CANADIAN IMMIGRATION AND PUBLIC POLICY: PAST, PRESENT AND FUTURE DIRECTIONS

by

Constantine E. A. Passaris

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Thesis Supervisor: Professor Peter M. Jackson
Professor of Economics and
Director of the Management Centre
University of Leicester

ABSTRACT

This research endeavour attempts a critical appraisal of the scope and substance of Canada's immigration policy and program. In a preparatory effort I review the contribution of major economists towards the development of a comprehensive theory of international migration. I conclude that the economic parameters of immigration theory have been a sadly neglected dimension within the historical evolution of mainstream economic theory.

In the absence of a conceptual framework for immigration within mainstream economic theory countries of immigration have resorted to short term immigration policies in the reactive mold that are essentially an immediate crises management of demographic factors and labour market requirements. My research analyses the concepts of carrying capacity, optimum population size, absorptive capacity and defines the economic parameters of the immigration process through the selective use of Buchanan's theory of clubs.

A historical review of Canada's immigration program highlights the paramount role that short term economic considerations have played in influencing the direction and thrust of Canada's immigration policy and legislation. Canadian immigration policy has two principal adjudicative tools at its disposal. These include federal statutes such as Immigration Acts or cabinet directives commonly referred to as immigration regulations which take the form of

Orders-in-Council.

Over the broad spectrum of Canada's economic history this country's immigration policy has had three major objectives. First, immigration was considered an effective means for expanding Canada's population at a faster rate than would be feasible through sole reliance on the natural increase process. Second, immigration was relied upon to supplement and complement the numerical and/or qualitative dimension of the domestic labour force. Third, immigration was perceived as an effective tool that would facilitate, sustain and enhance the process of economic growth and development.

Canada's demographic profile characterized by the end of the baby-boom, the decline in fertility rates, the aging trend in the population and prospects for an absolute decline in the Canadian population shortly after the turn of the century necessitate an enhanced role for immigration to Canada. My research suggests the need for a longer term and more proactive immigration policy. Finally, Canada's recent inflows of multicultural immigration and global demographic trends suggest that future immigration to Canada will be predominantly multicultural and multiracial in composition.

ACKNOWLEDGMENT AND DEDICATION

I acknowledge with profound gratitude the support, encouragement, resourcefulness and scholarly guidance provided by my thesis supervisor, Professor Peter M. Jackson, throughout the many twists and turns traveled during the course of this research endeavour.

This thesis is dedicated to my late mother and father, Mary and Anthony C. Passaris, whose love, wisdom and guidance nurtured me throughout my formative years.

Constantine E. A. Passaris

TABLE OF CONTENTS

PROLOGUE

Migrations have been a persistent phenomenon of life on the planet earth since time immemorial. Throughout the centuries human and non-human migrations have taken place with considerable regularity on a temporal and spatial axiom. Archeological evidence suggests that migrations have occurred ever since the very early forms of life on earth. The universal phenomenon of migrations therefore, is neither a recent activity nor is it confined to the human species. The annual or periodic migrations of certain non-human species is well documented. Indeed, terrestial and acquatic fauna such as mammals, birds and fish conduct instinctive, seasonal or regular patterns of migration in search of food, spawning grounds and warmer climates.

There is no denying that human migrations are as old as the history of mankind. World history has amply highlighted individual and mass movements of peoples across national frontiers that have taken place in various forms and for a variety of reasons. Some of these migrations have been peaceful while others have been violent, some have been voluntary while still others can only be described as forced migrations. On a broad spectrum they encompass the whole range of human activity on this planet in the form of invasions, conquests, colonization, famines, refugee movements fleeing from oppression and persecution or economically motivated migrants seeking to improve their economic well-being.

Greek mythology attests to the migratory impulses of mythical men and demigods, among them Prometheus and Daedalus who were compelled to migrate because of disenchantment with the mythical ruling powers of the day. The Bible makes several

references to terrestial migrations, the most dramatic being the flight of the Israelites from Egypt. Mankind's recorded history attests to the continuum of uninterrupted international migrations up to the modern context.

The history of migration movements parallels the evolution of mankind's existence on this planet. Archaelogical evidence reveals that man's initial existence was a nomadic one. Prehistoric man was a hunter and plant gatherer who continuously moved from one location to another in search of food. Indeed his geographical relocations increased in frequency as food became scarcer and scarcer. From the outset of man's existence on earth, the economic motive has been a paramount feature in inducing migrations. It should be noted, however, that historically other reasons have also been responsible for the international migrations of individuals and mass movements across national borders. Included in these other motives for migrating are the various forms of political, religious, social, or cultural persecution and environmental disasters in the countries of origin of migrants as well as the combination of attractive socio-political features in the countries of destination.

Subsequent to mankind's nomadic phase, the origins of permanent settlement on this planet were initially related to the cultivation of crops and the domestication of draught animals. This attempt to localize mankind's economic activities to a distinct geographical area in order to participate in farming is the principal force that gave rise to permanent settlements. Villages began to take form which in due course would become towns, cities and subsequently large metropolitan centres.

It goes without saying that the economic benefits discerned from cultivating the more fertile and prosperous regions of this planet acted as a magnetic force that attracted the earlier migratory tribes and influenced them in setting up a more permanent habitation. Thus populations began to cluster and indeed prosper in those more advantageous geographical areas of the globe. Those who were not favoured with economic bounty or were adversely affected by natural disasters were strongly motivated to migrate to the more affluent geographic regions. International patterns of immigration suggest that from ancient history to modern times the more affluent parts of the globe have always attracted migration flows. While the economic motive has not been the sole determinant of migrations it does nevertheless account for a substantial portion of mankind's ceaseless movement from valley to valley and subsequently from continent to continent.

Finally, a futuristic scenario for migration flows would reveal a new phase of human migrations. The advances in science and technology that have enabled mankind to conquer space would in turn facilitate the interplanetary and intergallactic migrations of the earth's human resources. This new vista of migrations, however, would only be a new chapter in the continuing history of mankind's attempt to achieve an optimum redeployment of human resources in order to enhance individual welfare and communal prosperity.

CHAPTER I

IMMIGRATION AND THE EVOLUTION OF ECONOMIC THEORY

INTRODUCTION

Despite the fact that international migrations have taken place since time immemorial and millions of migrants have crossed national borders at frequent intervals in mankind's history, the phenomenon of international migration has never attracted substantive scholarly attention or generated a sustained level of academic enquiry within the mainstream of economic theory. A comprehensive review of the evolution of economic theory suggests that economists have expressed only a mild and peripheral interest for the topic of immigration. Indeed, an historical appreciation of the evolution of economic theory reflects a disturbing void in academic output for the theoretical parameters of immigration. This is especially true of the vacuum in scholarly contributions by economists articulating the role of immigration within the general body of economic theory. There is no denying that the subject matter of economics has not produced a coherent and comprehensive theory of international migration. This is indeed perplexing since human resources are the principal initiators of economic progress and in turn the major beneficiaries of economic growth and development. In this context the size, composition and management of immigration movements would seem to be a central feature for the effective utilization of human resources and their strategic deployment.

By all accounts immigration appears to be a subject that has remained out of the mainstream of economic theory and has developed as an atrophic offshoot of the main discipline of

economics. The economic role and impact of immigration has not received the proper recognition as a centrifugal element in the building blocks of economic theory. The characterization by Spengler regarding population theory as being "relatively unstructured as to theory and relatively uncircumbscribed as to scope"[1] within the main body of economic theory is equally attributable to the evolution of immigration theory vis à vis economic theory.

The historical evolution and theoretical maturity of economic knowledge has in large measure neglected defining the appropriate parameters and constructing the theoretical foundations for the systematic analysis and exposition of the causes and consequences of immigration. This absence of a theoretical framework has hampered the scholarly study of immigration from an economic perspective and has resulted in the uneven and fragmentary development of immigration theory. Indeed, the lack of an expansive and exhaustive attempt to integrate immigration within the mainstream of economic theory has resulted in the marked void in successful attempts to develop a conceptual framework capable of providing a rigorous assessment of the economic parameters and acting as a springboard for a coherent and enlightened approach towards public policy formulation. This absence of a comprehensive conceptual framework within which the economic attributes of immigration can be identified, evaluated and analyzed has detracted from the systematic formulation of a proactive immigration policy that encompasses the broader and longer term economic consequences of immigration. It is therefore not surprising that countries

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[1] J.J. Spengler, "Population Theory", in B.F. Haley (ed.) A Survey of Contemporary Economics, Vol. 1, Homewood Illinois, 1952, p.83

of immigration such as Canada have resorted to short term immigration policies that are in the reactive mold; i.e. essentially an approach that is best described as immediate crises management of demographic factors and labour market requirements and in the process never adequately encompass the medium and longer term role of immigration in any comprehensive manner. This has meant a void in the analytical rudiments that are essential prerequisites in the broader comprehension of the link between immigration and economic determinants and especially the role of immigration in economic growth and development.

The void in a systematic academic enquiry of immigration on a historical continuum is amply illustrated in the small number of economists who have addressed the economic parameters of demographic considerations and the economic impact of labour migrations. The end result of this historical mishap has led Tapinos to conclude that "of all the factors contributing to a country's economic development and demographic growth, international migration would seem to be one of the most neglected".[2]

In the ensuing pages we will review the limited and scant contributions made to immigration theory in the context of the evolution of economic theory over a protracted historical time span. It will become apparent that land mark contributions to immigration theory within the mainstream of economic theory are few and far between.

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[2]G. Tapinos, "The Economics of International Migration", Population Bulletin of ECWA, Number 20, June 1981, p.39.

RAVENSTEIN: THE EARLY IMMIGRATION STUDIES

The historical milepost for a comprehensive review of the scholarly contributions to immigration research must necessarily commence with two seminal articles by E.G. Ravenstein, a British statistician who wrote two classical articles one in 1885 and the other in 1889. Despite the fact that the first [3] article referred to domestic migration and the second[4] article concentrated on international migration, both had the same title and were published in the same journal four years apart. In essence, Ravenstein attempted to articulate the push and pull forces that lead to migration.

What Ravenstein put forward as "laws" in both articles were basically propositions that encompassed an array of migration related variables such as distance, stages, transportation, motives, etc. For example, in his article on internal migration Ravenstein concluded that the rate of migration between two points will be inversely related to the distance between these two points. He further observed that migrants who tend to travel over long distances will tend to "go by preference to one of the great centres of commerce and industry".[5] In addition Ravenstein's article on internal migration suggested that migratory flows appear to follow a particular pattern that is reminiscent of a stage approach to migration. In this schema a country's domestic migrants would initially move towards nearby towns and eventually gravitate towards the most rapidly expanding cities. Ravenstein concluded his analysis of internal migration by stating that "the natives of towns are less migratory than

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[3]E.G. Ravenstein, "The Laws of Migration", Journal of the Royal Statistical Society (London), June 1885, pp. 167-227.

[4]E.G. Ravenstein, "The Laws of Migration", Journal of the Royal Statistical Society (London), June 1889, pp. 241-301.

[5]Ravenstein, op cit, 1885, p.199.

those of the rural parts of the country".[6] In this respect Ravenstein's fundamental "law" of domestic migration was that it was essentially and predominantly of a rural-urban nature.

Ravenstein's second article concentrated on international migration and focused on mobility aspects related to transportation as well as the specific motives that compel migrants to cross international frontiers. With respect to transportation, Ravenstein concluded that migration flows will have a built-in tendency to increase over time as a result of increases "in the means of locomotion" and the "development of manufacturers and commerce."[7] Ravenstein's most important conclusion in his article on international migration concentrated on the importance of the economic motive in the interplay of push and pull forces culminating into international migrations. Thus, prospective migrants are pushed from their homelands by mitigating economic conditions or pulled to the country of destination by the enticement of a more affluent environment. In this regard he concluded:

> "... I do not question for a moment that the principal, though not the only cause of migration, has to be sought for in over-population in one part of the country, whilst there exists elsewhere underdeveloped resources which hold out greater promise for remunerative labour. It is obvious that this is not the only cause. Bad or oppressive laws, heavy taxation, an unattractive climate, uncongenial social surroundings, and even compulsion (slave trade, transportation), all have produced and are still producing currents of migration, but none of these currents can compare in volume with that which arises from the desire in most men to 'better' themselves in material respects."[8]

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[6]Ravenstein, op cit, 1885, p. 199.

[7]Ravenstein, op cit, 1889, p. 288.

[8]Ravenstein, op cit, 1889, p. 286.

Ravenstein's contributions to migration theory received a high accolade in 1966 when U.S. demographer E.S. Lee concluded that:

> "In the three-quarters of a century which have passed, Ravenstein has been much quoted and occasionally challenged. But, while there have been literally thousands of migration studies in the meantime, few additional generalizations have been advanced. True, there have been studies of age and migration, sex and migration, race and migration, distance and migration, education and migration, the labour force and migration, and so forth; but most studies which focused upon the characteristics of migrants have been conducted with little reference to the volume of migration, and few studies have considered the reasons for migration or the assimilation of the migrant at destination."[9]

In short, Lee restated and updated Ravenstein's laws proposing that the decision to migrate is determined by push, pull and neutral factors in one's country of origin and place of destination as well as the distance between the two.

There is no denying that Ravenstein's article on international migration is a pivotal and important contribution to the analytical literature on migration research. Indeed, in so far as it underlined the singular importance of economic factors in motivating human migrations it is seminal to our survey of the literature dealing with economic theory. Indeed, most subsequent analytical studies would also conclude that the economic motive dominates the matrix of factors influencing the decision to migrate in the context of voluntary migrations.

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[9] E.S. Lee "A Theory of Migration", Demography No. 1, 1966, p.48.

MERCANTILISM AND IMMIGRATION

The mercantilist philosophy which prevailed in Europe during the seventeenth and eighteenth century influenced profoundly the development of economic theory. In its simplest form mercantilism espoused the economic essentials that the acquisition and population of the colonies were economically desirable inasmuch as that process would contribute to the economic prosperity of the colonial powers. Specifically, the two foremost economic advantages of mercantilism were ready access to raw materials and a captive market for the sale of finished products. The mercantilist school of political economy emphasized the economic, political and military advantages of a large and expanding population for the mother country and indeed favoured measures to enhance population growth.[10] However, the flow of human resources from the colonial powers of the day to the colonies was discouraged within the parameters of the prevailing mercantilist philosophy.

The profound influence that mercantilist philosophy had on immigrant receiving countries is amply evident in the early development of newly discovered colonies in North America and elsewhere. Indeed, there is no denying that the mercantilist ideology influenced in a substantive and indelible manner the course of Canadian economic development. More specifically, it initiated the exploration of the geographical expanse that would subsequently become one of the foremost colonies of the new world and be called Canada. Furthermore, the economic foundations of the mercantilist philosophy influenced the selective process of economic exploitation of specific natural resources and gave rise to a pattern of economic growth and

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[10] C.E. Strangeland, Pre-Malthusian Doctrines of Population Studies in History, Economics and Public Law, New York: Columbia University, 1904.

development that was based on the export of natural resources and raw materials. This pattern of economic evolution defined the process of settlement and the pattern of immigration.

The nature of the mercantilist economic axiom as it was applied to the Canadian context is best described as follows:

> "Despite the disparate nature of the natural resources which helped to stimulate economic change, the harvesting and economic consequences of them shared common features. These were first analysed systematically by W. A. MacKintosh and H. A. Innis and from their writings evolved what has come to be known as 'the staples thesis'. Staples are defined as products destined primarily for export which have a high natural-resource content."[11]

In his assessment of the contributions of mercantilist thinkers, Heckscher concludes that the prevailing view was that the colonial power's economic interest were best served by promoting the growth of population within its national boundaries. Heckscher underlines this observation by stating:

> "...the unambiguous statement is frequently to be found that wealth itself consists in the largest possible population. Child, for example wrote 'the riches of a city as of a nation, ...consisting in the multitude of inhabitants'. Roger Coke, normally one of the most independent of mercantilist thinkers stated that 'greater numbers of people increase strength'; and again greater numbers of people improve trade".[12]

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[11] W. L. Marr and D. G. Paterson Canada: An Economic History, Toronto: MacMillan Company of Canada, 1980, p.11.

[12] E. F. Heckscher, Mercantilism, London: Allan and Unwin, Vol. 2, 1934, p. 159.

In many respects the demographic conceptual framework within which the mercantilist philosophy evolved was decidedly anti-emigration in scope and substance. Indeed, emigration was generally perceived as being detrimental to a nation's economic potential. Furthermore, it was acknowledged that inasmuch as immigration was necessary for populating the colonies it had to proceed in numbers and manner that would not jeopardize the economic prosperity of the mother country. The mercantilists' contention was that overseas migration would have to be carefully controlled so that it would maximize employment opportunities in the mother country rather than dispersing and diluting its population base. The principal economic foundation of the mercantilist philosophy rested on the deduction that a nation would prosper by exporting the product of its labour and not labour per se. In this regard the mercantilist ideal of preserving and enchancing a nation's population base would increase labour services and lower labour cost.

Heckscher quotes extensively from Child in order to vividly portray the mercantilist perception of the role of immigration and emigration:

> "In (Child's) view the size of the population was entirely a function of potential employment. 'Such as our employment is for people, so many will our people be, and if we should imagine we have in England employment but for one hundred and fifty people: I say the fifty must away from us, or starve or be hanged to prevent it.' The reverse obtains according to him if too many people leave the country. For much want of people would procure greater wages, and greater wages if our laws gave encouragement, would procure us a supply

> of people without the charge of breeding them ... the odds in populacy must also produce the like odds in manufacture. Plenty of people must also cause cheapness of wages; which will cause the cheapness of manufacture; in a scarcity of people wages must be dearer, which must cause the dearness of manufacture".[13]

The mercantilists espoused the view that international trade should be a substitute for immigration. Thus the acquisition of raw materials from the colonies and the export potential of the colonies for finished products could secure the means by which the mother country could safeguard its population from emigrating and at the same time augment the country's economic capacity and potential. Mill articulated the relationship between international trade and immigration in the following manner:

> "work should be exported and matter imported so long as satisfactory terms of trade could be obtained, otherwise population would have to be contained within the limits of home produced subsistence."[14]

The mercantilists fear of eroding their population base as a consequence of populating the colonies led to the emergence of an intricate pattern of 'triangular trade'. In this triangular trade, the two superpowers of the day, England and France, would supply the export of finished products and transportation facilities in the form of sea faring vessels; Africa supplied the manpower resources; and the colonies supplied the raw materials. The economic parameters of the triangular trade were essentially that a ship would

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[13] Ibid, pp. 158-164.

[14] J. A. Mill, An Enquiry into the Principle of Political Economy, London, 1767, pp. 24-25.

set sail from a port in the mother country laden with manufactured goods, these would be exchanged at a profit for slaves on the coast of Africa who would subsequently be traded for raw materials and the produce of the plantations in the new world colonies. The ships would then return to their home port having shaped a triangular pattern of trade. As the volume of trade increased, the pattern of triangular trade was supplemented but never supplanted by a direct trade between the old world and the new world in the form of exchanging manufactured products directly for colonial produce. The magnitude of international trade that ensued in the seventeenth and eighteenth centuries as a result of the mercantilist philosophy provided the label for the centuries of trade just as the nineteenth century would become known as the century of production. This pattern of triangular trade proved effective in safeguarding the domestic population base of the colonial powers and relying on the slave trade to supply the manpower requirements of the colonies while at the same time securing a captive consumer market for finished products.

Domestic policies were also enforced to curtail and discourage emigration. It was not coincidental that the Settlement Law of 1601 was enacted to restrict the free mobility of labour in England during the early days of mercantilism. In retrospect this legislative initiative proved to be a double-edged sword. The complexity of the law, the relief to able-bodied labourers, the encouragement of early marriage and large families, were largely responsible for the enhanced poverty of the rural population and contributed to masses of unemployed labourers. The ensuing social and political unrest brought a profound reaction against the poor and unemployed, and consequently any labourer apprehended leaving his parish

without an authorization was considered a vagrant and imprisoned. Parenthetically, the parishes saw this as a means of getting rid of vagrants and as a solution to the serious social problems of over population by forcing them to emigrate to the colonies.

The public policy focus of mercantilism was directed primarily towards the ways and means by which the wealth and power of the state would be enhanced. The principal concern of this effort was to increase aggregate national income or the excess of national income over the wage-cost of production, which was viewed as a source of tax revenue for the state. Public policy was therefore not directly concerned with increasing per capita income. Within this conceptual framework, population growth would augment national income and at the same time depress the hourly wage rate, giving the workers an incentive to work longer hours and widening the margin between national income and wage costs.

In the waning hours of mercantilism during the last half of the eighteenth century the mercantilist philosophy was seriously challenged by the emerging classical school of thought which was spearheaded by Adam Smith and his laisser faire doctrine. The population explosion that had occurred in the final period of mercantilism coupled with the decline in prosperity led to the demise in intellectual appeal of the long established idea that population growth was economically advantageous. One of the first challenges to the mercantilist doctorine was by Cantillon[15] who proposed an alternate perspective by suggesting that population growth was dependent upon the standard of living and upon how much of the subsistence produced was available for the support of the resident population. In addition,

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[15] R. Cantillon, Essai Sur La Nature de Commerce en General, Institut National d'Etudes Demographiques, Paris, 1755

classical thinkers such as Thomas Malthus would subsequently articulate the relationship between population increase and economic prosperity from a different vantage point. Overall, it was inadvertent that the mercantilists who perceived immigration as leading to the demise of the economic potency of the nation state would abstain from concentrating their scholarly efforts towards the study of the economic parameters of immigration.

ADAM SMITH AND IMMIGRATION

The contemporary void in a comprehensive theoretical model within which the economics of immigration can be studied and analyzed is largely due to the neglect that this field of study has attracted from the founding fathers of modern-day economics and in the more recent evolution of economic theory. Despite the fact that Adam Smith wrote his Inquiry into the Nature and Causes of the Wealth of Nations in 1776, during the high noon of trans Atlantic migration movements, he neglected to address in any substantive manner the economic causes and consequences of international migration. Indeed it is particularly perplexing that the founding father of the economics of laisser faire, laisser passer did not incorporate the role of immigration in his exposition of economic theory. Smith did however focus on the vital role of labour in generating economic growth and was one of the first economists to identify the concept of human capital. He articulated the economic role of labour in the following manner:

> "The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labour or in what is purchased with that produce from other nations."[16]

Perhaps Smith's most poignant economic contribution was in introducing the merits of specialization and division of labour which preceded his analysis of the concept of human capital. Smith noted the economic benefits from specialization in production and the division of labour. According to Smith the division of labour would result in an increase in the dexterity of workers and the elimination of time lost whenever a worker is burdened with more than one task. He also suggested that technical progress would ensue whenever workers concentrated on one task and consequently improved the methods of accomplishing it by means of inventing suitable machinery. While Smith pointed out that the extent of the division of labour is limited by the extent of the market, he also emphasized that the increase in productivity and income enhances the capacity of the market and thus the process would go on indefinitely.

Both William Petty and Adam Smith articulated the importance of productivity levels in determining a country's economic well-being. They suggested that productivity would be influenced by the size of the market through the division of labour and economies of scale.

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[16]Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations, R.H. Campbell and A.S. Skinner edition, Clarendon Press, Oxford, 1976, pg.5.

What is typical in the economic thinking of both early economists however is the missing link in terms of underlining the economic role of immigration towards increasing the size of the market. In particular, an increase in population through immigration would lead to an increase in the size of the market providing the necessary impetus to productivity and investment which in turn would create the momentum for enhanced economic growth.

Referring to the process of human capital, Smith noted that fixed capital included among other things "... the acquired and useful abilities of all inhabitants or members of society". He went on to articulate the process of human capital formation in this manner:

> "The acquisition of such talents, by the maintenance of the acquirer during his education, study, or apprenticeship, always costs a real expense, which is a capital fixed and realized, as it were, in his person. Those talents, as they may make a part of his fortune, so do they likewise of that society to which he belongs. The improved dexterity of a workman may be considered in the same light as a machine or instrument of trade which facilitates and abridges labour, and which, though it costs a certain expense, repays that expense with profit."[17]

It is interesting to note that whereas Smith concluded that the quantity and quality of labour were an integral component of economic growth and development he did not link that process with the acquisition of new labour force entrants by means of immigration. While he referred to:

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[17] Ibid, pgs. 265-6.

> "The annual produce of the land and labour of any nation can be increased in its value by no other means, but by increasing either the numbers of its productive labourers, or the productive powers of those labourers who had before been employed."[18]

Smith nevertheless emphasized a minimal role for immigration in the North American context:

> "The most decisive mark of the prosperity of any country is the increase of the number of its inhabitants. In Great Britain, and most other European countries, they are not supposed to double in less than five hundred years. In the British colonies in North America, it has been found, that they double in twenty or five-and-twenty years. Nor in the present times is this increase principally owing to the continual importation of new inhabitants, but to the great multiplication of the species."[19]

Smith's theoretical underpinning vis a vis the concept of human capital and the economics of labour resources are no doubt central to the economic role of immigration. Indeed, the concept of human capital would in due course become a pivotal feature in identifying the economic gains to immigrant receiving countries. It is nonetheless regretable that in those early formative stages that laid the foundations for modern economic theory a more direct link between Smith's theoretical parameters and the economic role of immigration was not successfully consumated. Hence, the absence of a general thrust and disposition in subsequent decades that would facilitate the evolution of a conceptual framework and allow for a substantive analytical exposition of the economics of immigration.

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[18] Ibid, pg. 373.

[19] Ibid, pgs. 87-88.

THE CLASSICAL ECONOMISTS

The classical economists who succeeded Adam Smith, such as Thomas Malthus and David Ricardo , were primarily responsible for tainting the subject matter of economics as the 'dismal science'. This was due in large measure to their gloomy predictions with respect to the economic demise that would occur as a consequence of population and labour force growth. It should be noted, however, that their observations regarding population growth were founded on a conceptual framework that did not allow for technological change or any increase in the stock of resources. In this classical scenario additional labour inputs would contribute to diminishing returns and result in a decline in economic performance and economic growth.

Classical economists differentiated between three factors of production: land, labour and capital. Land which by extension included natural resources was the noncreatable and nonreproducible input of production. Capital was the agent of production created by human beings from natural resources. Labour was simply the work force. The essential foundation for classical economics upon which Malthusian and Ricardian theories were built was that successive inputs of capital and labour in production would become less and less productive if the quantity of a third input, in this case, land, was limited in quantity. In consequence, the classical theories proposed by both early economists concentrated on the manner in which the fixed nature of the aggregate supply of land would eventually cause economic growth to taper and cease.

Classical economic theory changed the emphasis of economic analysis from production to distribution. Indeed, as a consequence of the prevailing economic pessimism classical economists devoted their attention towards the division of income rather than the growth of income. In this regard, population growth was perceived as a detriment to economic welfare in sharp contrast to the mercantilist philosophy.

Thomas Malthus' views of the economic consequences of population growth first appeared in England during the latter part of the eighteenth century. This was a period of economic instability characterized by the structural changes in the economy emanating from the Industrial Revolution and the rapid rate of population increase.

The first edition of Malthus' Essay on the Principle of Population appeared in 1798. In that essay he asserted that mankind's capacity to increase its means of subsistence was much less than mankind's ability to multiply its numbers. Specifically, Malthus noted that mankind would increase its subsistence in an arithmetic progression, whereas population growth would tend to increase in a geometric progression.[20] In this bleak scenario overpopulation and shortages of food would cause epidemics, wars and famines which would increase death rates or moral restraint which would reduce birth rates. These conditions would ultimately lead to a decline in living standards. In subsequent essays Malthus would temper his numerical exposition but remained steadfast with respect to his overall conclusion that population increase would exceed a nation's capacity to meet the basic subsistence requirements of its citizens.

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[20] P. Appleman, Thomas Robert Malthus: An Essay on the Principle of Population, New York: W.W. Norton, 1976, pp 15-130.

In the second and subsequent revisions to his essay, Malthus emphasized that population pressures and the diversion of too large an amount of productive resources to population growth were the principal cause of mass poverty. Rather than reiterate the numerical consequences of population increase, Malthus drew attention to the diminishing returns that would set in the agricultural sector since fertile land was limited in expanse and not capable of continuous and sufficient improvement.

Among other things, Malthus suggested that emigration was merely a temporary palliative towards alleviating unrestrained population growth. In this regard he reflected:

> "It is clear, therefore, that with any view of making room for an unrestricted increase of population, emigration is perfectly inadequate; but as a partial and temporary expedient, and with a view to the more general cultivation of the earth and the wider extension of civilisation, it seems to be both useful and proper; and if it cannot be proved that governments are bound actively to encourage it, it is not only strikingly unjust, but in the highest degree impolitic in them to prevent it. There are no fears so totally ill-grounded as the fears of depopulation from emigration. The vis inertice of the great body of the people, and their attachment to their homes, are qualities so strong and general that we may rest assured they will not emigrate unless, from political discontents or extreme poverty, they are in such a state as will make it as much for the advantage of their country as of themselves that they should go out of it. The complaints of high wages in consequences of emigrations are of all others the most unreasonable, and ought the least to be attended to. If the wages of labour in any country be such as to enable the lower classes of people to live with tolerable comfort, we may be quite certain that they will not emigrate, and if they be not such, it is cruelty and injustice to detain them".[21]

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[21] T. R. Malthus, An Essay on the Principle of Population, London, Ballantyne Press, 1878, pp. 292-293

Malthus popularized and to a certain extent dramatized the horrifying effects of continuing population growth, but his analysis and that of David Ricardo were essentially similar in scope and substance.

The first edition of Ricardo's Principles of Political Economy appeared in 1817 with subsequent editions in 1819 and 1821. While Malthus ignored variations in the quality of land, Ricardo took into consideration that producers would turn to poorer and poorer qualities of land as the pressure of population growth and production on land already in use increased.

Ricardo, like Malthus, assumed that any increase in wages above the subsistence level would cause an increase in population. Indeed, it was Ricardo's idea that in the longer term "the iron law of wages" would prevail and workers would be the recipients of a minimum subsistence wage. The parameters of Ricardo's treatise espoused that when wages rise above the natural price this will induce larger families and population growth. In turn the momentum of population growth would lead to a decline in wages until they fall to the natural price level or even below. In the event that wages fall below the natural price the resulting economic malaise would lead to a decline in population size and ultimately to a rise in wage rates. The economic forces that Ricardo articulated would lead to a long run tendency for wages to gravitate to the subsistence minimum.

