

Dan Rather Reports

Episode Number: 631

Episode Title: Trouble On The Land

Description: American universities are involved in what some say is a land grab in the poorest parts of Africa. Plus, the new governor of Michigan comes forward with a controversial program to add jobs.

TEASE:

DAN RATHER (VOICE OVER)

TONIGHT, TROUBLE ON THE LAND.

THE STORY OF AGRISOL -- AN AMERICAN COMPANY TRYING TO DEVELOP A MASSIVE FARM IN ONE OF THE POOREST PARTS OF AFRICA. IS IT A GOOD DEAL FOR THE PEOPLE OF TANZANIA OR A LAND GRAB?

SIMBA

Mechanized agriculture will produce more food, certainly much much more than our local needs.

RATHER (VOICE OVER)

BUT WILL THE HARVEST BE FOR THOSE WHO NEED IT MOST?

MITTAL

AgriSol is demanding that the government of Tanzania change its rules, that even if there is food shortages, they should be able to export food.

RATHER (VOICE OVER)

PLUS, A RADICAL RE-THINK ON JOBS. A NEWLY-ELECTED POLITICIAN SAYS WHAT THIS COUNTRY NEEDS IS MORE IMMIGRANTS.

GOVERNOR RICK SNYDER

I am absolutely focused on finding jobs for Michiganders and encouraging legal immigration with advanced degree people is absolutely consistent with that. 'Cause they're job creators.

RATHER (VOICE OVER)

WE'LL BRING YOU THE NEWS, TONIGHT, ON DAN RATHER REPORTS.

ACT 1: TROUBLE ON THE LAND

RATHER (ON CAMERA)

GOOD EVENING. IT MAY BE HARD FOR MANY AMERICANS TO BELIEVE, BUT SCIENTISTS THINK WE COULD BE HEADED FOR A GLOBAL FOOD CRISIS. THEY ESTIMATE THAT WITHIN THE NEXT FEW DECADES, THERE WILL BE AN ADDITIONAL TWO BILLION MOUTHS TO FEED ON THE PLANET.

THAT'S EXPECTED TO DRIVE UP THE PRICE FOR STAPLES LIKE CORN AND SOYBEANS. AND THESE CROPS ARE ALSO INCREASINGLY IN DEMAND TO MAKE LIVESTOCK FEED AND BIOFUELS.

TO MANY, THIS IS A RECIPE FOR DISASTER. BUT TO SOME, IT'S A BUSINESS PLAN. WITH FOOD PRICES ALREADY AT RECORD HIGHS, A NEW CLASS OF INVESTORS IS SCOURING THE GLOBE, LOOKING TO MAKE BIG BETS ON AGRICULTURE. AND THEY'RE TURNING THEIR ATTENTION TO ONE OF THE LAST, GREAT UNDEVELOPED PLACES ON EARTH.

RATHER (VOICE OVER)

WELCOME TO THE NEW FRONTIER FOR HIGH-RISK INVESTORS. WORLD STOCK MARKETS MAY BE VOLATILE. REAL ESTATE BUBBLES HAVE POPPED. BUT SOME THINK THEY CAN HIT IT BIG BY SNATCHING UP FERTILE LAND IN AFRICA.

EXACT NUMBERS ARE HARD TO COME BY. BUT IN 2009 THE WORLD BANK ESTIMATED THAT THERE WERE OVER 70 MILLION ACRES WORTH OF DEALS IN PROGRESS ON THIS CONTINENT. LAND IS CHEAP... AND MANY GOVERNMENTS HERE ARE EAGER TO ATTRACT FOREIGN MONEY WITHIN THEIR BORDERS.

BUT THIS IS ALSO A CONTINENT MARRED BY FAMINE AND DROUGHT.

AND MANY INVESTORS SAY THEY'RE NOT JUST HERE TO MAKE MONEY -- THEY SAY THEY ALSO WANT TO MAKE A DIFFERENCE. THEY ARGUE THAT BY BRINGING IN MODERN AGRICULTURE, THEY WILL HELP AFRICA FINALLY GROW ENOUGH FOOD TO FEED ITSELF.

A FEW MONTHS AGO, OUR REPORTING TEAM OF LUCIAN READ AND ADAM BOLT TRAVELED TO TANZANIA TO BEGIN AN INVESTIGATION INTO ONE OF THE LARGEST WESTERN-BACKED LAND DEALS IN AFRICA. ITS BACKERS PROMISE TO TURN A REMOTE CORNER OF THE COUNTRY INTO AN AGRICULTURAL POWERHOUSE... BUT CRITICS WERE CALLING THE DEAL A “LAND GRAB”.

TANZANIA IS LOCATED ON THE EAST COAST OF AFRICA. ITS COMMERCIAL CAPITAL, DAR ES SALAAM, IS A BUSTLING METROPOLIS OF NEARLY TWO AND A HALF MILLION.

FOREIGN INVESTMENT IN THIS COUNTRY HAS BEEN WAY UP IN RECENT YEARS, AND THE ECONOMY HERE HAS BEEN GROWING BY LEAPS AND BOUNDS. BUT THE POVERTY RATE HAS BARELY MOVED -- AND THAT HAS RAISED A LOT OF QUESTIONS ABOUT WHO BENEFITS WHEN OUTSIDE COMPANIES COME IN.

ONE PERSON TRYING TO ANSWER THOSE QUESTIONS IS JEFFREY SACHS, WHO HAPPENED TO BE IN DAR ES SALAAM AT THE SAME TIME WE WERE. THE FAMOUS AMERICAN ECONOMIST AND EXPERT ON THIRD-WORLD DEVELOPMENT FOUND A FEW MINUTES TO SIT DOWN WITH US BETWEEN MEETINGS.

SACHS

We're in a juncture where hunger is intense, where climate risk is profound, where food scarcity world-wide is leading the threats of land grab. This is the time to get it right.

RATHER (VOICE OVER)

SACHS COMPARED THE CURRENT WAVE OF AFRICAN LAND DEALS TO PREVIOUS SCRAMBLES ON THE CONTINENT... FOR EVERYTHING FROM DIAMONDS TO OIL. BUT HE SAID THE RIGHT KIND OF PRIVATE INVESTMENT COULD MAKE A BIG DIFFERENCE. IT ALL DEPENDS ON HOW THE DEALS ARE STRUCK.

SACHS

If it's done properly, and if African governments take care of their countries and their populations, this can be a big benefit. If they in effect give away these valuable resources, then what happens is these scarce resources benefit some other part of the world. And Africa is left even worse off than it was before.

RATHER (VOICE OVER)

BUT THINGS ARE RARELY BLACK AND WHITE, AND IT'S NOT ALWAYS EASY TO TELL A BAD DEAL FROM A GOOD ONE. THE REALITY ON THE GROUND CAN BE VERY DIFFERENT FROM WHAT YOU FIND IN AN INVESTMENT BROCHURE OR POWERPOINT PRESENTATION.

AND THAT'S WHY WE HEADED SOME 800 MILES WEST OF DAR ES SALAAM, TO A REMOTE PLACE CALLED KATUMBA - A REFUGEE SETTLEMENT ESTABLISHED IN THE EARLY 1970S, WHEN OVER 100,000 PEOPLE FROM NEIGHBORING BURUNDI FLED A VIOLENT CIVIL WAR.

KATUMBA IS ONE OF THE LONGEST RUNNING REFUGEE SETTLEMENTS IN THE WORLD. BUT IT DOESN'T FIT THE CONVENTIONAL IMAGE OF A REFUGEE CAMP.

INSTEAD OF ROW AFTER ROW OF TATTERED WHITE TENTS, THERE IS A THRIVING VILLAGE COMMUNITY.

