

Jason LeVecke Commentary on Immigration Reform

ImmigrationWorks USA DC Summit, June 15, 2009

- Good Afternoon, my name is Jason LeVecke, I am the CEO of LeVecke & Company, which is headquartered in Phoenix, Arizona with roughly 130 franchise restaurants and 2500 employees across 6 States. My Grandparents on both sides of the family all came from humble beginnings and went on to be very successful entrepreneurs and families all living the American dream. The brand I am a part of, Carl's Jr. Restaurants was founded in 1941 by a man with only a 7th grade education, hardly a penny to his name, and a hot dog cart. Today the brand is one of the largest burger chains in the world.

- Outside of 5 years in the United States Marine Corps, I've spent my career in the restaurant business. My family and I started our business just 7 years ago with just two restaurants in Arizona. We knew the Arizona market well, I was born and raised in Arizona, and it was a wonderful place to do business and raise a family. That is why it came to us as such a surprise that Arizona would do something so anti businesses and in my view anti family, especially something so contradictory to our heritage and history as a State. After all, there are those of us that are proud of the culture of the southwest. Today, after having passed the worst series of anti-immigrant, and now the worst employer sanctions law in the country, Arizona is in real trouble.
 - First let's take a look at Arizona's State Budget. Just one year ago Arizona had a budget surplus and today we are facing what will amount to 3 billion in debt. Arizona, in just a year's time has achieved the worst budget deficit (-17%) in the nation. Arizona has lost more jobs this year than all but one other State. Google is leaving, Heard Chevrolet is closing, and other businesses across the state are suffering. Retail sales in Maricopa County alone are down as much as 14%. Some have said "oh it's just the housing crisis or it's the result of high gas prices". But if that were true why is Arizona suffering so much more than other states since those crises are affecting the entire nation? Well a deeper look might show you that it has more to do with the 36,000+ construction workers and their families that have left the state altogether. Now, Arizona has had gas and housing crises before and if you look back historically you will see that generally speaking folks have hunkered down, gotten in the unemployment line and waited it out. This time, however, it's different, they are leaving the state because of employer sanctions and enforcement only policies. A deeper look might show you that it has something to do with round ups and deportations that have resulted in 50,000 immigrant deportations. Add the self deported and we have sent over 100,000 people packing. Assuming they were making \$25,000 a year as an average, that's over 2.5 billion dollars sent out of the state.
 - It really shouldn't be any wonder that Arizona's economy is in trouble. According to a study out of UofA undocumented immigrants in Arizona account for over 29 billion in annual revenue in the state. And Arizona's employer sanctions law has actually incentivized instead of disincentivized the underground cash economy which is exacerbating the tax revenue shortfall. It shouldn't be surprising that if the government is going to be in the business of checking records and the punishment for a mistake is losing your business license that small businesses would find it safer to operate without a license and without records.