Ricardo also extrapolated that in the initial stages of economic activity characterized by a surplus of the best quality land, no one would be required to pay rent for the use of the land. However, with increasing amounts of capital and labour the best quality land would be occupied and producers would be forced to turn to poorer land. By bidding for the use of the better land producers would cause rents to be paid equal to the difference between its productivity and that of marginal land. Gradually, the competition between producers would lead to poorer and poorer land being brought into use, output would increase less and less per unit of added capital and labour and at the same time the competition for the better land would increase rents and hence reduce profits. There would be no added demand for labour, so that wages would remain permanently at the subsistence level. In this scenario there would be no further population increase and no additional economic growth. In short, the economy would have reached a steady state.

The several editions of Alfred Marshall's Principles of Economics that were published during the last decade of the nineteenth century and the first part of the twentieth century contain the sum total of the evolution of classical economic theory. It is succinctly revealing, therefore, to note that in his comprehensive exposition of classical theory Marshall chose to delegate the economics of immigration to the status of a footnote. This appears to underline the fact that classical economists considered the economics of immigration to be peripheral to the principal scope and substance of economic theory and analysis.

The thrust of Marshall's cursory exposition of the economics of immigration is contained in the following quotation:

> "Many estimates have been made of the addition to the wealth of a country caused by the arrival of an immigrant whose cost of rearing in his early years was defrayed elsewhere, and who is likely to produce more than he consumes in the country of his adoption. The estimates have been made on many plans, all of them rough, and some apparently faulty in principle; but most of them find the average value of an immigrant to be about £200. It would seem that we should calculate the value of the immigrant on the lines... that...we...'discount' the probable value of all the future services that he would render, add them together, and deduct from them the sum of the 'discounted' values of all the wealth and direct services of other persons that he would consume; and it may be noted that in thus calculating each element of production and consumption at its probable value, we have incidentally allowed for the chances of his premature death and sickness, as well as of his failure or success in life. Or again, we might estimate his value at the money cost of production which his native country had incurred for him; which would in like manner be found by adding together the 'accumulated' values of all the several elements of his past consumption and deducting from them the sum of the 'accumulated' values of all the several elements of his past production".[22]

J. M. KEYNES AND POPULATION GROWTH

John Maynard Keynes became the singular most influential economist in the post World War II period. There is no denying that his economic doctrine profoundly influenced the course of Western economic thinking and the parameters of public policy formulation. Indeed Keynesian economics opened the door towards a more pervasive role for government in formulating and implementing public policy with a view towards impacting upon the course of economic events.

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[22] Alfred Marshall, Principles of Economics, 8th edition, London, MacMillan, 1920, footnote pg. 469.

Keynes, like most economists who preceded him, did not address the economics of immigration in his overall conceptual formulation. He did however attempt to wrestle with an issue tangential to the role of immigration; the economics of population change. His perspective on the subject fluctuated between at times being critical of while at other times being more sympathetically disposed towards Malthus' pronouncements on population. It is well known, for example, that Keynes' views of the Malthusian doctrine vascillated over the years of his writings.

It should be underlined that Keynes' writings on Malthus from the period 1930 to 1937, that is from the Great Depression until the publication of his General Theory of Employment, Interest and Money, Keynes essentially ignored Malthus' population theories and instead selectively concentrated on his exposition of deficient aggregate demand. On the other hand, in his General Theory, Keynes appears to have rediscovered Malthus' principle of deficient effective demand

> "The idea that we can safely neglect the aggregate demand function is fundamental to the Ricardian economics, which underlie what we have been taught for more than a century. Malthus, indeed, had vehemently opposed Ricardo's doctrine that it was impossible for effective demand to be deficient; but vainly. For, since Malthus was unable to explain clearly (apart from an appeal to the facts of common observation) how and why effective demand could be deficient or excessive, he failed to furnish an alternative construction; and Ricardo conquered England as completely as the Holy Inquisition conquered Spain. Not only was his theory accepted by the city, by statesmen and by the academic world, but controversy ceased; the other point of view completely disappeared; it ceased to be discussed. The great puzzle of effective demand with which Malthus had wrestled vanished from economic literature. You will not find it mentioned even once in the whole works of Marshall, Edgeworth and Professor Pigou, from whose hands the classical theory has received its most mature embodiment."[23]

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[23] J. M. Keynes, The General Theory of Employment, Interest and Money, London, MacMillan, 1960, p32.

It is also interesting to note Keynes' assessment of the contributions of Malthus and Ricardo:

> "If only Malthus, instead of Ricardo, had been the parent stem from which nineteenth-century economics proceeded, what a much wiser and richer place the world would be today! We have laboriously to re-discover and force through the obscuring envelopes of our misguided education what should never have ceased to be obvious".[24]

The fluctuating and vascilating affinity that Keynes' displayed towards the Malthusian treatise is aptly articulated by Guthrie in the following quotation:

> "Keynes' professional response to Malthus falls into five periods. The first and last - encompassing the years 1905-1919 and 1937-1946, respectively - were times when Keynes did not find Malthusian ideas to be germane. In the second period, stretching from late 1919 to 1928, Keynes drew upon the population theories of Malthus. He perceived the supply-side consequences of population change and recommended policies to restrict population growth. His emphasis changed markedly early in 1930. During that (third) period, Keynes found, in Malthus's theory of insufficient effective demand, an explanation for mass, involuntary unemployment. He then perceived that declining population growth contributed to demand-side problems and recommended "Malthusian" policies for expanding unemployment. Lastly, in the fourth period (circa 1937), Keynes drew upon both aspects of Malthusian thought to articulate a long-run theory of economic growth and decline".[25]

It is worth noting that Keynes argued that declining population growth was one of the causes, of reduced investment demand. He wrote in his General Theory that

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[24] J. M. Keynes, Essays in Biography, Vol. 10 of the Collected Writings of John M. Keynes, Cambridge, St. Martin's Press 1973, pp. 100-101.

[25] W. Guthrie "Selective Rediscovery of Economic Ideas: What Keynes Found in Malthus" Southern Economic Journal, Vol. 50, No. 3, 1984, p. 775.

> "During the nineteenth century, the growth of population and of invention, the opening-up of new lands, the state of confidence and the frequency of war over the average of (say) each decade seem to have been sufficient, taken in conjunction with the propensity to consume, to establish a schedule of the marginal efficiency of capital which allowed a reasonably satisfactory average level of employment to be compatible with a rate of interest high enough to be psychologically acceptable to wealth-owners".[26]

Keynes' most direct and comprehensive contribution to the economics of demography was the Galton Lecture that he delivered before the Eugenics Society in 1937.[27] The principal thrust of Keynes' remarks suggests that he subscribed to the assumptions of the classical and neoclassical school of thought. More specifically, he espoused the view that population growth is an exogenous variable that is determined by natural increase. Furthermore, steady population growth accompained by capital accumulation and technological change was perceived by Keynes as an essential ingredient for an expanding economy.

In his Galton Lecture, Keynes expanded on the classical formulation by warning against a stationary or declining population. In the Keynesian theoretical framework the end result of a declining population would be a lower level of effective demand, lower aggregate savings, less capital accumulation and consequently higher levels of unemployment.

The principal thrust of Keynes' address before the Eugenics Society was devoted to the perils of a declining population. He did however parenthetically reflect on the economics of an increasing population. It is in this latter context that his remarks are of special interest to us inasmuch as they indirectly relate to the economics of immigration vis a vis population growth. Keynes noted that:

[26] J. M. Keynes, The General Theory op. cit. 1960, p. 307.

[27] J. M. Keyes, "Some Economic Consequences of a Declining Population", The Eugenics Review, vol.29, No. 1, April 1937 pp. 13-17.

"An increasing population has a very important influence on the demand for capital. Not only does the demand for capital - apart from technical changes and an improved standard of life - increase more or less in proportion to population. But, business expectations being based much more on present than on prospective demand, an era of increasing population tends to promote optimism, since demand will in general tend to exceed, rather than fall short of, what was hoped for. Moreover a mistake, resulting in a particular type of capital being in temporary over-supply, is in such conditions rapidly corrected. But in an era of declining population the opposite is true. Demand tends to be below what was expected, and a state of over-supply is less easily corrected. Thus a pessimistic atmosphere may ensue; and, although at long last pessimism may tend to correct itself through its effect on supply, the first result to prosperity of a change-over from an increasing to a declining population may be very disasterous."[28]

The relationship that Keynes draws with the Malthusian doctrine is an interesting one. Keynes suggests that his views vis a vis the Malthusian theory are contained in the premise that more capital resources per head essentially land would enhance the economic benefits and the standard of living of the residents; the growth in population, on the other hand, would be disasterous and retard the increase in living standards. Keynes concluded on this matter that

"It may seem at first sight that I am contesting this old theory (Malthusian theory) and am arguing, on the contrary, that a phase of declining population will make it immensely more difficult than before to maintain prosperity.

In a sense this is a true interpretation of what I am saying. But if there are any old Malthusians here present let them not suppose that I am rejecting their essential argument. Unquestionable a stationary population does facilitate a rising standard of life; but on one condition only - namely that the increase in resources or in consumption, as the case may be, which the stationariness of population makes possible, does actually take place. For we have now learned that we have another devil at our elbow at least as fierce as the Malthusian - namely the devil of unemployment escaping through the breakdown of effective demand."[29]

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[28] J. M. Keynes, "Some Economic Consequences of a Declining Population", The Eugenics Review, Vol. 29, No. 1, April 1937, pp. 13-14.

[29] Ibid, pp. 16-17

It is perhaps appropriate to conclude this section on Keynes by quoting this passage from his Galton lecture:

> "I do not depart from the old Malthusian conclusions. I only wish to warn you that the chaining up of the one devil may, if we are careless, only serve to loose another still fiercer and more intractable".[30]

In this charismatic interpretation Keynes refers to the first devil as being population growth while the second devil refers to unemployment.

CONCLUSION

From an economic perspective it is indeed a sad commentary to record the void permeated by the absence of a comprehensive immigration theory within the mainstream evolution of economic knowledge. The preceding overview highlighting the principal contributions of economists over a broad spectrum of the history of economic thought underlined the extent to which the economics of immigration was a neglected topic. It is indeed regrettable to note that immigration theory stagnated into an atrophic offshoot to the principal thrust of economic knowledge. In the course of the development of economic theory major land marks that address immigration issues are blatantly missing. While it is true that some economists have addressed issues related to population and the migration process, they did so in a tangential and peripheral manner which did not bestow any substantive degree of prominence or incisiveness with respect to the economic impact of immigration to demographic variables,the size and occupational composition of the labour force, as well as the rate of economic growth and the process of economic development. Furthermore, the void created by the lack of a conceptual

[30] Ibid, p. 17

framework has detracted from the ability of economists to undertake a systematic study and analysis of the economic foundations, causes and consequences of immigration. In short, the author contends that the contemporary vacuum regarding a comprehensive conceptual framework that would delineate the parameters and articulate the impact of international migration is the product of a systematic neglect for the topic of immigration in the historical evolution of mainstream economic theory.

It is particularly disquieting to record that the failure to develop a conceptual framework has detracted from a rigorous theoretical analysis and an exhaustive evaluation of the economic parameters pertiment to the development of an enlightened immigration policy. Indeed, this theoretical void in a conceptual framework for the economic role of immigration has impeded immigrant-receiving countries from setting the foundations and thrust of their immigration policy to encompass a longer term and more proactive dimension. It would seem to me that it is particularly the longer term and proactive aspects of the economic role of immigration that have been a sadly neglected dimension of previous efforts to develop and articulate a conceptual framework for analyzing and evaluating the public policy parameters related to the economics of immigration.

CHAPTER II

THE MICRO-ECONOMICS OF IMMIGRATION: THE DECISION TO EMIGRATE

Introduction

The study of international migration is undoubtedly a complex field of academic enquiry. Part of the complexity so prevalent in this area rests with the multifaceted nature and magnitude of the inter-relationships that affect and influence the decision to emigrate. Indeed the multi-disciplinary nature of the migration process is amply illustrated in the interlocking and interfacing of economic, social, cultural, political and demographic factors. All of these forces interact with various degrees of intensity to influence and determine the outcome of the decision making process for the migration of individuals and their families.

Undeniably the principal common denominator for international migration is that it involves the movement of people across national frontiers. As such it is characteristically different from domestic migrations in terms of the array of causes and consequences as well as the barriers to migration that are associated with the decision to emigrate. The pertinent question then is to determine what prompts an individual to leave his or her country of origin and settle in another country. It should be noted in the same breath that the migration process is such that people cannot emigrate from one country without immigrating to another and that the phenomenon of migration implies not only that an individual has decided to leave one's country of origin but also that an immigrant-receiving country has approved his or her permanent settlement within its national borders.

Forced and Voluntary Migrations

It would seem appropriate at the outset to underline the differences between two parallel and compelling forces that culminate in international migration flows. These are forced and voluntary international migrations.

The recognition that the decision to emigrate may not have been arrived at on one's own free will is the necessary preface that explains the decision making fundamentals of forced migrations. In essence, forced migrations most commonly referred to as refugee movements describe the flow of international migrants out of necessity and compulsion rather than by choice. More specifically, refugees fleeing from persecution and oppression in their countries of origin are involuntarily thrust into a migratory movement that is seldom of their own making and over which they cannot exert any control. While the motivating factors leading to forced migrations are not directly determined by economic motives, countries of destination that embrace humanitarian sentiments in their immigration programs need to assess and evaluate the economic costs and impact of refugee movements within the sphere of their national economies.

The freedom of choice for individuals to seek permanent residence in a country other than their country of origin is embodied in the concept of voluntary migration. One would anticipate that economic variables feature prominently among the array of factors to be considered in the decision to migrate on a voluntary basis. Indeed, international migrants who are not

forced to migrate are in general predominantly motivated by economic self-improvement. Voluntary migrants are often guided in their decision to migrate by an individual assessment of the economic disparities between one's country of origin and the intended country of destination that are often exhibited in such vital aspects of economic well-being as income differentials, employment opportunities and career advancement and promotion.

Public Policy Constraints

Both forced and voluntary migration movements are subject to public policy constraints. The nature and conditions surrounding the exodus of refugees from their countries of origin and the screening and selection procedures enforced by refugee admitting countries highlights the public policy constraints associated with forced migration movements. Furthermore, even voluntary migrations are not simply dependant on an affirmative decision to migrate arrived at without reference to any public policy considerations. Indeed, it should be noted that whereas voluntary migrations may suggest an unconstrained parameter in terms of the uncompelling nature of the array of factors influencing a prospective migrants decision to emigrate or not to emigrate, it is, in fact, constrained by the scope and substance of the emigration and immigration policies pursued by one's country of origin and one's intended country of destination.

Several countries in the past and some up to the present time impose restrictions on any form of emigration. Others will allow the emigration of only unskilled workers, political troublemakers and social misfits. Furthermore, selective

emigration barriers may take the form of imposing a financial hurdle that requires the repayment of the cost of a prospective migrant's upbringing, education and general public expense incurred in the process of bringing up an infant to the adult and economically productive age. On the other hand, immigrant receiving countries may close their doors to immigrants during periods of economic recession or economic malaise characterised by declining real incomes, enhanced unemployment levels and a weak performance of the aggregate growth rate. A more widespread form of constraint imposed by immigrant-receiving countries has been the adoption of selective immigration policies. This prevailing feature of selectivity has been pursued with enhanced vigour by immigrant-receiving countries in the post World War II period.

The axiom of selectivity in immigration policies essentially demonstrates the importance attached to economic factors and conditions in the selection of prospective immigrants. This is particularly so where the selection criteria applied are geared towards ensuring that new immigrants adapt quickly and readily to the prevailing economic structure and become easily absorbed in the employed labour force. It is interesting to note, however, that in defending the axiom of selectivity most immigrant-receiving countries are more apt to use the legal argument that a country is well within its international legal rights to select the persons who are chosen to become future citizens by naturalisation. Furthermore, immigrant-receiving countries are prone to point out that it is not a fundamental human right of any alien to seek and receive admission for permanent settlement in any country of his or her choice.

In short, it is abundantly clear that in the modern context the dynamics of international migration flows are increasingly subject to the national immigration policies of receiving countries and to a lesser extent by the national emigration policies of a few sending countries. It is evident, therefore, that the individual decision to emigrate, has been constrained and complicated by these same policies. In other words, even though a prospective migrant may decide in favour of emigrating because one's benefits from the move outweigh the costs involved, actual emigration is de facto subject to the migrant's acceptability within the parameters of the immigration policies and legislation enforced in his or her intended country of destination. In short, desired emigration and actual emigration are not necessarily one and the same thing.

Micro Economic Foundations

Macro-economic theories invariably have micro-economic foundations. It is therefore both precedent and appropriate that an attempt to articulate a macro-economic conceptual framework for immigration must initially identify and explain the micro-economic forces embodied in the decision to emigrate. Furthermore, the micro-economic motives for migrating are fundamental for a more comprehensive understanding of the macro-economic consequences and impact of immigration. Indeed, to the extent that the principal causes of voluntary migrations are economic in nature then one would surmise that the major impact of immigration would be on macro-economic aggregates. Acknowledging therefore the importance of the micro-economic foundations of international migrations we will analyse in the ensuing pages the micro-economic attributes associated with the decision to emigrate.

A Micro Framework For Immigration

Of all the economic variables associated directly with the voluntary decision to emigrate, e.g. income differentials, employment prospects, and career advancement, none features more prominently than a comparison of present and future income streams adjusted for inflationary pressures between a prospective migrant's country of origin and the intended country of destination. In essence the migration process is triggered whenever there is a positive economic return to be attained from the physical act of geographical relocation.

In a theoretical context the voluntary migration process will enhance the economic well-being of human resources engaged in crossing national borders in search of a new permanent domicile. In other words, an individual or a collective household will opt in favour of emigrating of their own free will whenever the discounted value of present and future economic benefits in the country of destination exceeds the total package of economic benefits that can be earned by staying put in one's country of origin. It should be noted that this exercise also needs to incorporate cost related features such as transportation and relocation expenses. Furthermore, a comprehensive assessment of the economic costs and benefits from the voluntary participation in the migration process should take into account not only the pecuniary and easily quantifiable economic variable but also the non-pecuniary economic features associated with immigration such as psychic and qualitative costs and benefits.

The micro-economic foundations of the voluntary migration process can be capsuled in the following mathematical exposition. This mathematical inequality captures the essence of the economic and financial costs and benefits associated with the decision to emigrate taking into account the pecuniary and non-pecuniary features of a prospective immigrant's attempt to assess whether his or her current and future economic well-being will be advanced as a consequence of emigrating to a new country of permanent residence.

$$\sum_{t=1}^{N^o} \frac{P_t^o}{(1+r^o)_t} + \sum_{t=1}^{N^o} \frac{NP_t^o}{(1+s^o)_t} \gtreqless \sum_{t=1}^{N^d} \frac{P_t^d}{(1+r^d)_t} + \sum_{t=1}^{N^d} \frac{NP_t^d}{(1+s^d)_t} - C$$

P^o = expected pecuniary benefits in country of origin, e.g. real income

P^d = expected pecuniary benefits in country of destination, e.g. real income

N^o, N^d = expected years of working lifespan in country of origin and country of destination respectively

NP^o = non-pecuniary income in country of origin, e.g. psychic income, opportunities for career advancement

NP^d = non-pecuniary income in country of destination, e.g. psychic income, opportunities for career advancement

r^o, r^d = rates of discount applied to the future stream of real income in country of origin and country of destination respectively

s^o, s^d = rates of discount applied to the future stream of non-pecuniary income in country of origin and country of destination respectively

C = the aggregate cost of migrating e.g. transportation costs, earnings foregone during the move, the psychic costs associated with leaving one's country of origin.

There are only three possible numerical solutions to the mathematical inequality defined above:

First, if the value on the right hand side of the inequality is greater than the value on the left hand side, then the prospective migrant stands to benefit economically from migrating because his or her discounted future earning capacity and non-pecuniary benefits in the intended country of destination will be distinctly greater than the overall economic benefits ascertained to be accumulated in one's country of origin. The right hand side of the inequality also requires the subtraction of the pecuniary and non-pecuniary transportation and relocation costs associated with emigrating to a new country of permanent residence.

Second, the case of equal values on both sides of the formula suggests that a prospective migrant does not ascertain a distinct economic benefit from emigrating and therefore is indifferent between remaining in one's country of origin or emigrating to a new country of permanent domicile.

Third, if the value on the left hand side of the inequality is greater than the value on the right hand side then that would suggest the absence of any distinctive or discernible economic benefits to be gained from engaging in the voluntary process of geographical relocation. The decision to remain in one's country of origin would be arrived at because the discounted future stream of real income and non-pecuniary benefits are greater in one's country of origin than those expected to accrue in the country of intended immigration after the total costs associated with emigrating are fully accounted for in the calculations.

Pecuniary and Non-Pecuniary Costs and Benefits

As was suggested above the micro-economic foundations related to the decision to emigrate are based on the ability of a prospective migrant to identify and assess the pecuniary and non-pecuniary costs and benefits associated with leaving one's country of origin for a new homeland. It might therefore be appropriate to outline in greater detail some of the variables included in this conceptual framework from an economic perspective.

The pecuniary benefits to be estimated are based on the future lifetime real income streams in the two countries, viz, country of emigration and country of destination. It goes without saying that comparisons can only be made by discounting future benefits to present value terms. Furthermore, the current age of a potential migrant tends to influence the magnitude of one's future income stream since future income is likely to be inversely related with one's age.

The pecuniary costs confronted by a prospective migrant would essentially fall into three categories:

(1) Opportunity costs: these are the foregone income streams and other benefits to the individual migrant that would accrue in one's country of origin but would lapse in one's country of destination. For example, income foregone during the move and income lost during the unemployed period after arrival at one's country of destination and prior to obtaining his or her first job. These types of costs, however, may be minimized or indeed totally eliminated where a contractual arrangement exists guaranteeing the prospective migrant employment upon arrival.

(2) Transportation and relocation costs: these include not only the cost of the migrant's moving expenses but also that of his family as well as the cost of shipping one's moveable property. Historically, these exogenously determined costs were often of a critical nature in determining the flow of migrants to Canada, hence the passage assisted schemes aimed at reducing the financial burden of transatlantic fares.

(3) Capital gains or losses: these encompass the sale of personal property, usually fixed property such as farms, business premises or residential houses. Not only will expected capital losses, or for that matter capital gains, influence the decision to migrate, but they will also affect its timing since capital-asset prices in most countries behave in a cyclical fashion over time. Property owners, therefore, have a more complex decision to make if they wish to minimize capital losses when migrating.

To the aforementioned pecuniary costs and benefits must now be added the non-pecuniary determinants of migration. These will include an array of variables that may appear tangential to the decision to emigrate and yet form an important component of the overall decision-making process. The non-pecuniary benefits may include a more stable political environment, a more enhanced social and cultural atmosphere, improved medical facilities and services, better schooling for one's children and more enhanced family recreational activities. On the other hand, the non-pecuniary costs associated with the decision to migrate encompass the break in social and family ties, the

prospects of inclement weather in one's country of destination, the sentimental cost of leaving one's childhood and hometown memories behind, as well as the inherent cost of giving up a fund of general information acquired in one's country of origin when compared with the time and effort expended in gaining a similar fund of knowledge in one's country of destination. One would anticipate that non-pecuniary factors related to emigration become more important with older age groups and large families.

The Dissemination of Information

A central feature associated with the micro-economic foundations of the migration process is the accumulation and dissemination of relevant and reliable information. Indeed, a necessary prerequisite regarding the voluntary decision to emigrate is the process of acquiring accurate knowledge and data that are essential precedents for an effective evaluation and assessment of the costs and benefits related to migrating. Access to information and data relevant to the evaluation of the pecuniary costs and benefits related to the micro-economics of immigration are in general readily accessible and available for dissemination. On the other hand, attempts to quantify the non-pecuniary and qualitative variables related to the costs and benefits of immigration are fraught with many difficulties. In general pecuniary evaluations are objective in nature whereas non-pecuniary variables are more subjective and based on personal preferences. There is no denying that the magnitude and quality of the economic, political, social and cultural information and data that a household has access to forms an important component of the decision making process leading to emigration.

Language and experience are the two major catalysts for transmitting information and knowledge. Prospective migrants are likely to garner the information they need for a comparison between conditions and prospects in their country of origin with those in their country of destination from books, articles, pamphlets, interviews with immigration officers, holiday visits to the country of intended destination, contacts with native or immigrant citizens of the country of destination and correspondence with relatives and friends residing in the country of intended migration. Ideally, the accumulation of relevant information should be of present and future conditions. Realistically, however, a household's decision to migrate will be heavily weighted towards past and present rather than future economic conditions. This, despite the fact that international migration is generally conceived by the household as essentially an investment for the future, in the sense that the benefits will outweigh the costs of migration over a lifetime. In short, whereas the theoretical premise would require a long term view of the costs and benefits of migration, the constraining feature is that the future can only be predicted with considerable uncertainty and a high degree of error, hence the importance and significant weighting attached, in practice, to information based on past and current economic conditions.

Expectations and the Decision to Emigrate

In view of the foregoing it is perhaps appropriate to underline the important role that expectations play in international migrations. There is no doubt that one

of the key elements in the decision to emigrate is the expectation of economic improvement anticipated to be realised by emigrating rather than be remaining in one's country of origin. Indeed, when emigration actually takes place in response to economic stimuli it is usually based on expectations. In other words, expectations about economic conditions in the country of origin and immigrant-receiving countries determine whether a prospective migrant will decide in favour of emigrating. As was stated earlier these expectations encompass both pecuniary and non-pecuniary aspects.

The problem with a scenario which is based so fundamentally on expectations, however, is that the only certainty about the course of future economic events is that they are likely to be very uncertain. Decisions therefore regarding expectations are more likely to be made on the basis of current magnitudes and differentials which are projected in the future.

Conclusion

I have outlined above the broad parameters related to the micro-economic foundations of the voluntary decision to emigrate. While the conceptual framework proposed tends to be abstract it does nevertheless highlight the importance of economic considerations in the decision making process culminating in whether emigration will take place. Furthermore, the micro-economic motives for migrating are undoubtedly the propelling forces that culminate on the macro-economic impact of immigration.

In essence the economic rationale applied at the micro-economic level of the decision to emigrate is basically a form of optimising the returns on one's human capital endowments through geographical relocation to an immigrant receiving country. Hence, the migratory process will be activated whenever the economic benefits and prospects in one's country of destination are greater than those in one's country of origin. Ideally, these calculations of costs and benefits encompass both pecuniary and non-pecuniary variables. In the final analysis, the sum total of affirmative individual decisions to migrate make up the aggregate immigration flows from countries of origin to immigrant-receiving countries.

The substance and magnitude of the economic impact of immigration and undoubtedly the consequential pattern of its macro-economic impact are to a large extent triggered by the factors that appear dominant in the fundamental decision to emigrate. Hence, the economic motives that induce the process of emigration such as the prospects of higher incomes, better employment opportunities and career advancement in the country of destination no doubt colour the ultimate impact of successive waves of immigration on the receiving country's labour market and national economy.

CHAPTER III

CARRYING CAPACITY: A MODEL FOR IMMIGRANT ABSORPTIVE CAPACITY

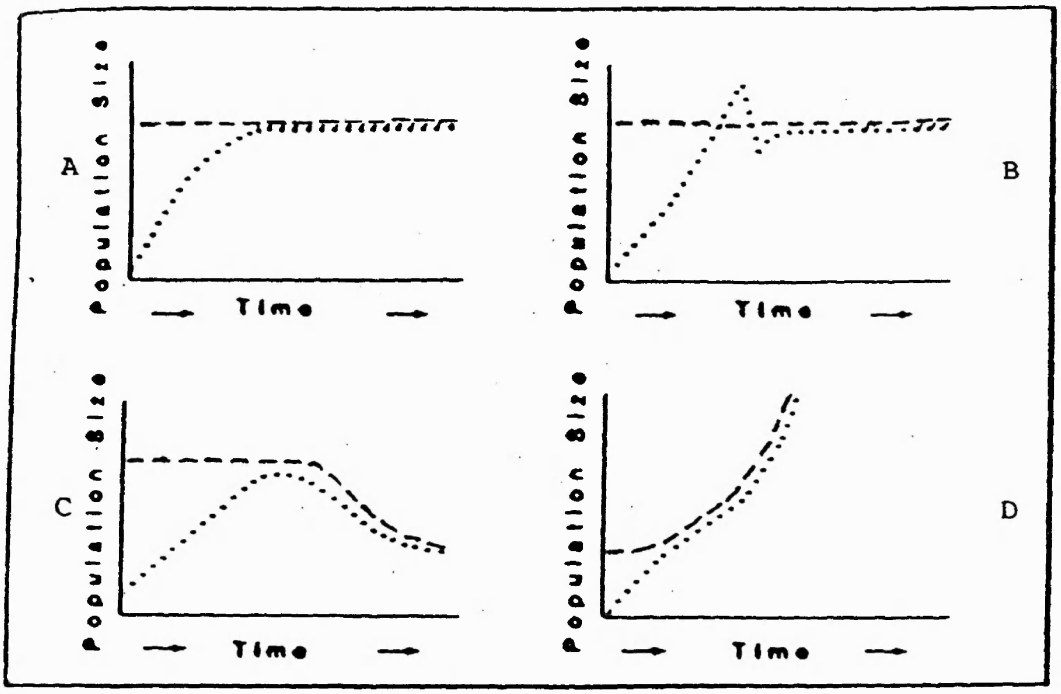
Introduction

The importance of determining a country's absorptive capacity vis-a-vis immigration levels has been a perennial and paramount issue of concern for immigrant receiving countries. Canada, for example, has persistently underlined its objective to admit immigrants in numbers not exceeding this country's absorptive capacity. The correlation between immigration levels and absorptive capacity was deemed as the most appropriate method for ensuring the maximum economic benefit to the domestic economy from immigrant arrivals. While Canada and other immigrant receiving countries have recognized the importance of absorptive capacity it has nevertheless remained an elusive concept whose conceptual framework and economic parameters have not been satisfactorily defined. Furthermore, the concept of absorptive capacity in terms of its pragmatic application to Canada's immigration program and policy has been restricted to a rudimentary concentration on the immediate labour market considerations. Indeed there is a marked void in a longer term macro economic approach that would identify the benefits of immigration and the correlation between enhanced immigration levels and domestic population growth, increased economic welfare and other positive social benefits.

