

## THE ECONOMICS OF WHO GETS IN

Diane Francis, *Immigration: The Economic Case*. Toronto: Key Porter, 2002.

Daniel Stoffman, *Who Gets In. What's Wrong with Canada's Immigration Program—And How to Fix It*. Toronto: Macfarlane, Walter and Ross, 2002.



Review by James Allan Evans

The “problem” of immigration raises a number of questions. In the first place, is it a problem at all? Neither Diane Francis nor Daniel Stoffman is against immigration: Francis is an immigrant herself who came to Canada during the Vietnam War and Stoffman, who has chosen to live in an immigrant community, likes the cultural milieu of a diverse society. Immigration has made Canada a more interesting place to live. But Francis and Stoffman have made their focus the economic impact and targeted the politics of immigration. They have left cultural contributions to one side.

Does immigration have a negative impact on the natives, to use ‘native’ with the connotation it has in the second line of “O Canada!” Any one of Canada’s Aboriginal people will testify that it can. Louis Riel was a victim of the immigration policies of his day, which shoved aside the *Métis* to make way for new settlers. Even for the non-aboriginal natives, the evidence of any clear benefit is murky. In the mid-1970s, the Association of Universities and Colleges of Canada published a report entitled *To Know Ourselves*, authored

by a former president of Trent University, T. H. B. Symons, which the AUCC commissioned, thinking, I suspect, that it would answer the charge that Canadian universities had a positive distaste for hiring Canadian faculty. Instead, *To Know Ourselves* proved the opposite, with impressive

Francis is an immigrant herself who came to Canada during the Vietnam War and Stoffman, who has chosen to live in an immigrant community, likes the cultural milieu of a diverse society.

documentation. This year the federal civil service announced a hiring quota of 20 percent visible minorities, who make up 11.2 percent of the population. That means that the collection of invisible minorities that make up the other 88.8 percent will suffer a degree of discrimination.

What is the economic impact of immigration? Diane Francis’ *Immigration: The Economic Case* is an effort to answer that question, and as anyone who has fol-

lowed Francis’ columns in the *National Post* will realize, she advances on a problem like a fine old battleship firing all its fifteen-inch guns. What of the social impact? Does multiculturalism mean that Canada is (or should be) an aggregation of ethnic groups, each with a homeland somewhere else which demands a share of their loyalty? Finally, since Canada had always been almost as much a country of emigrants as of immigrants, can we look at immigration without examining the other side of the coin? Does Canada drain less developed countries of the persons they need to pull themselves up by their bootstraps, while at the same time, other countries, particularly the United States, drain Canada? In fact, only a small minority of Canada’s immigrants are assessed for language, education and occupational skills: a mere 23 percent. The drain is modest.

Some of the popular pro-immigration arguments hardly need refutation. Immigrants do jobs that native-born Canadians won’t do. There is evidence for that in the United States where illegal immigrants provide cheap labour. It’s less true here. Then there is the empty space argument:

Canada is a country of almost 10 million sq. km. and we must fill it up. But only about 5 percent of that 10 million sq. km. is arable land, and in any case our immigrants do not fill it up. They go to the big cities: Vancouver, Montreal, Calgary and particularly Toronto, which takes some 45 percent of them. The Coderre plan, announced by Immigration Minister Denis Coderre last June, will try to spread immigrants more evenly across the country, but it will take much governmental willpower to make it work. For one thing, landed immigrants have freedom of mobility unless a "Notwithstanding" bill is passed to deny them their Charter rights.

But there are pro-immigration arguments that deserve more attention. Canada's birth rate has fallen below replacement level; the population is growing older, as it is in all First World Countries, and only increased immigration can save our pension plans and health-care system. Immigrants, it is said, are profitable, for their taxes will repay all the costs of the social services they receive, with some left over. The source cited for this fact is usually designated as "study after study" and is hard to locate. Finally, Canada has a looming dearth of skilled labor of vast proportions, and only immigration can remedy the problem. Canada, this argument implies, must import trained personnel from other countries, which have a surplus and won't notice the loss. We cannot, it seems, train enough of our own.