- Many legitimate businesses have opted to leave the state altogether as well. It's just not worth the risk of losing your business license. Not to mention that employer sanctions with all of its requirements has increased the cost of doing business in Arizona. I've spent 100's of thousands on personnel, implementing a centralized hiring process, and audits. Additionally E-verify and its look a-likes may not charge for their use but that doesn't mean they aren't costly to implement, train, and supervise personnel on their use. Employer sanctions has also exposed legitimate business to extortion as competitors and disgruntled employees take advantage of the employer by calling in anonymous charges of illegal hiring or in some cases the caller is the one that actually knowingly hired undocumented workers for the very purpose of putting the employer out of business.
 - Businesses that were relocating or adding to their operations in Arizona have discontinued their plans. Recently one of our city Mayor's met with a 100 million dollar company that was considering relocating out of California and was considering three cities, one in Arizona, another in Nevada, and the third in Texas. This particular city in Arizona had outperformed the other cities in every category, in taxation, crime, education, workforce availability. But the mayor had to include a small little footnote in his presentation, "by the way if you move to Arizona you could lose your business license." Well that was all that business needed to hear and chose one of the other two States.
 - Reportedly even Governor Richardson of New Mexico has stated that Arizona's employer sanctions law is helping the economy of his state as it drives workers and businesses to his State.
 - Altogether this adds up to Arizona dipping into negative growth. Arizona's energy providers, have said, they don't need to wait for a study from one of our Universities on the impact of employer sanctions. They can see that based on the levels of new sign ups and disconnects, Arizona will experience negative growth sometime next year. Arizona hasn't experienced a negative growth rate since the draft of WWII.
 - Further evidence of Arizona's decline can be seen in industries that are generally recession proof. As even fast food and beverage companies are down in sales.
 - The short story is, you can't take economic growth for granted. Its worth remembering that Detroit once was one of the fastest growing cities in America and today it has been in a depression for 10 years and the rest of the country doesn't care. No one is going to come to your rescue. Detroit now has high levels of unemployment, homelessness, crime, taxation and budget shortfalls. Much of this is the result of falling into that downward spiral of negative growth.
- What can we do about it? First, don't fall for the backwards logic of the anti immigrant propagandists. We always need to ask the next question. Remember that a Profit and Loss Statement is comprehensive. You can't just look at one expense line item in the budget and assume that if you eliminate that line item you will have eliminated the expense without affecting revenue. There is no positive effect from eliminating your workforce regardless of their alleged costs anymore than there would be a positive effect if a business decided to shut off its electricity or eliminate its payroll line in the name of saving money.
 - The proponents will also promise savings in health care, public assistance, crime and education costs. Arizona hasn't experienced any savings. These budgets continue to escalate regardless of the loss of immigrants.
 - They'll say "we must eliminate sanctuary cities policies". Remember that the first job of our police departments is to keep our communities safe. If there is suddenly a large percentage of the population

that can no longer call the police for protection and without the fear of being separated from their families. Criminals will not be reported and organized crime will find large pockets of our communities where they can operate without the fear of being reported.

- They'll say that you just want to keep your "cheap or under the table labor". Don't let them get away with it. Ask each and every time if they have any evidence of someone being paid less than minimum wage or under the table. Most of the sweeps, raids, and deportations of undocumented workers show that they were making union wages and paying taxes like the rest of us.
- They'll say "Shouldn't there be local enforcement of "all" of our nation's laws?". Remember to insist then that if we are going to have local enforcement of "all" of our nation's laws why don't we have police officers check with the IRS, the BATF, the SEC, the FBI, and so on for every traffic stop. We don't do that because one of the beautiful things about living in the United States of America as opposed to the old Soviet Block is when you get pulled over for speeding you get a "speeding" ticket. We don't want to live in a country where its residents break out into a deep sweat every time they are pulled over for a traffic violation.
- They'll say, "Jobs and businesses won't leave". Let me tell you its not NAFTA that's driving business out of our country. Microsoft opened operations in Canada just because our country doesn't allow enough workers into the United States to keep Microsoft staffed and Canada has no limits. We have to get used to the idea that in today's world America no longer enjoys the benefit of being, really the only place on earth worth doing business in. Today America must compete with other nations. Just 30 years ago hardly anyone would have dreamed of doing business in China or the Soviet Union or the Middle East. Today all of those markets are open and largely stable. Europe and Latin America are stable and free economies. We no longer live in an age where no matter how much we regulate businesses they have not choice but to put up with it. Today they no longer have to. And businesses need labor as much as they need capital.
- They will tell you it is entirely appropriate for states and local government to enforce national immigration laws. If it was intended that states enforce national immigration laws then why is it states do not have the right to issue visas, or allow more people in legally, or institute their own guest worker programs? If we continue down this path of states and local governments passing immigration laws and getting involved in enforcement, we will have a patchwork of different laws across this country making it impossible for multi state employers to manage. And with all of these states developing different means of determination for who is and who is not a legal, you will have legal US citizens denied employment in one vs. another because they may have passed the test in their native state but the state they are trying to move to has a different standard.
- They will tell you "E-verify is a panacea, it's easy". Ask the next question. How do they plan to take the fraud out of it? Today if someone has stolen a legitimate identification E-Verify will accept it. Do they plan to photograph every legal resident and citizen in America? Will American's allow this? Will they limit how many jobs you can get which constitute entries into the E-Verify database you can have without checking with the government. Will you have to notify the government every time you leave one job for another? Will citizens be at risk of being denied employment? Remember it's a 300 million person database that changes every day and this is the same government that struggles to get passports out on time. How do they plan to take the fraud out of it? Many of the plans of taking the fraud out of E-Verify involve very draconian measures that are not compatible with a free society.