This section attempts to enlist the assistance of the biological definition of carrying capacity in order to delineate the economic parameters of absorptive capacity as applied to immigration levels. In this respect it is anticipated that the biological formulation of carrying capacity has several important connotations that will assist us in drawing up the economic boundaries and pinpointing the conceptual parameters relevant to the absorptive capacity of immigrant receiving countries.

Figure 1

Variations in Carrying Capacity Outcomes



Key: ----- Carrying Capacity

..... Population Size

The concept of carrying capacity is used in the biological sciences to determine the relationship between various specie populations and the resources available. It is a particularly useful concept in alerting scientists to the prospect that a given population cannot increase its size indefinitely. Biologists suggest that there is a point at which resource and environmental resistance increases sufficiently to hinder further growth. By definition, carrying capacity is an upper limit placed on a population by its resources and environment which cannot be permanently exceeded.

One can visualize several variations of carrying capacity that depict the interaction between population size over time given the upper limits of carrying capacity.

Figure A illustrates carrying capacity as an upper limit placed on a population by its resources and environment that cannot be permanently exceeded.

Figure B depicts one possible scenario for exceeding carrying capacity, although by no means the only conceptual configuration. The consequences of this depiction are that population will suffer a decline imposed by resource limitation until it attains a level below the carrying capacity.

Figure C is a conceptual framework originally observed with flora and fauna. For example it has been commonly observed that at high densities some animals are sufficiently destructive of the resource base to lower the carrying capacity of their habitat. An example would be an ungulate species over-grazing its range and causing a decrease in vegetation so that fewer animals can be supported.

In this case the effects of crowding the carrying capacity are shown on both the population and the environment. This example also illustrates that carrying capacity is not quantitatively fixed and unchanging for all time. On the contrary an erosion or exhaustive exploitation of resources can lead to a quantitative decline or decrease in carrying capacity. In short, the limits to population size over time are determined, in part, by the actions of that population.

Figure D is perhaps the most appropriate conceptualization of the concept of biological carrying capacity as a means of providing a framework for determining the absorptive capacity of immigration. This illustration is based on the premise that human actions need not result in a dimunition of the earth's supportive capacity. Actions that expand mankind's ability to transform formerly neutral matter into resources will reduce the constraints placed on human populations by resource-based limiting factors. The enhanced carrying capacity may result from different human actions. Technological improvements immediately come to mind as contributing towards increasing carrying capacity limits, but equally important are changes in human production and potential as well as social organization. As societies are organized for the mobilization of communal efforts, they are more likely to sever constraints and break through barriers of social and economic achievement. Resources and economic endowments are not necessarily fixed in their capacity to support populations but can generate equipment and materials that can be manipulated in various ways to provide a wide range of population carrying capacity outcomes.

In adapting the concept of carrying capacity to provide a useful framework for determining the absorptive capacity of immigration levels one has to provide a link between the concept of a static population stock and the dynamic process of immigration flows with their long-term consequences. The economic parameters related to a static perception of the relationship between human resources on the one hand and economic resources on the other must be tied in with the more dynamic and long-term aspects of the absorptive capacity of immigration levels that would encompass the longer-term costs and benefits of immigration. For example, in a dynamic concept economic resources, natural resources, technological advances etc. may increase or decline thus redefining carrying capacity from one static context to the other.

Carrying Capacity and Population Dynamics

Specific examples regarding the application of the concept of carrying capacity towards explaining human population dynamics, are few and far between. A pioneering example is the article by Paul Maro[1] which examined the historical growth of agricultural populations around Mount Kilimanjaro. This article is particularly interesting in the context of determining the conceptual framework of absorptive capacity for immigrant-receiving countries. Maro concluded that the population in the Kilimanjaro region went through an early subcarrying capacity period based on a food crop subsistence agriculture. As the population increased beyond the carrying capacity for that type of cropping system, a supracarrying capacity situation similar to Fig. B may have resulted if agriculture had not been intensified and diversified by the addition of a coffee cash crop. These innovations defined a new carrying capacity that was, for a time, far above the population levels.

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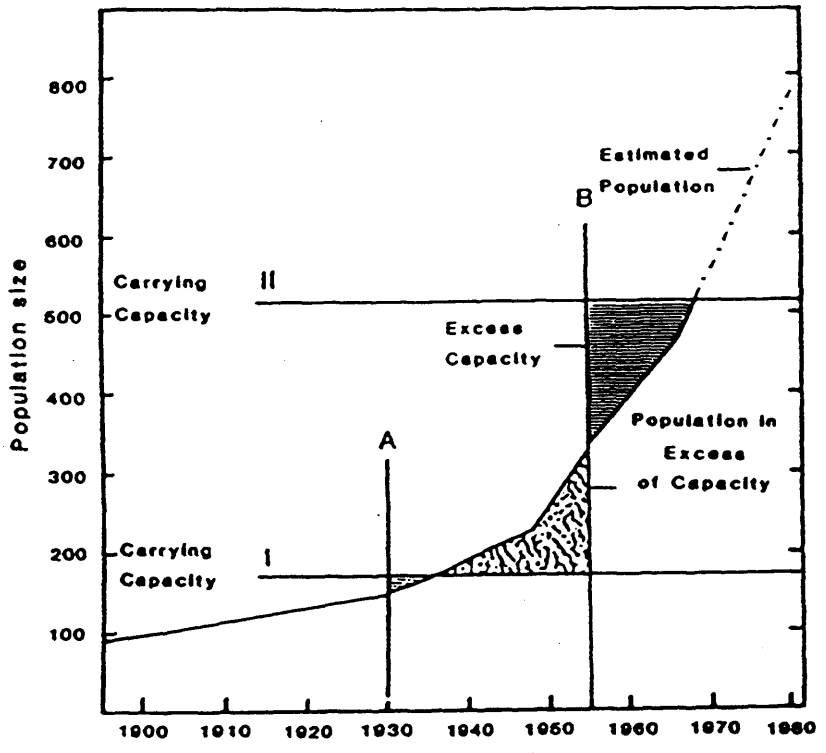
1. P.S. Maro, "Population Growth and Agricultural Change in Kilimanjaro, 1920-1970", Darel Salam: Bureau of Resource Assessment and Land Use Planning, 1975.

Figure 2

Changing Carrying Capacity
on Mount Kilimanjaro



The figure above illustrates the stages through which the process of agricultural intensification has raised the carrying capacity of the Mount Kilimanjaro area. Quadrant A depicts the stage where coffee and cash crops had not impacted upon the carrying capacity of the farming system and there was little excess supportive capacity in the economy. Quadrant B on the other hand, illustrates that the introduction of cash crop economy along with agicultural intensification and diversification effectively redefined the areas carrying capacity concommitant with a larger population size.

Theoretically as population continues to increase, the population's response to achieving the new carrying capacity is uncertain. It is possible that the added population will be a burden that initiates a deterioration in the resource base, but it is equally possible that it will act as a stimulus, initiating a socio-economic change that results in a redefinition of the carrying capacity through new modes of resource use.

These dichotomous responses to population pressure have divided the students of population since at least the time of Malthus. With great eloquence and using selective evidence, proponents of one school of thought argue that population pressure leads to resource abuse and they emphasize the limited capacity of the earth's support system. Still others use a different selection of evidence to support the argument that population pressure is the stimulus for innovation that is capable of redefining the nature of limits.

In reality the world is not as simple as either alternative suggests. As a country matures from a concentric dependence on natural resources to a more complex form of economic organization, the "limits" aspect of the carrying capacity model becomes much more difficult to ascertain. For example in the post World War II period we noted the simultaneous occurrence of population growth and rising living standards. Furthermore, carrying capacity is not defined in terms of natural resources alone but must also consider many human capabilities, not the least of which are skills and experiences. In other words taking into account the quantitative and qualitative features of human resources and human capital. There is no denying that socio-economic

resources play a key role in maintaining the support systems for human populations. Obviously some geographical areas have much better physical endowments of soil, minerals, water, and other natural resources than other places. Similarly, the ability to define, exploit, and use resources varies considerably from one place to another as a complex function of the social, cultural and economic conditions of peoples. Besides this pattern of variability, there is the nonuniform distribution of people on the earth's surface; a fundamental characteristic that induces and initiates the process of international migrations. Ackerman[2] has suggested a scheme that involves a population resource regional classification that defines five general arrangements of resource endowments, population size and technological developments. The one that is most appropriate for Canada is the U.S. type. Areas with small populations relative to their abundant resource endowments who were also technology innovators were classified as the U.S. type. Ackerman[3] estimated that one-sixth of the world's population was in the enviable position of being blessed with a marked affluence as a result of this fortuitous combination of circumstances. Other places in the world with abundant resources either lacked the technology or had too many people to be included in this category. Ackerman's regional portrayal is interesting but by no means definitive. The definitional difficulties with two parts of the scheme - resources and technology - are great and defy easy quantification. The regional map display presents the additional problem of stabilizing a picture that is actually quite dynamic. Populations continually change, technology evolves, and resources are discovered, used, and redefined.

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[2]E. Ackerman, "Population and Natural Resources", in The Study of Population: An Inventory and Appraisal, P.M. Hauser and O.D. Duncan (eds.) Chicago: University of Chicago Press, 1959, pp. 621-648.

[3]E. Ackerman, "Population, Natural Resources and Technology" Annals, American Academy of Political and Social Science, No. 369, 1967, pp. 84-97.

Probably the most important contribution of Ackerman's scheme is to highlight the fact that major regional differences exist in the population resource equation. Furthermore, by introducing the variable of technology, he recognized that any particular set of resource population arrangements can produce different outcomes. In short, the ebb and flow of international migration movements is a direct consequence of the variations of population size and economic circumstances over time.

The Efficacy of the Concept of Carrying Capacity

Attempts to quantify the concept of carrying capacity are at best essentially of a transitory relevance for most population size scenarios. Still, as a heuristic device, the conceptualization of carrying capacity mobilizes researchers to probe into areas with important resource policy implications. Indeed a discussion of carrying capacity is a natural precedent to the concept of optimum population levels in that they evolve our conceptual framework from a focus on upper limits of supportive capacity to an examination of ideal levels of population size.

Concepts of optimum population size suggest that human welfare is maximized somewhere below the upper limit defined by carrying capacity. They further suggest that human welfare may be improved by either an increase or a decrease in population size, depending on the particular circumstances. The goal is always to maximize human welfare, not population size.

Optimum population is usually defined as the population size which maximizes human welfare. The concept of optimum population therefore suggests that it is not economically beneficial for human populations to push their numbers to the maximum sustainable capacity. Indeed some number below carrying capacity may sustain the highest level of individual human welfare. However, the concept of an optimum population also suggests that populations that are too small may not attain the highest level of economic well being.

The earliest studies on the subject of optimum population were completed by economists during the nineteenth century. Most lost interest in the notion because, like human carrying capacity, it seemed to defy precise definition. Even though it continues to defy definition, the general notion of an optimum population focuses the mind by asking "What is the most appropriate population size?" There are times when asking the right question that appears to defy solution is much more important than giving the right answer to the wrong question. We can conceptualize that an optimum population must be somewhere between the biological minimum necessary to sustain the species and the ideal maximum set by a country's physical capacity.

Generally speaking the usefulness of optimum population constructs is increased by reducing the scale of inquiry. With a focus on smaller areas and sufficient limiting assumptions, optimum population questions become slightly more tractable. Several issues related to optimum population illustrate the theoretical and practical constraints associated with this concept.

The concept of an optimum population is an entirely static concept. It therefore limits the prospects for effectively incorporating nondemographic change with population growth. There is no denying that economies evolve, technological innovations take place, the socio-cultural milieu changes and resource endowments are in a continual state of change. While most of these changes are related to population change, nonetheless they have not been successfully incorporated into the conceptual framework for an optimum population.

The appropriate upper bounds of an optimum population remain an elusive target. Within a metapopulation there are permutations of widely varying potential and current states. The level of resolution used in determining optimum population will yield different results at every scale with the introduction of different economic and non-economic variables. In consequence increasing the complexity associated with the pragmatic interpretation of this concept.

Optimum population is an aggregate concept. It is conceivable therefore that average income is maximized at the same time that income disparities are accentuated between different income brackets because of distributional effects.

There is no reason to expect that the optimum population by one criterion (e.g. income) will be the same as the optimum population by another criterion (e.g. environmental quality). Therefore, optimum calculations cannot produce a fundamental and unequivocal result. At best they can provide a qualified interpretation of the outcome of

different scenarios based on varying assumptions. Conceptually there are an infinite number of optimum populations. This suggests that the concept of an optimum population is fraught with more difficulties then the concept of carrying capacity in explaining the population consequences of any set of physical resource endownments or the resource consequences of any set of population conditions.

Let us now address certain specific issues related to the concept of optimum population in the context of immigrant receiving countries. Immigration can be characterized as an instrument that can be incorporated within the parameters of an optimum population construct for population deficient countries. Theoretically the conceptual parameters within which this analysis can take place is essentially when a country's population size is perceived as being below its optimum level given its aggregate resources and state of technology, then immigration can speed up the time span required for the optimum population level to be attained. In short, the process of immigration inflows permits the attainment of the optimum population size much more quickly and surely than would be possible by relying solely on the process of natural increase.

Overall, it would seem to me that the concept of an optimum population is theoretically tenable, however it does not lend itself readily to a quantifiable magnitude. Furthermore the dynamic context of immigration inflows cannot be easily contained within the rigid and static parameters of the optimum population concept.

Conclusion

From a public policy perspective immigrant receiving countries have the potential luxury of being able to fine tune the size and composition of their demographic profile in order to accelerate the attainment of desired economic benefits. In practice population deficient countries have resorted to immigration

policies in order to enhance the economic attributes of their initial population characteristics.

Countries of immigration have traditionally espoused a public policy approach that endorsed the process through which an increase in the population base would contribute to a larger domestic market which in turn would induce economies of scale and a decrease in unit production cost. In this context a larger domestic market is normally perceived as being conducive to enhanced efficiency and higher levels of productivity for the national economy. A larger domestic population achieved through immigration inflows would allow for an almost instantaneous reduction in the unit cost of providing for social overhead capital such as health, education and social programs where these are under utilized. Also technological innovations are more likely to be incorporated in production techniques that cater to a large domestic market and can therefore absorb the high cost associated with technological innovation. Furthermore, an increase in population size will, in most instances, encourage investment, facilitate the inventive process and enhance opportunities for exploiting new territories and resources. Finally, a larger population size will generally contribute towards a larger labour force inducing a higher proportion of economically active workers and, other things being equal, reduce the dependency ratio.

CHAPTER IV

TOWARDS A CONCEPTUAL ECONOMIC FRAMEWORK FOR DETERMINING 'ABSORPTIVE CAPACITY'

INTRODUCTION

Economic considerations have always been a paramount consideration and a fundamental premise of Canada's immigration policy and program. While it is true that during certain historical junctures Canada has encouraged immigration for non-economic objectives such as asserting sovereignty through settlement over the large geographical expanse that comprises its territorial boundaries or for humanitarian reasons by accepting refugees and displaced persons, nonetheless in large measure the broad thrust of Canadian immigration policy has had a major economic focus in its formulation and implementation. Indeed, the magnitude of the fluctuations illustrated by the peaks and troughs in immigration levels have been largely a measured response to short term economic indicators such as unemployment rates and the level of economic activity. There has never been a serious attempt to specify and articulate a comprehensive conceptual framework that would facilitate the development of an enlightened immigration policy on the basis of economic parameters and objectives related to a proactive approach and the longer term role and impact of immigration to Canada.

While a comprehensive conceptual framework has never materialized, there has been no lack of rhetoric in political speeches and ministerial announcements in extolling the virtues of immigration and enunciating the short term economic benefits of immigration in the Canadian context. These pronouncement often made reference to

Canada's absorptive capacity which was projected for public consumption as a yardstick that correlated specific immigration levels to the positive economic benefits that would accrue to Canada. However, these vague references to Canada's absorptive capacity in determining immigration levels have been in effect a figurative concept that was resorted to for rhetorical purposes and political mileage rather than a substantive and potent tool for determining the appropriate levels of immigration.

It therefore comes as no surprise that attempts to translate the concept of absorptive capacity into specific quantitative immigration levels have encompassed a short term perspective. Furthermore, these attempts have been largely confined to determining the short term demand and supply parameters of the Canadian labour market while at the same time taking corrective measures to change the occupational composition of the labour force in response to the manpower demands of specific industries and sectors as well as the structural evolution of the Canadian economy. Hence, the interpretation of Canada's absorptive capacity vis a vis immigration ecompassed a quantitative and a qualitative labour dimension inasmuch as it did not focus solely on the number of immigrant arrivals that were required but also specified certain qualitative pre-requisites such as the preferred occupational and labour market qualifications and expertise as well as the desired educational level of achievement and other human capital requirements. All in all, immigration to Canada provided this country with a substantive endowment of human resources, and human capital and entrepreneurial expertise.

It is fairly clear that the short term parameters for analysing, evaluating and assessing the economic impact of immigration on Canada were much too restrictive to enable policy makers to make appropriate choices with respect to the direction and substance of Canada's immigration policy and program in a proactive manner. Indeed, the short term guideposts resorted to in order to determine Canada's absorptive capacity for immigration and the limitations inherent in the short term economic parameters related to the public policy aspects of the concept of absorptive capacity resulted in what can best be described as a 'fly by night' or 'will of the wisp' approach rather than a systematic and comprehensive framework for the role of immigration within the Canadian economy that transcends short term considerations and begins to embrace the essentials of a longer term and more proactive focus. This is an essential pre-requisite since for most if not all immigrant receiving countries their immigration programs are not contained in a one-shot program but are in fact ongoing and continuous over time which reaffirms the need for immigration policies that are proactive in scope and substance.

From a theoretical perspective, relating absorptive capacity to an active and effective immigration policy entails an attempt to determine immigration levels which would complement the domestic population in order to facilitate the attainment of desirable economic benefits and objectives. In this context, immigration may be used as an effective instrument for increasing the demographic base and in some cases altering the qualitative characteristics of the socio-economic profile of a country's population. Hence immigration

can become a tool for increasing the numerical size of the population base as well as becoming a catalyst for achieving certain demographic and economic objectives at a much faster rate than would have been possible if we relied solely on the process of natural increase. Recognising the economic benefits of this paradigm Tiebout suggested, but did not pursue in any substantive manner, that:

> "For every pattern of community services ....there is an optimal community size. This optimum is defined in terms of the number of residents for which this bundle of services can be produced at the lowest average cost .... communities below the optimum size seek to attract new residents to lower average costs."[1]

Furthermore, in describing the benefits of a larger population base Arad and Hillman conclude:

> "The jurisdiction has an initial domiciled population less than the number of residents which constitutes the desired sharing group for its aggregate collective output, and rather than disband to seek out individually alternative jurisdictions with more efficient sharing populations, the residents of the jurisdiction pursue an active immigration policy."[2]

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[1]Charles M. Tiebout, "A Pure Theory of Public Expenditures" Journal of Political Economy, Vol. 64, 1956, p. 419.

[2]R.W. Arad and A.G. Hillman, "The Collective Good Motive for Immigration Policy", Australian Economic Papers, Vol. 18, No. 33, December, 1979, p. 243.

Parenthetically one should point out that an active immigration policy and program does not simply bestow benefits but also incurs certain economic costs for the domestic population. In this regard Arad and Hillman conclude that:

> "The assumption that new immigrants may be obtained only via an actively pursued and costly immigration policy is a realistic one. Many immigration schemes have entailed a pre-domiciled populations incurring costs of transportation and relocation of immigrants, as well as other costs associated with the assimilation of new immigrants into the community.... ... initial residents are confronted with three quite distinct sets of (potential) costs. They are required to choose outlays on private consumption, on provision of collective consumption, and on financing the immigration scheme. There is an important distinction in the means whereby the latter two expenses are financed. Pre-domiciled residents alone finance the immigration scheme, whereas the costs of providing collective output are shared equally by all residents in a post-immigration equilibrium."[1]

Economic costs related to a country's immigration policy and program may be overt or covert. Furthermore, they may be wholly or partly absorbed by the domestic population. Examples of overt costs would include the government's budgetary appropriation for the respective government department with jurisdiction for the formulation and implementation of the country's immigration policy, relocation expenses for immigrants, and assimilation and integration programs for new settlers. On the other hand, covert costs would be more difficult to quantify but would nonetheless be recognized as an inherent economic cost. These would encompass qualitative costs related to the burgeoning size of a country's population and

[1]Ibid p. 249.

the growth of cities such as the negative consequences of enhanced population density and the crowding effect experienced in cities with instantly expanding populations brought about by immigration. In addition covert costs may transpire in the form of the social and economic consequences of immigrant workers in the economy at large and in the labour force in particular as evidenced by the prospects for increased tension and intolerance towards immigrants who are perceived by the general public as curtailing employment opportunities for the domestic born and siphoning economic and social programs and benefits without having contributed to the taxation and revenue side of the equation in previous years. Finally, it should be noted that costs related to a country's immigration program are borne largely and to some extent exclusively by the domestic population. In the post-immigration phase, however, the costs related to providing the collective output and underwriting future immigration policies and programs would be shared equally by all residents i.e. the domestic and immigrant populations. In short, the immigrant population of one phase becomes the domestic population of the next generation.

One of the perennial concerns of an immigrant receiving country's domestic population is the impact and economic consequences of future immigration streams on the residents income levels.

Arad and Hillman addressed this issue in the following manner:

> "The jurisdiction's immigration policy is also sensitive to the level of initial residents incomes. An increase in income generally results in increased outlays in financing the equilibrium immigration program, and hence results in an increased number of residents in the post immigration equilibrium. Consequently, then, the tax-price of collective output is lower in those jurisdictions wherein, in the pre-immigration equilibrium, initial residents had higher incomes....Since income in the post-immigration population is a random variable, the income effect is likewise random. However, in an expected sense, the direction of the income effect of an increase in the pre-immigration population is positive, since any immigration program consequently can be financed at a lower tax-price per initial resident."[1]

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[1]Ibid, pp 255-256.

The Theory of Clubs:

Buchanan's seminal article entitled "An Economic Theory of Clubs"[1] provides an economic basis for attempting to define and articulate a conceptual framework with practical applications for the concept of absorptive capacity. In particular Buchanan's model could be readily adapted to provide an adequate framework for determining the economic parameters within which an informed assessment could be made with respect to immigration levels and a country's economic absorptive capacity. In short, an immigrant receiving country would want to determine its optimal immigration levels within a short term and long term perspective taking into account its economic capacity and potential. In this respect Buchanan suggests that :

> "Everyday experience reveals that there exists some most preferred or 'optimal' membership for almost any activity in which we engage, and that this membership varies in some relation to economic factors".[2]

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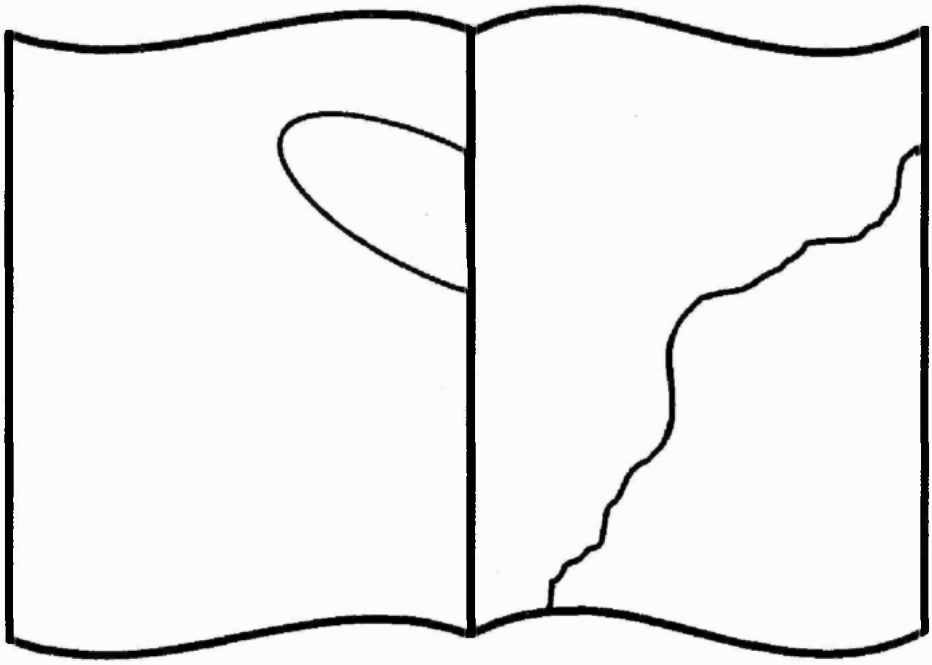
[1]J.M.Buchanan, "An Economic Theory of Clubs", Economica, Vol. 32, No. 125, 1965, pp. 1-14.

[2]Ibid, p. 1.

SPECIAL NOTICE



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Buchanan's conceptual framework defines the parameters for the theory of clubs from the perspective that:

> "The interesting cases are those goods and services, the consumption of which involves some "publicness", where the optimal sharing group is more than one person or family but smaller than an infinitely large number..... The central question in a theory of clubs is that of determining the membership margin, so to speak, the size of the most desirable cost and consumption sharing arrangement."[1]

It should be noted that the theory of clubs is most applicable when the motives for joining in a communal arrangement have economic underpinnings. In effect, the theory of clubs is most relevant where an individual makes choices on the basis of costs and benefits related to goods and services. In large measure the economic motive for improving one's economic well-being in a pecuniary and/or non-pecuniary manner is a paramount factor in the decision making process culminating in the actual migration of individuals and families. Indeed, one may also conclude that even in forced migrations such as refugee movements there is an underlying economic motive in the desire of refugees to seek permanent asylum and secure an economic base in a new country. While the importance of the economic considerations are fundamental at the micro level of individual decision making they are also relevant at the macro level where countries of immigration have to contend with the aggregate direct and indirect costs and benefits of immigrant arrivals.

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[1]Ibid, p. 2.

Certain features of Buchanan's theory of clubs provide a foundation for structuring a comprehensive conceptual framework that would facilitate the process of determining the appropriate immigration levels that will ensure the highest possible economic benefits to the immigrant receiving country. The facility with which Buchanan's model can be adapted to our purpose rests with the two basic tenets of his exposée, viz, the principles of exclusion and optimal size. Both tenets are essential features of Canada's immigration policy and program.

An essential prerequisite of Buchanan's theory of clubs is that it "applies in the strict sense only to the organization of membership or sharing arrangements where 'exclusion' is possible"[1]. Buchanan invokes this feature in his conceptual framework by underlining that "the theory of clubs is, in one sense, a theory of optimal exclusion, as well as one of inclusion"[2]. The exclusion tenet has been a fundamental and longstanding feature of Canada's immigration policy and legislation which continues to espouse the view that immigration to Canada is a privilege that is granted and not a right of any individual in the world. Successive Canadian government's have therefore adhered to what is generally perceived as an absolute and essential right to determine who will be allowed to enter. This exclusionist aspect of Canada's immigration program

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[1] Ibid p. 13.

[2] Ibid p. 13

appears to be in accord with Böhning's conclusion regarding the attitude of all immigrant receiving countries:

> "The nation-state is a sovereign and exclusivist order that is tempered by international economic relations, political power relationships and humanitarian considerations. The nation-state draws a clear border line around it over which non-traditionals may not step without its consent. Whether or not, and if so under what conditions, the borders open to economically active foreigners and their dependants depends on how the nation's influential members and groups seek to realize the state's fundamental goal, which is to satisfy the wants and promote the welfare of nationals".[1]

The second principle of optimal size has been a desired target of Canada's immigration policy and program except that it has been couched in semantic and political rhetoric rather than a conceptual framework with definable economic parameters. Indeed,the term absorptive capacity has often been used in this context when addressing Canada's immigration policy and program. It is in this regard that adapting Buchanan's framework may enable us to define the parameters and conceptualize a framework for absorptive capacity with public policy benefits.

Whereas Buchanan's theoretical parameters do not incorporate the aspects of costs related to the administration and policing of immigration, the exclusion tenet would necessarily have to encompass these costs. Furthermore, the other side of the exclusion principle involves selection of prospective immigrants from amongst

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[1]W.R. Böhning, Studies in International Labour Migration, London: Macmillan Press, 1984, p. 3.

those who wish to emigrate. This too involves direct costs in administering the immigration selection program as well as determining the qualitative benefits related to selectivity such as human capital, occupational skills and training, age composition, transferability of lifetime savings, entrepreneurial expertise etc.

The Mathematical Framework:

In the ensuing pages we will develop and extrapolate Buchanan's framework for the purpose of articulating a conceptual model within which the parameters for Canadian immigration can be highlighted and analyzed from an economic perspective. Buchanan's formulation endorses the "traditional neo-classical model" which is limited by the existence of purely private goods and services only, hence an individual's utility function will be

$$(1) \quad U^i = U^i \ (X_1^i, \ X_2^i, \ldots\ldots\ldots X_n^i)$$

where X represents the amount of a purely private good available during a specified time period, to the reference individual designated by the superscript.

Buchanan then adopts Samuelson's amendment to this function in order to incorporate collective or public goods which are designated by the subscripts $n + 1$, $n + 2, \ldots . n + m$. These modifications alter equation 1 to read

$$(2) \quad U^i = U^i \ (X_1^i, X_2^i, \ldots\ldots X_n^i \ ; X_{n+1}^i, \ X_{n+2}^i, \ldots . X_{n+m}^i)$$

Equation (2) reflects the existence of private and public goods in a mixed economy.

Private goods which are wholly divisible among persons i=1,2,....S, satisfy the equation

$$X_j = \sum_{i=1}^{S} X_j^i$$

while public goods defined to be totally indivisible among persons satisfy the relationship

$$X_{n+j} = X_{n+j}^i$$

It is worth noting that Buchanan's theory of clubs underlines an important feature of economic motivation in that "Choices are made on the basis of costs and benefits of particular goods and services as these are confronted by the individual"[1]. This feature is a fundamental characteristic of the micro-economic underpinnings of the decision to migrate.

With respect to the distinction between private and public goods in the Buchanan framework, he concluded that:

> "With purely private goods, consumption by one individual automatically reduces potential consumption of other individuals by an equal amount. With purely public goods, consumption by any one individual implies equal consumption by all others."[2]

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[1]Ibid, footnote p.2.

[2]Ibid, p. 3.