First, some basic facts. Immigration to Canada has topped the 200,000 mark in 1957, 1967, 1974, 1990 to 1997, and in 2000. The major source in the last decade has been Asia, which provided 111,195 in 1990 and 140,988 ten years later. Immigration from both the United States and Europe has fallen off. In 2000, 214,569 persons became new Canadian citizens. Refugees in 2000 numbered 30,072, of whom slightly more than half went to Ontario. But that is by no means the most we have had in a single year: in 1980, the

intake of refugees spiked at 40,638.

Will these immigrants repay Canada more in taxes than the value of the social services they take from the system? It is hard to find Canadian data that prove they do, but we do have some from the United States, including an OECD report. The verdict seems to be yes—in the long run. The average immigrant does not repay his or her costs, but the taxes of the immigrant's children will more than repay them. Immigrants who settle here, raise families and pay their taxes cheerfully benefit all of us, whereas those who emigrate after a few years are a drain on the economy. About 30 percent of them do emigrate within five years of arrival, according to Don DeVoretz, chairman of the

There are pro-immigration arguments that deserve more attention. Canada's birth rate has fallen below replacement level; the population is growing older, as it is in all First World Countries, and only increased immigration can save our pension plans and health care system.

Simon Fraser University Centre for Research on Immigration.

Finally, will the Canada Health Plan and Canada Pension Plan fade into bankruptcy without a high immigration rate to maintain the taxation base as more and more seniors retire? Well, no. There are two reasons. One is that seniors remain part of the taxation base until death delivers them from Canada Customs and Revenue. In fact, even after death, a senior's estate remains a lucrative taxation source. The other is that rising productivity will come to the rescue.

All these points are unsurprising, but worth repeating nonetheless, since the arguments for and against the high immigration levels we have in Canada owe more to ideology and politics than hard data. "Some supporters of the current immigration program portray critics of the *status quo* as xenophobes, racists and members of the extreme right," writes

Stoffman. So they do. So many of us have an interest in the status quo or something like it. Immigration from Hong Kong helped push up property prices in the Kerrisdale area of Vancouver where I was a house-owner, and I profited. Yet Stoffman is right. Bad-mouthing the critics is a familiar weapon of the pro-immigration lobby.

At least Diane Francis makes one point clear. Citizenship and Immigration is woefully understaffed for the job it is expected to do. Malfeasance is high. Francis cites an internal report which she obtained that tells of 34 departmental investigations involving 36 immigration staff members in Canada in the 12

months between October, 1998 and September 1999, and another 85 cases involving 83 immigration workers abroad. Canada employs some 1,300 visa officers abroad, of whom some 1,100 are not Canadian citizens, and the RCMP has 32 liaison officers scattered in some 20 locations around the world. Refugees are another matter. The Immigration and Refugee Board, which was a creation of the Mulroney government that the Liberals continued, is staffed by party faithful who have scant training for the job they do. Once the IRB was created, refugee acceptance jumped from about 20 percent to between 45 and 60 percent, compared to Europe's rate of 10 percent and the US's 17.9 percent. Some of the claims belong to a comedy show. One hundred of the athletes who came to the 2001 Francophonie Games in Hull, Quebec, asked for refugee status upon arrival, claiming fear of persecution if

they returned home. Canada has acquired a reputation as a sitting duck for immigration scams.

