SSA should, first, identify those categories of SSN applicants for whom the risk of multiple issuances is high and pre-screen the applications of all individuals in these categories; and, second, conduct an intensive investigation (including the obtaining of documentary evidence of identity and searching employer-filed reports of earnings filed with SSA) when pre-screening does not locate a prior number.

9. SSA should support a revision of the Social Security Act to provide a criminal penalty for willfully furnishing false information on a social security number application with intent to deceive the Secretary as to the applicant's true identity.

10. SSA should consider further the effects and costs of:

- a. Requiring documentary evidence of all SSN applicants,
- b. Eliminating mail SSN applications,

- c. Limiting the availability of SSN applications (in combination with b above),
- d. Requiring that mail applications be notarized (in combination with a above).

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PREPARED STATEMENT OF ARTHUR E. HESS, DEPUTY COMMISSIONER OF  
SOCIAL SECURITY, SOCIAL SECURITY ADMINISTRATION

Mr. Chairman and Members of the Committee :

The Committee has requested information on the social security aspects of the problem of aliens who are illegally present and employed in the United States. With your permission I would like to read a short statement on this subject.

In general, my remarks will concern the assistance given by the Social Security Administration to the Immigration and Naturalization Service in locating illegal entrants into the United States, the procedures for issuing social security cards and the considerations involved in improving these procedures. I would particularly like to describe the long-range program the Social Security Administration has initiated for improving our social security number issuance procedures and assisting welfare agencies to secure a tighter control on claims.

WHAT ASSISTANCE IS GIVEN TO THE IMMIGRATION AND NATURALIZATION SERVICE  
BY THE SOCIAL SECURITY ADMINISTRATION

First, I want to summarize the assistance given to the Immigration and Naturalization Service by the Social Security Administration. The Social Security Administration cooperates with the Service in its efforts to locate aliens who are illegally in the United States. Under section 290(c) of the Immigration and Nationality Act, enacted in 1952, the Secretary of Health, Education, and Welfare, upon request, provides information to the Attorney General on aliens who have been issued social security cards. Under this section, the responsibility for ascertaining whether persons to whom cards have been issued are aliens remains with the Immigration and Naturalization Service.

We have sought to work out procedures with the Service, within the reach of available resources of the two agencies, that reflect the effort to achieve a balance between two opposing but desirable combinations of considerations. On the one hand, we seek to assist the Service in its effort to detect and locate aliens who have entered the country illegally and, on the other hand, we seek to avoid invading the privacy of, and imposing hardships upon, applicants generally, including naturalized citizens and aliens who have entered the country legally. We also must adhere to the pledges we have made to keep social security records confidential. We have therefore developed with the Service procedures that take into account practical considerations and the fact that social security records contain no information with respect to citizenship.

Over the years we have furnished information pursuant to requests from the Service in about 370,000 cases; in fiscal year 1971 alone, we received 30,756 individual requests.

PRESENT PROCEDURES FOR ISSUING SOCIAL SECURITY NUMBERS AND PLANS FOR  
IMPROVING THESE PROCEDURES

Now I would like to touch on the present procedures for issuing social security numbers and some of our plans for improving these procedures. The information requested of an applicant is only that which is needed for the administration of the social security program. Throughout the early years of the operation of the social security program, and until recently, we followed the policy of keeping the process of acquiring a social security number relatively simple and expeditious. These policies have been reviewed from time to time over the years. Most recently, in response to growing concern on our part, and also on the part of others, about the increasing uses of the social security number, the problems of invasion of privacy that this presented, and the need to tighten up social security number issuance procedures because of the dependence of other programs upon the number, a special task force was formed in the Social Security Administration to study these matters. Based on the recommendations of the task force, the Social Security Administration has adopted new policies and is designing new systems which, when fully operative, will have the result of tightening up very considerably the issuance of social security numbers.

By and large our strategy to achieve our purpose to make it difficult for an individual to obtain more than one number is this: (1) it is desirable for reasons of cost and operational effectiveness to issue social security numbers to people in groups under circumstances that afford assurance of systematic enumeration and verification, rather than to issue them individually; (2) we plan therefore to initiate a positive program of issuing social security numbers to all individuals early in life, such as at the ninth grade (or at time of first entrance into school if the school authorities prefer), to replace the current policy of merely acquiescing to requests initiated by school systems to enumerate their students at the ninth grade or above; (3) the new positive approach of seeking to enumerate all school children (with concomitant indications of correct age and identity) would permit us to presume, after this program has been in effect for a given period of time, that everyone reaching adulthood will have been issued numbers; and (4) we would then require an adult, should he seek to obtain a social security number, to provide information and evidence to overturn the presumption that he has already been issued a number before we would issue one to him. This new approach will, over time, greatly reduce the chances that an individual may be able to obtain more than one social security number. Of course, the full implementation of this new policy will require the availability of substantial amounts of additional staff and money resources and will have to be phased over a fairly extended period of time—particularly in view of the very heavy load of anticipated welfare enumeration which we will start as a priority item next year and which I will discuss later.

Until this long-term procedure based on school enumeration becomes fully effective, we will continue to do what we have always done, that is, screen certain categories of applications against our files and then request evidence of identity of certain individuals before issuing the number. In addition, we recently instituted the requirement that older individuals provide evidence to establish their identities and to demonstrate that they have not previously been issued numbers. These steps tend to deter improper attempts to obtain numbers and reduce problems that the Internal Revenue Service, the Immigration and Naturalization Service, and other agencies must deal with. Beginning early next year, all new numbers will be issued centrally by computer after the applications, without exception, are screened against our national records.

#### THE SOCIAL SECURITY NUMBER IS NOT A MEANS OF IDENTIFICATION

At this point I want to emphasize that an authentic social security card is only an indication that the social security number shown on the card has been issued to an individual with the name appearing on the card. Unlike some cards, it does not show a photographic likeness of the individual to whom the card was assigned. It does not have a positive identification factor, like fingerprints, height, weight, color of eyes, age and race.

mation such as height, weight, color of eyes, age and race.

No arrangement to deny the issuance of a card to an individual not entitled to one is a complete solution to the problems of other agencies. This is because a social security card does not assure that the bearer is the person to whom the card has been issued. And, of course, cards may be illegally printed, stolen or borrowed. The more incentives we create in these directions, the greater the internal problems for social security record keeping.

Thus, the social security card is not a reliable mechanism to use as a work permit or identification card, nor was it ever so intended, and therefore ought not to be relied on as an indication that the job applicant is employable under Federal and State law. Nonetheless the steps that social security is now taking, given the necessary resources, will do much to reduce the size of problems that concern us and other agencies.

#### USE OF SOCIAL SECURITY NUMBER TO PREVENT DUPLICATE PAYMENTS UNDER THE PROPOSED WELFARE REFORM PROGRAMS

Without regard to the needs under pending legislation, we are now working with the State agencies administering public assistance programs to help them change their claims numbering systems. Use of the social security number for claims control purposes by the States requires us to issue numbers to welfare recipients and applicants (or to validate numbers for those who already possess them) in a way that will limit the opportunity for an individual to receive multiple welfare payments based on multiple social security number "identities."



The points I made earlier about the limitations upon the usefulness of the social security number as identification of the bearer must be contrasted with the positive usefulness of the number as a mechanism for preventing improper or duplicate payments under social welfare programs. It is easier and more effective to tie positive identification to a claims process. For example, under the proposed welfare reform program now under consideration by this Committee, applicants for benefits will submit necessary proofs, such as age, relationship, etc., in the claims process. The information on these proofs will be used as a basis for verifying the person's existing social security number (and, incidentally, correcting our own record if necessary) or for issuing a new number if he does not have one. This will assure that only one claim can be filed based on the unique identifying information which is peculiar to an individual.