INSTEAD OF AID TRUCKS LINED UP AT THE GATE, THERE IS A BUSY VILLAGE MARKET THAT DRAWS PEOPLE FROM MILES AWAY. THE REFUGEES FARM, OWN THEIR OWN BUSINESSES AND EVEN PAY TAXES TO THE TANZANIAN GOVERNMENT.

WE CAME TO KATUMBA BECAUSE WE HEARD THAT AN AMERICAN COMPANY WAS COMING TO TOWN. THE COMPANY IS CALLED AGRISOL ENERGY AND IN AUGUST OF LAST YEAR IT SIGNED A PRELIMINARY AGREEMENT WITH THE TANZANIAN GOVERNMENT TO TURN KATUMBA AND A NEIGHBORING SETTLEMENT KNOWN AS MISHAMO INTO MASSIVE COMMERCIAL FARMS...HUNDREDS OF THOUSANDS OF ACRES THAT WILL GROW CORN AND SOYBEANS.

IN THIS PRESENTATION, FROM THE DUBAI-BASED HEDGE-FUND THAT'S BACKING THE DEAL, THE AREA OF KATUMBA WAS DESCRIBED AS AN "ABANDONED REFUGEE CAMP".

BUT AS YOU CAN SEE, KATUMBA IS ANYTHING BUT ABANDONED... AND THAT'S JUST THE FIRST TWIST IN A STORY THAT STRETCHES ALL THE WAY FROM THIS REMOTE REFUGEE CAMP IN EAST AFRICA... TO THE CORN FIELDS OF AMERICA'S HEARTLAND.

THE ADDRESS PROVIDED ON AGRISOL'S WEBSITE WILL LEAD YOU HERE, TO SUMMIT FARMS IN ALDEN, IOWA. IT'S A 40,000 ACRE LIVESTOCK AND ROW CROP BUSINESS OWNED BY ONE BRUCE RASTETTER... WHO'S ALSO FOUNDER AND MANAGING DIRECTOR OF AGRISOL ENERGY LLC.

WE CAME HERE TO IOWA TO INTERVIEW RASTETTER ABOUT THE PROJECT IN TANZANIA. BUT AFTER WE GOT HERE, HE BACKED OUT. HE ALSO WOULDN'T LET OUR CAMERA THROUGH THE GATE AT SUMMIT FARMS.

IT TURNS OUT RASTETTER'S A CONTROVERSIAL FIGURE IN IOWA. HE'S A MILLIONAIRE BUSINESSMAN AND MAJOR POLITICAL POWER BROKER. ALTHOUGH HE WOULDN'T TALK TO US, WE DID FIND THIS VIDEO, SHOT IN 2001. IN IT, HE TALKS ABOUT THE RISE OF LARGE-SCALE INDUSTRIAL AGRICULTURE -- IN HIS VIEW, IT'S BEEN A CHANGE FOR THE BETTER.

RASTETTER

Technology's made farm life easier, produced an abundant food source. It's the highest quality in the world for Americans to eat. So the positive side's been super and as well as for the American consumer it's been, and the world it's been a great deal to solve world hunger.

RATHER (VOICE OVER)

AT THE TIME, RASTETTER WAS THE OWNER AND CEO OF HEARTLAND PORK. IT WAS IOWA'S SECOND LARGEST PRODUCER -- AND THE COMPANY STIRRED UP A LOT OF OUTRAGE HERE OVER THE WAY IT DID BUSINESS. NOW, SOME OF RASTETTER'S CRITICS FROM BACK THEN ARE QUESTIONING HIS INTENTIONS IN TANZANIA.

ADAM MASON

He has an extreme knack-- for basically getting while the gettin's good-- making a lotta money and then turning-- turning around and walking away.

RATHER (VOICE OVER)

ADAM MASON IS STATE POLICY DIRECTOR AT IOWA CITIZENS FOR COMMUNITY IMPROVEMENT -- A GROUP THAT FOUGHT THE EXPANSION OF SO-CALLED "FACTORY FARM" OPERATIONS LIKE HEARTLAND PORK.

MASON

This is an industry that ran family farmers out of business, that pollutes our air, pollutes our water and-- and has ruined so many folks' quality of life.

RATHER (VOICE OVER)

HEARTLAND RAISED ITS PIGS IN LARGE CONFINEMENT BUILDINGS SIMILAR TO THIS. EACH ONE CAN HOLD THOUSANDS OF HOGS -- AND PRODUCES MILLIONS OF GALLONS OF WASTE.

MASON'S GROUP HAD CONCERNS OVER HOW ALL THAT WASTE WAS BEING HANDLED. AND HEARTLAND PORK WAS JUST ONE OF MANY COMPANIES THEY BATTLED WITH OVER THE ISSUE.

RASTETTER HAS SAID THAT HIS COMPANY GOT PAINTED WITH A BROAD BRUSH. HE CALLED HEARTLAND A FAMILY COMPANY -- THERE'S NO QUESTION IT PROVIDED HUNDREDS OF JOBS. AND RASTETTER SAYS HE LED THE INDUSTRY IN ENVIRONMENTAL RESPONSIBILITY.

RASTETTER

One of the things I think is important for our company to do is raise the bar on environment conservation. For agriculture, for our company, and for our growers.

RATHER (VOICE OVER)

MASON COULD NOT DISAGREE MORE... AND HE CALLS RASTETTER'S NEW PROJECT IN TANZANIA A "WOLF IN SHEEP'S CLOTHING".

MASON

To us, it looks like they're trying to go in and make as much money as they can-- all under the guise of helping Tanzanians. We don't believe that's the truth.

PETERSEN

Being a gambling man coming down on good odds he's guessin' he can make a whole bunch of money over there, too.

RATHER (VOICE OVER)

A DECADE AGO CHRIS PETERSEN WAS A SMALL HOG FARMER WHO SAYS HE WAS DRIVEN OUT OF BUSINESS BY BIG OPERATIONS LIKE RASTETTER'S.

HE IS NOW PRESIDENT OF IOWA FARMERS UNION, AN ORGANIZATION DEDICATED TO SMALL FARMING AND SUSTAINABLE AGRICULTURE. AGRISOL HAS SAID ITS PROJECT IN AFRICA WILL BENEFIT THE LOCAL COMMUNITY -- BUT PETERSON DOESN'T BUY IT. AND HE HAD SOME WORDS OF WARNING FOR THE SMALL FARMERS OF TANZANIA.

PETERSEN

Be very careful. You might be turned into workers instead of farmers. They're gonna have a lot of what went on over here. The wealth is gonna be extracted. The scraps will be left to keep the workers working.

RATHER (VOICE OVER)

FOR SOME IOWANS, HEARTLAND PORK IS REASON ENOUGH TO DOUBT RASTETTER'S INTENTIONS IN AFRICA. BUT AGRISOL HAS A VERY DIFFERENT PERSPECTIVE ON ITS FOUNDER'S BUSINESS TRACK RECORD. IN A RECENT PRESS RELEASE, THE COMPANY CALLED RASTETTER "...A LEADER IN SUSTAINABLE DEVELOPMENT...". AND HIS COMPANY SUMMIT FARMS IS ACTUALLY PART OF AGRISOL'S PITCH TO THE TANZANIANS.

WHEN YOU SEE WHAT FARMING LOOKS LIKE IN TANZANIA TODAY, IT'S EASY TO UNDERSTAND WHY A LARGE, MECHANIZED OPERATION LIKE SUMMIT MIGHT HAVE SOME APPEAL HERE. WHEN IT COMES TO AGRICULTURE, TANZANIA IS DECADES, IF NOT CENTURIES BEHIND THE UNITED STATES. OVER 70% OF FARMERS STILL WORK THEIR FIELDS BY HAND.