Immigration has been an evolving issue. Until the first Citizenship Act was proclaimed in 1947, Canadians were simply British subjects with the right to emigrate to the UK, vote there and even become prime minister, as the Maritimer Bonar Law did. Canada reciprocated only partially: in 1910, the year it introduced a \$400 head tax on Chinese immigrants, it also brought in a \$25 levy on British subjects immigrating from Britain plus a ticket to their final destination: not a small sum when the average wage for a labourer was \$417 a year. In 1947, with the Citizenship Act, all Canadians became dual citizens. Had we retained that right, we would all now have dual citizenship with the European Union. But it turned out otherwise. Then in 1977, Canada produced a new Citizenship Act, which recognized dual citizenship, thus allowing landed immigrants to acquire Canadian citizenship without renouncing their own. The result has been the growth of a dual citizen class in Canada which enjoys greater mobility in the Global Village than Canadians whose families have been here for years. Mobility is an obvious advantage for those that have it. A dual citizen can choose whichever passport is more convenient when he travels. If he is an academic applying for research grants, dual citizenship may increase the number for which he is eligible.


Is it a good thing? A believer in multiculturalism would say it is. For a multiculturalist, Canada is a country made up of ethnic groups each with a homeland somewhere else. In his view, Canada is a country of immigrants. Most countries are countries of immigrants, if you want to delve into their pasts, and most of the nationalities of the so-called Old World are the products of melting-pots. But the axiom that the New World is a land of immigrants goes back to the earliest explorers who were surprised to find it inhabited. The Aboriginal peoples they encountered had to be immigrants for

Christian doctrine claimed the first humans were Adam and Eve. The axiom persists. But it is half-truth. Canada is a country of native-born and foreign-born, like every other country.

The most valuable chapter of *Who Gets In*, and the one which has not been answered by any of the media commentators who disagree with Daniel Stoffman, is the fifth, entitled "Creation of a Mythology." Will Canada face a declining population without immigration? No. Without any immigration at all, and assuming no change in present fertility levels, Canada's population will increase until 2015. That is the result of the post-World War II baby boom and the echo boom that followed. But can we assume that fertility levels will remain unchanged? In the United States, the level rose from 1.8 per couple, slightly below the European level, to just below 2.1, the replacement level. In Europe, the level keeps falling. It is now about 1.4, but there are signs of change; in Norway, fertility is also rising, following the US pattern. Oil has made Norway prosperous. There is a direct connection between prosperity and the birth rate, up to a point.

In any case, there is no labour shortage in Canada at the moment. Unemployment is about 8 percent, a level that would cause furrowed brows in Europe, the United States and Japan. In British Columbia where I live, teachers are being laid off and forest workers are unemployed. Universities are sounding the alarm about a looming shortage of faculty; yet bright young PhDs from our universities can find only sessional appointments and professors are being paid to retire early. Brian Mulroney, who made a mess of immigration, once had an election platform that proclaimed "Jobs! Jobs! Jobs!" They are still the central issue.

*James Allan Evans is a freelance writer who lives on Mayne Island, BC. He is a professor emeritus from the University of British Columbia and a Fellow of the Royal Society of Canada.*




LE PORTAIL DU CANADA  
CANADA'S PORTAL

Un outil de recherche et de référence précieux pour tous ceux qui se passionnent pour les choix politiques des Canadiens.


*An invaluable research and reference tool for all shades of policy wonk.*

LE CANADA SOUS TOUTES SES COUTURES  
CANADA FROM ALL ANGLES




**À la une / Top Stories**

Une dose quotidienne de nouvelles et d'opinions de partout au pays.  
*A daily dose of news and commentary – from coast to coast.*




**Sondage / Polls**

Exclusif : une fascinante perspective sur l'opinion publique au Canada.  
*The one of a kind window on Canadian public opinion.*




**Guide éclair / Quick Guide**

...pour bien saisir rapidement les enjeux.  
*Get up to speed on key political issues.*



**Opinion Canada**

Le regard hebdomadaire du CRIC sur l'évolution de la société canadienne.  
*CRIC's weekly look at the changing tides of Canadian politics.*



The Canadian Unity Council  
Le Conseil de l'unité canadienne

Le Centre de recherche et d'information sur le Canada est un programme du Conseil de l'Unité canadienne.

*The Centre for Research and Information on Canada is a program of the Canadian Unity Council.*