Buchanan also underlines the fact that:

> "Arguments that represent the size of the sharing group must be included in the utility function along with arguments representing goods and services. For any good or service, regardless of its ultimate place along the conceptual public-private spectrum, the utility that an individual receives from its consumption depends upon the number of other persons with whom he must share its benefits. This is obvious but its acceptance does require breaking out of the private property straitjacket within which most of economic theory has developed."[1]

Considering our principal interest in selecting the Buchanan framework as an appropriate conceptual model to assist us in determining the pertinent economic parameters for a country's immigration policies and programs, the theoretical underpinnings of his exposition demonstrate that:

> "Variables for club size are not normally included in the utility function of an individual since, in the private-goods world, the optimal club size is unity. However, for our purposes, these variables must be explicitly included, and, for completeness, a club-size variable should be included for each and every good. Alongside each X_j there must be placed an N_j, which we define as the number of persons who are to participate as 'members' in the sharing of good X_j, including the i th person whose utility function is examined. That is to say,the club-size variable, N_j, meaures the number of persons who are to join in the consumption-utilization arrangements for good, X_j, over the relevant time period.

[1]Ibid, p. 3.

> The sharing arrangements may or may not call for equal consumption on the part of each member, and the peculiar manner of sharing will clearly affect the way in which the variable enters the utility function. For simplicity we may assume equal sharing, although this is not necessary for the analysis."[1]

Hence the revised utility function takes the form of

$$(3) \quad U^i = U^i \left[(X_1^i, N_1^i), (X_2^i, N_2^i), \ldots, (X_{n+m}^i, N_{n+m}^i) \right]$$

In the Buchanan formulation the cost or production function confronting the individual is written as

$$(4) \quad F = F^i \left[(X_1^i, N_1^i), (X_2^i, N_2^i), \ldots (X_{n+m}^i, N_{n+m}^i) \right]$$

It is noted that N_j's which denote club-size variables are included in Buchanan's cost function because "the addition of members to a sharing group may, and normally will, affect the cost of the good to any one member. The larger is the membership of the golf club the lower the dues to any single member, given a specific quantity of club facilities available per unit time."[2]

The preconditions have now been determined in order to facilitate deriving from the utility and cost functions the necessary marginal conditions for Pareto optimality regarding the consumption of each good.

$$(5) \quad U_j^i / U_r^i = f_j^i / f_r^i$$

The foregoing economic condition denotes that "for the ith individual, the marginal rate of substitution between goods X_j and X_r, in

[1]Ibid, pp. 3-4.

[2]Ibid, p. 4.

consumption must be equal to the marginal rate of substitution between these same two goods in 'production' or exchange".[1] We can therefore amend the previous condition to read

(6) $U^i_{Nj} / U^i_r = f^i_{Nj} / f^i_r$

Buchanan includes condition (6) in order to emphasize that "the individual attains full equilibrium in club size only when the marginal benefits that he secures from having an additional member (which may, and probably will normally be, negative) are just equal to the marginal costs that he incurs from adding a member (which will also normally be negative).[2]

By combining conditions (5) and (6) we attain

(7) $U^i_j / f^i_j = U^i_r / f^i_r = U^i_{Nj} / f^i_{Nj}$

When condition (7) is met then "the necessary marginal conditions with respect to the consumption-utilization of X_j (will) be met. The individual will have available to his membership unit an optimal quantity of X_j, measured in physical units and, also, he will be sharing this quantity 'optimally' over a group of determined size".[3]

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[1]Ibid, p. 4.

[2]Ibid, p. 5.

[3]Ibid, p. 5.

Buchanan provides us with two provisos in the event that the terms for club size stipulated in condition (7) are not met. Recognizing that "for many goods there is a major change in utility between the one-person and the two-person club, and since discrete changes in membership may be all that is possible"[1] Buchanan modifies his initial condition to read

$$(7A)\quad \frac{U_j^i}{f_j^i} = \frac{U_r^i}{f_r^i} > \frac{U_{Nj}^i}{f_{Nj}^i}\Bigg|_{Nj = 1} \quad ; \quad \frac{U_j^i}{f_j^i} = \frac{U_r^i}{f_r^i} < \frac{U_{Nj}^i}{f_{Nj}^i}\Bigg|_{Nj = 2}$$

the forementioned condition incorporates the premise that " with a club size of unity, the right-hand term may be relatively too small, whereas, with a club size of two, it may be too large. If partial sharing arrangements can be worked out, this qualification need not, of course, be made".[2]

Alternatively, in the event that thesize of a cooperative or collective sharing group is exogenously determined then the relevant condition may be

$$(7B)\quad \frac{U_j^i}{f_j^i} = \frac{U_r^i}{f_r^i} > \frac{U_{Nj}^i}{f_{Nj}^i}\Bigg|_{Nj = k}$$

According to Buchanan condition (7B) "characterizes the situation of an individual with respect to the consumption of any purely public good of the type defined in the Samuelson polar model. Any

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[1]Ibid, p. 5.

[2]Ibid, p. 5.

group of finite size, k, is smaller than optimal here, and the full set of necessary marginal conditions cannot possibly be met. Since additional persons can, by definition, be added to the group without in any way reducing the availability of the good to other members, and since additional members could they be found, would presumably place some positive value on the good and hence be willing to share in its costs, the group always remains below optimal size. The all-inclusive club remains too small"[1].

The interplay between the marginal condition set out in (7) and those articulated by Samuelson with respect to goods that were exogenously determined to be purely public. In the latter case, the relationship would be

$$(8) \quad \sum_{i=1}^{S} \left(U^{i}_{n+j} \,/\, U^{i}_{r} \right) = f_{n+j} \,/\, f_{r}$$

The foregoing condition stipulates that "where the marginal rates of substitution in consumption between the purely public good, X_{n+j}, and the numeraire good, X_r, summed over all individuals in the group of determined size, S, equals the marginal cost of X_{n+j} also defined in terms of units of X_r."[2]

It should be noted that when condition (7) is satisfied (8) is also satisfied with the proviso that the collectivity is neither experiencing profits or losses in providing the marginal unit of the public

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[1]Ibid, p. 5.

[2]Ibid, p. 6.

good. In short the proviso stipulates that

$$(9) \quad f_{n+j} / f_r = \sum_{i=1}^{S} (f^i_{n+j} / f^i_r)$$

In concluding his mathematical exposition Buchanan cautions that:

> "the reverse does not necessarily hold, however, since the satisfaction of (8) does not require that each and every individual in the group be in a position where his own marginal benefits are equal to his marginal costs (taxes). And, of course, (8) says nothing at all about group size.
>
> The necessary marginal conditions in (7) allow us to classify all goods only after the solution is attained. Whether or not a particualar good is purely private, purely public, or somewhere between these extremes is determined only after the equilibrium values for the N_j's are known. A good for which the equilibrium value for N_j is large can be classified as containing much 'publicness'. By contrast, a good for which the equilibrium value of N_j is small can be classified as largely private."[1]

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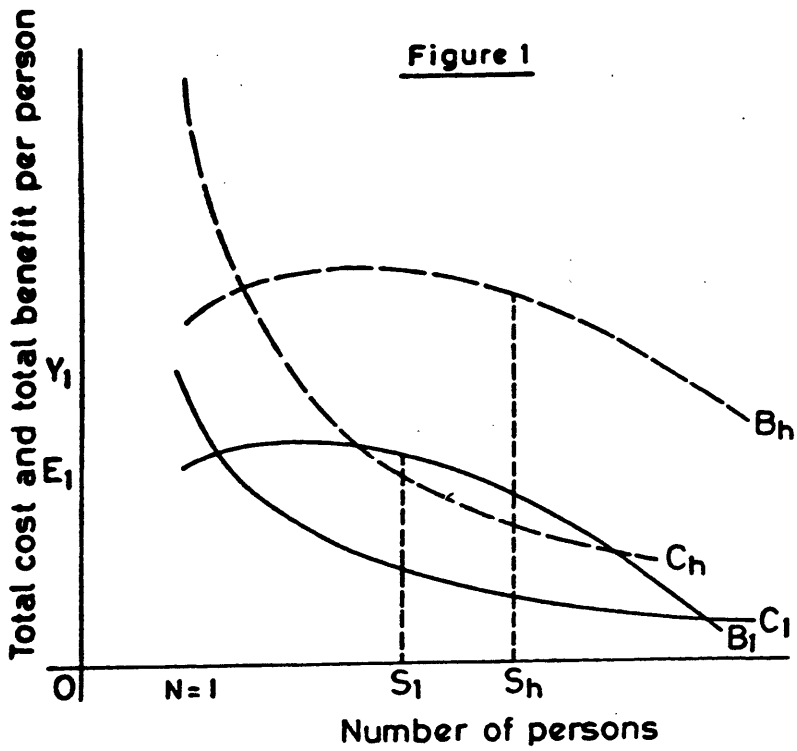
[1]Ibid, p. 6.

A GRAPHICAL EXPOSITION:

Buchanan's conceptual framework of the economic theory of clubs can also be illustrated in a diagramatic manner. It follows from Buchanan's theoretical parameters that a necessary condition of the graphical exposition must be that variations in size are dictated or can be controlled. In other words by controlling access to club size we can move towards an optimal size of users, consumers etc; bearing in mind that the club size will encompass consumers of public and private goods and services. Providing these goods and services involves an element of cost whereas their consumption involves the element of benefit. An underlying assumption of exercise necessarily ascertains that all individuals who ultimately join the club have identical utility / choice characteristics.



In figure 1 the horizontal axis denotes total cost and total benefits per person from the consumption of a basket of public and private goods and services. The vertical axis is the population size or the total number of individual persons sharing the private and public goods and services available. It is worth noting that the population size for a country like Canada will at any time encompass the domestic born and the foreign born (immigrant population). It would seem to me that there are limited degrees of latitude in achieving variations in the size of the domestic born particularly where increases in the population base are required. Indeed, government instituted population policies appear to be more successful in declerating the domestic born component of population size as has been the experience with some Third World countries than in accelerating an increase in population size through higher fertility rates for the domestic born in economically advanced industrial countries. The logistics of demographic planning would suggest that attempts to increase and fine tune the composition of a country's population base appear to be more effective and speedy by relying on immigration adjustments rather than relying on the process of natural increase.

The portion of the diagram where $C > B$ suggests that the cost of providing an array of public and private goods and services is too high relative to the population size. The array of goods and services become more affordable with a collective sharing arrangement that comes about with a larger population. Furthermore, for the purpose of determining the parameters of a country's absorptive capacity we will have to look more closely at the total benefit and

total cost functions.

As the number of persons permitted to share in the access of the goods and services increases the total benefit function will record three distinct phases i.e. an increase, a constant and a decreasing range. The decline in the total benefit function comes as a result of reaching a point of congestion and the magnitude of the benefits are not as large as they were for a smaller population size. That is why the total benefit curve has concave properties that suggest a degree of commonality in consumption.

With respect to the total cost function our ability to increase the population size serves to reduce the cost to each individual in the club up to a certain population size. Noting our original simplifying assumption of identical and symetrical cost sharing, the total cost curve therefore illustrates that total cost per person in the club will decline as more individuals join the group and opt for a cost-sharing arrangement.

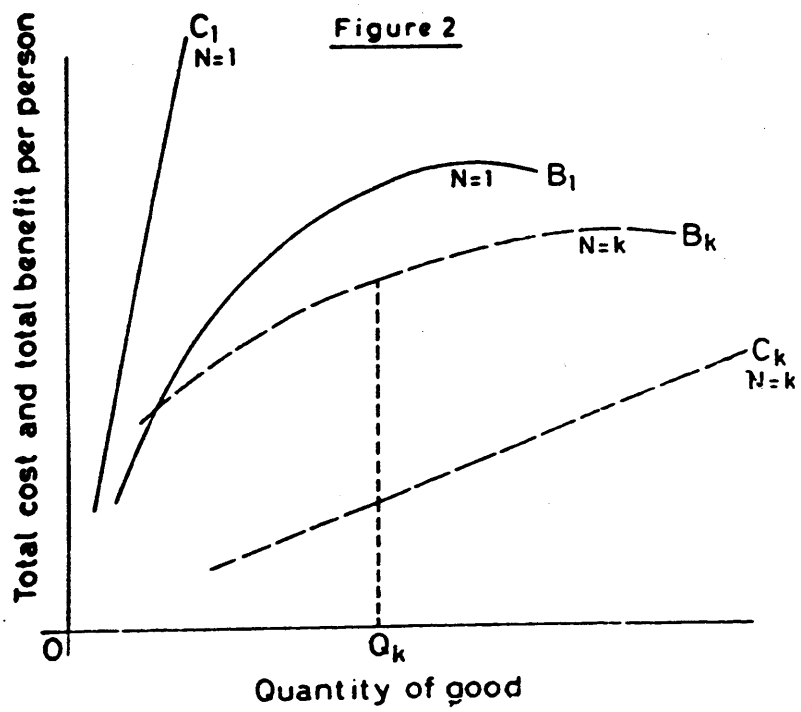
Buchanan concludes that:

> "For the given size of the facility, there will exist some optimal size of club. This is determined at the point where the derivatives of the total cost and total benefit functions are equal, shown as S, in Figure 1, for the one-unit facility. Consider

now an increase in the size of the facility. As before, a total cost curve and a total benefit curve may be derived, and an optimal club size determined."[1]

This latter observation has the potential capacity to incorporate prospective increases in financial and/or natural resource wealth.

In determining the optimal quantity of goods for different size clubs, a similar diagramatic framework to that used above can be used.



[1]Ibid, p. 8.

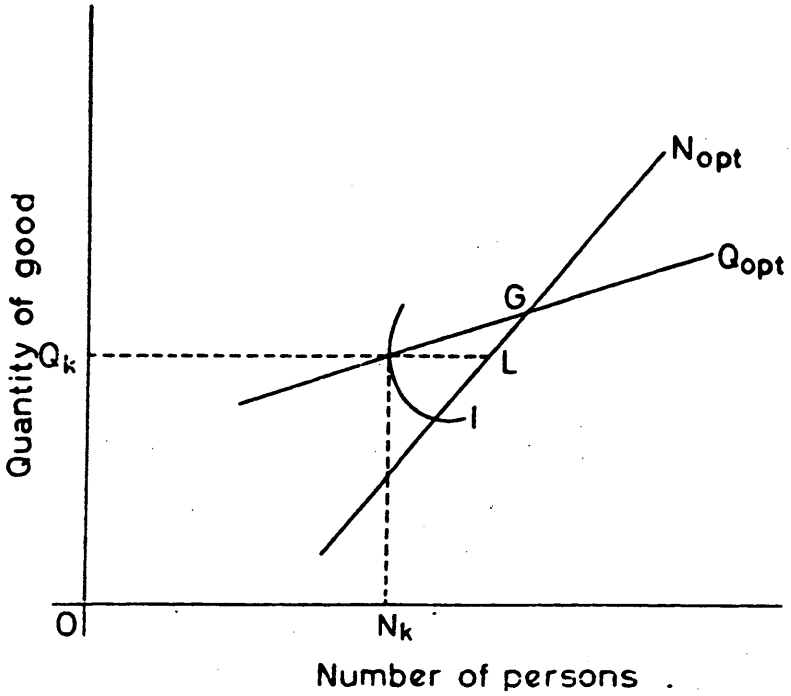
In figure 2 the horizontal axis measures physical size of the facility in the form of quantity of good. Furthermore for each assumed size of club membership we have a corresponding total cost and total benefit functions. Thus Buchanan concludes that:

> "If we first examine the single-member club, we may well find that the optimal goods quantity is zero; the total cost function may increase more rapidly than the total benefit function from the outset. However, as more persons are added, the total costs to the single person fall; under our symetrical sharing assumption, they will fall proportionately. The total benefit functions here will slope upward to the right but after some initial range they will be concave downward and at some point will reach a maximum. As club size is increased, benefit functions will shift generally downward beyond the initial non-congestion range, and the point of maximum benefit will move to the right. The construction of Figure 2 allows us to derive an optimal goods quantity for each size of club; Qk is one such quantity for club size N = k"[1].

[1] Ibid, pp. 8-9.

By combining the results of Figures 1 and 2 in Figure 3 here below

Figure 3



The two variables that are selected for our purpose are goods quantity measured on the vertical axis and the number of persons in the club measured on the horizontal axis. The curve N opt is derived from the values for optimal club size for each goods quantity. Whereas the curve Q opt is derived from the values for optimal goods quantity for each club size.

The intersection of the two curves N opt and Q opt determines the position of full equilibrium denoted in the diagram by G. The individual is in equilibrium both with respect to goods

quantity and to group size. If, for example, we limited the group size to below the equilibrium level than the attainment of equilibrium will propel the process until the equilibrium point G is reached. In this respect Buchanan concludes that:

> "Figure 3 may be interpreted as a standard preference map depicting the tastes of the individual for the two components, goods quantity and club size for the sharing of that good. The curves, N opt and Q opt are lines of optima, and G is the highest attainable level for the individual, the top of his ordinal utility mountain. Since these curves are lines of optima within an individual preference system, successive choices must converge in G."[1]

Income - price constraints are incorporated in the model in the preference map through the specific sharing assumptions that are made. The tastes of the individual reflect the post-payment or net relative evaluations of the two components of consumption at all levels.

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[1]Ibid, pp. 9-10.

Buchanan points out

> "It seems clear that under normal conditions both of the curves in Figure 3 will slope upward to the right, and that they will lie in approximately the relation to each other as therein depicted. This reflects the fact that, normally for the type of good considered in this example, there will exist a complementary rather than a substitute relationship between increasing the quantity of the good and increasing the size of the sharing group."[1]

It is now possible to draw all those facets of Buchanan's theory of clubs into one amalgamated graphical exposition with four quadrants. Quadrant IV indicates the equilibrium point where both provision and membership conditions are satisfied at the intersection of S opt and X opt curves. This analysis also clearly demonstrates the degree of interdependency between the membership and provision conditions. Our amalgamated figure emphasizes that these conditions must be mutually consistent if equilibrium is to be attained.

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[1]Ibid, p. 10.

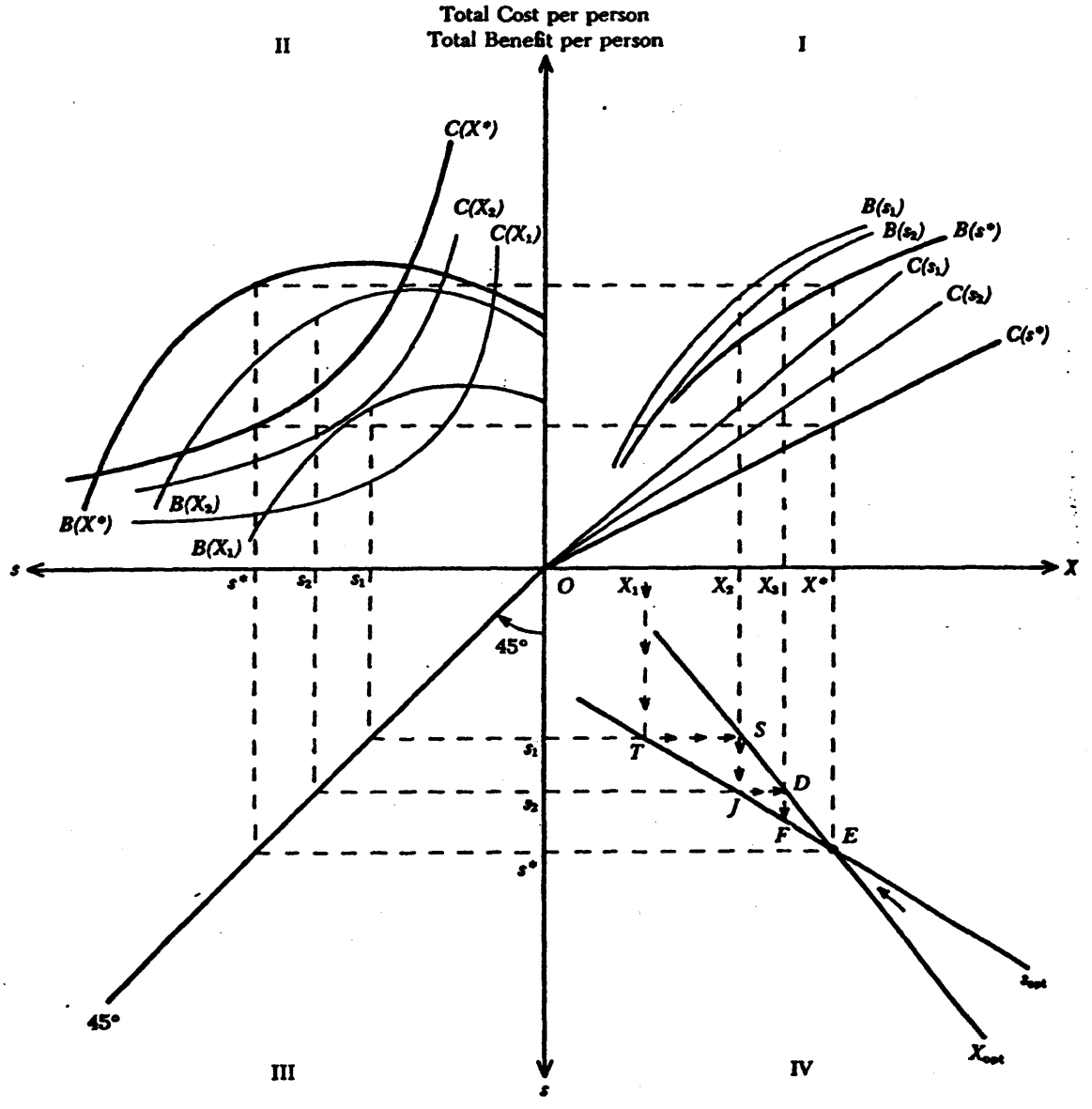
Total Cost per person
Total Benefit per person
II
I
III
IV
C(X*)
C(X₂)
C(X₁)
B(X*)
B(X₂)
B(X₁)
B(s₁)
B(s₂)
B(s*)
C(s₁)
C(s₂)
C(s*)
s
X
O
X₁
X₂
X₃
X*
s*
s₂
s₁
45°
S
T
D
J
F
E
s_opt
X_opt

Figure 4

The four-graph illustration here below is different from the preceding one in that it depicts the effect on the aggregate economy. An assumption contained in this figure is that each member utilizes the entire provision of the shared good. In quadrants I and II the horizontal axis measures the net aggregate benefits of the club while the vertical axis measures output and membership. The net benefit curves NB, in quadrant I demonstrate that net benefits from increased facility size will in due course attain a maximum because of increasing marginal costs and diminishing marginal benefit whenever membership size is fixed. For quadrant II, net benefits from an expanded membership attain a maximum owing to crowding when the facility size is held constant. The optimal points in quadrant I correspond to the points on the X_{opt} curve, and those in quadrant II correspond to the S_{opt} curve. Similar to the previous exercise equilibrium is reached at point E where the S_{opt} and X_{opt} curves intersect.

In conclusion, having recourse to Buchanan's conceptual framework and graphical exposition provides us with a more explicit and

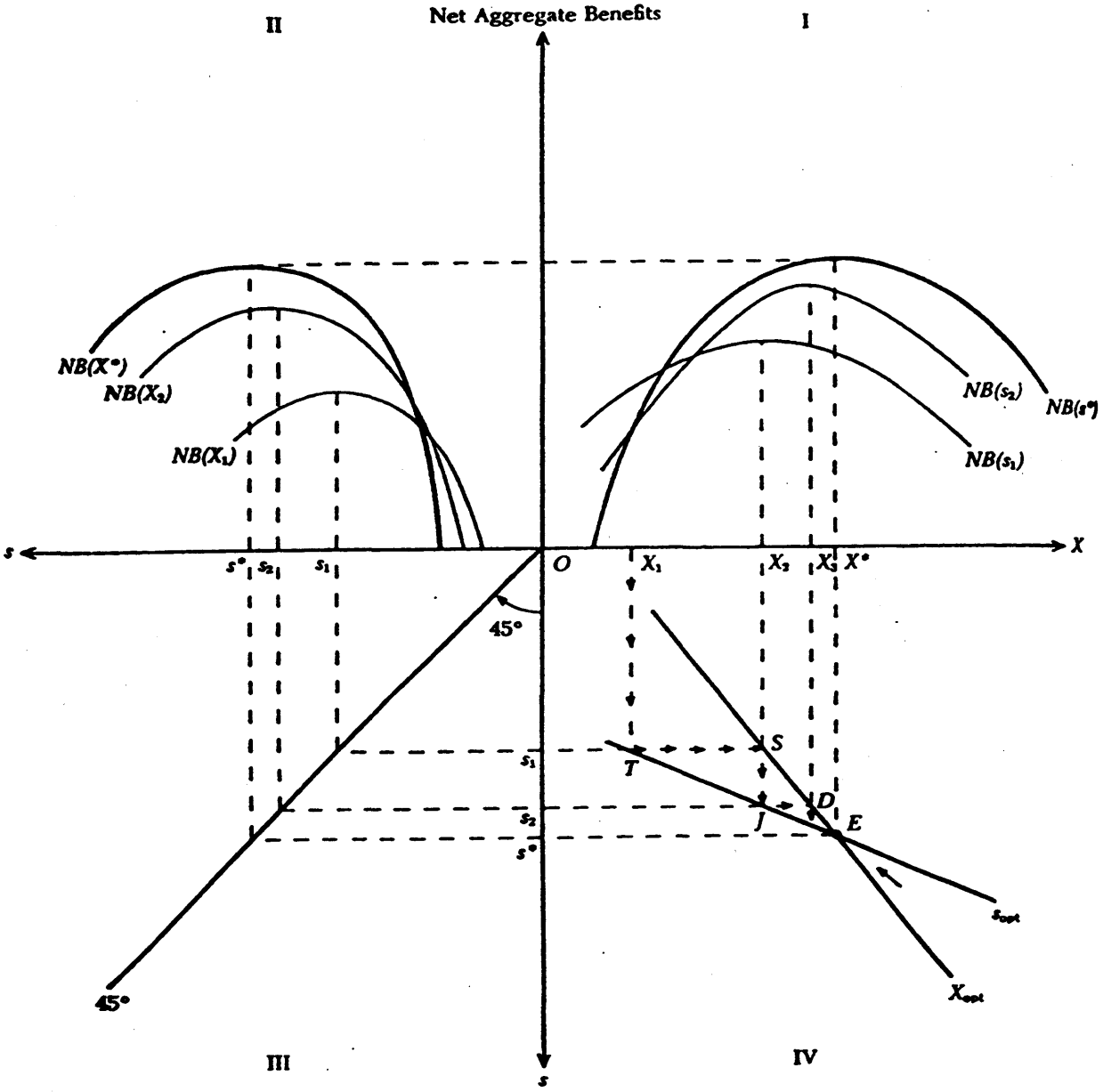
II
Net Aggregate Benefits
I
NB(X*)
NB(X₂)
NB(X₁)
NB(s₂)
NB(s*)
NB(s₁)
s
X
s*
s₂
s₁
O
X₁
X₂
X₃
X*
45°
S
T
D
J
E
s₁
s₂
s*
s_opt
X_opt
45°
III
IV
s

Figure 5

detailed theoretical foundation in order to determine the economic parameters for the concept of absorptive capacity. In particular, it provides us with an economic yardstick by which to assess the economic costs and benefits of increases in population size.

CHAPTER V
THE PUBLIC POLICY PARAMETERS OF CANADA'S IMMIGRATION POLICY

Introduction

To a large extent, the degree to which immigration was allowed to influence the fabric of Canadian society and provide the momentum for economic growth and development was prescribed by the scope and substance of Canada's immigration policy and legislation. A review of the evolution of Canada's immigration policy and legislation is therefore an essential prerequisite towards a broader understanding and a more incisive appreciation regarding the role and impact of immigration to Canada. Furthermore, such a review would magnify and underline the extent to which economic considerations and economic conditions in Canada have influenced the direction and composition of this country's immigration program.

The Roots of Migration Policy

Immigrant receiving and emigrant sending countries have from time immemorial exercised the right to control the flow of migrants by adjudicating policies and enacting legislation aimed at preventing or promoting migration. An historical overview of migration policy and legislation will clearly reveal that in the past, as is the case in the modern context, policies aimed at promoting immigration appear to have been more successful than measures to prevent it. Efforts towards the implementation of promotional and selective migration programs can be traced to Plato who attracted the talented young men from the Greek islands to come and study under him in Athens. The Ptolemies enticed the learned men of the period to emigrate to Alexandria.

Furthermore, a form of promotional migration policy became manifest in Italy during the early days of university development when city states competed vigorously for the faculty and students of one university and enticed them to relocate in another city state. Canada has also espoused promotional migration policies particularly during the early 1900's when government programs were implemented in order to entice immigrant farmers to settle in the Canadian west. On the other hand, attempts to curtail and prevent immigration usually lead to the emergence of illegal migrants, as is evidenced in the contemporary context in the case of Mexican illegal migrations to the United States of America.

In the modern context, the flow of individuals and their families across international borders is regulated by the legislative framework and enforced by the governments in power of each country. This flow of people may take several forms, e.g. tourists, students, business travel, trade missions, conference and convention travel and international migrants. It is worth noting that international migrants usually consist of either permanent settlers, temporary workers, refugees, or illegal aliens.

The theoretical foundation for the emergence of immigration policy and legislation rests with the principle that every country has the right to determine who will be admitted within its national borders and furthermore to select from amongst those expressing an interest in emigrating only those that it deems would make suitable citizens from an economic, social, and political perspective. Indeed, the criteria that have been established for the selection process

by most immigrant receiving countries at one point or another, have included geographical, racial, religious, ethnic and cultural considerations as well as domestic, economic, social and political conditions. Canada is one of those immigrant receiving countries that has historically exercised its right to monitor and control the flow of immigrants into this country. Perhaps the most explicit illustration of this matter was expressed by Prime Minister W. L. MacKenzie King when he stated that

> "Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a 'fundamental human right' of any alien to enter Canada. It is a privelege. It is a matter of domestic policy. Immigration is subject to the control of the parliament of Canada."[1]

The Focus of Canada's Immigration Policy

Canada's immigration policy and legislation reflect this country's preoccupation with using immigration as a tool to enhance Canada's economic growth and development. There is no denying that Canada's immigration policy and program have had an historical and traditional economic focus in their scope and substance. This focus can be summarized in three principal categories. First, immigration has been considered an effective means for expanding Canada's population at a faster rate than would accrue through the natural increase process and hence deriving the economic benefits of a larger population more instantaneously. Second, immigration has been relied upon to supplement and complement the domestic labour force not solely in a quantitative manner, i.e. by numerical additions to the labour force, but also qualitatively in

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1 Canada, House of Commons Debates, May 1, 1947, p. 2646

the form of increasing the domestic supply of specialized skills and expertise through the process of selective immigration and consequently eliminating or at least reducing the probability of labour shortages in certain occupational categories and curtailing the possibility of production bottlenecks. This distinction between the quantitative and qualitative role of immigrant labour is an important one because even when the door of immigration to Canada was closed it was never slammed shut but rather was always left slightly ajar in order to accommodate the manpower demands of the domestic economy for certain occupational groups. Thus, even when economic conditions were such that unemployment was high and public opinion had turned against the influx of immigrants; nevertheless, even during those times of economic malaise and public adversity those prospective immigrants who possessed needed skills and expertise that were required to fill job vacancies that could not be filled with the domestic labour force, were admitted. Third, immigration has been and continues to be perceived as an economic tool that would facilitate, sustain and enhance the process of economic growth and development as the economy evolved through various stages of structural change. For example, immigration to Canada provided the impetus for the growth and development of the Canadian economy from a relatively under-developed economy based on fish, fur and lumber, to the emergence of a strong and economically viable agricultural sector in the early 1900's that proved to be the basis of unprecedented economic growth, to the broadening of the industrial structure and the attainment of a level of economic maturity that has characterized the Canadian economy in the post World War II period.

