

Subcommittee on Immigration, Border Security, and Claims  
Committee on the Judiciary  
United States House of Representatives

Testimony of  
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With Respect to the Subcommittee's Hearings on the Proposed  
Mexican Social Security Totalization Agreement

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## **INTRODUCTION**

U.S. Border Control is pleased to submit this testimony to the House Subcommittee on Immigration, Border Security, and Claims with respect to its hearing on the proposed Mexican Social Security Totalization Agreement. We applaud your Subcommittee's interest in this proposal that we have opposed since it first surfaced.

U.S. Border Control ("USBC") is a non-profit, tax-exempt, citizens lobby, incorporated in the Commonwealth of Virginia in 1986, where it is headquartered. USBC, which is tax-exempt under section 501(c)(4) of the Internal Revenue Code, is dedicated to education of the public on issues related to the protection of the sovereignty of the United States, including the establishment and maintenance of effective border integrity systems, economic policies, national defense practices, and immigration policies, focusing on ending illegal immigration by securing our nation's borders and reforming our border and immigration policies. Our organization receives no financial support from any branch of government. All of USBC's support comes from concerned citizens who appreciate the work we are doing and wish to see it continue.

## **OVERVIEW**

The Bush Administration is engaged in discussions with Mexico concerning a totalization agreement or treaty whereby Mexican citizens, including those who have entered the United States illegally and have worked in the United States in violation of U.S.

employment and residency laws, would be entitled to receive benefits from the U.S. Social Security system to which they should never be entitled.<sup>1</sup> This is an outrage. USBC is firmly **opposed** to any such agreement for many reasons, but we will focus on only three.

**First**, any agreement of this sort would unjustly and perversely reward persons who are illegally present in the United States in defiance of the laws of the United States. These law breakers deserve prosecution and/or deportation, not subsidy. Yet the Bush Administration is considering now putting its stamp of approval on their illegal behavior at the expense of the law-abiding American citizenry. This Social Security give-away must be viewed in the context of the Bush Administration's affinity for amnesty programs for illegal aliens. A Social Security Totalization Agreement with Mexico, followed by amnesty for millions of illegal aliens from Mexico, could be the largest "rewards program" for law breaking ever conceived by the mind of man. This cannot be allowed to occur.

**Second**, the use of tax dollars extracted from American taxpayers to buy the good will of minorities constitutes the type of pandering to racial, ethnic, and national groups which Americans reject. Some may think that, since illegal aliens do not vote, there could be no partisan political motive, but of course, illegal aliens do vote. In fact, as indicated in our analysis after the Presidential vote in Florida in 2000, which is on our website, [www.usbc.org](http://www.usbc.org), illegal aliens vote illegally in large numbers. Any preference for one group against another must be scrutinized to the greatest degree, and such preferences here should be rejected.

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<sup>1</sup> Benefits under the U.S. Social Security system, as used in this testimony, would include those commonly referred to as OASDI — Old Age, Survivors, and Disability Insurance — benefits provided by the Social Security Administration ("SSA") to individuals based upon their lifetime earnings reported to the SSA under a valid Social Security number.

**Third**, this proposed totalization agreement would jeopardize the stability of the Social Security system. It would imperil the rights of workers to receive from the Social Security system — often referred to as the Social Security Trust Fund, because the government is supposed to be holding in trust those payments which have been made by workers — to provide the OASDI benefits that it is **required** by law to make. To raid that fund to pay benefits to those who have no legal rights to such benefits would be a travesty. If non-government funds were misused in this fashion, the perpetrators would go to jail.

### **DISCUSSION**

According to the Social Security Administration, the U.S. has totalization agreements with 20 countries: Australia, Austria, Belgium, Canada, Chile, Finland, France, Germany, Greece, Ireland, Italy, South Korea, Luxemburg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The Social Security Administration (“SSA”) has indicated publicly that only two other totalization agreements, with Argentina and Japan, are under negotiation. <http://www.ssa.gov/international/status.html>. See 42 U.S.C. Section 433.

As of March 6, 2002, the SSA website contained the following language: “[t]here have also been discussions or correspondence on proposed agreements with Brazil, Denmark, Israel, Mexico and New Zealand.” Since then, that quoted information has been deleted from the SSA website. We would request the subcommittee to ask SSA why this important information is now no longer available to American citizens. USBC is deeply concerned about the veil of secrecy that has been brought down over the issue of a Social Security Totalization Agreement

with Mexico. We want to know why the Bush Administration is depriving the American people of information they need as sovereign citizens to evaluate this important proposal.

USBC is submitting this testimony after having gleaned from a variety of published sources all the information it reasonably could accumulate prior to the date of this hearing. Truthfully, there are remarkably few sources of information. We are operating on the assumption that published reports of the proposed Mexican totalization agreement are accurate. If they are, such an agreement would jeopardize the financial integrity of the Social Security Trust Fund. (*See, e.g.*, “Social Security Giveaway: New Magnet for Illegal Aliens,” Bradenton Herald, Allison Solin, April 6, 2003; “State Department’s Idea of a ‘Traitor,’” Joel Mowbray, <http://www.townhall.com/columnists/joelmowbray/jm20030204.shtml>, February 4, 2003.)