AGRISOL HAS BOASTED THAT YIELDS AT SUMMIT FARMS ARE TEN TIMES WHAT THEY ARE HERE. AND IN JULY 2010, RASTETTER BROUGHT A DELEGATION OF TANZANIAN GOVERNMENT OFFICIALS TO IOWA TO SHOW OFF THE BENEFITS OF MODERN AGRICULTURE. DR. RAJAB RUTENGWE HOLDS THE TOP GOVERNMENT POST IN THE DISTRICT WHERE MOST OF THE LAND THAT WAS OFFERED TO AGRISOL IS LOCATED. HE WAS IMPRESSED BY WHAT HE SAW IN IOWA.

RUTENGWE

We could see left and right the corn farms, soybean farms, livestock farms, energy plants. All this were just new to us.

RATHER (VOICE OVER)

A MONTH AFTER THEY GOT BACK FROM IOWA, TANZANIAN GOVERNMENT OFFICIALS SIGNED A PRELIMINARY CONTRACT WITH AGRISOL.

RUTENGWE

Those leaders in Agrisol, they are here to help us and improve our food security situation.

RATHER (VOICE OVER)

AGRISOL SAYS SUPPORT FROM THE PEOPLE OF TANZANIA IS IMPORTANT. AND THE COMPANY HIGHLIGHTS THE FACT THAT ITS PROJECT ALSO HAS A LOCAL FACE. IDDI SIMBA IS THE DIRECTOR OF SERENGETI ADVISERS, A TANZANIAN INVESTMENT FIRM THAT HAS A 25 PERCENT STAKE IN THE DEAL.

SIMBA

It will be the first project ever in this country that will have a foreign investor with genuine local investors who have put in money, time and intellect into it. And not just errand boys, we are not errand boys.

RATHER (VOICE OVER)

SIMBA ASKED US TO MEET HIM IN AN UPSCALE HOTEL IN DOWNTOWN DAR ES SALAAM. HE SAID HIS INTEREST IS MORE THAN FINANCIAL... HA SAYS HE'S ALSO THERE TO LOOK OUT FOR THE NEEDS OF HIS COUNTRY.

SIMBA

Commercial, mechanized agriculture will produce more food. So we can in fact, for the first time in our history, secure our own food requirements.

RATHER (VOICE OVER)

SIMBA IS ALSO A FORMER MINISTER OF TRADE AND INDUSTRY IN THE TANZANIAN GOVERNMENT. AND THAT MAY BE HOW AGRISOL GOT THE ATTENTION OF MIZENGO PINDA... TANZANIA'S PRIME MINISTER. PINDA'S BECOME AN OUTSPOKEN SUPPORTER OF THE AMERICAN INVESTORS. AND IT SO HAPPENS THAT MUCH OF THE LAND THAT WAS OFFERED TO THE COMPANY IS IN PINDA'S HOME DISTRICT.

PINDA

I have about 27 villages in that area, I know how they are producing their food. They cannot go beyond feeding themselves. We cannot live like that in this 21st century.

RATHER (VOICE OVER)

IN PARLIAMENT, THE PRIME MINISTER HAS STOOD UP MORE THAN ONCE TO DEFEND THE AGRISOL DEAL. WHILE SOME CRITICS WITHIN THE COUNTRY HAVE CALLED IT A LAND GRAB BY FOREIGNERS, PINDA SAYS THE COUNTRY HAS MORE THAN ENOUGH LAND TO GO AROUND.

PINDA

The land that is around us, that is empty, is not being developed at all, is huge. Forty-four million hectares of land, only capable of developing 20%, ok, of that mass land, poor as we are.

RATHER (ON CAMERA)

44 MILLION HECTARES WORKS OUT TO ABOUT 100 MILLION ACRES, OR ROUGHLY THREE TIMES THE SIZE OF IOWA. DURING THE COURSE OF OUR REPORTING, WE WERE TOLD OVER AND OVER ABOUT THE WEALTH OF AVAILABLE LAND IN TANZANIA.

BUT IF THERE IS SO MUCH EMPTY SPACE, WHY DID THE GOVERNMENT OFFER AGRISOL LAND WHERE PEOPLE ALREADY LIVE?

THAT PART OF OUR INVESTIGATION, COMING UP NEXT.

ACT 2: TROUBLE ON THE LAND

RATHER (VOICE OVER)

THIS IS KATUMBA, THE REFUGEE SETTLEMENT IN TANZANIA THAT AGRISOL TOLD PROSPECTIVE INVESTORS WAS “ABANDONED”.

THERE ARE 70,000 PEOPLE HERE AND ANOTHER 60,000 IN A NEARBY SETTLEMENT. THEY CAME DECADES AGO FROM BURUNDI AND TURNED THIS AREA INTO PRODUCTIVE FARMLAND.

SEMBULI (TRANSLATED FROM SWAHILI)

Our parents got here in 1974. There was no water. This stream was not here. They started cutting down the trees and clearing the forest. There was a very big forest here.

RATHER (VOICE OVER)

SEMBULI MASASA CAME HERE WITH HIS PARENTS WHEN HE WAS TEN YEARS OLD. NOW HE'S 49, AND HAS SEVEN KIDS OF HIS OWN. UP THE HILL FROM HIS SUGARCANE FIELD, HE RUNS A SMALL PLANT NURSERY FOR HIS NEIGHBORS.

TODAY, THE BURUNDIAN REFUGEES ARE SOME OF THE MOST PRODUCTIVE FARMERS IN TANZANIA - PRODUCING MORE THAN 40% OF THE FOOD IN THIS DISTRICT, ON JUST 4% OF THE LAND.

THEY GROW A RANGE OF CROPS - FROM PEANUTS TO PINEAPPLES. BUT IF AGRISOL DEVELOPS THIS LAND, THESE FIELDS WILL BE PLANTED WITH CORN AND SOY... THESE VILLAGES WILL BE LEVELED... AND EVERYONE LIVING HERE NOW WILL HAVE TO GO.

WHEN OUR REPORTING TEAM WALKED THROUGH A VILLAGE MARKET IN KATUMBA, THE CAMERA ATTRACTED A LARGE CROWD. AND EVERYONE WHO TALKED TO US WAS WORRIED ABOUT HOW THEY WOULD SURVIVE AFTER LEAVING THE SETTLEMENT.

RESIDENT OF KATUMBA (TRANSLATED FROM SWAHILI))

We won't have anything at all. We'll have to start from scratch.

RATHER (VOICE OVER)

NEARLY EVERYONE HERE WAS ACTUALLY BORN IN TANZANIA -- BUT THEY'VE NEVER HAD THE LEGAL RIGHT TO CALL IT HOME. NOW, IN EXCHANGE FOR LEAVING KATUMBA, THE GOVERNMENT IS PREPARED TO GRANT THE REFUGEES CITIZENSHIP. THAT DECISION HAS BEEN PRAISED INTERNATIONALLY.

THIS UNITED NATIONS VIDEO WAS SHOT IN APRIL 2010, WHEN TANZANIA'S MINISTER OF HOME AFFAIRS VISITED KATUMBA TO MAKE THE ANNOUNCEMENT.

LAWRENCE MASHA

Effectively they will have all the rights every Tanzanian who, that was born a Tanzanian or was naturalized a Tanzanian under different circumstances will have.

RATHER (VOICE OVER)

AT THE TIME, IT WAS GREETED WITH CELEBRATION IN THE SETTLEMENT.