Perhaps the two most prevalent fundamental characteristics that have defined the scope and substance of Canada's immigration policy are the overriding paradigm that immigration to Canada was a privelege and not a right and as such the government exercised its control over immigration by screening and selecting only those deemed suitable for admission to Canada. Second, Canada's immigration programme has historically been closely tied to economic factors and has responded to the changing structure of the Canadian economy. As such Canada's immigration policy has been greatly influenced by manpower considerations. In the final analysis therefore, immigration to Canada, in terms of policy, substance, and composition has always had a pronounced economic thrust and direction.

Immigration and Canadian Public Policy

The public policy parameters that have defined the scope and substance of Canada's immigration program have been sensitive to economic forces and responsive to domestic economic considerations. There is no doubt that immigration was perceived as one of the components of Canada's overall public policy approach aimed at enhancing this country's economic well-being. This is especially true of the short term focus that was incorporated in Canada's immigration policy. Regretably, however, the longer term ramifications were largely neglected and ignored. Indeed, it is abundantly clear that the long term economic goals of Canada's public policy were not systematically included within the focus of Canada's immigration policy and legislation.

An essential element of public policy formulation, is that it is seldom formulated in a vacuum. On the contrary, it is usually the end product of a compromise that is achieved subsequent to the push and pull of diverse special interest groups and reflective of the mood of public opinion. Corbett has charismatically described the various forces and elements impacting upon the evolution of Canada's immigration policy in this manner:

> "A national government dealing with immigration policy is like a ship buffeted by contrary winds. Labour blows one way and employers another; French Canadians puff up a powerful blast against the prevailing English speaking majority; various nationality associations exert their pressures; and a chill draught of prejudice against foreigners comes from some of the old stock."[2]

There is no denying that public opinion in Canada has been a forceful element in directing the course of Canada's immigration policy and program. In the same breath, it is essential that we underline the fact that public opinion vis à vis immigration is basically molded by the prevailing economic conditions. For example, it is not entirely coincidental that during periods of prolonged economic malaise illustrated in the form of high rates of unemployment and declining incomes that public opinion merges against immigration and this induces a restrictive immigration policy posture. On the other hand, during periods of economic boom reflected in low unemployment levels and rising incomes, especially when there is no immediate threat to an individual's income, livelihood and job security, then the public reaction is for higher levels of immigration characterized by an expansionary immigration policy that will sustain economic prosperity.

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[2]D. C. Corbett, Canada's Immigration Policy: A Critique, Toronto: University of Toronto Press, 1957, p. 37

The paramount importance designated to the economic role and benefits from immigration within the parameters of Canadian public policy is clearly reflected in the observation that during periods when public opinion with respect to immigration was extremely hostile the thrust of Canada's immigration program was toned down but never completely shut down or brought to a standstill. This feature of Canadian immigration policy is not without significance in that it underlines the economic importance and reflects the vital role of immigration in meeting labour shortages, eliminating production bottlenecks and initiating or sustaining the process of economic growth and development. This is amply illustrated by the fact that even when a restrictionary immigration policy was implemented, the influx of immigrants in the family class was never completely halted with the explanation that their arrival would generate consumer expenditures for Canadian products and services which in turn would create employment and incomes. Furthermore, even during an economic downturn, the Canadian economy has relied upon immigrant entrepreneurs for the introduction of foreign investment and the creation of new enterprises that would generate jobs and incomes to the domestic economy. Finally, it is characteristic to observe that even during periods of high unemployment, Canada has experienced a shortage in the supply for certain professions, skills or specialized expertise. These labour shortages in certain occupational categories have continuously been met by immigrant manpower.

What has generally been absent from the immigration component of Canada's public policy focus has been a comprehensive and integrated approach. In this respect from an historical perspective, immigration has generally been called upon to provide fairly instantaneous solutions to immediate economic problems. A longer term framework that would articulate the role of immigration within Canadian public policy has not been satisfactorily formulated. What is also lacking is an ongoing and systematic assessment of the inter-relationship and overlap with other government policies and programs. For example, the immigration component of Canada's public policy has fundamental complementary overtones in purpose and direction with this country's population policy, economic policy, social policy, foreign policy, cultural and linguistic policy, labour policy, manpower planning and national and regional economic development. There is no doubt that an integrated and co-ordinated approach would enhance the effectiveness and efficiency in the formulation and administration of Canada's public policy in all of the forementioned areas.

Despite the important economic role that immigration has been called upon to perform it has never been perceived as an influential or prestigious component of public policy or the public service. This was clearly articulated by Ellen Fairclough, Minister for Citizenship and Immigration (1958-1962) when she reflected that

> "during her tenure of office, Cabinet and senior officials in the public service regarded immigration as a necessary evil. They showed no enthusiasm for it. It was felt to be an exceedingly touchy, difficult area in which there were a great many awkward political pressures. It was never seen as a prestigious activity."[3]

It is also interesting to note that in the early period of Canada's nationhood responsibility for this country's immigration program was buffeted from one government department to the next in response to the economic opportunities that were perceived by linking immigration to Canada's economic development.

With the advent of Confederation in 1867, it was the Department of Agriculture that had jurisdiction over immigration matters until 1892. From 1892 up to 1917, Canada's immigration program was enforced by the Department of the Interior. In 1917 the Department of Immigration and Colonization was formed. The late 1930's saw an increasingly important economic role for Canada's mineral resources. It is therefore not surprising that in 1936 the former Departments of Immigration and Colonization, Indian Affairs, and Interior were transferred under the jurisdiction of the Department of Mines and Resources. In 1949, the Department of Citizenship and Immigration was created. The economic role of immigration in supplementing and complementing Canada's domestic labour force was formally and publicly acknowledged in the formation of the Department of Manpower and Immigration in1966 by combining the Immigration Branch

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[3]F. Hawkins, Canada and Immigration, 1972, p. 136

of the former Department of Citizenship and Immigration and certain components of the Department of Labour. In 1977, the Unemployment Insurance Commission was merged with the Department of Manpower and Immigration to form the Canada Employment and Immigration Commission. Table 1 illustrates the shift in responsibility for the immigration portfolio among government ministries.

Canada's Immigration Program

Canada's immigration program delineates three distinct categories of international migrants. These are the economically motivated applicants which include the entrepreneurial and investor category, relatives and nominated migrants, and refugees. It is important to note,however, that the volume of migrants admitted under each category or the enthusiasm reflected in Canada's immigration policy and legislation for each separate category has peaked and ebbed in response to domestic and international economic, social and political considerations.

There is no denying that Canada's immigration policy and legislation has persistently demonstrated a determination to control the entry of individuals and to be selective in order to ensure that those admitted are not public charges and the country's absorptive capacity for immigrants is aligned with the volume and occupational affiliations of those selected for permanent residence in Canada. This is especially true of the parameters of control and selectivity applied to independent applicants (i.e. those who have no relatives or sponsors in Canada) and fall under the jurisdiction of the economically motivated category. The perceived economic role and benefits from independent applicants are clearly illustrated in the selection criteria that have been enforced throughout Canada's immigration program. The basic tenet of the selection criteria is an attempt to

TABLE 1

CANADIAN MINISTERS RESPONSIBLE FOR IMMIGRATION SINCE CONFEDERATION

First Ministry: Liberal-Conservative, July 1, 1867 - November 5, 1873
Prime Minister: Sir John Alexander Macdonald

Minister of Agriculture:	Jean-Charles Chapais	July 1, 1867-Nov. 15, 1869
Minister of Agriculture:	Christopher Dunkin	Nov. 16, 1869-Oct. 24, 1871
Minister of Agriculture:	John Henry Pope	Oct. 25, 1871-Nov. 5, 1873

Second Ministry: Liberal, November 7, 1873 - October 8, 1878
Prime Minister : Alexander Mackenzie

Minister of Agriculture:	Luc Letellier de St -Just	Nov. 7, 1873-Dec. 14, 1876
Minister of Agriculture: (Acting)	Isaac Burpee	Dec. 15, 1876-Jan. 25, 1877
Minister of Agriculture:	Charles Alphonse P. Pelletier	Jan. 26, 1877-Oct. 8, 1878

Third Ministry: Liberal-Conservative, October 17, 1878 - June 6, 1891
Prime Minister: Sir John Alexander Macdonald

Minister of Agriculture:	John Henry Pope	Oct. 17, 1878-Sept. 24, 1885
Minister of Agriculture:	John Carling	Sept.25, 1885-June 6, 1891

Fourth Ministry: Liberal-Conservative, June 16, 1891 - November 24, 1892
Prime Minister : Sir John Joseph Caldwell Abbott

Minister of Agriculture:	John Carling	June 16, 1891-Nov. 24, 1892

Fifth Ministry: Liberal-Conservative, December 5, 1892 - December 12, 1894
Prime Minister: Sir John Sparrow David Thompson

Minister of the Interior:	Thomas Mayne Daly	Dec. 5, 1892 - Dec. 12, 1894

Sixth Ministry: Liberal-Conservative, December 21, 1894 - April 27, 1896
Prime Minister: Sir Mackenzie Bowell

Minister of the Interior:	Thomas Mayne Daly	Dec.21, 1894 - April 27, 1896

Seventh Ministry: Liberal-Conservative, May 1, 1896 - July 8, 1896
Prime Minister : Sir Charles Tupper

Minister of the Interior:	Hugh John Macdonald	May 1, 1896 - July 8, 1896

Canadian Ministers Responsible for Immigration Since Confederation
Table 1 continued

Eighth Ministry: Liberal, July 11, 1896 - October 6, 1911
Prime Minister : Sir Wilfrid Laurier

Minister of the Interior(Acting):	Richard William Scott	July 17, 1896 - Nov. 16, 1896
Minister of the Interior:	Clifford Sifton	Nov. 17, 1896 - Feb. 28, 1905
Minister of the Interior(Acting):	Sir Wilfrid Laurier	Mar. 13, 1905 - Apr. 7, 1905
Minister of the Interior:	Frank Oliver	Apr. 8, 1905 - Oct. 6, 1911

Ninth Ministry: Conservative, October 10, 1911 - October 12, 1917
Prime Minister: Sir Robert Laird Borden

Minister of the Interior:	Robert Rogers	Oct. 10, 1911 - Oct. 28, 1912
Minister of the Interior:	William James Roche	Oct. 29, 1912 - Oct. 12, 1917

Tenth Ministry: Unionist, October 12, 1917 - July 10, 1920
Prime Minister: Sir Robert Laird Borden

Minister of Immigration & Colonization:	James Alexander Calder	Oct. 12, 1917 - July 10, 1920

Eleventh Ministry: Unionist, July 10, 1920 - December 29, 1921
Prime Minister: Arthur Meighen

Minister of Immigration & Colonization:	James Alexander Calder	July 10, 1920 - Sept. 20, 1921
Minister of Immigration & Colonization:	John Wesley Edwards	Sept. 21, 1921 - Dec. 29, 1921

Twelfth Ministry: Liberal, December 29, 1921 - June 28, 1926
Prime Minister: William Lyon Mackenzie King

Minister of Immigration & Colonization (Acting) :	Hewitt Bostock	Jan. 3, 1922 - Feb. 2, 1922
Minister of Immigration & Colonization (Acting) :	Charles Stewart	Feb.20, 1922 - Aug.16, 1923
Minister of Immigration & Colonization :	James Alexander Robb	Aug.17, 1923 - Sept.4, 1925
Minister of Immigration & Colonization :	George Newcombe Gordon	Sept.7, 1925 - Nov.12, 1925
Minister of Immigration & Colonization (Acting) :	Charles Stewart	Nov.13, 1925 - June 28, 1926

Canadian Ministers Responsible for Immigration Since Confederation
Table 1 continued

Thirteenth Ministry: Conservative, June 29, 1926 - September 25, 1926
Prime Minister: Arthur Meighen

Minister of Immigration & Colonization (Acting) :	Robert James Manion	June 29, 1926 - July 12, 1926
Minister of Immigration & Colonization (Acting) :	Sir Henry Lumley Drayton	July 13, 1926 - Sept.25, 1926

Fourteenth Ministry: Liberal, September 25, 1926 - August 7, 1930
Prime Minister: William Lyon Mackenzie King

Minister of Immigration & Colonization :	Robert Forke	Sept.25, 1926 - Dec. 29, 1929
Minister of Immigration & Colonization (Acting) :	Charles Stewart	Dec. 30, 1929 - June 26, 1930
Minister of Immigration & Colonization :	Ian Alistair Mackenzie	June 27, 1930 - Aug. 7, 1930

Fifteenth Ministry: Conservative, August 7, 1930 - October 23, 1935
Prime Minister: Richard Bedford Bennett

Minister of Immigration & Colonization :	Wesley Ashton Gordon	Aug. 7, 1930 - Oct. 23, 1935

Sixteenth Ministry: Liberal, October 23, 1935 - November 15, 1948
Prime Minister: William Lyon Mackenzie King

Minister of Immigration & Colonization :	Thomas Alexander Crerar	Oct. 23, 1935 - Nov. 30, 1936
Minister of Mines & Resources:	Thomas Alexander Crerar	Dec. 1, 1936 - Apr. 17, 1945
Minister of Mines & Resources:	James Allison Glen	Apr. 18, 1945 - June 10, 1948
Minister of Mines & Resources:	James Angus MacKinnon	June 11, 1948 - Nov. 15, 1948

Seventeenth Ministry: Liberal, November 15, 1948 - June 21, 1957
Prime Minister: Louis Stephen St -Laurent

Minister of Citizenship and Immigration:	Walter Edward Harris	Jan. 18, 1950 - June 30, 1954
Minister of Citizenship and Immigration:	John Whitney Pickersgill	July 1, 1954 - June 21, 1957

Canadian Ministers Responsible for Immigration Since Confederation
Table 1 continued

Eighteenth Ministry: Conservative, June 21, 1957 - April 22, 1963
Prime Minister: John George Diefenbaker

Minister of Citizenship and Immigration (Acting):	Edmund Davie Fulton	June 21, 1957 - May 11, 1958
Minister of Citizenship and Immigration:	Ellen Louks Fairclough	May 12, 1958 - Aug. 8, 1962
Minister of Citizenship and Immigration:	Richard Albert Bell	Aug. 9, 1962 - Apr.22, 1963

Nineteenth Ministry: Liberal, April 22, 1963 - April 20, 1968
Prime Minister: Lester Bowles Pearson

Minister of Citizenship and Immigration:	Guy Favreau	Apr. 22, 1963 - Feb. 2, 1964
Minister of Citizenship and Immigration:	René Tremblay	Feb. 3, 1964 - Feb.14, 1965
Minister of Citizenship and Immigration:	John Robert Nicholson	Feb. 15, 1965 - Dec.17, 1965
Minister of Citizenship and Immigration:	Jean Marchand	Dec. 18, 1965 - Sept. 30, 1966
Minister of Manpower and Immigration:	Jean Marchand	Oct. 1, 1966 - Apr. 20, 1968

Twentieth Ministry: Liberal, April 20, 1968 - June 3, 1979
Prime Minister: Pierre Elliott Trudeau

Minister of Manpower and Immigration:	Jean Marchand	Apr. 20, 1968 - July 5, 1968
Minister of Manpower and Immigration:	Allan Joseph MacEachen	July 6, 1968 - Sept.23, 1970
Minister of Manpower and Immigration:	Otto Emil Lang	Sept. 24,1970 - Jan. 27, 1972
Minister of Manpower and Immigration:	Bryce Stuart Mackasey	Jan. 28,1972 - Nov. 26, 1972
Minister of Manpower and Immigration:	Robert Knight Andras	Nov. 27,1972 - Sept.13, 1976
Minister of Manpower and Immigration:	Jack Sydney George Cullen	Sept. 14,1976 - Aug. 14, 1977
Minister of Employment & Immigration:	Jack Sydney George Cullen	Aug. 15,1977 - June 3, 1979

Twenty-First Ministry: Progressive Conservative, June 4, 1979 - March 2, 1980
Prime Minister: Charles Joseph Clark

Minister of Employment & Immigration:	Ronald George Atkey	June 4, 1979 - March 2, 1980

Canadian Ministers Responsible for Immigration Since Confederation
Table 1 continued

Twenty-Second Ministry:	**Liberal, March 3, 1980 - June 29, 1984**	
Prime Minister:	**Pierre Elliott Trudeau**	
Minister of Employment & Immigration:	**Lloyd Axworthy**	**Mar. 3, 1980-Aug. 11, 1983**
Minister of Employment & Immigration:	**John Roberts**	**Aug. 12, 1983-June 29, 1984**
Twenty-Third Ministry:	**Liberal, June 30, 1984 - Sept. 16, 1984**	
Prime Minister:	**John Napier Turner**	
Minster of Employment & Immigration:	**John Roberts**	**June 30, 1984-Sept. 16, 1984**
Twenty-Fourth Ministry:	**Conservative, Sept. 17, 1984 - June 24, 1993**	
Prime Minister:	**Martin Brian Mulroney**	
Minister of Employment & Immigration:	**Flora Isabel MacDonald**	**Sept. 17, 1984-June 29, 1986**
Minister of Employment & Immigration:	**Benoit Bouchard**	**June 30, 1986-Mar. 30, 1988**
Minister of Employment & Immigration:	**Barbara Jean McDougall**	**Mar. 31, 1988-Apr. 20, 1991**
Minister of Employment & Immigration:	**Bernard Valcourt**	**Apr. 21, 1991-June 24, 1993**
Twenty-Fifth Ministry:	**Conservative, June 25, 1993-Nov. 3, 1993**	
Prime Minister:	**Kim Campbell**	
Minister of Public Security:	**Doug Lewis**	**June 25, 1993-Nov. 3, 1993**
Twenty-Sixth Ministry:	**Liberal, Nov. 4, 1993-**	
Prime Minister:	**Joseph Jacques Jean Chretien**	
Minister of Citizenship & Immigration:	**Sergio Marchi**	**Nov. 4, 1993-**

Sources: Guide to Canadian Ministries since Confederation: July 1, 1867 - February 1, 1982 (Ottawa, 1982); Department of Citizenship and Immigration, Government of Canada (Ottawa, 1995)

match the occupational skills and economic potential of prospective migrants in this category with the changing and evolving labour requirements of the Canadian economy. The economically motivated category has been and continues to be an important component of Canada's immigration program in terms of enhancing the human capital stock of the domestic labour force. More specifically, Canada has in the past and continues up to the present time, to depend on immigrant workers in order to secure new skills for the purpose of fulfilling the labour demand requirements that occur during structural changes in the economy. In this context, access to immigrant labour performs a vital economic function that eliminates labour supply shortages and prevents production bottlenecks. Immigrant labour has therefore performed the role of an economic conductor that facilitates immediate access to the specialized skills and expertise that are needed when new industries are being established.

In general, the independent category of immigrant admissions has been relied upon to supplement and complement the domestic labour force in a quantitative and a qualitative manner. This may take the form of unskilled labour as well as highly specialized and professional categories of labour which are in very short supply in Canada or are not yet available because the numbers required are small and the costs related to their education and training too high to make them economical.

Canada's immigration program also has a social and humanitarian dimension. This is clearly demonstrable in Canada's family class and nominated category as well as in its refugee admissions. It is important to note, however, that even those programs have imparted favourable economic consequences on the Canadian economy. There is no denying the economic significance of the human capital transfer embodied in refugee movements to Canada.

Immigration usually induces the separation of families by geographic distance. This is especially the case when an income earner decides to emigrate and leave the rest of his family behind until he/she has established a firm financial foothold. Canada's family reunification policy rests with the belief that the presence of family members provides emotional support and helps people to settle satisfactorily in a new environment. This category therefore encourages the process of family reunification. There is no negating, however, the boost to consumer expenditures particularly of durable goods that occurs as a consequence of the arrival of this category of immigrant.

The refugee category acknowledges Canada's obligations and responsibilities to the international community. Although refugees have been admitted to Canada well before the adjudication of a separate refugee category, in the 1976 Immigration Act, historically, the distinction between refugees and economically motivated migrants has been a blurred one at best. This is because the admission of refugees in Canada was not perceived as a country of temporary asylum but rather a permanent resettlement program. As such, care was exercised to select those refugees who

would not become an economic burden but who possessed the occupational qualities that would enable them to become easily and readily absorbed in the work force and to become self-supporting shortly after their arrival in Canada.

An interesting observation that should be made with respect to Canada's immigration program is the role of successive waves of immigrants in inducing a multicultural, multiracial, multilinguistic and multireligious society. Historically, great care had been exercised to maintain the cultural homogeneity of the Canadian population in the form of the western-European image. Indeed this had been achieved by relying on a policy thrust and immigration legislation that incorporated ethnocultural preferences. This included legislation that prescribed a Chinese head tax and an attempt to bar immigration from Asia through legislation that required immigrants to arrive in Canada by means of a continuous journey. More recenty the less than enthusiastic response that Jewish immigrants and refugees received from immigration officials during and immediately after the second World War attests to the discriminatory thrust of Canada's immigration program at that time. Another form of subtle discrimination that has been practised by Canada's immigration program is in the number and location of immigration offices in various countries around the world. The preference for immigrants from some countries is reflected in the larger number of immigration offices and staff members in some countries and not in others. The rapidly changing labour requirements of the Canadian economy as a consequence of structural changes, however,

necessitated a more universalistic policy of immigrant admissions and resulted in a more pronounced ethnocultural diversity in the composition of immigrant admissions since the late 1960's.

The Tools of Canadian Immigration Policy

Commencing with the premise that entry into Canada is a privilege and not a right, this country's immigration policy and legislation has essentially defined who should be admitted and who should be prohibited. The federal government has two principal tools at its disposal for the purpose of formulating and adjudicating Canada's immigration policy and legislation. These tools are first federal statutes known as Immigration Acts and second cabinet directives or immigration regulations that appear in the form of Orders-in-Council. Canada's immigration program falls under the legal jurisdiction of the Immigration Act. Historically successive Immigration Acts have been the instrument through which the federal governments' broad objectives vis-à-vis immigration have been spelled out. For example, Canadian Immigration Acts have adjudicated who will be admitted and who shall be excluded from entry, the location of immigration offices abroad, and the powers afforded the minister responsible for immigration in order to make day-to-day decisions.

In practice, however, successive federal governments have found it more expedient and less cumbersome to use Orders-in-Council (i.e. immigration regulations approved by cabinet) rather than statutes in order to articulate and enforce the government's directives regarding who shall be admitted. This accommodation was necessary because of the expressed concern with economic forces of a short-term perspective that

Canadian immigration policy has persistently adhered to. Hence, government regulations defined the process that allowed immigration to play the role of an economic catalyst by bridging the gap between the demand for labour with the supply short-fall of the domestic labour force.

Because the changing and evolving requirements of the Canadian labour market had to be provided for expeditiously, the cumbersome and time consuming Parliamentary procedures required to change an Act made that particular vehicle very unsatisfactory for the purpose of implementing an immigration policy that was subject to frequent revisions, modifications and alterations. Orders-in-Council, on the other hand, were more amenable and maleable for the purpose of initiating changes and issuing new government directives that would lead to new policy thrusts being implemented and enforced without delay.

In short, economic considerations have in large measure necessitated the more frequent use of Orders-in-Council rather than Immigration Acts for the purpose of adjudicating and implementing Canada's immigration policy. Indeed, it is abundantly clear in view of the vital economic role that immigration was called upon to perform that it was not simply a matter of chance that in the course of over a century since Confederation, Canada has legislated only five major Immigration Acts while at the same time it has adjudicated a large number and a steady flow of Orders-in-Council in the form of immigration regulations that prescribed some very drastic shifts in the scope and substance of Canada's immigration policy. Furthermore, the choice of Orders-in-Council rather than Immigration Acts amply illustrates the short term perspective inherent in the conduct of Canada's immigration policy.

CHAPTER VI

THE ECONOMIC FOUNDATIONS OF CANADA'S IMMIGRATION LEGISLATION

Introduction

In the ensuing pages we will examine and analyse Canada's immigration legislation. It will soon become apparent that immigration legislation in this country was propelled by economic concerns and considerations. The common denominator in Canada's immigration legislation has always been to ensure that immigrants bestow and generate economic benefits to their adopted country. In the period preceding the second World War this was achieved by preventing the admission of prospective immigrants unlikely to make a positive economic contribution who would end up as public charges. In the post second World War period fine tuned selection criteria ensured that only prospective immigrants with desirable human capital endowments and needed employment and occupational attributes would be selected for admission as immigrants to Canada. Our analysis begins with the period before Confederation when the British Colonial Office had responsibility for establishing and administering immigration policy for British North America.

Pre-Confederation Immigration Legislation

The first legislative measure dealing with immigration was enacted in the first Parliament of Lower Canada in 1794. The Act Representing Aliens was directed primarily at American subjects rather than European immigrants and provided for the screening and examination of prospective immigrants on political grounds. Under this Act, Commissioners were appointed and given discretionary powers to examine at the border and reject

those who seemed unlikely to become loyal and suitable settlers. A similar Act entitled "The Aliens Act of Nova Scotia" was passed in 1798.

Other early measures had their origin in the conditions of ocean transportation. Regulations with respect to transport conditions from Britain to the North American colonies began in 1803 with the Passenger Vessels Act. An Act was passed in Nova Scotia in 1828 which provided that no passenger could be landed until the Master of the vessel had entered a bond of £10 for every person who within a year became a public charge because of ill health and advanced age. Subsequent legislation by Nova Scotia, New Brunswick and Lower Canada, imposed a head tax on every immigrant and the funds were used for the care of the sick and destitute coming off the ships as well as providing for their transportation to their ultimate destinations.

Upper and Lower Canada

On September 18, 1841 an Upper and Lower Canada Bill (those two provinces had formed a political union in 1840) was passed creating a fund for needy immigrants and imposing a uniform immigrant tax on all masters of vessels. A subsequent Bill on March 27, 1848, increased this tax and levied additional duties in certain cases; it stipulated in addition that the master was to report physically defective persons or those likely to become public charges and bonds were to be placed on behalf of such people.

It is worth noting that the beginning of an immigration service in Canada had its origins in the pre-Confederation period. In 1827 the Colonial Office appointed a Chief Agent at Quebec. A description of his duties and activites gives the substance of certain activities and services rendered by immigration officers to this very day. The agent's job description encompassed such duties as

> "...to receive emigrants on landing, give out landing money, if any, clothe and feed the starving, hear complaints and bring proceedings against defaulting shipmasters, keep in touch with those needing employment,help the newcomers to find their friends and tranship them to their destination and have all carefully recorded. He exceeded his official duties by compiling valuable information regarding available locations, state of roads, distances and expenses. He invited land owners to register their saleable property with him. His office became an indispensable clearing house for distressed and anxious strangers and saved them from being exposed to the gross misrepresentations of the land jobbers."[1]

The agent also instituted information bureaus along the routes to the West to advise intending colonists and provide shelter to the sick while travelling. This period also saw the introduction of pamphlets that disbursed information on settlement matters.

In 1850 the emigrant agent was given more extensive powers. More specifically, he was now authorized to determine whether an immigrant was likely to become a public charge and to determine the amount of the bond to be placed by the Masters of the vessel. The newly instituted Bureau of Agriculture

[1] Immigration Branch, Department of Citizenship and Immigration, mimeographed notes, Evolution of the Immigration Act, Ottawa, September 1, 1962, p.2.

was charged in 1852 with the duty of encouraging immigration. The final Act dealing with immigration prior to Confederation was passed by the Legislature in 1864. The Act of 1864, which amended the 1854 consolidation, provided that the Governor-in-Council might designate landing places and formulate regulations affecting immigration.

The Post-Confederation Period

The legislative foundation for Canada's immigration policy and legislation in the post-Confederation period was section 95 of the British North America Act. Section 95 remains the applicable section granting jurisdiction over immigration matters subsequent to the repatriation of the consititution and the proclamation of the Constitution Act of 1982. This section specifies that:

Agriculture and Immigration

> "In each Province the legislature may make laws in relation to Agriculture in the Province, and to Immigration into the Province; and it is hereby declared that the Parliament of Canada may from time to time make laws in relation to Agriculture in all or any of the Provinces, and to immigration into all or any of the Provinces; and any Law of the Legislature of a Province relative to Agriculture or to Immigration shall have effect in and for the Province as long and as far only as it is not repugnant to any Act of the Parliament of Canada".

In this manner, the British North America Act affirmed the practise that the Provinces would continue to have the prerogative to enact immigration legislation. In this way the British North America Act granted concurrent jursidiction in the realms of Agriculture and Immigration to both the Provincial Legislatures and the Federal Parliament, reserving however, paramount and overriding authority to the latter. It should not pass unnoticed that legislation regarding agricul-

ture and immigration were combined together. This was a period in Canada's economic history when immigration was called upon to provide the agricultural manpower that would strengthen and develop this country's agricultural sector. In this respect it is no surprise that it was the Department of Agriculture that had complete jurisdiction over immigration matters from 1867 to 1892.

All the Immigration Acts that ensued from the British North America Act in the post-Confederation period have included provisions giving extensive powers to the Governor-in-Council to make Immigration Regulations. This special feature of Canadian immigration jurisprudence remains in effect to this very day. It has long been recognised as an expedient framework that permitted legislators to circumvent the cumbersome and time consuming process of going through Parliament in order to amend or change an immigration act, Immigration Regulations lend themselves to the advantage of swiftness when it comes to meeting the changing domestic labour requirements and reacting to economic conditions in the Canadian economy by having almost instantaneous recourse to immigrant manpower.

