

# **When Anti-Immigrant Is Anti-Business**

**Republican Presidential candidates, facing intense pressure to talk tough on immigration, are losing some support from the business community**

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by Moira Herbst

Mark Gould has been a lifelong Republican. The self-described libertarian and president of Gould Construction in Glenwood Springs, Colo., has been a registered Republican for 30 years, and he served a six-year stint as the chairman of his county's Republican Party.

But Gould is a Republican no longer. Exasperated over the GOP's increasingly harsh rhetoric about restricting immigration, Gould switched his registration to Independent two weeks ago. "Extremists have hijacked the Republican Party," says Gould, who says he employs a staff of 125, including legal immigrants. "If I had to pick today, I'd go with [Senator Barack] Obama [for President]. He's the most outspoken and realistic about reform."

### **Switching Sides**

Gould isn't the only employer growing disenchanted with Republican candidates' stances on immigration. A number of business owners in the U.S.—many of them longtime Republicans—say that talk of severe crackdowns on illegal immigration and restrictions on legal immigration are pushing them away from the party. Some are even switching to actively support Democrats, including Obama and Senator Hillary Clinton (D-N.Y.).

"The Republican candidates just don't get it," says Maureen Torrey, owner of Torrey Farms in Elba, N.Y. "They need to understand that immigration helps drive economic growth, and that without it a lot of industries are in trouble." Torrey, a lifelong Republican, is now backing Clinton.

These days, the Republican candidates appear to be competing for who can claim the toughest position on immigration. While Mitt Romney, former Massachusetts governor, and Rudolph Giuliani, former mayor of New York City, had both long been moderates on the issue, they are now stressing border enforcement and employer verification systems as they trade jabs about "sanctuary" for illegal immigrants. Mike Huckabee, the up-and-coming former governor of Arkansas, held back on the tough talk for months, but changed his stance in recent days and is now calling for the 12 million undocumented immigrants in the U.S. to register with the federal government and return to their home countries before applying to return legally. Senator John McCain (R-Ariz.) is the one exception to the trend.

## **Tancredo's Tough Talk**

Much of the change can be attributed to the success of U.S. Representative Tom Tancredo (R-Colo.), who is centering his entire campaign on stricter immigration policy. He's in favor of deporting the illegal immigrants in this country, and has run ads attacking "spineless" and "gutless" politicians who let drug pushers, murderers, and terrorists come across the border with ease. One ad closes with a hooded figure leaving a backpack near a bench, followed by the sound of an explosion. The words "Tancredo, before it's too late" flash on the screen.

Plenty of business people think the harsh stance on immigration by Republican candidates, especially Romney and Giuliani, is simply positioning for the primaries. But employers worry that the rhetoric may box the candidates into problematic positions. Particularly in industries like agriculture, construction, landscaping, and restaurants, most employers want comprehensive immigration reform that allows undocumented workers to join a guest worker program or pursue a path to citizenship, as well as an effective way for new immigrants to work in the U.S. The Democratic front-runners already voice support for such reforms, albeit with some additional security.

## **Arizona Goes After Employers**

One state where employers are becoming especially concerned is Arizona. A new state law (BusinessWeek.com, 12/13/07) scheduled to go into effect Jan. 1 will suspend for up to 10 days the operating license of any company caught knowingly employing an undocumented worker. If caught a second time, the company loses its license altogether. Business groups—including the Arizona Contractors' Assn. and an employer coalition called Wake Up Arizona—tried to fight the law on legal grounds, but their case was thrown out by a U.S. District Court. The business groups are asking for a preliminary injunction while the case is under appeal.

In the meantime, employers are looking to make a statement with their votes. "The Republican Party has held a corner of support from the business community, but the level of frustration is high," says David Jones, president and chief executive of the Arizona Contractors' Assn., which represents about 300 general subcontractors and suppliers. "They're so wrapped up in ideology that they're willing to throw anything else out the window. That's why the Democrats are starting to realize a potential friend in the Arizona business community."

Farmers and other employers of agricultural workers also worry that Republicans' hard line could prove disastrous for business. Torrey has been so frustrated that she traveled from New York to Iowa to encourage farmers there to join her in supporting Clinton. "She understands the need for comprehensive reform," says Torrey.

Of course, immigration is just one of many issues, and Republicans enjoy the support of business on a number of other topics, such as tax policy. Still, some business leaders are also disturbed by the growth in the federal government under the Republicans' watch and the Administration's lack of action on global warming. Morgan Stanley (MS) Chairman John Mack, a longtime supporter of President George W. Bush, is backing Clinton for President (BusinessWeek.com, 4/27/07). In a *Wall Street Journal*/NBC News poll in

September, only 37% of professionals and managers identify themselves as Republican or leaning Republican, down from 44% three years ago.

### **Tech Titans Hedge Bets**

Some industry leaders who want immigration reform say it simply doesn't make sense to pick one party over the other. Compete America, a coalition that includes Oracle (ORCL), Google (GOOG), Microsoft (MSFT), and Yahoo! (YHOO), is pushing for the expansion of a temporary work visa program and the acceleration of green-card processing. But the group is not endorsing a Presidential candidate of either party in an effort to stay out of the polarized debate.

"Our issue is being held hostage to the broader illegal immigration debate," says Robert Hoffman, a spokesman for Compete America. "In reality the reforms we're advocating aren't hugely controversial, and we've seen strong bipartisan support."

But employers like Gould in Colorado see a reason to take sides. "The Republican Presidential candidates are being irresponsible," he says. "If you suddenly remove 12 million immigrants, the U.S. economy won't survive."