#### CONSIDERATIONS INVOLVED IN ISSUING SOCIAL SECURITY CARDS TO ALIENS

There is statutory authority to issue social security numbers to those who need them because they are going to work in covered employment and because the Internal Revenue Code requires them and their employers to use the numbers to identify wages for social security tax purposes and for income-tax-return identification. Applications are issued in large numbers every day to foreign-born applicants—some 60,000 a month—and we have no cause to inquire into their citizenship or immigrant status. The consequences of inquiring into, or securing documentary evidence of, citizenship or immigrant status, if we had authority to do so, would involve the application of such procedures to large numbers of naturalized citizens and other foreign-born persons who are legally in the United States. Moreover, such a procedure would not be effective in identifying illegal entrants into the United States because such an alien, in the absence of a requirement that all applicants for numbers (normally some 6 million a year) submit proof of citizenship or right to be in the country, could easily avoid submitting proof of legal entry simply by stating that he was born in the United States.

The Social Security Administration is anxious, of course, to cooperate with the Immigration and Naturalization Service and this Committee in dealing with the problem. We would be very concerned, however, about proposed remedies which could be costly and impractical, or that might lead to degrading the quality of information we would obtain for social security purposes by stimulating the furnishing of false information.

As you know, H.R. 1 includes a provision for criminal penalties when an individual furnishes false information in applying for a social security number with intent to deceive the Secretary as to his true identity in connection with the establishment and maintenance of social security records. This provision would be helpful in some types of situations, but is not likely to prove a strong deterrent where an applicant for a social security number is already in an illegal situation and subject to deportation if apprehended.

Another point of continuing concern is that requiring information which is not needed in the administration of the social security program—but instead is being obtained for law enforcement purposes—opens the door to public anxiety over what could be considered unwarranted invasion of privacy.

#### SUMMARY

In summary, we will continue to work with other Federal agencies concerned to arrive at practical solutions to the difficult problems posed for them and for us by the widening use of the social security number. We believe that the improvements in technology and systems that permit us now to go to central computer screening, together with the long-range policy developments which I have described—such as enumerating welfare recipients and school children in groups—will provide us with a firmer basis on which to challenge, and subject to evidentiary requirements, individuals who claim that they do not have a number and cannot convincingly explain why. We think it extremely important to proceed with the urgent and massive task of welfare enumeration. Finally, we will again sit down with the Immigration and Naturalization Service to see whether the advent of automated capabilities might make economically feasible now what earlier may have seemed costly and unproductive for the returns achieved.

The CHAIRMAN. Thank you.

Let me ask you this explicitly: Is it an offense under present law for a person, in this case an illegal alien, to give false information for the purpose of obtaining a social security number?

Mr. HESS. Well, it is possible for an individual to come in and present false identifying information, or make a false statement as to his identity, and secure a number, yes, sir. Did you say is it against the law?

The CHAIRMAN. I want to know if it is an offense—

Mr. HESS. An offense; I am sorry.

The CHAIRMAN (continuing). To give false information for the purpose of obtaining a social security number?

Mr. HESS. It is not now. There is a provision in H.R. 1.

The CHAIRMAN. You agree it should be against the law to provide false information for the purpose of obtaining a social security number?

Mr. HESS. Yes, sir; we support that provision of H.R. 1.

The CHAIRMAN. As I understand it, it is already a crime to claim that you are a citizen when you are not?

Mr. HESS. I beg your pardon?

The CHAIRMAN. I believe the Immigration witness testified that it is also a crime to claim that you are a citizen if indeed you are not a citizen?

Mr. HESS. Yes.

The CHAIRMAN. Now, if an alien illegally enters a country and obtains a bona fide social security number and works in employment covered by social security, is he entitled to social security benefits based on work performed while he is in this country illegally?

Mr. HESS. He would be because he has worked in covered employment.

The CHAIRMAN. Even though he is in the country illegally?

Mr. HESS. Yes.

The CHAIRMAN. Is he entitled to benefits based on his earnings if he subsequently returns to Mexico, for example?

Mr. HESS. Mr. McKenna will speak on the question of receipt of benefits in foreign countries.

Mr. McKENNA. Mr. Chairman, if the individual qualifies for benefit payments here under the Social Security Act and then returns to Mexico, we would pay him benefits in Mexico.

The CHAIRMAN. Well, now, if he works the minimum time necessary to obtain coverage, either full coverage or minimal coverage, would not the amount that he received greatly exceed the amount that he contributed to the fund?

Senator BENNETT. All of us Americans would.

Mr. McKENNA. This would, of course, under the provisions of the Act that do provide for substantial payments for individuals who meet the minimum qualifications, over time certainly mean that we would be paying out benefits if the individual or his family survived for a substantial number of years in excess of what the actual contributions would have been by him during his period of employment, yes, Senator.

Mr. HESS. Mr. Chairman, you know there are special provisions that prevent the payment of benefits to an alien living outside the United States for more than 6 months unless a number of conditions exist,

and we could put into the record—there is a whole series of conditions that have to do with the payment or nonpayment of benefits to an alien who returns or who goes overseas.

The CHAIRMAN. Would you provide that then for the record?

Mr. HESS. Yes, we would.

(The following was subsequently supplied for the record:)

#### RESTRICTION ON PAYMENTS ABROAD

##### NONPAYMENT OF BENEFITS TO ALIENS OUTSIDE THE UNITED STATES

Social security benefits are not payable to persons who are not citizens of the United States and who have been absent from the United States for more than 6 calendar months unless the beneficiaries meet requirements for certain exceptions listed in Section 202(t) of the Social Security Act. Some of these exceptions are based upon the citizenship of the beneficiaries.

Persons may qualify for the payment of benefits under the exceptions if they are:

A. Citizens of countries with which the United States has a treaty which guarantees that each country will treat the citizens of the other country the same as it treats its own citizens under the provisions of its social insurance laws. (There are eight such countries.)

B. Citizens of countries which have social insurance systems comparable to the U.S. system and which pay benefits to U.S. citizens regardless of their place of residence. (There are currently 40 such countries, including Mexico.)

C. Citizens of countries which have comparable social insurance systems but do not pay benefits to U.S. citizens regardless of residence, if they were entitled in December 1956, or are in the Armed Forces of the United States, or if the worker had railroad credits which may be used as social security credits, or died as a result of service in the Armed forces. (There are currently 31 such countries.)

D. Citizens of countries which do not have a social insurance system comparable to the U.S. system, if they were entitled in December 1956, are in the Armed Forces of the United States, or the worker had resided in the United States for 10 years or earned 40 quarters of coverage, had railroad credits which may be used as social security credits or died as a result of service in the Armed Forces of the United States. (There are currently 57 such countries.)

##### RESTRICTION OF PAYMENTS TO ALIEN BENEFICIARIES RESIDING IN CERTAIN COUNTRIES

After June 30, 1968, no benefits will accrue to an alien residing in certain areas. Payment of benefits to people in these areas accrued before June 30, 1968, will be limited to the last 12 months of entitlement and will be paid only to the beneficiary or, if deceased, to a person entitled to monthly benefits on the same account for the month of death. These areas are: Albania, The People's Republic of China, Cuba, North Korea, North Vietnam, Russian Zone of Occupation of Germany, Russian Section of Occupation of Berlin.

##### RESTRICTION ON PAYMENT TO PERSONS WHO HAVE BEEN DEPORTED FROM THE UNITED STATES

After September 1, 1954, no payment may be made to aliens who have been deported from the United States under certain sections of the Immigration and Naturalization Act until they have been legally readmitted for permanent residence. No payment may be made to alien dependents of the deportee who are outside the United States.