- They'll tell you they are defending our nation's sovereignty. The sovereignty they speak of is the sovereignty of a mother land. America was built on the notion that we should be more concerned for the sovereignty of our values not land. Our United States military men and women are one of the only militaries in the world that swears an oath to an idea, to our values written on paper and NOT to a motherland, king or emperor. What about the sovereignty of unalienable human (not citizen) rights (among these are life, liberty, and the pursuit of happiness) given to ALL of us by our Creator and not to be taken away by the state or man, or what about no taxation without representation? Forsaking the sovereignty of our principles should not be an option when attempting to fix this problem. Yes, we can fix this problem but there is a right way and a wrong way to do it.
- You must also speak loudly of two very important things. First, the very real contributions of immigrants and, second, what the real problem is.
 - The very real contributions of Immigrants are:
 - They start paying taxes the day they arrive. Reportedly it costs somewhere in the area of \$200-300 thousand to raise a child before they start producing income and paying taxes. Immigrants pay taxes the day they arrive and we did not bear the burden of the cost of raising them.
 - To date, undocumented immigrants have paid in roughly 600 billion into our Social Security Trust Fund, a benefit they will never receive. We threw tea in a harbor for less than this. No taxation without representation is an American principle and yet today we allow ourselves to be the beneficiaries of taxation without representation, while denying that these immigrants provide a net benefit to our nation.
 - Undocumented immigrants account for 1.8 trillion in productivity and revenue in the United States. Would anyone propose writing a check for 1.8 trillion to Mexico and other Latin American countries? Then why would we send back this workforce. It is the equivalent of writing a 1.8 trillion dollar check. We must understand the connection between capital and labor. If you have capital, you can buy bricks but without anyone to put them together this capital is worthless, and if you have labor without capital there are no bricks so the labor is worthless. Labor and capital are financial equivalents. You can't have one without the other. It doesn't matter how much you pay two people it still isn't enough bodies to build a building. Immigrants do NOT depress American wages, they keep American jobs here in America. The choice is not low wages vs. high wages, it is more jobs vs. fewer jobs, more businesses vs. fewer businesses.
 - You might also remind the proponents and the public that there are other ways that immigrants are contributing to our society besides financially. There are 35,000 NON citizens in our armed services and another 12,000 in the reserves. Historically immigrants legal and illegal have served with valor. Immigrants get the stakes in a way many American's don't. They have first hand knowledge of poverty, tyranny, or oppression. They understand what America provides and have always been willing to defend this country that they love. If you look deeper you will find thousands more that are the legal children of undocumented immigrants and many more are the second generation of undocumented immigrants. The 1st death in Iraq was a young man who originally entered this country illegally. Silvestre Herrera was a Medal of Honor recipient for having saved his platoon and lost his legs in WWII after having entered the Army as an illegal immigrant.

