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Illegals estimated to number 18-20 million

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Could there be 20 million illegal aliens in the U.S. today? That's the estimate of a business analyst who has studied the impact of the nation's underground economy.

Robert Justich, a senior managing director at Bear Stearns Asset Management in New York is quoted in a Barron's report today, as highlighted by columnist Michelle Malkin.

The report also points out the cost of the underground economy of illegal aliens working in the U.S. is costing the federal government hundred of billions of dollars in unpaid income taxes and could lead to an higher impact on taxpayers if President Bush's amnesty proposal is passed into law.

Writes Jim McTauge in the Barron's piece:

[T]he underground economy is undermining the effectiveness of the Internal Revenue Service, which is highly dependent on employees' withholding taxes. If the IRS could collect all the taxes it says that it is owed from the underground economy in a given year, then the current budget deficit would disappear overnight. And if the IRS could collect these taxes every year, then the nation would have surpluses as far as the eye can see.

The IRS has estimated that its tax gap – the estimated amount of taxes owed minus the amount collected – is around \$311 billion in any given year. The agency will produce a new estimate in 2005, and it could be as high as \$400 billion, says former IRS Commissioner Donald Alexander.

Barron's notes the high rate of growth of the illegals' underground economy:

[T]he sheer growth of the underground economy in the U.S. is cause for concern. If Justich's estimate of illegal immigrant workers is correct, the underground economy may now be growing at a markedly faster rate than the legitimate economy. Justich, working with Bear Stearns colleague Betty Ng, an emerging-markets economist, says he's found evidence of a larger illegal immigrant population by analyzing data on construction and on remittances sent from the U.S. to Mexico and other countries. He also had conversations with over 100 immigrants from Mexico, Brazil, the Dominican Republic, Guinea, China and Tibet. And he interviewed local business owners, real-estate sales people and police. ...

McTauge discusses the implication of Justich's 20-million figure on the president's proposed amnesty program.

"President Bush proposes temporary amnesty for illegal aliens already in the country, allowing them to obtain permits to work legally for three years and stay longer if their jobs otherwise can't be filled by native-born workers," writes McTauge. "But if there are, in fact, 20 million illegal aliens, the Bush proposal could engender a situation not unlike the German unification of the 1990s, which triggered huge demand for social services in East Germany. Unanticipated costs here could be enormous."

Adds Malkin: "[The article](#) should be must-reading for every member of Congress as President Bush prepares to foist his amnesty plan on America."

If you'd like to sound off on this issue, please take part in the [HERE](http://www.worldnetdaily.com/polls/) WorldNetDaily poll.

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