The CHAIRMAN. Can anyone simply walk into a Social Security Office today and get a social security number?

Mr. HESS. Generally it is not possible to simply walk in and get a social security number unless the individual is a youngster or unless

in the interview process it is clear that the individual had never had a number and had no occasion to have a number. We screen the vast bulk of all applications of adults by taking the application and sending it in to our central screening. Now, that screening is primarily for purposes of determining whether or not the individual has had a prior number; so he may not get the number over the counter at that point.

The CHAIRMAN. It seems to me any man over 25 in the country would already have a social security number unless he is an alien; is that correct or not?

Mr. HESS. Well, one would think so; but there are quite a few individuals—relatively speaking it may be a small proportion of the population—but there are still quite a few individuals who do not have social security numbers and we are in the process now of trying to establish categories, including the welfare category, and including a group of dependent social security beneficiaries who have not had numbers of their own, including—there are aged individuals who, for example, would come under the adult assistance cash benefit provisions of H.R. 1 who are now receiving, may or may not be receiving, State welfare, low income persons who have never had occasion to have a number; such as aged widows, for example, who are receiving public assistance or living—and not receiving social security.

The CHAIRMAN. Why shouldn't it be that everybody had a social security number in this country?

Mr. HESS. I think we are moving rapidly to that point. I think we are at the stage of evolution not only of the coverage of social security but the increasing reliance of other programs on the number means that we are moving toward a universal identifier.

Mr. FUTTERMAN. May I add, Mr. Chairman, there is no question but that having a single number to identify all the individuals in the country would greatly simplify society's way of doing business and we ought to move in that direction; there is no question about it.

At the same time, there are real concerns that many people have the ability to bring together all the information relative to an individual would be a serious threat to the privacy of the individual, and unless proper safeguards are enacted into law many people would object to having a universal identifier without the assurance that they would not suffer abuse because of this facilitating factor.

The CHAIRMAN. Well, nobody objects, of course, to identifying himself to obtain an advantage, generally speaking. When they want something they are willing to identify themselves and establish who they are; why shouldn't it be such that everyone can be identified when the public or the government needs to know who the person is?

Mr. HESS. That, of course, is the import of the direction in which we are going with the welfare enumeration. In other words, in connection with a claims process, we will be having everyone identified.

The point that Mr. Futterman was making has been the subject of some inquiry and concern before the Subcommittee on Constitutional Rights of the Committee on the Judiciary and that is the concern that there be adequate safeguards for the privacy of the individual because, of course, the government is not the owner of the records; Social Security is the trustee of the information in the records for bona fide legal purposes and it is those purposes at this point which are primarily social security purposes.

The CHAIRMAN. Well, a citizen owes taxes; we use the social security number for tax purposes; it is also his tax number?

Mr. HESS. Right.

The CHAIRMAN. In addition to that, we owe him payments depending on what happens to him, and it would seem to me that you ought to be concerned—I know I am—about this widespread use of social security numbers to obtain money and to obtain jobs by false pretenses; and I would like to ask to just what degree are you concerned about it?

Mr. HESS. Well, we are concerned about that, Mr. Chairman. As my statement indicated, we have had a very great concern about balancing out the considerations that have to do with individual equity, the fact that an individual who goes to work is required to have a social security card, and in many instances we found in the past if we made it difficult or caused delays in his getting a social security card he was in jeopardy of not being able to report for the job.

We had to balance out those considerations against a set of considerations which also indicated that if we make it difficult for an individual to get a number we will get either false information presented to us or we would have circumstances arising where the card was of that much value to an individual that it might even under some circumstances be passed around. So we have moved to this strategy now to tighten up—first of all, it will be a very large problem, in terms of the various processes where evidentiary requirements are going to be needed, the claims process, for example, the welfare process, then the school children process—so that we have concomitant circumstances of identity and verification.

The CHAIRMAN. Well, if we require that everybody have a social security card, which they must have already in order to obtain dividends, interest payments, to have bank accounts, to obtain driver's licenses, credit cards, and a great number of other purposes, why shouldn't we just insist that everybody have a social security number, and that it be a crime to use a number that is not his for purposes of obtaining money or for the purpose of obtaining jobs or any other benefit and thereby identify people, and help with a great number of things, including this problem of more than 400,000 illegal aliens in this country. Why shouldn't we make the social security number mean what most people think they mean?

Mr. HESS. The substance of H.R. 1 of course, is that it will be a crime if the individual gives false information in connection with the establishment of his account. You have, of course, a broader question if you want to get additional information beyond the personal identifying information of the individual for account number purposes and subject to social security record to checking or verification, say, for any law enforcement purposes or otherwise, that is an important issue which I think this committee rightfully has under concern.

The CHAIRMAN. Senator Anderson?

Senator Bennett?

Senator BENNETT. Mr. Chairman, I have just one question.

I asked Mrs. Banuelos earlier if she could tell us how many of those 36 people said they were citizens. Were you able to get that information?

Mrs. BANUELOS. Within the applications I have here about nine, and the rest, Tengo Mica, "estoy legal," "tengo inmigracion." "I have been integrated in this country." Because they are—all the applications are made in Spanish this is the reason why I used Spanish because you will not find it in English.

Senator BENNETT. Were you able to make a count as to the number, that answered you saying "Yes, I am a citizen"?

Mrs. BANUELOS. Yes; we will have about 50 percent that would say yes and—

Senator BENNETT. Out of these 36?

Mrs. BANUELOS. Yes.

Senator BENNETT. So that is about 18?

Mrs. BANUELOS. Yes.

Senator BENNETT. My memory was that it was 19 when you and I counted them before?

Mrs. BANUELOS. Yes, sir.

Senator BENNETT. Thank you.

The CHAIRMAN. Senator Miller?

Senator MILLER. Do you know whether or not the Social Security Administration is paying out benefits to individuals who were illegally in this country at the time they were working and got coverage under social security, and who are still illegally in this country?

Mr. McKENNA. I don't believe, Senator, we have that specific information. It wouldn't appear in our records as such. We would simply have the earnings record of the individual along with his social security number, and then at claims time, of course, he would have his birth certificate to verify the age and any relationship involved, but we wouldn't have a record in terms of whether he had been here illegally per se.

Senator MILLER. Well, at the time the claim is made, you do require positive identification, do you not?

Mr. McKENNA. Yes, Senator.

Senator MILLER. Well, in the course of getting that positive identification, is there any system to determine whether or not they are illegal aliens?

Mr. McKENNA. Not to my knowledge, sir.

Mr. HESS. Sir, at the time of claim the question of citizenship or alienage is not pertinent under the law except with respect to a limited number of situations. There are a few provisions in the Social Security Act, such as the transitional Medicare provision where some people over 65 were given medical benefits at public expense, and, I think, also the so-called Prouty benefits and also when an individual goes abroad and we get either a change of address or work information that has to do with his being abroad—where we then look into the question of citizenship.

Senator MILLER. Yes, but I am referring to those who stay in the country.

Mr. HESS. Other than those, there is not only no need but no authority at that point of being able to look into the question of the citizenship of the ordinary recipient. It is not required under law.

Senator MILLER. You say it is not required under the law?

Mr. HESS. It is not required in the general payment of benefits.

Senator MILLER. Well, does the law prohibit the paying of such benefits to people who are illegally in this country, and who were illegally in this country at the time they qualified for benefits?

Mr. HESS. No.

Senator MILLER. So to speak?

Mr. HESS. No.