BUT THAT WAS BEFORE THE REFUGEES KNEW THE DETAILS OF THE GOVERNMENT'S RELOCATION PLAN. THIS 40 YEAR OLD COMMUNITY WILL BE BROKEN APART AND SCATTERED ACROSS TANZANIA. EACH PERSON WILL RECEIVE 200 DOLLARS TO START A NEW LIFE. THE GOVERNMENT DECIDES WHERE IN THE COUNTRY EACH FAMILY WILL GO, AND HAS SET QUOTAS TO LIMIT HOW MANY REFUGEES CAN SETTLE IN ANY ONE PARTICULAR AREA. ACCORDING TO THE GOVERNMENT'S DOCUMENTS, THE REFUGEES ARE EVEN REQUIRED TO DISMANTLE THEIR OWN HOMES BEFORE THEY LEAVE.

THE ONLY OTHER OPTION IS TO GO BACK TO BURUNDI -- A PLACE MOST OF THEM HAVE NEVER SEEN.

SEMBULI

It's like someone climbing a tree and finding a poisonous snake. And below him there's a crocodile in the water. So if he stays on the tree the snake will bite him. If he goes into the water the crocodile will get him. That's the situation we're in.

RATHER (VOICE OVER)

ALTHOUGH SOME UN OFFICIALS PRIVATELY FOUGHT THE PLAN TO REMOVE THESE REFUGEES FROM THEIR HOMES, LEGALLY-SPEAKING CLOSING THE SETTLEMENTS WAS TANZANIA'S DECISION TO MAKE -- AND THE GOVERNMENT SAYS IT'S A MATTER OF SECURITY. ACCORDING TO IDDI SIMBA, ONE OF AGRISOL'S TANZANIAN BUSINESS PARTNERS, THAT'S WHERE THE DISCUSSION SHOULD END.

SIMBA

That piece of land will be for the company and for agriculture. Now whether those people will be moved to here or there is not our business. That is for the government.

RATHER (VOICE OVER)

BUT THE LINE BETWEEN THE GOVERNMENT AND THE INVESTORS IS A LITTLE BLURRY. SIMBA HIMSELF IS A FORMER TOP OFFICIAL. AND THEN THERE'S LAWRENCE MASHA, THE MAN YOU SAW IN THE UN VIDEO. MASHA WAS IN CHARGE OF THE REFUGEE CAMPS WHEN THE RELOCATION PLAN WAS CREATED. NOW HE'S A LEGAL ADVISOR TO AGRISOL ENERGY.

MITTAL

When you displace this population it raises the issue of where do these people go and farm next?

RATHER (VOICE OVER)

ANURADHA MITTAL IS THE HEAD OF THE OAKLAND INSTITUTE. THAT'S A CALIFORNIA-BASED NON-PROFIT ORGANIZATION DEDICATED TO PROMOTING SOCIALLY RESPONSIBLE DEVELOPMENT AROUND THE WORLD. MITTAL TOLD US SHE'S LOOKED INTO OVER 50 AFRICAN LAND DEALS IN THE PAST YEAR -- AND SHE DOESN'T HAVE MUCH GOOD TO SAY ABOUT ANY OF THEM. BUT SHE SINGLED OUT THE AGRISOL PROJECT AS A PARTICULARLY EGREGIOUS EXAMPLE.

RATHER

When we spoke to Agrisol's business partners in Tanzania they said what happens to the refugees should not be their concern. What's your response to that?

MITTAL

Well, you know, they cannot get away — in fact, that's actually one of the things I was also told by Mr. Rastetter. Now you're hoping to make a lot of money by moving into an area where somebody already lives. To put on the entire responsibility and the blame onto the government is extremely irresponsible especially when the people who are involved in it talk about it being a socially responsible investment.

RATHER (VOICE OVER)

IN JUNE, THE OAKLAND INSTITUTE RELEASED A SCATHING REPORT ABOUT THE AGRISOL DEAL, ALONG WITH HUNDREDS OF PAGES OF INTERNAL COMPANY DOCUMENTS.

RATHER

How did you get a hold of this material? It was supposed to be company and government, if not secret, certainly not for public view.

MITTAL

Well, I had met with Mr. Rastetter and the Agrisol team. They knew that I was looking for investments that could be showcased, that could be supported, that we could say, "This is a good way of private sector working in partnership with the government." They knew me as a person who knew many philanthropic organizations, many well-to-do people who want to be involved in projects that result in the good for the community and nations in Africa.

RATHER (VOICE OVER)

AGRISOL WAS HOPING TO GET HER ENDORSEMENT. BUT SHE SAYS THAT WHEN SHE SAW THE DETAILS OF THE PROJECT, SHE FELT COMPELLED TO MAKE THE INFORMATION PUBLIC.

AND MITTAL SAYS THE PROBLEMS GO FAR BEYOND THE REFUGEE SETTLEMENTS. ONE OF THE DOCUMENTS SHE RELEASED IS THE AGREEMENT THAT AGRISOL SIGNED WITH LOCAL GOVERNMENT OFFICIALS IN TANZANIA.

IT IS NOT A FINAL CONTRACT, BUT IT SHOWS THAT AGRISOL IS PLANNING TO PAY JUST 25 CENTS AN ACRE IN RENT TO THE TANZANIAN GOVERNMENT.

MEANWHILE, THE DOCUMENTS SUGGEST THAT AGRISOL IS ASKING THE GOVERNMENT FOR A WIDE RANGE OF INCENTIVES AND CONCESSIONS -- SUCH AS BUILDING A RAIL LINE TO ONE OF THE PROJECT SITES.

AGRISOL IS PITCHING THE DEAL AS A WAY FOR TANZANIA TO FEED ITSELF, BUT MITTAL WAS VERY CONCERNED ABOUT A SENTENCE THAT SHE FOUND IN A STUDY COMMISSIONED BY THE COMPANY. IT RECOMMENDS THAT AGRISOL OBTAIN A GUARANTEE FROM THE GOVERNMENT THAT IT CAN EXPORT THE FOOD IT PRODUCES.

MITTAL

Agrisol is demanding that the government of Tanzania change its rules, that even if there is food shortages in any of the regions of the country, they should be able to export food. And by the way that's one of the clauses that most of the foreign investors ask for.

RATHER (VOICE OVER)

IN AN EMAIL TO OUR INVESTIGATIVE TEAM, RASTETTER'S PUBLIC RELATIONS REPRESENTATIVE ASSURED US AGRISOL WILL GROW FOOD TO MEET TANZANIA'S NEEDS FIRST... ALTHOUGH HE ALSO SAID THAT AS INFRASTRUCTURE IN THE COUNTRY IMPROVES -- MAKING IT EASIER TO GET PRODUCTS TO PORT -- "THE SITUATION MAY CHANGE".

HE ALSO TOLD US THE COMPANY WILL SET UP A TRUST, WHERE PROFITS FROM THE PROJECT WILL GO TO SCHOOLS, MEDICAL CLINICS AND OTHER COMMUNITY NEEDS. AND THE COMPANY HAS SAID IT WILL HELP LOCAL SMALL FARMERS, BY TEACHING THEM NEW METHODS AND GIVING THEM ACCESS TO ADVANCED SEEDS AND FERTILIZER. THEY WILL BE ABLE TO GROW CORN AND SOY FOR AGRISOL TO PURCHASE.

OF COURSE, THE SMALL FARMERS AT THE REFUGEE SETTLEMENTS ARE BEING MOVED OUT, AND THE TANZANIAN VILLAGERS LIVING NEARBY DIDN'T SEEM TO KNOW MUCH ABOUT THE PENDING DEAL THAT WILL SUPPOSEDLY BENEFIT THEM.

WE VISITED ONE OF THE VILLAGES CLOSEST TO THE LAND THAT'S BEEN EARMARKED FOR AGRISOL. THE TOP ELECTED OFFICIAL THERE TOLD US NO ONE FROM THE COMPANY OR THE GOVERNMENT HAD EVER COME TO TALK TO HIM ABOUT THE PROJECT.

ISANJANDUGU VILLAGE CHAIRMAN (TRANSLATED FROM SWAHILI)

I am not sure because we haven't been involved. And no one told us what's coming.