- So what is the real problem? Why are there so many illegal immigrants? Why don't people just come legally? Because Congress has NOT increased the number of LEGAL immigrants allowed into the country in roughly 30 years. The numbers are so low they are laughable. You'd think that we'd allow in a certain percentage of the economy or a percentage of the native population or so long as there was a job available a business who needed to fill a job and unemployment was low immigrants would be allowed in legally. Well its none of those. Immigration quotas are stagnant numbers that require an act of congress to change. For instance we only let in 5,000 unskilled workers. Now, in a country of 300 million people not counting visitors and tourists, does anyone really believe this is enough to cover all of our agriculture, construction, and service industry needs? Oh, and I love this one, Congress only allows in 50 terrorist informants per year. So if number 51 is the guy who happens to know where Osama Bin Laden is, I hope he or she can lay low for a year. The numbers are grossly insufficient. The system needs to be returned to a market based system that can keep up with the economy. That is how it was for most of the first 200 years of this country and things were just fine. It is only in the last 40-50 years that Congress has gotten overly involved and mucked it up. Now the anti-immigrant folks will tell you that we let millions of people in every year and we are being invaded. First that is blatantly false. Over 85% of the people we let in legally every year are here on visitor and tourist visas. They are coming to see Disneyland or the Grand Canyon and go home. These visas are not for job seekers. Additionally, if this, has been an invasion, 12 million over 20 years in a country of 300 million people, it has been the most prosperous and peaceful invasion in history. Not to mention that the invasion they speak of isn't even possible. The countries most of our current immigrants migrate from, Mexico and Latin America, would run out of people in the next ten years if their projections were true. As a percentage of our native population these are the lowest numbers of immigrants coming to our country in history. In much of the 17 and 18 hundreds there were more people in the Atlantic on their way here than there were natives. All speaking different languages with different cultures. Somehow we made it through the first 200 years just fine!

Most of the numbers or claims from the other side come from groups like "FAIR" or "Numbers USA". Both groups were started by John Tanton. You can Wikipedia him at http://en.wikipedia.org/wiki/John_Tanton . He started out as an extreme environmentalist that believes in population controls. He started a Planned Parenthood chapter for all the wrong reasons and then chaired the Sierra Club's "zero population growth" committee. He believes humans are a detriment to the environment and as such he believes in forced abortions, population controls and he was so discouraged that he couldn't achieve his goals as an environmentalist that he realized the way to achieve his goal was to become a "nativist" or join the racist elements of our society so he jumped on the anti immigration bandwagon and found out it was a much more successful way of getting humans to turn on each other and actually argue for population controls. He has been wildly successful in this effort. If you research him further you will find that many respected organizations like the AntiDefamation League ("ADL") have put out warnings about him and his supposed data or publications.

With regard to some of the negative aspects of being a society that has many immigrants is that there can be cultural clashes but all legitimate studies show that immigrants serve in our military in greater percentages than natives, that they learn english at the same rates as all immigrants throughout American history have, and that they commit fewer crimes than natives because they want to avoid authorities and don't want to be deported.

The reality is that the status quo is absolutely unacceptable. The bad people mixed into the immigrant communities are giving them ALL a bad name. I am absolutely against the status quo and am NOT an open border advocate. I am for a legal system that WORKS. If we had already passed immigration reform and identified the good people in the immigrant communities, it would be easier for police officers and other agencies to identify the bad. There would be more cooperation with authorities if good people just trying to feed their families didn't fear they would be separated from their families and deported if they call authorities just to report a crime.

Most of the bad that is described in inner city and/or immigrant communities is more the result of socialism and not the fault of immigrants. Immigrants are among the most conservative, family value oriented, freedom loving folks in our society. The great crime in my opinion is they can't vote because if they could we'd have a even better country.