Senator MILLER. Have you ever recommended that a change in the law be made on that point, because from what you tell me now apparently there must be several thousand of these people who are illegally in this country who have been working and paying social security, and there is no check when they come in to give you positive identification as to whether or not they were ever illegally in the country and whether they are still illegally in the country. So it would seem to me on the basis of what Mr. Farrell testified, that there must be a tremendous number of these people collecting social security benefits who from the beginning were not eligible.

Senator BENNETT. Will you excuse me? Senator Long and I had agreed to appear jointly before the President's White House Conference on the Aging. We were due there at 12 o'clock. We have decided we had better get down there. If you will excuse us and carry on with the rest of the questions.

Senator MILLER. I must say if what I recited here is true, I would think this would cause Congress, cause you, too, to work together to try to prevent this from happening.

Mr. HESS. The question of the circumstances under which people receive social security benefits has been looked into extensively by both the committee of the House and this committee in connection with repeated reviews and amendments of the Social Security Act. Basically, the concept of social security is that an individual who has been in this country and has worked in covered employment, contributed to and become eligible for payments, receives those payments as long as he is in this country, and, as I indicated, the only instances in which we have provisions of law which require reference to citizenship status at the time of the claim are those limited provisions where there are general revenues used in whole or in part to support the payment to persons who did not meet the full insured status requirements.

Now, there are also provisions that become operative for the person who is an alien and has earned his benefit here if he goes abroad, and those are the provisions that, as I mentioned to the chairman, I will put in the record that indicate the circumstance under which such an individual may or may not continue to receive benefits after 6 months abroad.

Senator MILLER. On that point, are you talking about an alien who is legally or an alien who is illegally in this country?

Mr. HESS. The provision of law makes no distinction on that, sir.

Senator MILLER. In other words, what you are saying is that a person who is illegally in this county, who qualifies for social security benefits, so to speak, and who then decides to move out of this country is going to be looked at after a 6-months period, whereas a person who is illegally in this country but just stays in this country isn't going to be looked at at all?

Mr. HESS. Yes. I am not familiar with the provision in the immigration and naturalization laws that have to do with the individual who

has stayed here for some period of time but I have a recollection there is something like a 5-year period after which the individual is not subject to the same conditions, even if he is here illegally, as he was in the first period; but basically that is somewhat of a side issue. The real point is with respect to the social security benefits generally the Congress has made no such distinction for the payment of the benefits.

Senator MILLER. The Congress might make such a distinction because it seems to me it is an open invitation to come on in, go to work illegally, become eligible for social security and retire and not have to worry about it. Yes?

Mr. FUTTERMAN. I just want to give you a feel for the dimensions of this problem. Theoretically, what you say is possible, but keep in mind that to be eligible for social security an individual has to have a quarter of coverage for each year elapsing after 1950, and until he is age 65. A person 65, including an alien, who reaches age 65 this year would have to have 20 quarters of coverage or the equivalent of 5 full years before he could be entitled. I think this is sort of a self-limiting condition. People reaching 65 in later years would be required to have an additional quarter of coverage for each additional year (up to a maximum of 40), so that you would not expect overnight a large number of aliens to acquire any kind of entitlement under social security. It is a long-term affair.

Senator MILLER. I think your point is well taken and this, of course, is the reason you are concentrating on the welfare area, as your first priority?

Mr. FUTTERMAN. Yes.

Senator MILLER. Have you examined the possibility of requiring fingerprints on social security cards as a means of identification?

Mr. HESS. Yes, we have. Mr. Futterman was very familiar with that task force's effort.

Mr. FUTTERMAN. I chaired the task force; it was an in-house task force to see what we could do ourselves without legislation and then see what kind of other actions we might recommend.

The group of Social Security officials which considered that recognized that if one wanted a foolproof system perhaps fingerprinting was the only one that would give you the degree of assurance. We naturally were aware that such a thing is somewhat abhorrent to the American way of life, but as we considered how a fingerprint system would have to work to be foolproof it was clear that in order to maintain the tightness of the system that every encounter of social security with that individual starting from the time that he came in to get an account number and every earning that was reported for him each 3 months would have to be accompanied by a set of fingerprints to match it up to see that his earnings were being properly reported to his account, that this would be a tremendously costly system even if we could face up to that kind of an arrangement which, in our judgment, the American people would not accept anyway.

Senator MILLER. I was keeping up with you until you made that jump there that every occasion of employment would require this. We have discussed this fingerprinting proposition here in the committee, and I don't recall there was ever any suggestion made like that. What we were trying to do, I think, was to invent a reasonably tight



system for issuing social security cards, and once those were issued we would have an opportunity, perhaps, to find duplications, things like that, especially when it came to claiming benefits; and I don't believe we ever discussed all of this in between business that you are talking about.

Mr. FUTTERMAN. I didn't intend to say that, Mr. Senator. I was only reporting to you what the task force of social security officials in considering this problem talked about and considered and I was not referring to any consideration that this committee itself might have given. I do agree—

Senator MILLER. I know you weren't, but the thing that bothers me is that you recited quite frankly what the task force considered, and I think the task force considered a straw man; and we are not interested in straw men here. So it seems to me that the task force's concern was not responsive to what our points were.

I appreciate your bringing that out and if we didn't have a meeting of the minds on that, perhaps we could look into it some more. I have taken up enough time, Mr. Chairman, and I appreciate the responses.

Senator ANDERSON (presiding). Thank you very much for your appearance.

Senator JORDAN. I have no questions.

Senator FANNIN. I would like to have your thoughts at another time because I think this is something we should delve into very deeply. Is this a legal social security card?

Mr. HESS. No.

Senator FANNIN. It says "U.S. Social Security," and my number, name and all are registered with the U.S. Government. Then this would not be a legal card?

Mr. HESS. No; that was apparently commercially and privately produced. It may have the correct name and number on there. It is not infrequently found that people like to dress up their cards.

Senator FANNIN. The only comment I would like to make about the hearings of today, if they could have alien and then the social security number would it not be an advantage for the employer to know what you are up against even if you had a termination date that they are legally in the United States a certain length of time because it is a temporary card.

Mr. HESS. Well, of course, that is the function the Immigration and Naturalization "green card" is supposed to perform.

Senator FANNIN. I won't delay it. I know it would be very beneficial if we could have you before us at another time so we could delve into this very thoroughly.

Thank you very much.

Mr. HESS. In this connection, as Senator Fannin points out, this is a matter of great mutual interest and you may be sure we will be working with the committee staff and with the committee in the next month or two to pursue every angle on pinning this down.

Senator FANNIN. Thank you.

Senator ANDERSON. Any further questions? If not, thank you all very much.

William Kircher.

**STATEMENT OF WILLIAM L. KIRCHER, DIRECTOR OF ORGANIZATION, NATIONAL AFL-CIO; ACCOMPANIED BY KENNETH A. MEIKLEJOHN, LEGISLATIVE REPRESENTATIVE, AFL-CIO**

Mr. KIRCHER. Mr. Chairman and members of the committee: my name is William Kircher and I am director of organization of the AFL-CIO. With me is Mr. Kenneth Meiklejohn who is a member of the AFL-CIO's legislative department. We are here to register on behalf of the AFL-CIO a vigorous objection to the confirmation of Mrs. Banuelos as Treasurer of the United States.

I am sorry that I do not have copies of my testimony. I wish to speak rather briefly from notes that I have.

I appear before this committee on this matter because my intensive involvement with the union organization of farmworkers in the southwestern United States over the past 6 years have caused me to confront and be confronted with the grievously adverse effect which the use of illegal Mexican labor has upon American standards and the right of workers to utilize the self-help machinery of collective bargaining to improve those standards.

Mrs. Banuelos' factory was raided by Federal Immigration agents Tuesday, October 5, 1971. Thirty-six illegal aliens were apprehended. At least that many more are believed to have escaped by running out back doors, climbing fences, et cetera.