RATHER (VOICE OVER)

HE SAID HE'S ONLY HEARD RUMORS -- AND WHILE HE SAW BOTH PROS AND CONS TO HAVING A MASSIVE COMMERCIAL OPERATION IN HIS BACKYARD, HE ALSO HAD SOME QUESTIONS FOR BRUCE RASTETTER AND THE OTHER AMERICAN INVESTORS.

ISANJANDUGU VILLAGE CHAIRMAN (TRANSLATED FROM SWAHILI)

Why wouldn't you consult with us? You have to involve us because we are your neighbors.

RATHER (VOICE OVER)

AGRISOL HAS BEEN IN NEGOTIATIONS WITH THE TANZANIAN GOVERNMENT SINCE 2008. BUT IT TURNS OUT VERY FEW PEOPLE IN THE COUNTRY SEEM TO HAVE KNOWN ABOUT THE PROJECT UNTIL A FEW MONTHS AGO -- AFTER THE OAKLAND INSTITUTE PUT OUT ITS REPORT.

WE ASKED IDDI SIMBA, AGRISOL'S LOCAL BUSINESS PARTNER, WHEN HE THOUGHT IT WOULD BE THE RIGHT TIME TO INVOLVE LOCALS IN THE PROCESS.

SIMBA

It will be at the time when we already have the deal.

RATHER (VOICE OVER)

SIMBA SAID THERE IS A LOT ABOUT THE DEAL THAT'S YET TO BE FINALIZED.

SIMBA

What is the use of me spending my time going to talk to them telling what we intend to do when in fact we don't have mandate even to do that.

MITTAL

You don't hide things that you're really proud of. You let the world know about it-- say, if this is so amazing, if it's going to result in all this incredible economic benefits, how come people don't know about it?

RATHER

Well what's your answer to that question? Why was it hidden?

MITTAL

Well the reason it is hidden is, it's a net loss for the people of Tanzania.

RATHER (VOICE OVER)

AGRISOL HAS NOT BACKED DOWN FROM ITS CLAIM THAT THE PROJECT WILL HELP TANZANIA. AND THE COMPANY SAYS YOU DON'T HAVE TO TAKE THEIR WORD FOR IT.

IOWA STATE IS ONE OF AMERICA'S OLDEST LAND GRANT UNIVERSITIES AND A LEADER IN AGRICULTURE. IN FEBRUARY 2010, AGRISOL FOUNDER BRUCE RASTETTER ASKED ISU TO JOIN HIS PROJECT IN TANZANIA. HE WANTED THE UNIVERSITY TO HELP DESIGN AND RUN A PROGRAM TO IMPROVE THE LOT OF TANZANIAN SMALL FARMERS.

IN A RECENT PRESS RELEASE, AGRISOL SAID THAT *IOWA STATE UNIVERSITY* WOULD MAKE SURE THEY "...EFFECTIVELY AND EFFICIENTLY SERVE THE INTERESTS OF THE LOCAL COMMUNITIES AND THE COUNTRY".

BUT THERE'S A TWIST. RASTETTER IS A MAJOR DONOR TO ISU AND IS NOW A SENIOR MEMBER ON THE BOARD OF REGENTS THAT OVERSEES THE UNIVERSITY.

WE SPOKE TO A NUMBER OF CURRENT AND FORMER FACULTY AT IOWA STATE WHO ARE CONCERNED THAT RASTETTER IS USING HIS INFLUENCE TO GET THE UNIVERSITY'S ENDORSEMENT FOR HIS PROJECT IN TANZANIA.

KEENEY

It's nice to have Iowa State involved, because they've got this great reputation. I mean, that kind of helps cover what is really going on. You don't know.

RATHER (VOICE OVER)

DR. DENNIS KEENEY IS PROFESSOR EMERITUS OF AGRONOMY AND AGRICULTURE AND BIOSYSTEMS ENGINEERING AT IOWA STATE UNIVERSITY. HE TOLD US HE'S NEVER SEEN SOMETHING QUITE LIKE THIS.

KEENEY

I don't think anybody's ever had a board of regents president owning a massive project overseas and then asking the university to do part of the work. I just don't think that's-- that's-- that's part of anything we've seen before.

RATHER (VOICE OVER)

DR. NEIL HARL IS PROFESSOR EMERITUS OF ECONOMICS AT IOWA STATE UNIVERSITY AND FORMER DIRECTOR OF THE UNIVERSITY'S CENTER FOR INTERNATIONAL AGRICULTURAL FINANCE. HE SAYS HAVING THE UNIVERSITY IN ON THE DEAL IS AN OBVIOUS BENEFIT TO AGRISOL.

HARL

If the university says, "We're going to do this to benefit you and your country," I think they're inclined to believe that. If it's said by a private sector firm they're less likely to believe that. There's a question here as to whether this is to help a worthy cause to raise the income levels of the Tanzanian people, or is this a project to-- produce ethanol and other products-- as cheaply as possible and for the benefits to flow to the private sector firm, Agrisol? We don't know.

RATHER (VOICE OVER)

RASTETTER, HIMSELF, HAS ACKNOWLEDGED THAT THERE IS A POTENTIAL CONFLICT BETWEEN HIS FINANCIAL INTEREST IN AGRISOL AND HIS POSITION ON THE BOARD OF REGENTS.

AND RASTETTER DID DISCLOSE THIS POTENTIAL CONFLICT OF INTEREST TO THE BOARD, BUT NOT UNTIL JUNE 17 -- A FEW DAYS AFTER THE DES MOINES REGISTER RAN THIS FRONT-PAGE ARTICLE ABOUT THE CONTROVERSY SURROUNDING AGRISOL. AND RASTETTER DIDN'T RECUSE HIMSELF FROM

DECISIONS CONCERNING IOWA STATE'S ROLE IN THE TANZANIA PROJECT UNTIL SEPTEMBER 13, THE DAY AFTER HE CANCELED HIS INTERVIEW WITH US.

AND RASTETTER'S POSITION ON THE BOARD OF REGENTS ISN'T THE ONLY POTENTIAL CONFLICT.

IN 2007, HE GAVE MORE THAN \$1.75 MILLION DOLLARS TO ENDOW A CHAIR AT IOWA STATE . IT'S CALLED "THE RASTETTER CHAIR IN AGRICULTURAL ENTREPRENEURSHIP" AND IT'S CURRENT OCCUPANT IS KEVIN KIMLE. SEEN HERE SHAKING HANDS WITH BRUCE RASTETTER. KIMLE HAS BEEN HEAVILY INVOLVED WITH THE UNIVERSITY'S WORK FOR AGRISOL.

KEENEY

You're on that edge of who is-- who is your boss, who are you answering to? And if you don't have success, who are you answer to?

RATHER (VOICE OVER)

RETIRED IOWA STATE PROFESSOR KEENEY SAYS PUBLIC ACADEMIC INSTITUTIONS MUST MAKE SURE THEIR DEALINGS ARE TRANSPARENT.

KEENEY

The other thing that concerns me is that whether Iowa State can be an open source of information on this. Can they really say, "This is what we're doing with Rastetter. This is what we're doing in Tanzania."

RATHER (VOICE OVER)

NO ONE IN IOWA STATE WHO IS INVOLVED WITH THE UNIVERSITY'S WORK WITH AGRISOL WOULD TALK TO US ON CAMERA. BUT IOWA STATE DEAN WENDY WINTERSTEEN RESPONDED TO WRITTEN QUESTIONS WE SUBMITTED. LAST WEEK SHE WROTE TO TELL US THAT THE UNIVERSITY "...WOULD NO LONGER DIRECTLY PARTICIPATE IN THE PROJECT...". INSTEAD, IOWA STATE WILL SERVE IN WHAT SHE TERMED "...AN ADVISORY CAPACITY". THAT WAS THE FIRST NEWS THAT IOWA STATE'S ROLE IN TANZANIA HAD CHANGED.