USBC understands “totalization agreement” to mean an agreement between two nations with the principal goal of eliminating dual Social Security coverage and taxation. Such totalization agreements, however, are not entirely uniform. USBC understands that the essential purpose of totalization agreements is to eliminate the problems of dual Social Security coverage and taxation with respect to workers subject to the laws of two nations with respect to the same employment. (*See* “U.S. International Social Security Agreements,” [www.socialsecurity.gov/international/agreements\\_overview.html](http://www.socialsecurity.gov/international/agreements_overview.html).) Based upon the information provided by SSA, such agreements, to date, have been relatively uniform with respect to their basic provisions, although there are some differences. It is not known exactly how the proposed totalization agreement between the United States and Mexico would be different from any of the existing totalization agreements, but its extension of Social Security

benefits to untold numbers of illegal aliens undoubtedly would place the proposed agreement with Mexico in a category by itself.

This issue is important, not only for those of us who are contributing to the Social Security system today, as well as for our children, grandchildren, and their progeny as well, but also for the United States as a nation. This kind of proposal threatens to bankrupt the Social Security Trust Fund. At the very least, it would jeopardize the system as we know it, for it would reportedly require future payments of many billions of dollars to persons who at this time do not even figure as potential Social Security beneficiaries. In other words, it would add an enormous financial burden on the Social Security Trust Fund, without any apparent corresponding benefit of significance, and very possibly could cause American workers to lose their Social Security benefits. It is reported that the current 20 agreements in the aggregate affect only 100,000 workers, but a similar treaty with Mexico would cover 165,000 in the first five years alone, and tens or hundreds of thousands thereafter, costing our nation many billions of dollars. However, current and previous administrations are notorious for their underestimates of the number of illegals present in the United States. Frankly, these projections may be dramatically understated, especially if the agreement is followed by an amnesty program for illegal aliens from Mexico. We can see this agreement operating as a powerful magnet to draw yet more waves of illegal immigrants into America. This is such a bad idea, it could only have come from a political consultant, a career bureaucrat, or a disconnected academic — and probably all three.

Even if one were to agree with the Administration's goals, for some reason, before any such agreement is entered into, the first step would need to be a complete and accurate study,

followed by an evaluation, of the costs to America of such an agreement, including the estimated consequences of such an agreement to the Social Security system and to American workers and retirees. We would urge this Subcommittee to investigate thoroughly this aspect of the proposed agreement. America is counting on this Subcommittee to help protect the interests of America's senior citizens and other beneficiaries of the Social Security Trust Fund. We are aware of the request by the Chairman of this Subcommittee to the General Accounting Office to investigate this matter and issue a report, and we trust that other evidence discovered by the Subcommittee, in this hearing and in the future, will help to measure the expected cost of such an agreement. We are grateful for your willingness to expose this issue to the light of day.

We have read the March 2003 Congressional Response Report (No. A-03-03-23053) of SSA's Inspector General, prepared at your request, and note (at page 5, footnote 13) that the law provides that "certain noncitizens in the country illegally may not receive OASDI benefits." (Emphasis original.) We also note the following revealing statements, at page 13 of that Report:

Consequently, noncitizens, whether here legally or illegally, continue to engage in unauthorized employment and earn entitlement to Social Security benefits. If SSA's treatment of noncitizen illegal employment is to change, it will be necessary for current laws to be modified.

Clearly, Congress should take whatever action is necessary to cure this mess, beginning with rejection of the proposed totalization agreement with Mexico. We note (at Appendix C of the above-referenced March 2003 SSA Congressional Response Report) that prior legislative efforts to help remedy the situation have not been successful. Hopefully, the bill introduced by

Texas Congressman Ron Paul (R-TX-14) in this Congress (H.R. 489), designed to prohibit the crediting for coverage under the Social Security system wages and self-employment income earned or derived by persons who are neither U.S. citizens nor nationals, will become law. We urge each of you to co-sponsor Congressman Paul's bill.

### **CONCLUSION**

This totalization agreement is being promoted as one important to the interest of business relations between the United States and Mexico. But we ask that greater concern be given to the American workers who rely upon the Social Security system. Surely, some other vehicle must be available to the government in its efforts to eliminate any legitimate problem that may exist regarding the dual coverage employment problem for lawful residents, and we would urge the Subcommittee to explore those possibilities in its efforts to investigate and propose legislation in this important area.

But in the meantime, this bi-lateral agreement is simply too important to be entrusted to the Bush Administration alone. We urge this Subcommittee to take the lead in demanding that this terrible idea die and be buried, rather than be hid under a rock, waiting for the dark of night, to be slipped by the American people when they are not on guard.

We at U.S. Border Control join with you in maintaining vigilance to defeat this terrible idea whenever it may be brought forward.