Mrs. Banuelos' factory had been raided five times previous to the October 5 raid and each time illegal aliens were apprehended.

On August 8, according to the Los Angeles Times in an interview with George K. Rosenberg, District Director of the INS in the Los Angeles area, Mrs. Banuelos had been sent a letter by the INS pleading—the news story stated—with her to quit using aliens:

Because it not only encourages additional aliens to enter the United States illegally but deprives American citizens and lawful resident aliens of necessary employment.

Mrs. Banuelos, on the day of the last raid, stated that she had never received such a letter and further disclaimed knowledge of illegal aliens being employed by her company, despite the fact that there had been five previous wetback-producing raids at her factory.

Mr. Rosenberg is quoted, however, as follows: He said, and he is the Government's top guy in the area on this kind of practice, with 31 years of service under six Presidents and 17 attorneys-general—he was quoted as saying:

If an employer continues to hire illegal aliens in large numbers, then I have to conclude as a reasonable person that they don't give a damn.

Mrs. Banuelos' general manager, Samuel Magana, is quoted, however, as saying that illegal aliens "do work hard because they know the risk they take when they come here."

It is of significance to note that within the past few weeks the State of California passed assembly bill 528 which prohibits the hiring of illegal aliens in California. The legislation, sponsored by Republican Assemblyman Dixon Arnett of Redwood City, was aggressively supported by the AFL-CIO and was signed by Gov. Ronald Reagan. It is possibly one of the most bipartisan legislative action in Sacramento in recent years. Sponsors of the bill stated that Mrs. Banuelos could have been prosecuted under the bill and fined if convicted.

The committee may draw some oblique intelligence in this matter from the fact that while the bill had substantial bipartisan support, there were those who opposed it aggressively. They were the California Manufacturers Association, California Conference of Employers, the Agricultural Council of California, the Agricultural Producers Committee, the Agricultural Conference, and the California Shippers and Growers Association.

It is worth noting here what the Governor of California said as he signed the bill, and I quote :

This bill, which makes California the first State to adopt a law aimed at coming to grips with the intentional employment of illegal aliens, is a direct result of the Federal Government's failure to meet its own obligations in this regard.

The control of illegal aliens is and should be a Federal responsibility. But, in view of the fact that an illegal work force now displaces hundreds of thousands of Californians—many in search of jobs—it has become increasingly clear that we can no longer wait for Congress.

If there is any measure of validity in the words of Governor Reagan, then it would seem that his fellow Californians and fellow Republican, President Nixon, does great harm to the situation described by the Governor when he nominates to such a high Federal post as Treasurer of the United States, a person who stands guilty, wittingly or unwittingly, of employing rather regularly and in substantial numbers, illegal aliens. I would hope that this committee might help to provide a greater image of understanding and agreement between Governor Reagan and the President by urging the Senate to reject the appointment of Mrs. Banuelos.

Mrs. Banuelos must be responsible for the hiring practices and the employee relations program at her factory. If she is to be credited with building a \$6 million enterprise then she must answer for the policies under which it was done. There are a few critical facts to look at :

Mrs. Banuelos' factory was well known as a user of wetbacks. After the first raid her company was told by officials of INS that the practice was harmful to this country. She was asked to stop, being told that the practice of employing illegals is harmful to the economy, that it works hardships on citizens, that it is, in fact, unpatriotic, and that it places added burdens on the American taxpayer. This was the U.S. Government talking to Mrs. Banuelos, asking a cessation of these practices and asking them in vain. Today she would become, at a high level, a part of that government, whose policies we could not accommodate as an employer.

I think there is a grave question of Mrs. Banuelos' fitness for this high post in the context of how much respect she has shown in the past for the Government of which she would now become a part. There can be no questioning the fact that she had little or no respect for it when it was the Immigration and Naturalization Service asking her to cease an unpatriotic, costly practice which, while it might have been lucrative for her, was costly to her Government.

I cannot be impressed by arguments that "it is hard to tell a wetback." Anyone with an experience in the field will tell you that as a general proposition wetbacks speak little if any English. Resident aliens and citizens are generally bilingual especially the young ones.

It is one of the simplest of tests, and while it isn't 100 percent effective, consider for a moment the fact that none of the employees

at Mrs. Banuelos' factory who were arrested as illegals spoke much if any English and nearly all were young.

But with that the fact that the general manager openly stated after the raid, that Ramona "just can't get Americans to work. This whole thing is a matter of government making people get off welfare. That Americans we get only come here and stay until they can get back on welfare."

Does that sound like a general manager who didn't know he was hiring illegals?

I dislike besmirching anyone's character but I just cannot comprehend an employer actively engaged in a business being raided six times in less than 3 years for the same purpose each time and with similar bad practices being exposed each time and yet be unaware of what was going on.

She certainly knew what she was saying during a union organizing campaign at the factory when she told workers that the union couldn't protect their right to stay in this country.

The NLRB files indicate that Mrs. Banuelos didn't cotton too well to the idea of the workers unionizing, which is another characteristic of employers who engage in using wetbacks.

Much of my time is spent working with and living among Mexican-Americans. They are admirable people. Their love of this country, once they adopt it, is great. Their respect for its institutions is substantial, particularly for the concepts of democracy and freedom of opportunity. It is lamentable that with so many millions of them legally here and with so many of those who have risen to high places of esteem and accomplishment in their communities, that when a nomination is made to such a high post as Treasurer of the United States it would be of a person who has such questionable employer practices so deeply etched in her record.

Senator ANDERSON. Just one second, please. That is a vote and we will have to go there sometime, I assume.

Senator FANNIN. Mr. Chairman, I think we have heard enough. I think it is the most irresponsible statement I ever heard.

Mr. KIRCHER. I have only a few additional notes here.

Senator FANNIN. I don't see where you have the justification for your statements. I resent your coming before us and making the statement you have. The union certainly didn't object to collecting the dues.

Mr. KIRCHER. May I finish just this one portion of my statement here?

Senator ANDERSON. So far as I am concerned, I want to continue. I want to have the witness finish. We will stay here until the 5-minute bell. Go right ahead.

Mr. KIRCHER. I will skip the rest of my remarks in the interest of time. I can't submit them right now because I don't have them written out.

Senator MILLER. You can put them in the record, however.

(Mr. Kircher's additional remarks were as follows:)

I am most sorry for the wetbacks themselves. They are driven to do what they do not alone because of economic circumstances but because there are those who hold jobs in the U.S. in front of them as lures and enticements. It is paradoxical that in many, if not most cases, Mexican brothers and sisters who are legally in this country are the hardest hit victims of the wetback practices. It

is *their* jobs that are stolen. It is their *wages* that are depressed. It is their *organizational efforts* that are thwarted.

The bitter strikes of the last decade where Mexican American and Filipino farmworkers—America's poorest and most deprived workers—are trying to help themselves through unionization, are broken not by anglos or blacks, but by Mexican Americans who slip into this country—just as those who were caught at Mrs. Banuelos factory—to work at depressing wage levels, quiet and docile and completely subservient to the employer because they know that to do otherwise is to risk exposure.

Officials of the U.S. Immigration and Naturalization Service reported recently that the service caught 317,016 illegal aliens in 1970 but observed that while this is a 240% increase over 1967 it was "an unknown percentage" of the total. Some say a good rule of thumb for determining the total numbers of illegals is that for every one apprehended two are missed. The California State Department of Industrial Relations says there were a quarter million illegals in California during 1969 and 100,000 of them earned over 1 million dollars in wages. It doesn't take a computer to measure the devastating depressing effect of this phenomenon on American wage standards.