The shared jurisdiction between the provinces and the federal government over immigration matters with principal powers vested in the federal government that was enshrined in the British North America Act and was reaffirmed in the most recent Immigration Act of 1976 has been the source of some friction as well as benign neglect. That is because the interest of the provinces in enforcing and participating in the shared

jurisdiction has varied. On the one hand, there has been a total abdication of any interest in immigration matters by the eastern provinces, and on the other hand, immigration differences have led to tension and conflict between the Province of Quebec and the federal government. The reason for the conflict between the federal government and Quebec is the perception that the latter has been shortchanged in Canada's federal immigration policy thrust which was perceived as favouring anglophone immigrants that would ultimately result in undermining the francophone community of Quebec and would eventually distort the cultural and linguistic dominance of that province's francophone population. That is essentially why Quebec has persistently opted for an active, if not aggressive, role in federal/provincial deliberations on immigration matters at times even resorting to an almost independent immigration program that would ensure the admission of francophone immigrants or those termed as francophonisable, i.e. immigrants from countries and ethnic groups that are likely to select french as their language of communication in Canada.

In the pre-Confederation period immigration to Canada was largely unorganized and uncontrolled. The British North America Act provided the legislative framework to reverse that trend and is hence a landmark legislative statute vis à vis immigration. Indeed, Section 95 of the British North America Act has remained the pivotal legislative foundation for Canada's immigration policy and program to this very day. This Section of the Act retains its influence and importance even after the enactment of the Canada Act (Constitution Act) of 1982 which was designed to provide for the repatriation of the British North America Act and to amend certain sections of the latter.

The British North America Act provided the foundation for the legislative control and facilitated the administration of Canada's immigration program. For it is with this Act that begun the practise of longstanding of government regulation and careful selection of prospective migrants. The British North America Act is in essence the roots that sprouted several immigration acts and a steady stream of immigration regulations since Confederation. It is worth noting that economic considerations are clearly visible and reflected in the evolution of Canada's immigration legislation. There is, however, an important distinguishing feature between Canada's immigration policy and legislative thrust in the early formative years from that pursued in the more recent past. The principal difference being that in the early years the emphasis in Canada's immigration legislation highlighted the categories of prospective immigrants that would be refused admission on the grounds that they would be economically inactive and eventually become public charges. While this was a period that was generally favourable to high levels of immigration, in view of the positive economic benefits that would be reaped, it was nevertheless felt that prospective immigrants who were unsuitable or unlikely to undertake an active economic role should be prevented from settling in Canada. In subsequent periods as immigration enhanced Canada's population and labour force and was instrumental in populating Canada from east to west, economic considerations became an even more paramount issue of concern for this country's immigration legislation. In effect Canada's immigration legislation underwent a fine tuning in the more recent past which reflected a greater sensitivity and responsiveness to domestic economic conditions and the labour demands of the national economy. That is essentially why

immigration legislation since the second World War steered more pronouncedly in the direction of a more distinctive definition of the categories and the labour occupational characteristics of those prospective immigrants who would be selected for admission to Canada.

This by way of magnifying the subtle difference in the focus of immigration legislation and policy from an initial concern over who would be excluded to the more recent thrust in terms of determining who would be selected. These elementary differences in style however should not detract from the more pervasive similarity in terms of the magnitude and extent to which economic considerations related to the state of health of the Canadian economy. The economic role of immigrants in the labour market has profoundly influenced the scope and substance of Canada's immigration policy and legislation.

The immigration legislation that was enacted in the early period of Canadian Confederation reflected the government's concern with reaping the economic benefits of a larger population. Sir John A. MacDonald's national policy intended to settle the sparsely populated western provinces in order to stimulate economic development in the vast arable expanse of the Canadian west. Immigration was selected to play a centrifugal role in enhancing Canada's population and in supplying the agricultural manpower needed in the west. Furthermore, the immigration legislation that ensued reflected the government's cautious approach in regulating the flow of immigrants so that only those who would become economically active, rather than economic dependents or public charges, were admitted.

Immigration Act of 1869

The first immigration act of the federal government was assented to on June 22, 1869 and took effect on January 1, 1870. The preamble to the Immigration Act of 1869 which was introduced by the Conservative government of Sir John A. MacDonald provided for: 1) an agreed federal-provincial division of responsibilities, 2) the federal government undertook to maintain immigration offices in England and at other points in the United Kingdom and Europe, 3) the federal government also agreed to maintain quarantine stations at Halifax, Saint John, and Grosse Isles, 4) the establishment of immigration offices at Halifax, Saint John, Quebec, Montreal, Ottawa, Kingston, Toronto, Hamilton and wherever else it might be deemed necessary, 5) the Provincial Legislatures were to retain the right to determine their own policy regarding the settlement and colonization of their uncultivated lands and to appoint their own Agents in Europe and elsewhere as they might think proper.

Prohibited classes of one sort or another have been a common feature of early immigration legislation. The 1869 Act foreshadowed this aspect which subsequently developed into the prohibited classes included in immigration acts and regulations. Provision was made for the examination by the Medical Superintendent of the Quarantine Station of passengers upon arrival, and also required a bond in the sum of $300 for every lunatic, idiot, deaf, dumb, blind or infirm person not belonging to an immigrant family, if, in the opinion of the Medical Superintendent at a quarantine station, such a person was likely to become a public charge. The prohibition of certain prospective immigrants on medical grounds was based on the argument that the physically handicapped could not become economically

active, but would turn out to be public charges and a drain on the economy. Thus the preoccupation with the potential of a prospective immigrant to become easily and readily assimilated in the work force became an entrenched feature of Canadian immigration legislation since its inception. Also, the Immigration Act of 1869 specified restrictions on immigration by prohibiting "the landing of pauper or destitute Immigrants in all Ports of Canada, until such sums of money as may be found necessary are provided and paid into the hands of one of the Canadian immigration agents".[2] This provision which was not enforced until 1879/80 contained the principle of exclusion.

Immigration legislation in the early post-Confederation period reflected the overriding concern with the labour needs of the Canadian economy. Indeed early immigration legislation provided a clear illustration of the government's interest in encouraging the immigration of certain types of immigrants. For example, the enticements offered to attract agricultural immigrants included the Free Grants and Homestead Act of 1868 which aimed at encouraging new settlers to western Canada by fascilitating their purchase of arable land at reasonable prices.[3] This aspect of selecting prospective immigrants on the basis of the labour requirements of the Canadian economy would become an entrenched feature of the evolution of this country's immigration policy and legislation.

The early post-Confederation period also recorded two legislative statutes that had discriminatory and racist overtones. These were the Chinese Immigration Act of 1885 and the Alien Labour Act of 1897. Chinese unskilled workers had performed a vital

[2]Statutes of Canada, 1869.

3N. MacDonald, Canada: Immigration and Colonization 1841-1903, Toronto: MacMillan, 1966, p. 91.

economic role in completing Canada's "national dream" to link the east with the west by means of a transcontinental railway. This task having been completed by 1885, public opinion had turned against the influx of Chinese immigrants. Public policy began to reflect this resentment by enacting a head tax of fifty dollars on most Chinese immigrants with the purpose of discouraging further Chinese immigration. This would become the first instance where explicit racial overtones were incorporated in Canada's immigration legislation. The second legislative statute that reflected discriminatory features was the Alien Labour Act of 1897. This Act was aimed at preventing the entry of contract workers from other countries and particularly railroad workers crossing the border from the United States.[4]

Clifford Sifton: Multicultural and Selective Immigration

By the turn of the century, a steady stream of migrants were flowing to western Canada and the government of Sir Wilfrid Laurier felt that a tighter legislative framework was required to regulate and control the influx of immigrants.

Immigration legislation at the turn of the century reflected a strong preference for western European immigrants, particularly British settlers. At the same time several legislative measures were enforced in order to maintain the cultural homogeneity of the Canadian population and to exclude those groups who would significantly alter the cultural profile of the populaiton. By 1900 an Act concerning Chinese immigration raised the head tax to $100.00 and by 1903 it had reached $150.00[5]. It should be noted, however, that it was not only the Chinese who bore the brunt of the immigration restrictions. For example, an agreement that

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[4]E. Cashmore, "The Social Organization of Canadian Immigration Law", Canadian Journal of Sociology, Vol. 3, 1978.

5W.E. Kalbach, The Impact of Immigration on Canada's Population, Ottawa: Queen's Printer, 1970, pp. 12-13.

the Canadian government concluded with Japan in 1907 was aimed at limiting immigration from that country. On the other hand, an Order-in-Council dated 1908 specified that Indians attempting to seek entry into Canada had to be in possession of $200.00. Another Order-in-Council assented to in 1908 aimed at excluding prospective immigrants from the Asian sub-continent by requiring all immigrants to come to Canada via a continuous journey from their country of residence.[6] In view of the limitations in the prevailing transportation network at the time, this directive in essence prevented Asian immigrants from being admitted to Canada.

Canada's immigration program and its legislative and policy thrust at the turn of the century are closely linked to the economic perceptions of Clifford Sifton, Minister of the Interior from November 17, 1896 to February 28, 1905. It should be underlined that the Immigration Branch had been transferred from the Department of Agriculture to the Department of the Interior by 1892. The economic function of the Canadian immigration program within the government's administrative framework was conceptualized by giving the Department of the Interior the dual mandate and, in the government's perception, the interrelated economic responsibility for lands administration and immigration.

Sifton, a member of Parliament for western Canada saw immigration as an immediate and effective means for settling the vast agricultural expanse of the west and enhancing western Canada's prospects for economic growth and development. It is therefore not at all surprising that during his tenure as Minister of the Interior, Sifton became an ardent promoter of immigration, especially to western Canada, and is in large measure singularly responsible for the immigration boom of unprecedented proportions

[6]D. Avery, "Canadian Immigration Policy and the 'Foreign Navvy', Canadian Historical Association Historical Papers, 1972,

that occurred from 1896 and lasted until 1913. The economic considerations of that period dictated that the desirable immigrant was one who would settle in the west and was experienced in farming. In order to achieve that objective, the Department of the Interior advertised in newspapers and offered inducements such as subsidized passage for prospective immigrants. Indeed, Sifton's policy to populate the west was essentially inspired by the same economic motives that inspired Sir. John A. MacDonald's national policy in the years subsequent to Confederation. Furthermore,it was Sifton who, within the constraints of immigration legislation and practise, began the process of refining admission policy to reflect more closely the prevailing economic concerns. The recourse to immigrant manpower to supplment specific labour shortages was one economic concern that surfaced during this period and persists to this very day.

Sifton is largely responsible for the initiation of selective immigration and the introduction of multicultural immigration. His conceptual framework to correlate Canada's labour requirements with the occupational characteristics of prospective immigrants to Canada must necessarily earn him the title of the father of selective immigration, an approach that remains the foundation of policy and legislation to this very day. Furthermore, in an attempt to secure the large number of immigrant farmers that Sifton needed to populate the west, he was forced to look for immigrants from non-traditional source countries. Sifton is largely responsible for convincing his cabinet colleagues to initiate a consistent effort and permit the admission of multicultural immigration in the form of immigrants from non-traditional source countries.

Multicultural immigration would alter the cultural homogeneity of the Canadian population but the compelling labour requirements of the Canadian economy necessitated the admission of immigrants who were not of British heritage but who possessed the manpower characteristics and occupational skills that were urgently needed in the Canadian economy in order to supplement and complement the shortfall in Canada's domestic labour supply. Sifton's effort to open up Canadian immigration to peoples from other than the traditional western European cultures, heralded a distinct new phase in Canada's demographic profile in terms of its cultural, racial and religious diversity and its linguistic pluralism. Sifton's policy to attract agricultural immigrants regardless of their nationality or ethnic origin resulted in the admission into western Canada of over half a million Europeans from non-traditional source countries such as the remenants of the Austro-Hungarian empire, the Ukraine and central Europe.

The more diversified enthnocultural origins of immigrants to Canada during the turn of the century induced a polarized environment within the parameters of Canada's immigration policy. On one side were labour and nativist groups who favoured maintaining Canada's cultural homogeneity and lobbied for a more restrictive immigration program. Especially one that would curtail the entry of central and southern European immigrants who were being admitted in increasing numbers after 1900.[7] On the other side were the businessmen and entrepreneurs who were favourable disposed towards hiring non-British labour and in fact preferred to hire immigrants from other ethnic groups because their personal experience dictated that they were more productive and hard-working workers.[8] This latter group however, did object to the government's fixation with the need for farmers and agriculturalists. As Beaujot and McQuillan suggest

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[7]D. Avery, Dangerous Foreigners: European Immigrant Workers and Labour Radicalism in Canada, 1896-1932. Toronto: McLelland and Stewart, 1979, p. 28.

[8]Ibid, p. 27

> "Mining, lumber, and above all, railway interests desperately required sturdy laborers willing to accept difficult working conditions and prepared to move to areas where workers were needed. Although business interests were not successful in blocking the passage of unwanted legislation such as the Alien Labour Act, they were remarkably successful in ensuring that the legislation was not used to harm their interests. The commitment of big business to an open-door immigration policy helped to produce the greatest wave of immigration the country has ever seen."[9]

It should be underlined that the ability of Canadian businessmen to exercise an effective lobby in order to shape Canada's immigration policy along with the sensitivity of the policy to economic conditions and manpower requirements were paramount considerations in the evolution of this country's immigration policy and legislative thrust.

Immigration Act of 1906

In 1906 the Immigration Act was consolidated and revised. A singularly important aspect of the 1906 Immigration Act was the initiation of immigration regulations by Order-in-Council. The Act authorized the Governor in Council, on the recommendation of the appropriate Minister, to "make such orders and regulations, not inconsistent with this Act, as are considered necessary or expedient for the carrying out of this Act according to its true intent and meaning and for the better attainment of its objects."[10] By endorsing the initiation of immigration regulations by Orders-in-Council, commenced the pattern by which immigration regulations would turn out to be the most important tool for influencing the substance of Canada's immigration program effectively and expediently in response to changing economic conditions.

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[9] R. Beaujot and K. McQuillan, Growth and Dualism: The Demographic Development of Canadian Society, Toronto: Gage Publishing, 1982, p. 81.

[10] Statutes of Canada, Chapter 93, 1906.

The Immigration Act of 1906 extensively consolidated and revised immigration legislation and enhanced the element of control and regulation of Canada's immigration program. The new amendments provided for (a) a much expanded immigration service, including control along the Canada-United States border; (b) the continued exclusion of criminals, public charges, and the physically and mentally infirm; and (c) the deportation of immigrants who became criminals, public charges or infirm after admission to Canada. Furthermore, the 1906 Immigration Act, for the first time in the evolution of Canada's immigration legislation, articulated an effective legal mechanism to implement a selective immigration policy.

The specification of those "immigrants prohibited from landing" was an important feature of the Immigration Act of 1906. The Act also provided for the deportation of prohibited immigrants by the transportation company which had brought them to Canada; and for the deportation of immigrants who within two years after arrival had become a charge upon public funds or an inmate of a jail, hospital or charitable institution, or who had committed a crime involving moral turpitude. This feature of the probibited classes was an important characteristic of the early phase of Canada's immigration legislation that had as its raison d'être the principal objective of preventing the admission of those prospective immigrants who were unlikely to become economically active and would eventually become public charges.

The Beginning of a New Century

The focus of Canada's immigration policy and legislation did not alter appreciably during the first decade of this century. Immigration continued to be perceived as a tool for generating

and sustaining economic growth and development. Hence immigrants were desirable catalysts for economic growth so long as they embodied financial and human capital that would make a positive contribution in the process of nation building.

The importance of immigration regulations became a dominant feature of Canadian immigration policy and legislation. The principal aim of these Orders-in-Council during this period was to curtail the admission of undesirable immigrants especially when Canada was facing social, political or economic stress in the domestic arena. The frequent use of immigration regulations also reflected the short-term perspective that immigration was called upon to play in the conceptual framework of economic planning.

During this decade and in subsequent years, Canada's public policy with respect to immigration was responsive and sensitive to public opinion. This was especially the case when immigration was identified in the public opinion forum as the principal culprit responsible for Canada's economic malaise and high unemployment rates. For example, public opinion vis a vis immigration was acutely hostile whenever immigration levels increased substantively and the domestic population began to sense a crowding-out effect. This was further accentuated whenever the number of unemployed amongst the domestic-born was higher than among the immigrants. The consequence of this electrified atmosphere was usually friction in the workplace and intense social tension. In due course the negative public image related to immigration would be translated into a restrictionist immigration policy articulated in the form of a reduction in immigrant arrivals in order to acquiesce public opinion. In general, an economic downturn accompanied by high levels of unemployment was a surefire

recipe to turn public opinion against immigration and for immigration policy and legislation to reflect a restrictionist thrust. Towards the end of the first decade of this century, public opinion spurred an anti-immigration policy which originated with the downturn in economic activity. As Avery suggests:

> "By 1912, the unsettled state of European affairs had helped produce a prolonged economic slump in the transatlantic economy. This recession was particularly felt in Western Canada, a region which was very dependent on foreign capital for its continued prosperity. By the summer of 1914 there was widespread unemployment in the area, the more so since 400,000 immigrants had arrived in the previous year."[11]

The decade ended with the enactment of the Immigration Act of 1910.

Immigration Act of 1910

In 1910, a new Act was assented to which was the first to be given the short title "The Immigration Act". The new features embodied in this Act included a definition of "Canadian domicile" and "Canadian citizenship" and a distinction between immigrant and non-immigrant classes was drawn. The Act introduced a more complicated system for the selection of immigrants based on improved medical standards. The practise exercised by previous Acts was continued with respect to defining the prohibited classes.

One of the most important sections of the Act was a general clause prohibiting the entry into Canada of persons belonging to any race considered unsuitable on grounds of climate, occupation, character or the needs of the country. The intent of this clause was to enhance the selective system by adding

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[11] D. Avery, Dangerous Foreigners: European Immigrant Workers and Labour Radicalism in Canada, 1896-1932, Toronto: McLellan and Stewart, 1979, p. 65.

to the existing medical restrictions a provision that would effectively curtail immigration from countries other than the traditional geographic source areas and at the same time safeguard the ethnic character and composition of the Canadian population. Extensive discretionary powers were vested in immigration authorities in order to faciliate the implementation of this clause.

The 1910 Immigration Act reaffirmed the recently established practise of adjudicating Orders-in-Council. More specifically, this Act authorized the Governor in Council to make regulations that required immigrants or tourists to be in possession of a certain amount of money, and to be in possession of a passport or penal certificate. As Green suggests, the 1910 Act allowed the Governor in Council to introduce regulations with respect to the volume, ethnic origin, or occupational composition of the immigrant flow.[12] Hence the stream of immigration regulations, as offshoots of the prevailing Immigration Act, continued as a firmly entrenched feature of Canadian immigration legislation.

There were four important regulations that were made under the authority vested in the Governor in Council by the 1910 Immigration Act. These Orders-in-Council were:

1) P.C. 924 dated May 9, 1910 provided for the monetary requirement according to season of the year, for all immigrants.

2) P.C. 926 dated May 9, 1910 specified a monetary requirement of $200 per person for immigrants of Asiatic origin.

3) P.C. 918 dated May 9, 1910 directed that a passport or penal certificate was required.

4) P.C. 920 dated May 9, 1910 outlined the continuous journey requirement.

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[12]Alan Green, Immigration and the Post-War Canadian Economy, Toronto: MacMullan, 1976, p. 15.

The new proviso stipulating that immigrants could only land in Canada if they had travelled by continuous journey from their country of origin or citizenship, was in effect, a concrete barrier against the entry of Asiatic Indians into Canada since there was no available transportation from India which could meet this stipulation.

Subsequent to the 1911 amendment other regulations were approved to meet specific conditions.

> P.C. 1202 dated June 9, 1919 prohibited the entry of labour, skilled or unskilled, to British Columbia.
>
> P.C. 1203 dated June 9, 1919 prohibited the entry of enemy aliens, or immigrants who had been enemy aliens during the war.
>
> P.C. 1204 dated June 7, 1919 prohibited the entry of any immigrant of the Doukhobor, Hutterite or Mennonite class.

The 1919 amendments to the Immigration Act enabled the government to deport non-Canadian strike leaders and the prohibited classes were extended to include alcoholics, conspirators and illiterates.[13]

The years from the turn of the century to the First World War, were most significant in Canada's immigration legislation. It was during this period that: (a) six of the eight largest annual movements were recorded; (b) the principle of selective immigration became an ingrained feature and a cornerstone of all policy since; (c) the Immigration Act was further developed to a point from which it has changed only in detail in the ensuing decades; and (d) the practice of using regulations was adopted to control the composition of immigration.

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[13] Department of Manpower and Immigration, The Immigration Program, Ottawa: Information Canada, 1974, p. 12.

Immigration Legislation in the Post First World War Period

An Order-in-Council dated October 1917 proclaimed the formation of the Department of Immigration and Colonization to adjudicate and enforce Canada's immigration program. Canada took longer than the United States to recover from the first World War and until 1923 immigrants other than those going to assured farm work or domestic service were still required to have in their possession specified sums of money.

It is worth noting that immigration continued to be regarded essentially as a tool for settling agricultural land and the immigration service was organized to attain that objective. Canada's selective immigration policy was therefore primarily geared towards favouring agricultural immigrants.

The Liberal government of MacKenzie King assumed the reins of power in 1921 and continued to apply the view emanating from western Canada that farmers were the type of immigrants Canada needed at this juncture in her economic evolution. The acting Minister of Immigration and Colonization in the MacKenzie King government, Charles Stewart, expressed the government's view in this manner

> "I believe that conditions today are favourable for agricultural immigration....the people we bring in must be able to establish themselves and they must be farmers...Canada wants those immigrants who are able to go upon the land and in that, and other ways, develop our natural resources; our country places need filling up, not our cities." [14]

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[14] Quoted in J. Atchison, "Patterns of Australian and Canadian Immigration, 1900-1983" International Migration, Vol. 22, No. 1, 1984, p.6.

The first World War precipitated federal guidelines for aliens and subsequent industrial turmoil and social tension as evidenced by the Royal Commission on Industrial Relations in 1919 and the Winnipeg General Strike of the same year fueled a heated debate on whether Canada should persist in its expansionist immigration policy. Indeed, historical evidence suggests that even such ardent promoters of immigration to Canada such as the Canadian industrialists and entrepreneurs began to sound more guarded. Avery concludes that

> "Even the Canadian Manufacturers' Association, the long-time advocate of the open door immigration policy, sounded a cautious note: 'Canada should not encourage the immigration of those whose political and social beliefs unfit them for assimilation with Canadians. While a great country such as Canada possessing millions of vacant acres needs population, it is wiser to go slowly and secure the right sort of citizens.' Ethnic, cultural and ideological acceptability had temporarily triumphed over economic consideration. Whether Canada was prepared to accept a slower rate of economic growth in order to ensure its survival as a predominantly Anglo-Canadian nation now became a matter of pressing importance."[15]

The magnitude of the social and economic tension in the early post World War I period is further characterized by Avery in the following manner:

> "Among the European workers themselves, the enemy alien hysteria and the Red Scare produced great bitterness. This was especially true for Ukranian, Finish, and Russian immigrants, many of whom had considered returning to Europe in the spring of 1919. The unsettled economic and political conditions in their homelands had, however, ultimately prevented their exodus. But their future prospects in

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[15] D. Avery, Dangerous Foreigners, 1979, pp. 88-89.

> Canada looked anything but promising. Certainly there seemed little reason to believe that they could ever become part of the mainstream of Canadian life."[16]

The government's preference for British settlers to Canada was invoked by providing financial assistance to prospective immigrants from Britain. Atchison concludes that

> "Canadian policy emphasized (a) preference for Britishers by providing financial assistance to four classes of potential British immigrants--married 'Agriculturalists' and their families, single farm labourers, domestics and'juveniles'. Smaller subsidiary schemes such as between Canadian Pacific Railway and the Scottish Immigrant Aid Society in the Clandonald area of Alberta reinforced this thrust."[17]

Ultimately, however, the efforts of those who advocated severely curtailed levels of immigration in order to maintain the cultural homogeneity of this country were defeated by the pro-immigration lobby who forced Prime Minister MacKenzie King to gradually remove most barriers standing in the way of large-scale European immigration. On January 31, 1923 amendments to the immigration requirements passed under Order-in-Council were introduced as follows:

> P.C. 182 restricted admission of immigrants of Asiatic race to bona fide agriculturists, farm labourers, female domestic servants, and the wife or child under 18 years of age of any person legally admitted to and resident in Canada, who was in a position to receive and care for his dependents; also requiring each immigrant to possess $250.
>
> P.C. 183 restricted immigration of other races to the same classes as above; except United States citizens and British subjects by reason of birth or naturalization in Great Britain or Ireland, Newfoundland, New Zealand, Australia and the Union of South Africa; and the monetary requirement was omitted.

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[16] D. Avery, Dangerous Foreigners, 1979, p. 89.

[17] J. Atchison, "Patterns of Australian and Canadian Immigration 1900-1983", International Migration, Vol. 22, No. 1, 1984, p. 6.

Under a series of agreements from 1925 onward, the recruitment and forwarding of immigrants from the "non-preferred" central, east, south and south-east European countries was given to the Canadian railways.

With the return of economic prosperity in 1923, the government adopted a more expansionist immigration policy, although land settlement continued to be the main objective. Numerous arrangements were made with the British government, Canadian railway companies, other federal and provincial agencies, private land development organization, and others, for the recruitment, selection, transportation and establishment of farmers with sufficient experience and capital to develop new farms, or take over partially developed ones. Other immigrants were not excluded, with the principal emphasis on well-qualified immigrants rather than on numbers.

The renewal of a more positive approach to immigration also featured an expansion of services such as: more immigration offices in Britain and Europe; generous passage assistance; overseas medical examination; welcoming of immigrants at ports of entry; and assistance to land settlers in finding, evaluating and exploiting opportunities.

Immigration legislation was again consolidated in the Immigration Act of 1927. The immigration policy approach that prevailed in this Act reflected the restrictionist approach and the nationalist thrust favouring cultural homogeneity. The 1927 Immigration Act was the legislative basis for an important Order-in-Council:

P.C. 1413 dated August 7, 1929 (Contract Labour Order) was passed to overcome difficulties, which had been experienced for some time previously with respect to alien labour brought into Canada under contract. At that time, the Minister made a statement suggesting that the sole purpose of the Order-in-Council was to prevent the admission to Canada of labour which was not required and whose coming would displace Canadian labour, and that it was not intended to interfere with the admission of immigrants coming on their own and seeking employment after arrival. He further stated that if those employers in Canada who required labour, skilled or unskilled, would demonstrate that the help sought was not available in Canada, the Department would gladly facilitate admission.

Immigration Policy and the Great Depression

Immigration policy in Canada has generally been fundamentally sensitive and responsive to the state of health of the national economy. During periods of economic prosperity substantiated by high per capita incomes and low unemployment, Canadian immigration policy has generally been expansionist in terms of its philosophical underpinning. In marked contrast, during periods of widespread economic malaise and the prevailing state of recessionary trends exemplified by a slow rate of economic growth, high unemployment rates and low per capita incomes immigration policy in this country has been decidedly restrictionist in scope and substance.

The overall perception of immigration policy appears to have been that the immigration tap could be turned on during economic boom periods such as those of the early 1900's which brought in the high noon of immigration movements to Canada, but on the other hand the immigration tap would be turned off and a restrictionist policy would be implemented as soon as Canada's economic fortunes became adverse as was the case with the Great Depression of the 1930's.

With the advent of the Great Depression, immigration legislation and particularly a host of Orders-in-Council enunciated the restrictionist direction of Canada's immigration policy which remained in effect until after the end of World War II.

> P.C. 695 dated March 31, 1931, restricted admission to British subjects and United States citizens; agriculturalists with the financial means to farm in Canada.
>
> P.C. 2115 dated September 16, 1930, restricted Asiatic immigration to the wife or unmarried child under 18 years of age of any Canadian citizen resident in Canada who was in a position to receive and care for his dependents.

The Department of Immigration and Colonization, the Department of the Interior, the Department of Mines and the Department of Indian Affairs were abolished and the Department of Mines and Resources was assented to on June 23, 1936 and proclaimed on December 1, 1936.

The period from the Great Depression until the Second World War can be characterised as one of restrictive immigration regulations. The Contract Labour Order (P.C. 1413) was passed in 1929 to prohibit contract labour not approved by the Minister or not in preferred occupations (farmers, farm workers, domestics). Faced with a rapidly deteriorating economy, the government moved in 1930 to pass more restrictive regulations in immigration - a policy confirmed in 1931 after consultations with the provincial governments. All promotional efforts ceased, all special programs were terminated, and much of the overseas immigration organization was dismantled in the following years. In practice, only persons with substantial capital, or going to join close relatives, were allowed to emigrate to Canada.

The main policy contributions during the years 1914 to 1945 were the introduction of the concept of sponsored immigration and the use of the visa to control immigration at the source. Beaujot and McQuillan conclude that

> "In general, the period 1914-1945 involved a series of regulations by which immigration was controlled almost on a year-to-year basis. When immigration was favoured, persons from Britain and the United States were the most welcomed, northern Europeans were relatively well received, other Europeans were accepted if no one else was available and non-white were not welcome."[18]

The Keynesian Revolution Comes to Canada

The curtain was lifted on Canada's blue-print for post-war economic policies with the release of the Liberal government's White Paper on Employment and Income[19] in 1945. The significance of this White Paper does not rest solely with its facility in providing us with an historical perspective on the priorities and foundations of post-war economic policy, but it is singularly important in being the vehicle through which the Keynesian Revolution came to Canada.

The Canadian White Paper enunciated that "the central task of reconstruction....must be to accomplish a smooth, orderly transition for the economic conditions of war to those of peace and to maintain a high level of employment and income".[20] Thus the initiation of economic policies that would steer a course towards enhanced employment opportunities and improved incomes appeared to be the order of the day. This course of the future was underlined in the concluding remarks of the White Paper:

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[18] R. Beaujot and K. McQuillan, Growth and Dualism: The Demographic Development of Canadian Society, Toronto: Gage, 1982, p. 92.

[19] Canada, White Paper on Employment and Income: With Special Reference to the Initial Period of Reconstruction, Department of Reconstruction, Ottawa, King's Printer, April, 1945.