AND THAT'S NOT THE ONLY DEVELOPMENT THAT SEEMS TO HAVE TAKEN PLACE SINCE WE STARTED OUR INVESTIGATION.

IN AUGUST, SHORTLY AFTER OUR TRIP TO TANZANIA, AGRISOL ANNOUNCED THAT ITS CURRENT PLANS NO LONGER INCLUDE THE REFUGEE SETTLEMENTS OF KATUMBA AND MISHAMO. INSTEAD, THEY SAY, THEY'RE FOCUSING ON LAND ELSEWHERE IN THE COUNTRY -- ALTHOUGH THEY'RE ALSO LEAVING THE DOOR OPEN FOR FUTURE DEVELOPMENT. RASTETTER SAID, THROUGH HIS PR REPRESENTATIVE, THAT AGRISOL IS STILL VERY INTERESTED IN THE LAND ONCE THE REFUGEES HAVE BEEN RESETTLED.

BUT WHEN WE CONTACTED THE TOP GOVERNMENT OFFICIAL IN THE DISTRICT WHERE THE SETTLEMENTS ARE LOCATED TO ASK ABOUT THE STATUS OF THE PROJECT, HIS RESPONSE WAS MORE DIRECT. HE WROTE "... WE ARE MOVING AHEAD WITH THE PROJECT. THERE IS NO GOING BACK. THE PROJECT IS BENEFICIAL TO EVERYONE WHO IS SENSIBLE."

THE TANZANIAN GOVERNMENT REMAINS COMMITTED TO SHUTTING DOWN THESE SETTLEMENTS. AND THE UNITED NATIONS RECENTLY RE-AFFIRMED IT'S SUPPORT FOR THE RELOCATION PLAN.

RATHER (ON CAMERA)

WE WILL CONTINUE TO REPORT ON DEVELOPMENTS INVOLVING AGRISOL AS THEY UNFOLD IN TANZANIA AND IOWA. NOW WHEN WE RETURN, THE IDEA OF CREATING AMERICAN JOBS USING NON-AMERICAN WORKERS. THAT STORY COMING UP NEXT.

ACT 3: START-UP MICHIGAN

RATHER (ON CAMERA)

WE HAVE BEEN DOING A SERIES OF INVESTIGATIVE REPORTS ON THIS PROGRAM ABOUT UNITED STATES IMMIGRATION POLICIES AND THE COMPETITION FOR JOBS IN A TOUGH ECONOMY. BUT TONIGHT WE TAKE YOU TO A PART OF AMERICA THAT IS TRYING SOMETHING DRASTIC TO JUMP START ITS BELEAGUERED JOB MARKET.

THE SCENE: THE RUST-BELT STATE OF MICHIGAN. THE MESSAGE: THAT IMMIGRANTS HAVE ALWAYS HELPED POWER AMERICA'S ECONOMY, CREATING BUSINESSES WITH THE SAME ENERGY AND DRIVE THAT LED THEM TO UPROOT THEIR LIVES AND COME TO OUR SHORES IN THE FIRST PLACE.

NOW, SOME PEOPLE IN MICHIGAN SAY THAT THE FUTURE OF AN ECONOMY MADE IN AMERICA MAY REST IN LARGE PART ON THE SHOULDERS OF MEN AND WOMEN BORN OVERSEAS.

RATHER (VOICE OVER)

LOOKING NOW, IT'S HARD TO IMAGINE THESE STREETS WERE ONCE HOME TO ONE OF THE MOST INNOVATIVE CITIES IN THE WORLD. AT THE TURN OF THE 20th CENTURY, DETROIT WAS THE SILICON VALLEY OF ITS DAY -- A PLACE TO TURN NEW IDEAS INTO VAST FORTUNES ... A SPARKLING JEWEL CAPTIVATING THE IMAGINATIONS OF AMERICANS AND FOREIGNERS ALIKE.

MUCH LIKE SILICON VALLEY, IN THE EARLY 1900s, IMMIGRANTS MADE UP ONE-THIRD OF DETROIT'S POPULATION.

BUT TODAY, MUCH OF THE CITY IS A GHOST TOWN -- AND THOSE THAT STILL LIVE HERE ARE FACING THE WORST JOB MARKET IN THE CITY'S HISTORY. ONE IN FIVE DETROITERS IS LOOKING FOR WORK -- AND THE STATE ITSELF HAS ONE OF THE HIGHEST UNEMPLOYMENT RATES IN THE COUNTRY.

THE STATE'S NEW REPUBLICAN GOVERNOR CAMPAIGNED ON BRINGING JOBS BACK TO MICHIGAN. BUT NO ONE EXPECTED THIS PLAN...

RICK SNYDER, GOVERNOR OF MICHIGAN

It's the continual reinvention of the United States. And by getting more immigrants here in a legal fashion, particularly with advanced degrees, it's just a great opportunity to create jobs and keep our kids in a wonderful position.

RATHER (VOICE OVER)

THAT'S RIGHT -- MICHIGAN GOVERNOR RICK SNYDER SAYS THAT TO SOLVE THE STATE'S JOBS CRISIS, IT NEEDS TO BRING MORE IMMIGRANTS.

IT'S PROBABLY NOT THE KIND OF SENTIMENT YOU'D EXPECT TO HEAR FROM THE LEADER OF A STATE MIRED IN A 10-YEAR RECESSION.

SNYDER

Simply fixing Michigan is not good enough. It is time to reinvent our state.

RATHER

Governor, tell me about what I'll call "the plan," the immigration plan. What is it, why is it, and why do you think it'll work?

SNYDER

Well, I think it's important for our future, we've been in a recession for a decade where much of the country's just been for several years. It's how do you r-- really, reinvent ourselves? And one of the keys, if you look at history and how we built this wonderful country, was immigration. And so one of the focal points in particular is, is we already educate so many wonderful-- students from outside the country. Is there a way to help keep them here?

RATHER (VOICE OVER)

EVERY YEAR, MICHIGAN SPENDS MILLIONS OF ITS OWN TAX DOLLARS EDUCATING THE 23,000 FOREIGN STUDENTS WHO ATTEND ITS COLLEGES AND UNIVERSITIES ... AND EVERY YEAR, ALMOST ALL OF THOSE FOREIGN STUDENTS LEAVE MICHIGAN, DIPLOMAS IN HAND ... HEADING TO OTHER STATES, AND OTHER COUNTRIES.

GOVERNOR SNYDER LIKES TO REMIND PEOPLE THAT MANY OF THE MOST FAMOUS AND SUCCESSFUL NEW AMERICAN COMPANIES... GOOGLE, EBAY, INTEL, YAHOO, YOUTUBE AND COUNTLESS OTHERS -- WERE ALL STARTED BY IMMIGRANTS ... AND SOME OF THOSE IMMIGRANTS WERE EVEN EDUCATED IN MICHIGAN.

RATHER

Well, how is it supposed to work as a practical matter?

SNYDER

They've actually started the process, saying, "First of all, what students do we have here from outside the country, particularly in science and engineering-- masters and Ph.D. programs"-- to talk about what countries they're from, what opportunities there are and then to talk about different programs for entrepreneurship. The-- the other piece I wanna do, though, too is talk to the communities that we already have here that are-- ethnic communities to say, "Do they have outreach back in their countries-- to actually bring and attract people to Michigan?" Because I think we're a great economic opportunity that we can all win.

JOSEPH VALENTI, TEAMSTERS

I'm not sure exactly who he's talking about. But we chased out 300,000 skilled technicians and professional people. Now he's talking about bringing immigrants in here.