There were nearly 87 million "legal" border crossings last year—25 million of which were from Mexico into California. Some of these become illegals by violating visas. Some qualified sources suggest as many as 1.5 million illegals hold jobs in this country, and in most cases they work at wage levels well below American standards.

As long as there are unscrupulous employers who would capitalize on the economic circumstances of these poor people, and as long as the law remains as loose with inadequate policies as it is, there will be illegals. However, there can be absolutely no justification for encouraging *the growth of the practice*, which is precisely what will occur in the minds of employers and potential illegals if one of the southwest's most celebrated users of illegals is named as Treasurer of the United States.

Mr. KIRCHER. I did want to read this telegram into the record, and I would like to leave it with the Committee if they wish it.

Senator ANDERSON. It will be done.

Mr. KIRCHER. It was sent to me and it says:

Present schedule prevents us from appearing personally before the Committee quizzing Mrs. Banuelos about her appointment as the next Treasurer of the United States.

The exploitation of these poor unfortunate people who are brought into the United States for the express purpose of exploiting them has become a serious problem to the Mexican-Americans throughout the Southwest.

It is not only an illegal act on the part of those that do this but a very serious moral problem. It also frustrates the organizing efforts of legitimate unions throughout the country by employing illegal entrants—wetbacks—as strike breakers. In our experience employers have consistently brought in illegal entrants as strike breakers which has served to be very effective in frustrating the organizing of farm workers in this country.

We have serious reservations about any person engaged in the practice of hiring illegal entrants for the purpose of exploiting them and thus making personal gain from the misery and poverty of our more unfortunate brothers.

In our work we attempt to hold the banner of freedom of opportunity and the democratic way of life as an inspiration to the poor who legally find a way to become part of the American scene. It is unthinkable that practices which exploit the poor and actually reflect the opposite of this nation's best principles should be given the Presidential and Congressional blessing by the appointment of Senora Banuelos.

This telegram was signed by Cesar E. Chavez, director of the United Farm Workers Organizing Committee, AFL-CIO, on behalf of that union.

Senator ANDERSON. Thank you for that. We will hear the rest of your statement either today or tomorrow and in the pressure of time we will extend you time.

Senator MILLER. Can I ask just a couple of questions, Mr. Chairman.

In reference to the telegram you just read, our testimony here is that Mrs. Banuelos' plant was a union shop plant and I fail to see from the testimony we have had before us what hiring of wetbacks, advertent or inadvertent, could have done to interfere with the organization of that plant. That plant is already organized. They have to join a union within 30 days, so I would suggest that perhaps the sender of the telegram didn't understand there was a union shop contract involved with the union.

But I would like to ask you this: Can you tell us whether the Amalgamated Meat Cutters might have quite a number of plants organized in this part of the country?

Mr. KIRCHER. Senator, if I may, I think you may be making a mistake in identifying me. I am director of organization for the national AFL-CIO. Someone told me the witness schedule did identify me as representing the Amalgamated Meat Workers.

Senator MILLER. Well, with respect to the national outlook, there are many AFL-CIO unionized plants in that part of the country. Has there been any occasion when illegal aliens have been discovered as members of any of those locals?

Mr. KIRCHER. Yes, there has.

Senator MILLER. What do you do when you discover that?

Mr. KIRCHER. I think you heard Mr. Farrell testify as to some of the aggressive work we have done working with the Immigration Service in an attempt to assist them. As a matter of fact, I believe he testified that we are critical of them in that they don't follow up more of the leads that we give them.

Senator MILLER. I believe he testified with respect to Mr. Doran's union. I don't recall that he testified with respect to other unions; but be that as it may, if you have a local and they find that there is an illegal alien who is trying to get into that union because that union has either a closed shop or a union shop contract, do I understand you to say that they refuse membership to that individual?

Mr. KIRCHER. Well, let me ask first, if I may, Senator, what do you mean by the closed shop?

Senator MILLER. Well, you have to belong to the union before you can work in a plant, as distinguished from a union shop where you have to join within 30 days. In either case—

Mr. KIRCHER. I am sure you are aware—

Senator MILLER (continuing). Once an application for membership is made, do I understand you to say those local unions will exclude those people and not permit them to become members of the union?

Mr. KIRCHER. I am sure you are aware of the fact that the closed shop was outlawed and the union cannot require union membership as a condition of employment?

Senator MILLER. Well, be that as it may—

Mr. KIRCHER. There is no such thing.

Senator FANNIN. There is a variance of that; 7 days in some cases; 30 days in some others.

Mr. KIRCHER. You are talking about the construction industry.

Senator MILLER. Be that as it may, let's not get sidetracked. Closed shops or not, do I understand from you that your AFL-CIO local unions throughout that area refused membership to anyone who is an illegal alien?

Mr. KIRCHER. I don't know that I can answer the question because I don't know all of the practices. I know that where an employee obtains employment, the union has no control over who is employed. That, by Federal law, is the sole prerogative of the employer in those cases covered by interstate commerce with the exception of the special provisions in the construction industry which is not a part of this question. The union has no way of knowing who is employed.

If in the course—Now I am speaking from my own knowledge—if in the course of its business the union discovers that there are wet-backs, as you heard Mr. Farrell testify, and I underline his testimony, those unions that I am familiar with and that I have worked with, do everything possible to correct that situation.

Senator MILLER. Well, I don't think you quite met my question. Let's just take the union shop situation where, within 30 days, an employee has to join a union. Is it your testimony that if that union is an AFL-CIO local in that part of the country, it will refuse membership to an illegal alien?

Mr. KIRCHER. I don't know, but I doubt if it would. I would not have any way of knowing, but I would doubt if it would.

Senator MILLER. I thought you might have some cases in which that has happened?

Mr. KIRCHER. No, but in those that I know about, every effort is made to clear up a situation where there are illegals.

Senator MILLER. Well, my comment would be, Mr. Kircher, that I think what you have been saying is applicable to the local union that had this Bannelos plant organized, because I understand they apparently admitted under the union shop contract these various illegal aliens about which you are talking.

Mr. KIRCHER. Well, I know nothing about that; it is not an AFL-CIO union and I am not—

Senator MILLER. I understand, so I think perhaps your criticism should be directed that way.

Senator FANNIN. The only thing I would like to say is that I consider your testimony very irresponsible. Were you here when the other witnesses were here?

Mr. KIRCHER. Yes.

Senator FANNIN. How can you say it was lucrative to aliens when she was paying them as well as everybody else? You don't have to answer because I know what your answer would be.

Mr. KIRCHER. Well Senator, you said it.

Senator FANNIN. You say they raided six times. The testimony here by qualified people that are responsible said they raided one time, so that is just typical of the statements you have made. Sorry I don't have more time.

Senator ANDERSON. I am restraining my own speech because in 1947 I had something to do with the Department of Agriculture and the unions came out very nicely and did very well.

(Whereupon, at 1:15 p.m., the hearing was adjourned, the committee to reconvene subject to the call of the Chair.)

## APPENDIX

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### The Following Communications Were Received by the Committee Expressing an Interest in the Nomination of Mrs. Romana Acosta Banuelos

BEVERLY HILLS, CALIF., *November 26, 1971.*

Re Romana Acosta Banuelos, nominated for Treasurer of the United States.

HON. RUSSELL B. LONG,  
*Chairman, Committee on Finance,*  
*U.S. Senate,*  
*Washington, D.C.*

DEAR MR. CHAIRMAN: Romana Acosta Banuelos has been nominated by President Richard M. Nixon to be the Treasurer of the United States.

I am writing this letter to you as a concerned taxpayer who is as interested as you in the background, integrity and capability of Romana Acosta Banuelos to carry out her duties as Treasurer of the United States. I first began the practice of law in 1939 and with the exception of four years as a Special Agent of the Federal Bureau of Investigation. I have continuously practiced law up to the present date.