[20] Ibid., p.1

> "In this paper, the Government has stated unequivocally its adoption of a high and stable level of employment and income, and thereby higher standards of living, as a major aim of Government policy. It has been made clear that, if it is to be achieved, the endeavour to achieve it must pervade all government economic policy. It must be wholeheartedly accepted by all economic groups and organizations as a great national objective, transcending in importance all sectional and group interests."[21]

It stands to reason that within the foregoing parameters of economic objectives, immigration policy in the post-war period would be required to conform and complement the government's announced priorities. Indeed, the White Paper was quite explicit in referring to the question of labour inputs into the Canadian economy.

> "A high overall demand for labour will not of itself assure jobs for all. The kinds of work offering and the places where unfilled jobs exist will change with the seasons of the year and with the development of new consumer demands, new industries, new processes and new materials. There must, therefore, be a high degree of mobility of labour as between occupations, and between jobs and places. This is particularly true of such a country as Canada at its stage of development and with its climatic conditions. The attainment of the required mobility and adaptability will depend in large degree on the initiative and resourcefulness of the workers themselves".[22]

It would seem to me that the conceptual framework outlined in the 1945 White Paper defined the parameters regarding the role of immigration and the substance of Canada's immigration legislation in the post second World War period. Successive

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[21]Ibid, p. 23

[22]Ibid, p. 18.

governments during this period would contemplate and attempt to articulate Canada's absorptive capacity for immigrants. Furthermore, enhanced and fine-tuned methods and criteria for implementing a system of selective immigration would be adopted throughout the post war period. Indeed, the importance of selecting immigrants on the basis of Canada's manpower needs and their ability to make a positive contribution to the country's economic growth and development would continue to be an ingrained feature of the immigration policy and legislation in Canada following the cessation of hostilities in 1945.

The Post World War II immigration wave was the second most massive in the post-Confederation period. It was also one that would make an important quantitative and qualitative contribution to Canada's population and labour force as well as to this country's economic growth and development. With the termination of the second World War, the evolution of Canada's immigration policy and legislation would encompass substantive changes to its selective format and the determination of what constituted an appropriate occupational mix of immigrants but with consistent economic considerations and underpinnings. From an initial thrust where Canada's immigration legislative framework was designed as a medium to restrict the entry of various unwanted individuals and groups it now adopted the form of defining who would be selected for admission.

The Immediate Post-War Period

The sombre recollection of massive unemployment during the Great Depression of the 1930's and the uncertain economic pros-

pects following the signing of the peace were primarily responsible for the deliberate restraint in immigration levels in the first two years of the post-war period. Thus, it was not until January 1947 that the Liberal government began to take steps to encourage the limited immigration of Europeans.

It should be noted that at the end of the war Canada's fourth immigration act since Confederation, the Immigration Act of 1927, was still in force. The 1927 Act conferred on the Cabinet virtually unlimited discretionary powers to regulate the volume, ethnic origin and occupational composition of the immigrant inflow by means of Orders-in-Council. This modus operandi was deliberately pursued in order to alter the conduct of the Canadian immigration program so as to meet the changing manpower requirements of the economy without requiring the government to go through the time-consuming and cumbersome process of announcing a new immigration act which would require the consent of Parliament. From an economic perspective, immigration regulations in the early post war period minimized the legislative procedure that would have otherwise been required to allow a limited number of immigrants entry into Canada based on family-ties and their ability to be readily absorbed into the economy. The emphasis on a select number of immigrants in occupational categories such as farming, lumbering and mining underlined the government's perception of the importance to correlate immigration policy with Canada's short-term manpower requirements.

The Foundation Stone of Canada's Post-War Immigration Policy

Canada's post-war immigration policy began to take form and substance under the then Liberal Prime Minister William Lyon MacKenzie King. In what is generally regarded as the foundation stone of Canada's post war immigration policy, Prime Minister MacKenzie King announced to the Canadian Parliament on May 1, 1947:

> "The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation, and vigorous administration, to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in our national economy....
> Let me now speak of the government's long term programme. It is based on the conviction that Canada needs population. The government is strongly of the view that our immigration policy should be devised in a positive sense, with the definite objective....of enlarging the population of the country. This it will seek to attain through the development and energetic application of productive immigration measures....
> The fear has been expressed that immigration would lead to a reduction in the standard of living. This need not be the case. If immigration is properly planned, the result will be the reverse. A larger population will help to develop our resources. By providing a larger number of consumers, in other words a larger domestic market, it will reduce the present dependence of Canada on the export of primary products. The essential thing is that immigrants be selected with care, and that their numbers be adjusted to the absorptive capacity of the country.
>
> It is of the utmost importance to relate immigration to absorptive capacity...The objective of the government is to secure what new population we can absorb, but not to exceed that number. The figure that represents our absorptive capacity will clearly vary from year to year in response to economic conditions..
> With regard to the selection of immigrants, much has been said about discrimination, I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens. It is not a "fundamental human right" of any alien to enter Canada. It is a privilege. It is a matter of domestic policy....

> There will, I am sure, be general agreement with the view that the people of Canada do not wish, as a result of mass immigration, to make a fundamental alteration in the character of our population".[23]

Perhaps the most important aspect of the MacKenzie King statement was the formal announcement that selective immigration would be the instrument that would enhance population growth and economic development. The rate at which that would be allowed to happen, however, would be consistent with Canada's absorptive capacity. It should be underlined that the economic role of immigration was clearly articulated in the MacKenzie King statement. The Prime Minister of the day endorsed a positive role for immigration as long as it performed an economic function and where its economic contributions outweighed its costs. Thus MacKenzie King spelled out more clearly than ever before, the economic considerations and the potential economic contributions of an immigration program that was closely linked to Canada's absorptive capacity.

Another aspect of selectivity that the statement endorsed was that immigration would not be allowed to make a fundamental change in the character of the population. What was inferred by this observation was that immigration would not be permitted to distort the social and cultural homogeneity and the ethnic and racial mix of the Canadian population. In due course it would become apparent that large scale immigration from Asia was very pointedly rejected. What this statement did not anticipate fully, however, was the evolving structure of the Canadian economy and the labour requirements that would accompany it. This would prove to be the principal reason that would ultimately introduce enhanced flexibility in ethnic admission requirements and opened the way towards multicultural immigration.

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[23]Canada, House of Commons Debates, Ottawa, May 1, 1947, pp. 2644-2646.

With respect to the initial resistance to multicultural immigration, the government's views on this matter were clearly stated by J. W. Pickersgill, Minister of Citizenship and Immigration who revealed the government's preference for prospective immigrants that are likely to adapt quickly and easily to Canada's economic structure and will be able, in due course, to make a positive contribution to the country's economic growth and development. He outlined his government's policy on the selection of immigrants in this manner:

> "We try to select as immigrants those who will have to change their ways least in order to adapt themselves to Canadian life and to contribute to the development of the Canadian nation. This is why entry into Canada is virtually free to citizens of the United Kingdom, the United States, and France, so long as they have good health and good characters....That is why a deliberate preference is shown for immigrants from countries with political and social institutions similar to our own."[24]

The postulate of selectivity with a view to responding to Canada's absorptive capacity was formally adopted in 1947. Within the subsequent decades Canada's absorptive capacity was to become an elusive concept which determined the conduct of immigration policy. Indeed, although absorptive capacity was never defined, it was seemingly sensitive to such economic variables as the level of economic activity and general employment conditions. Furthermore, the interface between absorptive capacity and manpower demands, although confined to a quantitative interpretation in the early post-war period, assumed, later, a qualitative dimension as portrayed in selection procedures that favoured applicants with higher levels of education, industrial training and specialized occupational skills.

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[24] Canada, House of Commons Debates, Ottawa, 1955, p. 1254.

In an attempt to determine whether Canada's absorptive capacity required more or fewer immigrant admissions, Mabel Timlin, an economist, was commissioned to write a report on this matter in 1949. It should be noted that a separate Department of Citizenship and Immigration was given Royal assent on December 10, 1949 and proclaimed on January 18, 1950. The report was subsequently published under the provocative title Does Canada Need More People?.[25] Timlin concluded that a larger population for Canada would bestow tangible economic benefits.

The post-war period saw a deviation in immigration policy thrust away from the previous conceptual framework that determined who should be excluded and towards a policy that defined who should be admitted. This is articulated in a paper presented by Angus to the Royal Society of Canada in which he presented the argument that "in the post-war world it is a matter of international decency that there should be no unnecessary barriers". He went on to make a case for a policy that exercised control over immigration by invitation rather than prohibition because as he says "it is less insiduous to invite those whom we want than to warn off those whom we dislike or fear".[26]

The inherent racial and ethnic preferences encompassed in Canada's immigration policy are underlined in Beaujot & McQuillan:

> "In a publication for the Canadian Institute of International Affairs, a public servant under the pseudonym of Verax had noted that racial discrimination was in disfavor in the international community but that it was easier to defend discrimination on an economic, political, or social basis, which served the same purpose since racial differences, he noted, largely coincide with economic differences".[27]

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[25] Mabel F. Timlin, Does Canada Need More People? Toronto: Oxford University Press, 1951.

[26] H.F. Angus, "The Future of Immigration into Canada", Canadian Journal of Economics and Political Science, Vol.12, No. 3, 1946, pp. 382-383.

[27] Beaujot & McQuillan, 1982, p. 96.

Beaujot & McQuillan go on to suggest that

> "In 1951, a special agreement was passed for Asiatic members of the commonwealth. While the agreement was not particularly significant in itself since it simply provided for the admission of three hundred people per year from India, Pakistan, and Ceylon, it did indicate the extent to which racial discrimination remained the order of the day with immigration".[28]

The early post-war period saw a continuation of the stream of immigration regulations that were feasible under the safety-valve clause contained in the immigration acts. These regulations enabled Canada's immigration program to adapt and evolve speedily in responding to changing labour needs and economic priorities.

The Immigration Act of 1952

It was pointed out earlier that Canada's Immigration Act of 1927 was the legislative framework adhered to throughout the early post-war period and that new directions in immigration policy were implemented through a host of Orders-in-Council that were approved by the Cabinet. In 1952, however, the Liberal government decided to introduce a new immigration act. During the course of the debate on the new immigration bill, Walter Harris, who was Canada's Minister of Citizenship and Immigration at the time, outlined the government's intentions in this manner:

> "It would be just as well for me to re-state the policy of immigration to which I have referred on every occasion that I have presented a report to the house. That policy is to admit to Canada, in numbers not exceeding the absorptive capacity of our country, and without altering the fundamental character of our people, such persons as are likely to contribute to our national life....In regard to the question of planning and the countries of selection, I wish to assure the house that every effort is being made to increase the number of immigrants from the United Kingdom and France....

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[28] Beaujot & McQuillan, 1982, p. 97.

> We also had a large intake of people from northern European countries which, in the past, have contributed a good type of immigrant, who have readily become integrated into the Canadian communities in which they have made their homes".[29]

The new immigration bill was first scrutinized by a Special Committee of the House of Commons and finally proclaimed on June 1st, 1953. One of the interesting aspects of the new Immigration Act was the extensive discretionary powers that were given to the Minister of Citizenship and Immigration. For example, the Minister was granted the authority to limit or prohibit the entry of prospective immigrants on the basis of nationality; citizenship; ethnic groups; occupation; class or geographical area of origin; peculiar customs; habits; modes of life or methods of holding property; unsuitability having regard to the climate, economic, social, industrial, educational, labour, health; or probable inability to become readily assimilated or to assume the duties and responsibilities of Canadian citizenship within a reasonable time after their admission.[30] Indeed the ground work for this section of the Act had already been laid with the Order-in-Council P.C. 2856 dated June 9, 1950 which extended the admissable classes of European immigrants previously restricted to British subjects, citizens of France, citizens of the United States of America, and non-immigrants who had served in the Canadian armed forces, to include any person

> "who satisfied the Minister that he is a suitable immigrant having regard to the climatic, the social, educational, industrial, labour or other conditions or requirements of Canada, and that he is not undesirable owing to his probable inability to become readily adapted and integrated into the life of the Canadian citizenship within a reasonable time after his entry."[31]

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[29] Canada, House of Commons Debates, 1952, pp. 4263-4269

[30] G. F. Rawlyk, op. cit., pp. 292-293

[31] Quoted in F. Hawkins, Canada and Immigration: Public Policy and Public Concern, Montreal, McGill - Queen's Press, 1972, p. 99.

These regulations were, therefore a prelude to the extensive discretionary powers afforded the Minister of Citizenship and Immigration that were codified in the new Immigration Act of 1952.

The First Steps Towards a Universalistic Policy

The immigration policy of the Conservative government of John Diefenbaker that came to power in 1957 maintained and enforced the perceptual framework that linked immigration levels to economic conditions in Canada. By way of illustration, on January 30, 1958, David Fulton, who was Acting Minister of Citizenship and Immigration, gave the following economic reasons in justification of his government's restrictive immigration policy:

> "It would be a disservice to Canada and to the cause of immigration generally if any government were to embark upon a program of bringing in immigrants carelessly without regard to the fact that when they reach Canada they can only enter into competition with those already in Canada in a tight employment market....For us to continue carelessly and without regard to the consequences to bring in large numbers who would inevitably compete in the employment market at this time would be a disservice both to those whom we bring in as well as to the cause of a steady immigration program that is supported by the people of Canada."[32]

Canada went through a period of bleak economic performance during the years of Conservative government. As a result, immigration declined steadily throughout the period from a high of 282,164 in 1957 to the lowest it has ever been in the post-war years 71,689 in 1961. The economic uncertainties of the period culminated in considerable pressure to curb immigration and gave birth to a new criteria for the selection of immigrants.

[32]Canada, House of Commons Debates, 1958, pp. 4057-4059.

The inherent discrimination in Canada's immigration policy and legislation became a sensitive issue with the Diefenbaker Conservative government which was especially concerned with civil rights issues. The first grains of a non-discriminatory universalistic immigration policy began to be sown during this period. However, the more culturally diverse profile of immigrants did not reflect a change in policy direction immediately. This was because the austerity program in effect at that time did not facilitate the opening of new immigration offices in non-traditional source countries.

In essence, the evolution of Canada's immigration assessment scheme commonly referred to as the point system for the selection of prospective immigrants that were formally announced as the Immigration Regulations of 1967 and revised in 1978 had their early beginning with the Conservative government of this period.

On June 9, 1960, Canada's first woman Cabinet Minister, Ellen Fairclough as Minister of Citizenship and Immigration introduced a radical break with the established immigration policy and procedures through the introduction of a new selection criterion based principally on the skills of a prospective immigrant. In part this is what she had to say:

> "Obviously we cannot simply go ahead and bring to this country everyone who may wish to migrate, without regard to possible effects on our Canadian people, or on the immigrants themselves....We shall do our best to admit as immigrants individuals and families who are personally suitable and who have the required background and training to become worthwhile citizens.... The key to our immigration policy will be the consistent application of proper selection standards designed to bring the best possible settlers to Canada. I am sure all Canadians would agree that once these standards are established they should be applied consistently

> to all who seek admission to this country, except where the admission of the immigrant is based on compassionate grounds or on close relationships".[33]

The new thrust in Canadian immigration policy was again emphasized in a speech by Fairclough in September 1960:

> "Our experience in recent years has demonstrated that the ideal newcomer to Canada, the man who most readily fits himself into the Canadian production picture and thus quickly becomes a welcome new consumer in the Canadian home market, is the skilled industrial worker from one of the relatively advanced industrial areas overseas... Canada cannot contemplate trying to absorb large numbers of immigrants who have no skills other than those of the peasant."[34]

This new direction in immigration policy was officially announced in a more concrete form on January 19, 1962 (Order-in-Council P.C.86) through new immigration regulations. Thus, for the first time in Canada's history, prospective immigrants would be selected on the basis of their education, training, and skills regardless of their country of origin.

The four years, 1958-1961, revealed little substantive development in immigration policy. Buffeted between appearing to add to labour market problems on the one hand, and upholding confidence in Canada as a country of immigration for future years, the government settled on restricting the unsponsored movement to only the most obviously qualified applicants, without special regard to numbers. It should be noted that despite the significant reductions in immigration numbers that occurred in 1958 and 1959, Canada was faced with a surplus of unskilled labour while at the same time, specific categories of skilled persons such as nurses, teachers, doctors, medical laboratory

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[33] Canada, House of Commons Debates, 1960, pp. 4712-4713.

[34] Quoted in D.C. Corbett, "Canada's Immigration Policy 1957-1962", International Journal, 1966, p. 178.

technicians, accountants, social workers and skilled industrial workers were in short supply. In essence, therefore, the operating model that determined Canada's absorptive capacity during this period was a short term perspective and a direct response to the unemployment rate in specific categories of labour.

Part of the reorganization of the administrative function of Canada's immigration program was the announcement by Prime Minister Lester Pearson on December 17, 1965 that a new department would be created whose responsibilities would include immigration. Thus, the Department of Citizenship and Immigration was abolished and the new Department of Manpower and Immigration was created. The new name chosen for the department was more than purely symbolic because it reflected public policy concerns with the prevailing economic environment in Canada and a renewed concern with correlating immigrant admissions with this country's labour requirements. Furthermore, the new department underlined the extent to which immigration and Canada's manpower requirements were a paramount and entrenched feature of this country's public policy directions. In a sense immigration continued to be perceived within its short-term objectives of eliminating labour shortages.

THE WHITE PAPER ON IMMIGRATION

In December 1964 the Liberal government of the day invoked the Department of Citizenship and Immigration to undertake a general review of all aspects of immigration. The Department's review was released on October 14, 1966 in the form of a White Paper on Immigration. According to British parliamentary tradition a white paper is a statement of government policy. It defines the objectives related to an issue of national concern and outlines how government policy will be directed in order to achieve these objectives. This is what the White Paper on Immigration did for Canadian immigration policy.

The principal economic thrust of the White Paper is found in the following quotation:

> "Canada will need as many well qualified immigrants as it is likely to be able to attract during the foreseeable future. The economy will gain from an increased supply of people able to adapt to the demands of an increasingly complex society in which accelerating technological change is reshaping the world of work more and more rapidly. On the other hand, Canada cannot expect to provide employment for increasing numbers of unskilled, semi-skilled or unadaptable workers". [35]

The stage was thus set for the formal introduction of the two fundamental aspects of Canadian immigration policy in the latter part of the 1960s and the early 1970s. First, the White Paper adopted the expansionist philosophy stressing the positive

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35. Canada, White Paper on Immigration, Department of Citizenship and Immigration, Ottawa: Queen's Printer, 1966, p.41.

gains from enhanced immigration, viz. population growth, expansion of the domestic market, lower per capita costs of government and services, and cultural enrichment. Second, it re-emphasized the merits of selective immigration.

The fundamentals of the selective immigration approach that were enunciated in the White Paper and which later became the basis on which the 1967 Immigration Regulations would be patterned after were articulated in this manner:

> "Perhaps the most fundamental point is that, in a world in which immigrants of the quality required by Canada are relatively scarce, we cannot expect to recruit them on an erratic basis. If we were to promote immigration one year and discourage it the next year, turning the tap on and off in response to short-term economic conditions in Canada, we could not expect to get much high-quality immigration. For qualified people, who are reasonably assured of success in their original countries, migration is a complex and highly personal decision, compounded by economic inducements, political circumstances, social pressures and disatisfactions, family traditions, ambitions, adventurous spirits. The successful promotion of immigration requires capitalization of these factors as they affect skilled people. This cannot be achieved by sporadic action. A selective immigration policy today must be planned as a steady policy of recruitment based on long-term consideration of economic growth".[36]

There is no doubt that the White Paper set the course for a higher degree of correlation between immigration and short term manpower policy. The rapid pace of technological change made the unskilled and semi-skilled worker extremely vulnerable to the perils of unemployment. Furthermore, there was a need for

36. Ibid, p. 12.

upgrading the employability and productivity of the labour force. Education and skills, it was felt, were the preconditions for successful adaptation to the ensuing pattern of Canada's economic fabric. This was a most vivid illustration of concern with not only the quantity of immigrant arrivals, but also with the qualitative element of their potential contributions to the economy. In this regard, absorptive capacity developed a new qualitative dimension embodied in the quest for immigrants with a higher level of education and skill capabilities.

The White Paper also suggested that Canada's absorptive capacity for increased immigration had not been saturated by stating that "the Government's view is that it is in Canada's interest to accept, and if need be to encourage, the entry to this country each year of as many immigrants as can be readily absorbed".[37] At the same time, the White Paper underlined the need to adopt a selective instrument for the planning and administering of immigration policy if the qualitative objectives of Canada's manpower policy were to be attained. The parameters within which this decision had been taken were expicitly revealed in the following quotation:

> "We are still a flexible society whose development - social, cultural and economic - needs and can richly

37. Ibid, p. 23

> absorb the contributions of immigrants. The annual arrival of substantial numbers of immigrants with qualifications suited to our developing economy will stimulate further growth, increase productivity, make our economy more flexible and responsive to change, generate employment and improve the competitive efficiency of our industries. It is because immigration is such a vital factor in Canadian growth and development ... that immigration must be carefully planned and administered".[38]

It was the proposal to replace selection criteria based on country of origin with economic and particularly manpower considerations that received considerable attention with the release of the White Paper on Immigration:

> "Some people conclude that we should open our doors wide to a very large flow of immigrants. Since most of our country is still thinly populated, they think it possible for Canada, in the latter part of the twentieth century to benefit from an immigration movement comparable to that which, in the nineteenth century, helped to push forward the frontier and populate the great cities of the United States. The fact, however, is that economic conditions have changed. We do not have a frontier open to new agricultural settlement. Our people are moving off the land, not on to it. We are not a country of virgin lands and forests waiting to be settled by anyone with a strong back and a venturesome spirit. Despite its low population density, Canada has become a highly complex industrialized and urbanized society. And such a society is increasingly demanding of the quality of its work force. If those entering the work force, whether native-born or immigrants, do not have the ability and training to do the kinds of jobs available, they will be burdens rather than assets. Today, Canada's expanding industrial economy offers most of its employment opportunities to those with education, training, skill".[39]

This statement set the tone for the direction that Canadian immigration policy was going to take henceforth. Concern over the quality and not solely the quantity of the influx of

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38. Ibid., p.18

39. Ibid., p. 8

immigrants to Canada would become an ingrained feature of the course of immigration policy. It is interesting to note that the principal public criticism that followed the release of the White Paper on Immigration, a few days after the official opening of the Department of Manpower and Immigration, was directed at sponsored immigration and the alleged negative economic returns to Canada from this type of immigration.

In short, the White Paper on Immigration was in the expansionist tradition of the latter part of the post-war period. More specifically the White Paper proposed continued immigration to meet the needs of an expanding economy. Furthermore, the newly established Department of Manpower and Immigration emphasized linking the functions of manpower planning with immigration, hence underlining that immigration would continue to perform an economic role particularly in terms of meeting the labour requirements of the Canadian economy.

The White Paper was the basis for the introduction of the point system in 1967 for the selection of independent immigrants (unsponsored). The point system reinforced the 1962 regulations by introducing an objective universalistic system for the selection of prospective immigrants. Preference was

given to immigration candidates who had employment attributes such as higher education, industrial training, or specialized skills. It is worth noting that while the universalistic immigration policy inaugurated a new era of ethnocultural non-discrimination and bias, it nevertheless substituted preferential treatment for immigrants from the traditional source countries with preferential treatment for new immigrants possessing desirable educational accomplishments, professional affiliation and industrial expertise.

THE 1967 IMMIGRATION REGULATIONS

Shortly after the release of the White Paper on Immigration, more precisely on April 18, 1967, the Minister of Manpower and Immigration entrenched the principle of a universalistic and non-discriminatory policy in the form of immigration regulations Order in Council P.C. 1616 which came into effect on October 1, 1967. These new immigration regulations proposed an innovative point system for the selection of immigrants that spelled out the criteria that was to be used in the assessment of prospective applicants for admission. They are also of paramount importance in the historical evolution of immigration legislation in as much as they reaffirmed the governments preference for the more expedient orders in council rather than the cumbersome

immigration acts as a conduit for immigration policy.

These regulations had four principal objectives. First, discrimination on the basis of race or nationality was eliminated for all classes of immigrants. Second, the selection criteria for unsponsored immigrants (identified as independent applicants in the regulations) were set out in considerable detail and with an element of objectivity for the first time. The criteria would be comprised of nine factors against which applicants would be judged with respect to their short-term and long-term prospects for successful "establishment" in Canada. A detailed illustration of these criteria is set out in Table 1. Third, the sponsored class was retained subject to the modifications proposed by the White Paper and a few minor additions and a new class of nominated relatives (essentially a hybrid between sponsored dependents and independent applicants) was created. In effect the new category of nominated relatives were subject to assessment only on the long-term selection criteria since their nominators' proposed assistance replaced the short-term criteria. Fourth, there was a specific provision made for visitors to apply for landed immigrant status while in Canada. This fourth provision was discounted on November 3, 1972, Order in Council P.C. 2502, due to the large numbers of applicants who appeared to be circumventing normal procedures that required an application

TABLE 1
SELECTION CRITERIA, CANADIAN IMMIGRATION REGULATIONS
(P.C. 1616 -Oct.1, 1967)

Factors	Guidelines for Awarding Assessement Units	Admissable Range of Assessment Units
Long Term Factors	Independent Applicants	
1. Education and Training	One assessment unit to be awarded for each year of formal education, apprenticeship, professional, vocational or trades training which the person has successfully completed.	0 - 20
2. Personal Qualities	Units awarded on the basis of an interview with a selection officer in which an attempt is made to identify an applicant's positive personal qualities such as adaptability, motivation, initiative and resourcefulness, etc.	0 - 15
3. Occupational Demand	Units are awarded on an ascending scale based on the weakeness or strength of demand for the applicant's intended occupation and whether his occupation is classified as skilled or unskilled.	0 - 15
4. Occupational Skill	A basic skill rating is assigned to every occupation in accordance with internationally recognized standards with the proviso that an immigration officer may add or subtract one unit to reflect evidence of a particularly high or unusually low skill attainment by the applicant.	1 - 10
5. Age	The full ten points are awarded to applicants who are between 18 and 35 years of age with one unit deducted for each year over the age of 35.	0 - 10

Table 1 (cont'd.)

Factors	Guidelines for Awarding Assessment Units	Admissible Range of Assessment Units
Short-term Factors		
6. Arranged Employment/ Designated Occupation	Applicant may be awarded 10 units if certain knowledge exists that the applicant will find a job immediately after arrival in Canada or if a persistent and unfillable shortage in an occupation in Canada is a virtual guarantee of employment to anyone qualified in that occupation.	0 - 10
7. Knowledge of English and/or French	For either language, five points are awarded for full fluency, two points for a good speaking or reading knowledge, and one point for a limited speaking or reading ability.	0 - 10
8. Relative in Canada	An applicant with no relative in Canada is awarded zero units; an applicant with a relative is awarded three points; and an applicant who will take up residence in the same municipality as his relative is awarded the maximum allowable - five units.	0 or 3 or 5
9. Area of Destination	Area demand ratings are worked out continuously and are provided to immigration officers at regular intervals based on economic conditions in area of the applicant's intended destination.	0 - 5
	Potential maximum	100
	Nominated Relatives	
Long-Term Factors (same as independent applicants)		1 - 70
Short-term settlement arrangements provided by relative in Canada		15 or 20 or 25 o
	Potential maximum	100
	Sponsored Dependents	
Close relative in Canada willing to take responsibility for care and maintenance		Units of assessment not required

to be filed from abroad.

Closer examination of the unit assessment scheme, or the point system as it is more commonly referred to, reveals a multitude of interesting insights into the framework within which the link between immigration and Canada's labour requirements are extrapolated. This scheme outlined nine factors against which applicants would be judged with respect to their short and long term prospects for successful establishment in Canada. The nine factors were: education and training, personal qualities, occupational demand, occupational skill, age arranged employment, knowledge of English and French, relative in Canada, and area of destination. One fifth of the assessment points were awarded on the basis of the duration of education and training. Prospective immigrants possessing these attributes were perceived as being more capable of adapting to technological changes, and with a higher propensity to enhance productivity.

After education and training the second most important labour criteria in the 1967 Immigration Regulations is the occupational demand. The selection criteria are such that prospective immigrants from occupations that demonstrate a strong demand exists in Canada will meet the selection standards more easily than for those where occupational demand is weak or non-existent. Essentially this factor attempts to correlate the influx of immigrant workers with the needs of the Canadian

labour market.

Occupational demand is calculated by means of a continuous monitoring of the Canadian labour market with a view to determine the existing and anticipated shortages on manpower requirements for particular occupational groups. Immigration officers are provided with these ratings every three months with more frequent interim amendments if necessary.[40]

The occupational skill criterion is geared to accommodate the observation that unemployment is more prevalent amongst the unskilled portions of the labour force. Furthermore, it is held that immigrants possessing a certain skill are likely to find remunerative employment quickly and easily as well as adapting successfully to the Canadian economic structure. It would seem to me that the 1967 Regulations appear to be quite pre-occupied with the changing needs and requirements of a technological economy where it was felt new jobs require advanced skills and old jobs require continuous upgrading. The age factor is also associated in the Regulations with the ease with which members of the labour force in their prime years i.e. 18 to 35 years of age, are able to secure employment. The established view being that "after 35 the task becomes more difficult, and by 45 the prospects are relatively poor due to a variety of real or imagined impediments such as obsolescence

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40. Canada, The Immigration Program, Vol.11, Department of Manpower and Immigration, Ottawa, 1974, p.45.

of learned skills, reduced mobility and adaptability, rigid pension schemes etc.".[41]

The four short-term factors, i.e. those intended to indicate an applicant's chances of establishing an early foothold in Canada are: arranged employment or designated occupation, knowledge of English or French or both, presence of a relative in Canada, and general employment opportunities in the area of destination.