RATHER (VOICE OVER)

JOSEPH VALENTI, PRESIDENT OF DETROIT'S LOCAL TEAMSTERS UNION, HAS A QUESTION MANY MICHIGANDERS ARE ASKING: WHY WOULD THE GOVERNOR LOOK TO OUTSIDERS WHEN SO MANY CITIZENS HAVE RECENTLY BEEN FORCED TO LEAVE THE STATE IN SEARCH OF JOBS?

VALENTI

Take the Michigan people that left, that were forced out of here. Why don't you offer them the jobs first? Then if no one wants them or no one can fill them, then you go where you have to go. But why not offer your own people the job first?

RATHER

To those who say, "Wait a minute, Governor. Your state has high unemployment, Detroit has exceptionally high unemployment, and you're talking about bringing in non-Americans to, in effect, take jobs?" How can you reconcile that?

SNYDER

Um, actually, it's a simple answer. Those goals are absolutely consistent. I am absolutely focused on finding jobs for Michiganders, more and better jobs for Michiganders, and encouraging legal immigration with advanced degree people is absolutely consistent with that. 'Cause they're job creators. They actually create net jobs.

RATHER (VOICE OVER)

IMMIGRANTS WILL CREATE JOBS, THE GOVERNOR BELIEVES... BECAUSE THEY ARE MORE LIKELY TO BECOME ENTREPRENEURS...

A STUDY BY THE SMALL BUSINESS ADMINISTRATION CONFIRMS THAT. IT SHOWS THAT IMMIGRANTS IN MICHIGAN ARE NEARLY *THREE* TIMES AS LIKELY AS NATIVE BORN RESIDENTS TO START A BUSINESS -- BUSINESSES THAT WILL NEED TO HIRE MICHIGANDERS...

STEVE TOBOCMAN, GLOBAL DETROIT

Here, the foreign born are really powering the economy. You're-- six times as likely to start a high tech firm in Michigan if you-- were born abroad. You are seven to eight times as likely to file an international patent.

RATHER (VOICE OVER)

STEVE TOBOCMAN WAS A STATE SENATOR FROM 2003 TO 2008. DURING HIS TIME IN THE LEGISLATURE, HE WATCHED IN HORROR AS MICHIGAN LOST ALMOST A MILLION JOBS.

AFTER LEAVING OFFICE, HE MADE IT HIS MISSION TO CREATE A VIABLE PLAN FOR MICHIGAN TO BRING SOME OF THOSE JOBS BACK HOME.

TOBOCMAN

32.8 percent of the high tech firms created in the state of Michigan over the last ten years were created by immigrant founders. That's an incredible statistic, to have a third of the high tech firms in Michigan, in a state that's only six percent foreign born.

RATHER (VOICE OVER)

SO TOBOCMAN, A DEMOCRAT, SPENT TWO YEARS CREATING THIS 214- PAGE REPORT CALLED "GLOBAL DETROIT" ... WHICH ULTIMATELY BECAME THE FRAMEWORK FOR THE NEW REPUBLICAN GOVERNOR'S IMMIGRATION INITIATIVE - A SIGN THAT THIS ISSUE CAN CREATE STRANGE POLITICAL BEDFELLOWS.

TOBOCMAN

You can't have large economic growth without new population. Look at Toronto, a city that was almost the boring sister of Detroit when I was a child 40 years ago; why is it such a hot bed of growth? Well, it's 50 percent foreign born.

RATHER (VOICE OVER)

TOBOCMAN SAYS HE STUMBLED ON THE IDEA OF IMMIGRATION AS FUEL FOR ECONOMIC DEVELOPMENT AFTER TAKING A HARD LOOK AT HIS OWN NEIGHBORHOOD IN SOUTHWEST DETROIT ...

THIS CORNER OF THE CITY WAS JUST ANOTHER VICTIM OF URBAN BLIGHT...WITH FEW JOBS AND RESIDENTS FLEEING -- UNTIL, TOBOCMAN SAYS, AN INCREASE IN IMMIGRANTS HELPED TURN IT AROUND...

TOBOCMAN

There was tremendous benefits to the non-immigrant community by having these new immigrant clusters. They were new retail opportunities, job opportunities. Streets were cleaner, safer. Vacant houses were being acquired, rehabbed, and moved into. And so those who are in struggling neighborhoods, who have seen-- tax dollars leave their communities, who have seen-- blight and-- vacancy come to the community. They are often the biggest beneficiaries from new migrants into urban areas.

RATHER (VOICE OVER)

TOBOCMAN'S GOALS INCLUDE EDUCATING PEOPLE LIVING IN MICHIGAN ABOUT THE BENEFITS OF WELCOMING IMMIGRANTS, ADVERTISING MICHIGAN TO IMMIGRANT COMMUNITIES IN OTHER STATES, AND PERHAPS MOST IMPORTANTLY, KEEPING IMMIGRANTS ALREADY ATTENDING MICHIGAN'S UNIVERSITIES IN THE STATE AFTER THEY GRADUATE...

TOBOCMAN

We have 23 and a half thousand international students in the state, which is a phenomenal opportunity for the state. It is a \$600 million annual export product that we rarely talk about.

RATHER (VOICE OVER)

AN EXPORT PRODUCT THAT MICHIGAN NEEDS TO DO A MUCH BETTER JOB HANGING ON TO.

ONE OF THE MAIN REASONS PROPONENTS BELIEVE IT IS SO IMPORTANT TO RETAIN THESE STUDENTS IS BECAUSE SO MANY OF THEM ARE GRADUATING WITH DEGREES IN SCIENCE AND MATH.

TAKE THE UNIVERSITY OF MICHIGAN'S COLLEGE OF ENGINEERING -- MORE THAN 50 PERCENT OF THE GRADUATE STUDENTS ARE FOREIGN BORN.

THOMAS ZURBUCHEN, AN ASSOCIATE DEAN AT THE COLLEGE, SAYS THAT THAT STATISTIC MIGHT SAY SOMETHING ABOUT WESTERN STUDENTS' ASPIRATIONS.

THOMAS ZURBUCHEN, UNIVERSITY OF MICHIGAN

Many students from the United States, but also Western countries in Europe see engineering, especially Ph.D. educations, as educations that are not worth doing. They seem to be too hard for them and they seem to de-- be too narrow for them in many ways.

RATHER (VOICE OVER)

ACROSS THE U.S. IT IS FOREIGNERS, NOT AMERICANS, WHO MAKE UP THE MAJORITY OF MANY HIGH-LEVEL MATH AND SCIENCE PROGRAMS.... FOR EXAMPLE, WELL OVER HALF THE DOCTORATES AWARDED IN COMPUTER SCIENCE, ENGINEERING AND MATHEMATICS IN THE U.S. GO TO INTERNATIONAL STUDENTS.

ZURBUCHEN, AN IMMIGRANT HIMSELF FROM A TINY TOWN IN SWITZERLAND, SAYS HE BELIEVES HIS BACKGROUND HELPED PROPEL HIM TO WHERE HE IS TODAY -- HE'S NOW AN AEROSPACE ENGINEER ... AS WELL AS THE FOUNDING DIRECTOR OF THE UNIVERSITY OF MICHIGAN'S CENTER FOR ENTREPRENEURSHIP.

ZURBUCHEN

These immigrants, whether they're from-- foreign countries or from other environments really do have an advantage. The most important advantage is they already moved. They already took a risk so that's why I do believe that-- many of these-- immigrants are especially-- motivated to be entrepreneurs.

RATHER (VOICE OVER)

UNFORTUNATELY FOR MICHIGAN, ALMOST ALL OF THESE STUDENTS
ULTIMATELY PURSUE THEIR CAREERS ELSEWHERE ...AND THAT HAS LEFT THE
STATE -- EVEN WITH ITS SOARING UNEMPLOYMENT RATE -- WITH JOB OPENINGS
...