I have been the attorney for Romana Acosta Banuelos for the past twenty-one years, beginning in 1950, which was approximately at the time when she invested the only \$400.00 she had in a tortilla business. In the following twenty-one years she built that business into a multimillion dollar Mexican food products business. In addition to being the personal attorney of Romana Acosta Banuelos, I originally organized Ramona's Mexican Food Products, as a corporation, and since the date of its incorporation, in October of 1960, I have represented the corporation in connection with all legal matters. In addition I have participated with Romana Acosta Banuelos and her husband Alex in some of the decisions affecting the business affairs of the corporation.

I am extremely dismayed at the abortive attempts by certain individuals who planned and executed what has been conveniently called a "raid" on Ramona's Mexican Food Products, Inc. in October of 1971. Public opinion should condemn the individuals instigating this claimed raid rather than Romana Acosta Banuelos. The purported raid netted only thirty-six aliens out of a working force of three hundred, which when considered with a yearly turn-over of approximately three hundred to four hundred employees totals seven hundred, which leaves a percentage of approximately .051 of the entire working force who were claimed to be aliens.

The critics of her appointment seem to take pleasure in attempting to denounce her as exploiting Mexican employees working in Ramona's Mexican Food Products, Inc. There is nothing that could be further from the truth, for the following reasons:

Ramona's Mexican Food Products, Inc., of which Romana Acosta Banuelos is President, is a closed shop, operating under a union contract dated February 14, 1969, entered into with Produce Refrigerated & Processed Foods and Industrial Workers, Local Union 630 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America. I participated in the negotiations of said contract with Local Union No. 630, and I am actually aware of all of its provisions.

The contract recognizes Local Union No. 630 as the sole and exclusive collective bargaining agent for all production and maintenance employees, drivers, driver-salesmen, and delivery workers employed by Ramona's Mexican Food Products, Inc., at 13638 South Western Avenue, Gardena, California.

The agreement provides, under Union security, that new employees are on a probationary basis for the first thirty days and on the thirty-first day must join



the union. That Ramona's within forty-eight hours of hiring or termination, must notify the union.

Ramona's may discharge any employee for just cause, including but not limited to dishonestly, incompetency, intoxication or drinking while on the job, or violation of posted safety rules.

Insofar as vacations are concerned, one year of continuous service entitles an employee to a week's vacation with 40 hours' pay; two years' service entitles each employee to two weeks' vacation with 80 hours' pay; and after three years' service, three weeks with 120 hours' pay. If any employee is terminated after one year, on termination he receives his full vacation pay which is prorated up to three years.

Each employee receives seven paid holidays each year, and if the holiday falls on a Sunday, the following Monday is considered as a paid holiday.

All employees work an eight-hour day, with no split shifts, with a guaranteed minimum of 32 straight hours on five consecutive days. Overtime pay is one and a half times regular rate, double time for any time over twelve hours, and a ten cent shift premium per hour on the night shift.

Ramona's provides a bulletin board for the exclusive use of the employees, and seniority governs where skill, ability and experience are relatively equal.

Under grievance procedure any employee may submit a grievance to his superior or union steward, and if not resolved he goes to an arbitration board consisting of one company representative, one union representative and one acceptable to the union and the company.

Leaves of absence are granted up to ninety days, and in the event of pregnancy any employee need not report back to work for two months.

The wages paid by Ramona's are the highest or equal to any other employees in Southern California working in similar plants or under similar conditions. It is my understanding that the contract presently in effect at Ramona's with Local 630 has been accepted as the pattern for the industry.

The minimum wage under the contract provides that after ninety days any employee must receive a minimum of \$1.95 per hour on the day shift, with a ten cent premium on the night shift, or \$2.05. The wage scale extends upward to \$3.12 per hour.

Ramona's provides and pays for a health and welfare plan and life insurance, and each employee has five days industrial leave with pay per year.

The present contract expires on November 30, 1971, and Ramona's has already offered to renew the contract under the same terms and conditions, subject to negotiations as to increases in pay and other provisions benefitting the employees over and above the existing contract.

The hiring problems of Ramona's Mexican Food Products, Inc. are no different than those of the hundreds of other employers in Southern California, Arizona, New Mexico and Texas where a large part of the working force is of Mexican descent, some of whom are aliens. Ramona's uses an application form written both in English and in Spanish asking, among other things, whether the applicant is a citizen of the United States and for his Social Security number. In those instances where the application is not completed, he is orally asked the same questions by supervisory employees in charge of hiring. Each employee is required to complete Form W-4 giving his name, address, Social Security number and his dependents. Ramona's complies with all of the legal requirements and normal hiring practices of all business establishments in Southern California. The fact that only approximately five percent of the entire turn-over of its working force was found in the purported raid in October, 1971 by officials of the Immigration and Naturalization Service is a credit to the hiring procedures of Ramona's Mexican Food Products, Inc. Even if Romana Acosta Banuelos had known in October, 1971 that there was a small number of aliens in the plant, she would not have been in violation of any law. In addition, even a skilled, official investigation often has difficulty in determining an alien's status. The illegal aliens can obtain Social Security cards without proof of citizenship. Excellent forgeries of resident alien identification cards are easily obtained.

Ramona's Mexican Food Products, Inc. had nothing whatsoever to gain by hiring aliens. The union contract with Local 630 hereinbefore referred to controlled the working conditions and wages of all employees. Aliens received the same wages as any other employee and also the same benefits. It is impossible to point to one single reason why the corporation would benefit financially or otherwise by the hiring of aliens.

The critics of Romana Acosta Banuelos should instead be pointing their fingers where the fault lies. Employers spend endless hours and thousands of dollars a year doing Uncle Sam's paper work. Why are Social Security cards issued just for the asking? Why is a prospective employer required to give the third degree to a prospective employee, demand proof that he or she is eligible for employment and then be slandered if the employee lies? Congress could remedy all of this by simply passing a law requiring Social Security to demand proof of eligibility before they hand out a Social Security card, and ninety-five percent of these could be covered by simply requiring that they produce a certified copy of their birth certificate showing birth in the United States. There isn't a single employer in the United States who would hire an employee who could not produce a Social Security card.

Mrs. Banuelos, in addition to being the President of Ramona's Mexican Food Products, Inc., a complex business organization, highly successful and highly efficient, has had to divide her time on other projects and business enterprises, the main one being as a founding member and later as President and Chairman of the Board of the Pan American National Bank of East Los Angeles. Just as any other business executive would do, she delegated to other supervisory employees of Ramona's Mexican Food Products, Inc. the hiring of employees. The limited time which she had to devote to the affairs of Ramona's Mexican Food Products, Inc. were concentrated on the financial end and more recently to the building of a new 23,000 square foot plant addition, resulting in the corporation having approximately 41,000 square feet of the most modern facilities for the production of Mexican food products in the entire United States. It is easily understandable why Mrs. Banuelos had no reason to be aware of the existence of a few aliens in the plant in October of 1971.

The fact is that the union contract of Ramona's Mexican Food Products, Inc. with Local 630 of the International Brotherhood of Teamsters, does not contain a check-off provision whereby the employer deducts the initiation fee and the monthly dues of the employee from the paycheck of each employee. It has been the practice of Local 630 to send a representative to the plant each month to collect the monthly dues, or initiation fees, which places the union representative in direct contact with each employee of Ramona's Mexican Food Products, Inc. These same aliens, in addition to paying Social Security benefits and withholding, were also paying union dues and initiation fees to the union. So far I have not heard of any critic who has come forward and criticized the Teamsters' Union, who has been and is in relatively the same position as Ramona's Mexican Food Products, Inc., and has accepted union dues and initiation fees from these same aliens.