The reality is, that the real problem is that our government has restricted immigration so badly in the last 30-40 years we now have this problem. As a percentage of the native born population in America we have never let in fewer immigrants than we do today. In the 17 and 1800's there were times where there were more people in the Atlantic and the Pacific, on their way here than there were natives already living here. They all spoke different languages and didn't get along very well and there were NO limits on the number of them that were allowed. Thank God our family was not prevented from coming. I celebrate this heritage and am not afraid of the fact that according to folks like John Tanton's own numbers we let in around .33% of our native population (1,000,000 / 300,000,000) legally. What many of us are asking for including myself is to just increase that number to whatever the market needs, not an arbitrary number decided by someone in an government ivory tower. Just doing the math on the 12 million undocumented already here, its important to remember we came to that number over 25 years, which equates to 480,000 undocumented immigrants per year. That is less than .17% of our population. Less than 1 percent! It is far easier for the other side to scare people with gross numbers but the reality is getting people excited about 12 million people over 20 years in a country of 300 million is all hype and fear mongering. These other countries that these immigrants are fleeing will run out of people before we ever experience the problems these groups proclaim. Hey but it sells books and grows ratings for radio and television programs because it appeals to the most base side of our human traits, the constant desire to believe someone else is at fault for what's wrong. The reality is that the national debt is now at 547,000 per American household and that is from entitlement programs for and used by Americans and can't be blamed on immigrants. That is not as pretty a reality to face but even if we kick out all the immigrants we will still have our woes. For me and for America's prosperity and for the freedom of these noble people, I beg everyone to dig deeper, do the research and read my attached speech which I give regularly next to other great conservatives like Grover Norquist, Art Laffer, Dick Arme, and Jack Kemp.

- In closing we should celebrate the growth of our economy. We live in the greatest country on earth and benefit from an economy that is the envy of the world. Our economy is, or was, growing so quickly that we would END real poverty on our continent, North America, within the next 20 years, the kind of poverty where people live in cardboard shacks and kids beg on the streets. But instead we are choosing to starve our economy of the labor it needs and keep the poverty. We can not allow this to be the path we choose. Since its inception, America has

benefitted from its freedom, its natural resources, and its people, the bravest of the brave. Think of it, our grandparents and great grandparents were largely people that had never been on a boat in their lives. Yet they chose to get on a wooden boat with sails and cross the Atlantic Ocean with strangers, headed for a new and free land. They didn't call ahead for permission. They just came! Meanwhile they were being told by many in their families and communities not to go, that America was a myth or that the earth was indeed square and they would fall off. Those that were too afraid to make the journey were satisfied with the government cheese line, watching their countrymen and families starve, and their children suffer from the disease of the age. I submit that a person willing to take such great risks for their families, by crossing a desert by foot or an ocean on a raft are Americans through and through. Those that would watch their families suffer while they wade through 30-40 years of bureaucratic red tape just so they can "enter legally" don't sound like risk takers to me, that doesn't sound like an entrepreneur, nor does it sound like someone that is willing to risk their lives for their families and for freedom. These folks are not coming to America to seek welfare, they are fleeing some of the largest socialized welfare countries in the world.

- So, when your legislators express concern for their political careers, tell them, we can only grow the cause and movement of freedom with civil, thoughtful, compassionate, principled leadership. I believe, all of us, must remind ourselves every day, even from the floor of the Legislature, of over 4,000 men and women who, when faced with the choice of going forward or backward, certainly had a moment of fear, certainly had a moment of considering self survival at the expense of their platoons. I understand politicians and community leaders sometimes face the same questions and often choose self protection or survival at the expense of their community or what they know to be right. But like those soldiers, its time for all of us to choose courage, to face down the bullies, to take back our State and our Country from those that would trade liberty in for security or to protect their "culture". A culture I'm not sure the founding fathers would recognize. Liberty is the most precious gift given to us by those that die for it every day. God bless those that risk their lives to achieve it by crossing a desert by foot, an ocean by raft, or by facing down tanks, and may God always Bless those that defend it. The least we can do is shout from the hilltops, with at least half their courage, and tell the tyrants in our parties that we will not stand for it anymore. We are many and they are few. The American people have good hearts and good sense; they just sometimes have bad leadership. Don't "ask" your leaders to do the right thing demand it.