ZURBUCHEN

We don't have enough people to be programmers, for example. I could fill-- easily fill
something like 30 to 50 programming jobs today just in my environment here-- based on the
open jobs we have right now.

RATHER (VOICE OVER)

THIS BRAIN DRAIN, SAYS ZURBUCHEN, IS PARTICULARLY DEVASTATING
BECAUSE INFORMAL SURVEYS AT THE UNIVERSITY SHOW THAT A MAJORITY OF
FOREIGN STUDENTS WOULD LIKE TO STAY IN MICHIGAN, BUT RESTRICTIONS ON
IMMIGRANT VISAS AND BETTER JOB OPPORTUNITIES OUTSIDE MICHIGAN PUSH
THEM AWAY.

ZURBUCHEN

We take that innovation and-- chase it away as opposed to basically-- taking them-- these
students aside and saying, "Look, you're one of our lead innovators. We invested close to a
quarter million dollar in you to give you that Ph.D. education. It has often been said that the best
we could do is staple a green card to every Ph.D. certificate that we can find. I totally believe
that's correct.

RATHER (VOICE OVER)

COMING UP, ONE IMMIGRANT WHO DECIDED TO STAY IN MICHIGAN AND WHAT
HE THINKS IT WILL TAKE TO GET OTHERS TO DO THE SAME. THAT'S NEXT.

Act 4: START-UP MICHIGAN

MAHENDRA RAMSINGHANI, MANAGING DIRECTOR, FIRST STEP FUND

You know one question I wanted to start off by asking everybody is, you know, why do you
think immigrants come to America? Any answers? Anybody wants to take a guess?

RATHER (VOICE OVER)

MAHENDRA RAMSINGHANI IS A PERFECT EXAMPLE OF THE KIND OF IMMIGRANT
MICHIGAN GOVERNOR RICK SNYDER WANTS TO BRING TO HIS STATE.

RAMSINGHANI (SPEAKING AT CONFERENCE)

You know, one of my American friends said, “You are really not an American until you’ve had a Big Mac.” Okay, now I’ve been a good old vegetarian most of my life. So we go through a drive-thru, I eat a Big Mac and for 48 hours, I cannot eat anything more after that, so...

RATHER (VOICE OVER)

RAMSINGHANI WAS ASKED TO SPEAK AT MICHIGAN’S FIRST-EVER CONFERENCE ORGANIZED TO PROMOTE IMMIGRATION TO THE STATE.

RAMSINGHANI (SPEAKING AT CONFERENCE)

You know, of course the economic opportunity is great, of course the venture capital statistics, you know, entrepreneurship, etc. etc... But the real reason I believe people come to America is because the people of America are so welcoming and so accepting of everyone.

RAMSINGHANI

You know, whenever immigrants come to a certain part of the country, you know, that place tends to become somewhat of a home. You know, you build your roots, you get integrated into the community, so what happens is you build this-- you become part of this fabric.

RATHER (VOICE OVER)

RAMSINGHANI AND HIS WIFE, DEEPA, WERE BORN IN INDIA. THEIR FIVE-YEAR-OLD DAUGHTER ARIA WAS BORN IN AMERICA. RAMSINGHANI HAS AN MBA...HE AND HIS WIFE RECENTLY BECAME AMERICAN CITIZENS... AND THEY ARE COMMITTED TO BRINGING ECONOMIC OPPORTUNITY TO THE PLACE THEY NOW CALL HOME.

RAMSINGHANI

The bottom line is that, you know, Detroit needs-- all the help it can. And-- you know, we feel like, you know, here's a chance to do our part in-- helping Detroit, whether our daughter will stay here, I don't know. At least we're here for now and continuing to do our part to-- you know, help-- Michigan recover.

RATHER (VOICE OVER)

DEEPA IS AN ENTREPRENEUR WHO FOUNDED A GROUP OF WEBSITES THAT FOCUS ON ECONOMIC GROWTH IN MICHIGAN. HER HUSBAND MANAGES A VENTURE CAPITAL FUND THAT INVESTS EXCLUSIVELY IN DETROIT AREA START-UPS. AND THEY ARE BOTH BIG BELIEVERS IN WHAT THE PEOPLE OF MICHIGAN CAN ACCOMPLISH.

RAMSINGHANI

I'll lay this, I'll throw this gauntlet out to anybody in America that if they are-- an entrepreneur and if they want to come to Detroit, we'll fund their company tomorrow.

RATHER (VOICE OVER)

WE TAGGED ALONG WITH RAMSINGHANI AS HE CHECKED IN ON SOME OF THE NEWEST BUSINESSES HE'S HELPED FINANCE ...

JAKE SIGAL

Hey, what's up Mahendra?

RAMSENGHANI

Good to see you again.

SIGAL

Good to see you man.

RAMSENGHANI

Things are going well?

RATHER (VOICE OVER)

AND THEY REALLY RUN THE GAMUT ... THIS IS LIVIO, AN INTERNET RADIO COMPANY STARTED BY A 28-YEAR-OLD TRANSPLANT FROM OHIO...

SIGAL

You know, you can't build a car without little companies making the bolts and I think that, you know, we are a bolt now in the automobile. And instead of being a piece of steel that's cast, we are a piece of software, you know, that's updated over an iPhone.

RAMSENGHANI

As we look at this set of options and...

RATHER (VOICE OVER)

COLIANT CORPORATION IS A MOTORCYCLE ACCESSORIES COMPANY FOUNDED BY AN OLD CHRYSLER ENGINEER WHO JUST WANTED TO FIGURE OUT A GOOD WAY TO CHARGE HIS CELL PHONE WHILE RIDING HIS BIKE...

RAMSENGHANI

Vimal, good to see you again. Zaher, welcome.

RATHER (VOICE OVER)

RAMSENGHANI'S OTHER INVESTMENTS RANGE FROM A COMPUTER CHIP DESIGN FIRM FOUNDED BY THESE INDIAN AND ISRAELI PARTNERS...

LINDSAY ASPERGEN

But I think in Detroit, you know, something definitely has to change...

RATHER (VOICE OVER)

TO A COMPANY THAT IS RECYCLING DETROIT'S DERELICT BUILDINGS.

RAMSINGHANI

Our goal is to make sure we are serving the entrepreneurs and helping them to form the pillars of the economy or form the next General Motors, if you will.

This is James Moore. James has started this company, Jimmy Kicks.

RATHER (VOICE OVER)

THERE'S NOT A LOT OF PEOPLE LIKE RAMSINGHANI IN MICHIGAN...

RAMSENGHANI

You know, she's out there talking to people, trying to expand the business...

RATHER (VOICE OVER)

THE STATE IS NEAR THE BOTTOM OF VENTURE CAPITAL INVESTMENT. BUT HE SAYS, THAT'S THE SPECIAL THING ABOUT AMERICA. IT IS STILL A PLACE WHERE SOMEONE CAN ARRIVE KNOWING NOBODY, AND IN A FEW SHORT YEARS, MAKE A REAL DIFFERENCE.

RAMSINGHANI

The reason everybody wants to come to the country is because this is truly the land of opportunity. I chose to come to America because I know this is a place where you can do a lot more. You can make a much bigger impact. This is a place that has always welcomed immigrants.

RATHER (ON CAMERA)

AN IMMIGRANT'S STORY FROM AMERICA'S HEARTLAND AND A REMINDER THAT AMERICA CONTINUES TO BE A BEACON OF HOPE AND OPPORTUNITY. AND THAT'S OUR PROGRAM FOR TONIGHT. FROM NEW YORK, FOR HDNET, DAN RATHER REPORTING. GOOD NIGHT.