Your attention is further called to the fact that the employment of any aliens was not by Mrs. Banuelos personally, but by a separate and distinct organization recognized by law as a distinct and separate entity, to wit, Ramona's Mexican Food Products, Inc. The responsibility rests solely on the corporate entity and the supervising employees in said plant in charge of hiring. The responsibility, therefore, does not rest individually on Mrs. Banuelos as claimed by her critics.

I can with all sincerity and without reservation endorse Romana Acosta Banuelos to be appointed as Treasurer of the United States. Mrs. Banuelos, as well as her husband Alex Banuelos, has been active in community affairs and has contributed generously, both in time and in money, to community obligations. Mrs. Banuelos has an exemplary family. Carlos Torres is a Viet Nam veteran and the recipient of the Purple Heart. Carlos, together with her other son Martin, are serving in the Los Angeles County Sheriff's Department. Carlos is Vice-President and Martin is General Manager of Ramona's Mexican Food Products, Inc. Mrs. Banuelos' daughter, Ramona Banuelos, age 15, is attending Immaculate Heart High School in Los Angeles. Mrs. Banuelos has demonstrated her sensitivity to the advancement of members of her race by establishing the Ramona's Mexican Food Products Scholarship Foundation, Inc. and is sponsoring a number of high school students of Mexican-American descent to receive a full college education.

As President of Ramona's Mexican Food Products, Inc. she has further demonstrated her sensitivity to the welfare of her employees by establishing a non-contributing employee benefit profit sharing plan, the proceeds thereof being paid solely by the employer.

Romana Acosta Banuelos is eminently qualified to be the Treasurer of the United States. She is the first woman of Latin-American background to be con-

sidered for so high a position in the United States Government. In my thirty years of law practice I have yet to meet any woman as highly qualified as she is in the field of business and finance. Her honesty and integrity are above reproach.

Mrs. Banuelos is a founder, director, President and Chairman of the Board of the Pan American National Bank of East Los Angeles to which she has devoted a major portion of her time, ability and efforts, resulting in the bank prospering under her administration and filling a great need in the Mexican-American community. The Board of Directors of the Pan American National Bank has adopted as part of their Minutes a resolution supporting the confirmation of Romana Acosta Banuelos for the position of Treasurer of the United States.

I can only say that to reject the nomination of Romana Acosta Banuelos as Treasurer of the United States would be an injustice to her and to the millions of Mexican-Americans in the United States which she so eminently represents. It would further deprive the United States Government of the services of a very intelligent, efficient, industrious and highly creative American of Mexican descent, who has demonstrated what a woman of her descent can accomplish in the American free enterprise system.

The name of Romana Acosta Banuelos on the currency issued by the Treasury of the United States of America would be a shining example of the achievement of a woman in this creative American society and a daily reminder of the part women are destined to play in the future of America.

Respectfully,

GEORGE J. JENSEN.

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AMALGAMATED MEAT CUTTERS AND  
BUTCHER WORKMEN OF NORTH AMERICA,  
*Chicago, Ill., December 1, 1971.*

Hon. RUSSELL B. LONG,  
*Chairman, Committee on Finance,  
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: The Amalgamated Meat Cutters and Butcher Workmen of North America (AFL-CIO) strongly opposes the nomination of Mrs. Ramona Banuelos to be the Treasurer of the United States. We consider it incredible that the President would even consider such a nomination—let alone send it to the Senate.

Mrs. Banuelos' firm has continuously and contemptuously flouted the immigration laws. It exploits the illegal status of aliens who, according to law, are not to work. It contributes to the immense poverty and unemployment existing among Mexican-Americans, blacks and other minority workers in the Los Angeles area.

Mrs. Banuelos claims that she did not know of the actions of her firm in hiring illegal aliens. It is difficult to believe that she was unaware that her company had been raided six times by Immigration officials. It is further difficult to believe that she had no knowledge of the appeals sent to her by Immigration officials. Either Mrs. Banuelos is not telling the truth in this matter or she is an extremely incompetent executive. Either case should lead to her rejection as U.S. Treasurer.

The fact is that Mrs. Banuelos is the chief executive officer of a company which has repeatedly flouted the law of the United States. It is tragic, but irrelevant to the nomination, that Mrs. Banuelos or her firm are not legally liable for the hiring of illegal aliens, but the Immigration and Naturalization Act is clear in forbidding such work.

The loophole which prevents the prosecution of knowing offenders of this provision, as Mrs. Banuelos, is an extremely harmful omission in our legal system. It creates exploitation, blackmail, poverty, unemployment and misery. Congress must amend the Immigration and Naturalization Act to make employers punishable for knowingly hiring illegal aliens. Only in this way can the present slave trade in aliens be stopped.

Mrs. Banuelos' firm has used illegal aliens to fight organization by her workers and to pay substandard wages. Her attitude is shown by her pride in her firm's wage scale, which goes as low as \$1.65 an hour. A person working full-time throughout the year at that rate earns some \$500 less than the government-established poverty figure.

It is strange that the Nixon Administration, which emphasizes law and order, would attempt to reward Mrs. Banuelos for her hiring of illegal aliens. But per-

haps this Administration feels that it and its supporters are above the law. We sincerely hope that the Senate will not support this attitude. We strongly urge that the Committee and the Senate, as a whole, reject the nomination of Mrs. Ramona Banuelos for the post of Treasurer of the U.S. We also urge that the Senate speedily close the loophole which permits employers to flout the law regarding illegal aliens.

Sincerely yours,

PATRICK E. GORMAN,  
*International Secretary-Treasurer.*

LOS ANGELES, *December 1, 1971.*

Hon. RUSSELL B. LONG,  
*Chairman, Senate Finance Committee, Senate Office Building, Washington, D.C.:*

KMEX-TV Channel 34 is an all Spanish-language television station which has served the Los Angeles Mexican-American community for ten years. The station was awarded the George F. Peabody Award for outstanding public service during 1970.

In the opinion of KMEX-TV, President Nixon's nomination of Mrs. Romana Banuelos as treasurer of the United States is an honor and a tribute to this outstanding woman and all Mexican-Americans throughout the Southwest.

The raid to round up illegal aliens working at Mrs. Banuelos factory was a skillfully managed and highly publicized affair which, through media distortion, has become a political and racial smear, not only on the character and integrity of Mrs. Banuelos, but on the Mexican-American community at large.

Mrs. Banuelos has violated no law of the United States, nor is she guilty of exploiting anyone, since her company pays union wages to all employees. That, however, is not the impression left with the American public.

A similar raid which turned up twenty-four illegal aliens working in the mess halls of the United States military academy has not evoked a public outcry for an investigation into the character and integrity of the commanding general of West Point, nor the U.S. Army nor the Government of the United States, despite the fact that illegal aliens were found working at West Point. This fact points out the racial and discriminatory undertones which are evident in the Banuelos affair as nothing else will.

KMEX-TV is well aware that there are large numbers of aliens working illegally in this country. Mrs. Banuelos did not create this problem any more than did the commanding general of West Point. Credit for the illegal alien problem can be taken in great part by restrictionists, nativists and outright bigots whose influence bears so heavily on our present unrealistic immigration laws. These same forces are at work again in an attempt to impugn the character of Mrs. Banuelos.

KMEX-TV wishes to register its vigorous support of the nomination of Mrs. Romana Banuelos as Treasurer of the United States. KMEX-TV urges the United States Senate to approve this nomination, thus putting an end to the vicious character and ethnic smear against Mrs. Banuelos and the Mexican-American community.

DANIEL VILLANUEVA, *General Manager.*