Arranged employment requires the identification of a specific job with a particular employer (but not an employment agency) in Canada. It is also required that employment is offered on a permanent basis and that working conditions and the wage level are in accordance with the occupation and the geographical area where the job is available. The reason for this criterion is outlined in the following quotation:

> "An objective of Canadian manpower strategy must always be to assure that employment opportunities are made available first to the resident labour force. Accordingly, prospective immigrants are now awarded points for a job offer in Canada only when the Department of Manpower and Immigration certifies that suitably qualified Canadian citizens or permanent residents are not available to fill the job concerned. Before awarding the 10 units of assessment, the selection officer must also satisfy that the applicant, in addition to being suitably qualified can meet any federal, provincial or other licensing or regulatory requirements applicable to the job".[42]

In an attempt to tighten up the immigration/manpower

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41. Ibid., p.46
42. Ibid., p.47

interface of the 1967 Regulations a new item-designated occupation - was introduced in February 1974. Units were awarded for this category on the basis of persistent and unfillable labour shortages in a particular occupation in Canada. Thus both criteria, arranged employment and designated occupation, are intended to ensure that the applicant will find remunerative employment immediately or shortly after his/her arrival in Canada. Furthermore, designated occupation criterion has the propensity to permit assessment units to be awarded for short-term local or regional labour shortages that cannot be awarded under the broader occupational demand category.

Units awarded for knowledge of English and/or French is part of Canada's recognition of bilingualism.[43] Selection officers do not administer any formal tests but base their judgements on an applicant's ability to converse in either or both of these languages during the course of the interview and to cope with documents in English and/or French. The assessment scheme for this category is as follows: five units are awarded for complete fluency in either language, two units for either or both of a good speaking or reading knowledge in either language, and one unit for either or both of a limited speaking or reading ability in either French and/or English.

The 1967 Regulations also implied that the presence of a

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43. The recognition that Canada has two official languages, English and French.

relative in Canada would be beneficial for an immigrant to become established and quickly orientated. Thus the regulations are more lenient towards an immigrant who has a relative in Canada, even if the latter is unable or unwilling to sponsor or nominate the former. The underlying assumption being that a relative domiciled in Canada will be of assistance in an advisory capacity at least in finding employment, provision of shelter and generally the dissemination of useful information. The existence of a relative anywhere in Canada entitles an applicant to three units of assessment, which is raised to five units if he is destined for the same municipality as the relative.

Another selection criterion is the economic climate with respect to employment opportunities in the area of destination. The regulations emphasise that area demand is an important aspect of an immigrant's prospects towards becoming quickly established in Canada. Thus, if a particular area is favoured with bouyant economic conditions and job opportunities are readily available, there is a higher possibility that an immigrant directed for that area would find employment easily even though it may not be in his own occupation. It is important to note that the area-demand factor is more geographically sensitive to variations between regions and,

therefore, complements the general occupational demand category. Undoubtedly, it exerts some influence in directing the flow of immigrants to those parts of the country best suited to receive them. Similar to the procedure for national occupational demand, the area demand ratings are computed on a continuous basis and are sent to selection officers at regular intervals.

Besides the nine selection criteria, one additional requirement applies in the selection of independent applicants. The regulations require each independent applicant to have "the means to maintain himself and his immediate family (i.e. his spouse and dependent children) until he is established".[44] What is meant by "means" is not a fixed sum but varies depending on the number of dependents, the existence of friends or relatives in Canada, how long it is likely to take him/her to find permanent employment, and the cost of living at the ultimate destination in Canada.

Independent Applicants and Nominated Relatives to qualify for selection must normally earn 50 or more of the potential 100 units of assessment. In addition they must have received at least one unit for the occupational demand factor or be destined to arranged employment or a designated occupation. Entrepreneurs are assessed in the same way as Independent Applicants except that they receive an automatic 25 units

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44. Canada, The Immigration Program, op. cit.

of assessment in lieu of any units they might have received for the occupational demand and occupational skill factors.

The introduction of the 1967 Regulations provided the most direct and obvious emphasis that has been placed in Canadian post-war immigration policy on the interface between immigration and the economy's manpower requirements. Within this context absorptive capacity was predominantly determined not solely with the volume of immigrant arrivals but more so with the qualitative aspects - the educational, skill and occupational quotient - of immigrants admitted to Canada.

The Green Paper on Immigration

The genesis of the Immigration Act of 1976 began with the date of September 17, 1973 when the Minister of Manpower and Immigration, announced in the House of Commons the Liberal government's decision to launch a fundamental review of immigration policy as a prelude towards the preparation of a modern legislative base for the future conduct of Canada's immigration program. The government's reasons for doing so were expressed in the following way:

> "At a time of increasing concern throughout the world about population growth, the limits of the earth's resources and the preservation of our environment, Canadians are beginning to raise fundamental questions about the population of their own country. Although

> Canada is a vast land with enormous natural resources, it is not immune from many of the problems affecting other countries. We are now starting to consider, in a conscious policy framework, the questions of the overall size of our population, the pace at which it grows, its geographical distribution, its age patterns, its linguistic, educational and occupational mix, and other related issues such as urban growth. The location of the Canadian population may, in fact, turn out to be as important to us in the future as the total number making up the Canadian mosaic".[45]

On February 3, 1975, a Green Paper entitled The Report of the Canadian Immigration and Population Study was tabled in the House of Commons. It is interesting to note that a deliberate decision to publish a Green Paper rather than a White Paper was taken. According to the British parliamentary system a White Paper is a statement of government policy whereas a Green Paper is designed to provide factual information as a basis for stimulating public discussion and debate over a major policy question prior to the introduction of new legislation. Hence the 1975 Green Paper did not have the fait accompli overtones of the 1966 White Paper. The Green Paper which was the cumulative effort of a task force set up in September 1973 was comprised of four volumes and eight supplementary studies.

In an attempt to spearhead public debate and bring the general discussion on immigration in proper perspective, the Green Paper listed four options for discussion. First, the option to retain the existing system which did not specify in advance the number of immigrants to be admitted annually. Second, the option to gear the program to meet economic and

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45. Address by the Minister of Manpower and Immigration Robert K. Adras to the Montreal Rotary Club, Montreal, Canada, December 10, 1974

labour market objectives in a more intensive manner than hitherto applied. Third, the option to develop and announce explicit targets limiting the number of visas to be issued annually on a global and regional basis. Finally, the fourth option proposed an annual global ceiling for the aggregate immigration movement with the proviso that the priorities to be observed in the issuance of visas to different categories of immigrants within that ceiling would be specified.

The release of the Green Paper was followed by the appointment of a Special Committee of the Senate and the House of Commons on Immigration as a further means of enhancing the substance of the public debate. The Committee held public meetings and received oral and written briefs from across Canada. Armed with the extensive and varied feedback on population and immigration issues from the Canadian public, the committee produced its Report to Parliament on November 6, 1975. The Report indicated that the members of the Joint Committee were of the opinion that Canada should continue to be a country of immigration. This conclusion was based on the positive demographic and economic benefits to Canada in addition to the pursuit of such worthwhile objectives as family and humanitarian considerations. The central conclusion of the Report is included in the following quotation:

> "Since the Committee believes that a country as large and as thinly populated as Canada cannot afford a declining population, it concluded that Canada must continue to welcome a minimum of 100,000 immigrants a year as long as present fertility rates prevail. The Committee was divided on whether or not to suggest an upper limit either as a figure or as a percentage of the Canadian population. But there was agreement that the Government, when formulating a target each year .... should not treat the minimum figure of 100,000 as an upper limit.
>
> The Committee rejected the view contained in some submissions that Canada should close its doors to immigrants. Equally, it concluded that in an age of vastly increased mobility Canada could not afford to have an "open door" policy, and would have to maintain controls over the total number of immigrants coming each year to Canada. The Committee's preference is for a policy of moderation between these two extremes".46

The Joint Committee went on to elaborate on its proposal of targets and ceilings in order to regulate flows in such a way as to achieve the desired population growth. In setting the target figures they suggested two principal indicators: demographic and economic. The demographic indicator would take into account the fertility rate, size, rate of change in size, and age of population, and rate of entry into and exit from the job market. The economic indicator would take into account the level of economic activity and rates of employment and unemployment. The Committee's report suggests, however, that the Government's target figure be subject to parliamentary scrutiny. Once the annual target has been established, the likely number of sponsored applicants can be estimated and

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46. Canada, Report to Parliament, Special Joint Committe on Immigration Policy, November 6, 1975, pp. 7 - 8

subtracted from the target. The resulting figure would be the ceiling on the number of independent applicants to be accepted that year. The Committee's report maintains that since refugee flows are rarely predictable they cannot form part of such calculations.

The Immigration Act of 1976

The recommendations of the Joint Committees Report were well received by the Government. Indeed, sixty out of sixty-five Committee recommendations were incorporated in the new immigration bill which was introduced to the House of Commons on November 24, 1976. On that occasion the Minister of Manpower and Immigration said in part:

> "The Bill explicitly affirms, for the first time, the fundamental objectives of Canadian immigration law; family reunification, non-discrimination, concern for refugees, and the promotion of Canada's economic, social, demographic and cultural goals.... Under the new Act, future immigration levels are made a matter for open decision and public announcement in advance by the government. We want to plan our immigration intakes over the years to come in such a way that Canadians will know what to expect, rather than being subjected to explosive increases and strains, followed by restrictions that result in disappointment and hardships to prospective immigrants and their relations in Canada".[47]

Characteristic of the controversial sentiments aroused by the new immigration bill and the cumbersome procedures for

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47. Canada, Report to Parliament, Special Joint Committee on Immigration Policy, November 6, 1975, pp. 7 - 8.

proclaiming a new immigration act was the lengthy Parliamentary debate that ensued. The 1976 Immigration Act was finally passed by the Canadian Parliament at a late night sitting and shortly before midnight on July 25, 1977 and Royal Assent was received on August 5, 1977.

The 1976 Immigration Act espoused the following objectives:

"(a) to support the attaintment of such demographic goals as may be established by the Government of Canada from time to time in respect of the size, rate of growth, structure and geographic distribution of the Canadian population;

(b) to enrich and strengthen the cultural and social fabric of Canada, taking into account the federal and bilingual character of Canada;

(c) to facilitate the reunion in Canada of Canadian citizens and permanent residents with their close relatives from abroad;

(d) to encourage and facilitate the adaptation of persons who have been granted admission as permanent residents to Canadian society by promoting cooperation between the Government of Canada and other levels of government and non-governmental agencies in Canada with respect thereto;

(e) to facilitate the entry of visitors into Canada for the purpose of fostering trade and commerce, tourism, cultural and scientific activities and international understanding;

(f) to ensure that any person who seeks admission to Canada on either a permanent or temporary basis is subject to standards of admission that do not discriminate on grounds of race, national or ethnic origin, colour, religion or sex;

(g) to fulfil Canada's international legal obligations with respect to refugees and to uphold its humanitarian tradition with respect to the displaced and the persecuted;

(h) to foster the development of a strong and viable economy and the prosperity to all regions in Canada;

(i) to maintain and protect the health, safety and good order of Canadian society; and

(j) to promote international order and justice by denying the use of Canadian territory to persons who are likely to engage in criminal activity."[48]

The incorporation of an explicit list of objectives that govern the course of Canadian immigration policy was a radical departure from the parameters of the 1952 Immigration Act and a first in Canadian immigration jurisprudence. Also, Canada's Immigration Act of 1976 offers a significant departure from previous immigration legislation in the treatment afforded those with refugee status. Canada has always been sympathetic and opened its doors on humanitarian grounds to those seeking refugee status within its political boundaries. In the past, however, the refugee category was not incorporated in the immigration legislation. The new Act established another first in Canadian jurisprudence, by making a provision for the protection of refugees in conformity with the stipulations of the United Nations Universal Declaration of Human Rights to which Canada is a signatory as well as establishing a refugee category.

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48. Canada, Immigration Act of 1976 (Canada Gazette) Part III. Chapter 52, Vol. 2, No. 8, 1977, pp. 5 - 6.

Finally the 1976 Act incoporated a radical departure in the letter if not the spirit of the evolution of Canadian immigration policy in the post-war period. With reference to levels of immigration the new Act stipulated that:

> "the Minister, after consultation with the provinces concerning regional demographic needs and labour market considerations and after consultation with such other persons, organizations and institutions as he deems appropriate, shall lay before Parliament, not later than the sixtieth day before the commencement of each calendar year or, if Parliament is not then sitting, not later than the fiftieth day next thereafter that Parliament is sitting, a report specifying
>
> (a) the number of immigrants that the Government of Canada deems it appropriate to admit during any specified period of time; and
>
> (b) the manner in which demographic considerations have been taken into account in determining that number."[49]

The provision for annual global limits to immigration is of direct relevance to the economics of immigration. It is also a further illustration of concern over Canada's absorptive capacity in the post-war period. A concern that was initiated by Prime Minister King's statement to the House of Commons on May 1, 1947 and has been re-iterated throughout the past three decades and most recently by the Minister of Employment and Immigration,[50] in the following manner:

> "It would be irresponsible for us not to try to determine the number of immigrants that can be absorbed by the country in any one year. It is not fair, either, to

49. Ibid, pp.7-8
50. The Department of Manpower and Immigration was renamed the Department of Employment and Immigration in August 1977.

prospective immigrants or to Canadians to accept more people than our economy and society can handle".[51]

From an economic perspective it is worth noting that whereas the 1967 Immigration Regulations that preceded the new Act by ten years revealed a general tightening of immigration policy, the assessment scheme for admission to Canada, as introduced then, was intended primarily to correlate the economy's demand for the educated, professional and skilled immigrant joining the labour force without specifying any upper limit of admissions. The 1976 Act, however, specifies the need to estimate the number of immigrants that will be admitted each year. Thus, encouraging a more centralized procedure for immigration planning which will involve taking account of short and long term variables of an economic and demographic nature.

Undoubtedly, the wide annual fluctuations of immigration arrivals, in the post-war period have been a major influence in the government's decision to propose a more co-ordinated and planned immigration programme. It is, therefore, anticipated that by avoiding the high peaks and low valleys that have characterised immigration flows in the past the government will

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51. Notes for an address by the Minister of Employment and Immigration, Mr. Bud Cullen to a public meeting sponsored by the Portuguese Association of Winnipeg, Winnipeg, Canada, September 8, 1977, p.4.

be able to enhance its labour market planning and to refrain from imposing unnecessary strains on community housing, schooling, health care and the like.

The Immigration Act of 1976 was accompanied with a new set of Immigration Regulations. Their scope and substance are summarised in Table 2. The introduction of the 1976 Immigration Regulations were intended to up-date the selection criteria and enhance the process of immigrant absorption within the contemporary parameters of labour market conditions and trends. They were also intended to correlate in a more effective manner the qualitative attributes of immigration flows such as levels of education, professional expertise, and industrial skills with the domestic requirements of the Canadian economy and accelerate the process of economic growth and development.

The Immigration Act of 1976 remains to this very day the contemporary legislative instrument for adjudicating Canada's immigration program. Some fairly significant revisions, however, were introduced to the 1976 Immigration Regulations in 1985. These revisions[52] encompassed an array of changes in the points awarded certain categories of assessment as well as the elimination of a couple of selection categories. Among the changes in the weight of existing assessment categories is the decrease in points awarded for occupational demand from 15 units to 10. Furthermore, assessment points for fluency in both of Canada's official languages was increased from 10 to 15

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52. Canada, Employment and Immigration Canada, The Revised Selection Criteria for Independent Immigrants, Ottawa, 1985.

TABLE 2
SELECTION CRITERIA, CANADIAN IMMIGRATION REGULATIONS
(P.C. 940, December 31, 1977)

Factors	Guidelines for Awarding Assessment Units	Maximum Assessment Units
1. Education	One point for each year of primary and secondary education successfully completed.	12
2. Specific Vocational Preparation	To be measured by the amount of formal, professional, vocational, apprenticeship, in-plant or on-the-job training necessary for average performance in the occupation under which the applicant is assessed in item 4.	15
3. Experience	Points awarded for experience in the occupation under which the applicant is assessed in item 4 or, in the case of an entrepreneur, for experience in the occupation that the entrepreneur is qualified for and is prepared to follow in Canada.	8
4. Occupational Demand	Points awarded on the basis of employment opportunities available in Canada in the occupation that the applicant is qualified for and is prepared to follow in Canada.	15
5. Arranged Employment or Designated Occupation	Ten points awarded if the person has arranged employment in Canada that offers reasonable prospects of continuity and meets local conditions of work and wages, providing that employment of that person would not interfere with the job opportunities of Canadian citizens or permanent residents, and the person will likely be able to meet all licensing and regulatory requirements; or the person is qualified for, and is prepared to work in, a designated occupation and meets all the conditions mentioned for arranged employment except that concerning Canadian citizens and permanent residents.	10

Table 2 (cont'd.)

Factors	Guidelines for Awarding Assessment Units	Maximium Assessment Units
6. Location	Five points awarded to a person who intends to proceed to an area designated as one having a sustained and general need for people at various levels in the employment strata and necessary services to accommodate population growth. Five points subtracted from a person who intends to proceed to an area designated as not having such a need or such services.	5
7. Age	Ten points awarded to a person 18 to 35 years old. For those over 35, one point shall be subtracted from the maximum of ten for every year over 35.	10
8. Knowledge of English and French	Ten points awarded to a person who reads, writes and speaks both English and French fluently. Five points awarded to a person who reads, writes and speaks English or French fluently. Fewer points awarded to persons with less language knowledge and ability in English or French.	10
9. Personal Suitability	Points awarded on the basis of an interview held to determine the suitability of the person and his/her dependants to become successfully estabilished in Canada, based on the person's adaptability, motivation, initiative, resourcefulness and other similar qualities.	10
10. Relative	Where a person would be an assisted relative, if a relative in Canada had undertaken to assist him/her, and an immigration officer is satisfied that the relative in Canada is willing to help him/her become established but is not prepared, or is unable to complete the necessary formal documentation to bring the person to Canada, the person shall be awarded five points.	5

units. Two categories, specifically, location and relative were altogether eliminated from the criteria for assessment. Finally, under the 1976 Immigration Regulations successful applicants for immigration to Canada were required to accumulate a total of 50 points out of a maximum of 100. The revised regulations adopted in 1985 introduced a more stringent acceptance threshold, increasing the total points required for successful processing as an immigrant to 70 points while maintaining the maximum awarded at 100 points.

As a consequence of the economic recession of the early 1980's the immigrant assessment scheme was suspended between May 1982 and January 1986 in favour of admission solely on the basis of pre-arranged employment.

Current Legislative Mandate

The Immigration Act of 1976 continues to provide the legislative framework for the conduct of Canada's contemporary immigration policy and program. However, in the early 1990's and in response to the rapidly changing domestic and international economic and demographic circumstances two legislative amendments were introduced to the current Act in an effort to address some of the administrative problems that had emerged.

Bill C-86 which came into effect on June 16, 1992 and Bill C-44 which received Royal Assent on June 15, 1995 introduced amendments to the 1976 Immigration Act aimed at streamlining the administrative management of Canada's immigration and refugee determination system. Both legislative amendments were of a minor fine tuning nature rather than a fundamental structural change to the scope and substance of the existing Act. In short, economic considerations continue to be the principal focus for Canada's evolving immigration legislation.

CHAPTER VII

THE IMPACT OF IMMIGRATION ON CANADA'S POPULATION PROFILE

Introduction

In many respects immigration to Canada is a fundamental pivot of Canada's historical evolution as a nation, its economic structure and growth, its social fabric, its political profile and its cultural mosaic. Indeed it is appropriate to suggest that immigration and Canada are synonyms in the spirit if not the letter of their seminal context.

There is no denying that Canada has been populated through successive waves of immigrants guided by economic ambition or refugees fleeing from persecution and oppression. A careful perusal of the family tree and roots of most Canadian families will undoubtedly reveal that they are all immigrants of one generation or another. Indeed, those Canadians who were not foreign-born themselves will no doubt readily identify a parent, grandparent or great grandparent who emigrated to Canada out of his or her own free will in search of a better life or were forced to seek refuge in Canada because of political, social, religious or cultural persecution and oppression in their country of birth. When the observation is made that Canada is a country of immigrants and the descendants of immigrants, this is not simply a cursory or fleeting observation, but a factual exposition of the importance of immigration in populating this vast and varied country.

Canada like other major immigrant receiving countries such as Australia and the United States of America have been shaped and molded by successive waves of immigrants from the four corners of

the world. In particular these countries have witnessed the evolution of their demographic profile as a consequence of the influx of immigrants; their labour markets have been affected by the increase in the supply of workers through immigrant labour; and the process of economic growth and development has also been influenced by the successive flows of migratory waves of immigrants from around the world.

Archeological evidence suggests that Canada's first inhabitants were immigrants themselves. Mankind's history on the North American continent can be traced back to the late Pleistocene period when nomadic hunters, the forebearers of Canada's native peoples, the Indian and Inuit (Eskimo) emigrated from Asia in search of more abundant hunting grounds and arrived in North America from Siberia by way of a land bridge across the Bering Strait. Archeologists support this thesis through their recent excavations undertaken at Old Crow River in the Yukon Territory which have unearthed the oldest known human artifact in the new world. It is the tip of a fleshing tool made from the leg bone of a Caribou which is believed to have been used by Canada's first inhabitants approximately 27,000 years ago.

The Scandinavians were the first Europeans to venture by way of the sea to the North American continent. It is believed that from their base in southwest Greenland they set sail for Labrador and further south along the North American coast. Recent archeological excavations have unearthed the site of the oldest known European settlement in the New World. It is a Viking village that dates back to the Norse voyages five

centuries before Columbus discovered North America. The site at L'Anse-aux-Meadows in northern Newfoundland is tangible proof of European settlement on the North American continent by 1000 A.D.

The historical duration and geographical extent of Scandinavian settlement in North America is not fully known, however, it appears that they were not long lasting. It has been suggested that the reasons for this failure lies in their inability to make the necessary radical adaptation required to support themselves in an alien environment and their failure to find an export good which could be traded with Europe in return for goods which could assist the survival and improve the living standards of the immigrant settlers. Subsequent European explorers and immigrants to reach Canada were more successful in that they found staple products. i.e. exports with a high natural resource content for which there existed a European demand. It is with the economic exploitation of these staples initially the fish resources off the Canadian coast and in due course the land based resource staples, that Canada's economic history evolves out of the prehistoric era and into its more modern phase.

From time immemorial Canada has been recognized as a vast and varied geographical expanse with its people and resources widely scattered. Immigration would play a singularly important role in Canada's demographic evolution and in the harnessing and the economic exploitation of this country's natural resource wealth. The first immigrants to Canada were

confronted with a vast and rugged geographical terrain whose exploration and exploitation would take centuries and in many respects has not been completed to date.

A Multicultural Mosaic

Immigration has played a very pervasive and visible role in the process of populating Canada. Hardly a day goes by when we are not reminded of this country's rich and varied ethnocultural mosaic. A multiethnic tapestry composed of people with different physical features, colour, race, religion, cultural backgrounds and ethnic origins; which time has not erased. A clear and illustrative reminder that immigrants from the four corners of the world have settled in Canada.

In short, the history of Canada is in many respects the story of successive waves of immigrants who have settled in and contributed to this country's evolutionary growth and development. There is no denying that immigrants are Canada's roots. The French, the Scots, the Irish, the Ukranians, the Danes, the Italians, the Chinese, to mention just a few, ventured to Canada with hopes and aspirations, dreams and apprehension, determined to carve a new life that would be better than the one they left behind. In the process they shaped and molded, in a profound and indelible manner, Canada's political profile, cultural heritage, social fabric and economic structure.

International Population Comparisons

In a geo-demographic context Canada is something of a paradox. This is because on a global setting it holds title to a disproportionate share of the earth's geographical terrain vis-á-vis its population size.

In 1994 Canada's population size was estimated at 28 million. When compared to some other countries, the size of Canada's population is small by international comparisons. For example, compared to the 1994 population estimates for China 1,190 million; India 920 million; Russia 150 million and the U.S.A. 261 million, Canada's population is comparatively small. Indeed, the Canadian population represents merely 0.5 per cent of the world's total population of more than 5.6 billion people. For the purpose of identifying future migration flows it is worth noting the disparity in population concentration between the world's developed and less developed regions. In 1994 only 1.2 billion lived in developed regions whereas a total of 4.4 billion lived in less developed countries. This further accentuates the demographic pressures that are likely to lead to immigration and refugee movements from less developed countries to the developed countries of the world.

In geographical expanse Canada is the largest country in the western hemisphere and the second largest in the world after Russia. It is spread over an area of 3,849,656 square miles. Canada's population density of 8 persons per square mile is in sharp contrast to the population density of the United States of

America 74 persons per square mile, Austria 249 persons per square mile, India 801 persons per square mile, Germany 600 persons per square mile, South Korea 1,189 persons per square mile and Singapore 11,867 persons per square mile. Indeed the fact that Canada's population density is amongst the lowest in the world emphasizes its disproportionate share of the vast geographical terrain claimed by Canada. The argument is often made in international circles that Canada has an obligation and the latitude to accept a larger number of immigrants and refugees. This argument is based on the foundation that in view of Canada's low population density, this country is one of the most sparsely populated countries in the world. It is worth noting however that Canada's geographical location makes a portion of Canada's land mass virtually uninhabitable because of inhospitable terrain and inclement weather which suggests that the low population density may project a somewhat distorted image of this country's potential capacity to support a very large population. On the other hand, technological advances are making it possible for comfortable habitation and the cost-effective exploitation of the abundant resources in Canada's frozen north.

Immigration Qualifications and Constraints

It is necessary to note at the outset that while immigration has played an important role in the history of settlement and in the growth of Canada's population, the aggregate impact of immigration on this country's demographic profile has not been without constraints or qualifications. Indeed, Canada's immigration program has never been in the laissez faire

laissez passer mold. On the contrary, it has always been subject to overt or covert constraints and restrictions.

The quantitative impact of immigration on Canada's demographic evolution has been predominantly determined by economic considerations and conditions in Canada which have defined the appropriate annual level of immigrant admissions with a view towards determining the number of immigrants that can be readily absorbed in the economic fabric of the nation. It should be noted, however, that in the early formative years of Canadian nationhood immigration was a part of this country's military strategy to secure Canada's sovereignty over the land mass that it held title to vis-à-vis the more populated neighbour to the south, the United States of America.

A feature of the quantitative contribution of immigration to Canada's population size that is often neglected is the inter-generational contribution of immigrants to natural increase. In particular we need to underline that a proportion of the natural increase for an immigrant receiving country is attributable to previous immigration flows. This is particularly so where child births in Canada are from immigrant parents, i.e. the domestic-born children of foreign-born parents. Unless we emphasize this feature of the quantitative impact of immigration on Canada's demographic evolution we are likely to downsize the aggregate impact of immigration on population growth. In this respect it should be noted that the contribution of immigration towards Canada's population size suggests more profound and far-reaching consequences and impact than is evident from a cursory analysis of the demographic data.

Overall while Canada's natural increase has had a more significant impact than net migration on population growth we should not neglect to underline the contribution of immigration to natural increase through inter-generational births. Furthermore it should be noted that a decline in population size may have occurred as a result of some combination of lower birth rates, mortality and emigration in the absence of the positive demographic influence of immigration.

Canadian immigration policy has vascillated between turning the immigration tap on during certain periods and off during others in response to domestic economic conditions and the public mood towards immigration. This alternating feature of our public policy that was expansionary some times and restrictive at other times has resulted in the uneven contribution of immigration on Canada's demographic evolution over a historical span of time. It follows without saying that when Canada's immigration policy was expansionist the impact on population size was much more significant than when our immigration policy was restrictionist. This had a consequential effect on the overall impact of immigration on its proportional contribution to Canada's population base. Furthermore, Canada's immigration policy was not restricted to the quantitative impact of the number of immigrants admitted but also on the ethnocultural origins and the labour force and occupational characteristics of prospective immigrants.

The overall impact of immigration on Canada's demographic characteristics must also be discerned in terms of its

qualitative contributions. For example, immigration flows to Canada have included a high proportion of young immigrants in the peak period of labour force participation who possessed human capital endowments that contributed towards the elimination of labour shortages and prevented production bottlenecks from hampering the process of economic growth and development.

One of the increasingly important features of the impact of immigration on Canada's demographic profile is the evolving pattern of ethnocultural diversity in the composition of immigration flows to Canada. This is a direct result of the changing pattern of source countries for immigrants destined for Canada in response to the evolving international push and pull forces that determine the origins and destinations of international migration flows. Canada's initial preference for immigrants from Britain, France and the United States of America would gradually evolve in favour of Eastern European immigration and since the 1960's into a universalistic policy of admissions that was intended to be free of any ethnocultural bias. The changing pattern of ethnocultural immigration to Canada was a direct result of responding to the supply shortages emerging in the domestic labour market at a time when the supply of prospective immigrants who possessed the desired labour force characteristics in the traditional source countries was declining. The admission of immigrants to Canada from non-traditional source countries became a matter of economic necessity. In short, Cananda's emphasis in selecting those immigrants who possessed employment attributes that were urgently needed in the Canadian labour market dictated

the adoption of a more universalistic system for the selection of migrants that was based predominantly on economic considerations rather than preferences associated with ethno-cultural origins. In this respect the multicultural nature of immigration flows to Canada and the imbued depth and breadth of ethnocultural diversity in Canada's population profile induces costs and benefits of a social and economic nature.

Immigration has also been of consequence on the geographical distribution of the Canadian population. There is no denying that Canada's population is not evenly distributed throughout the length and breadth of this vast country. Not only has the size of the domestic population increased in the longer span of time, but its distribution within the national boundaries has also changed significantly. As a general rule, those regions that experienced the highest rates of economic growth and development also experienced a more rapid pace of population growth. This uneven geographical distribution of the population was accentuated by internal and international migration. Indeed the economic rewards of relocating in the prospering regions of Canada triggered a constant flow of domestic migration as well as inducing international migrants to favour those regions for permanent settlement. It is therefore not a matter of chance that the Province of Ontario, Quebec and British Columbia have emerged as major population centres as well as preferred destinations for international migrants. Furthermore, this combination of population concentration, regional economic disparities and the preferred destination of immigrants has aggravated the congestion in population, services and facilities within the metropolitan centres of Toronto, Montreal and Vancouver.

Population Growth: Past and Present

One of the singularly important demographic features confronting any country is the size and rate of growth of its population. Indeed a country's overall demographic profile is of direct or indirect consequence for practically every aspect of economic and social public policy formulation. Furthermore, the contemporary size and pattern of growth of any country's population is the end result of a continuing dynamic evolutionary process that begun since time in memorium.

European settlement in the geographical expanse that would ultimately become known as Canada began after the discovery of the new world. Jacques Cartier one of the early explorers of the new world claimed part of eastern Canada for Francis I of France. On July 12, 1534 he erected a large cross on the Gaspé in the presence of his crew and some bewildered Indians. This incident is often considered the starting point of modern Canadian history. In due course the colonial powers of France and England grabbed at a golden opportunity to enhance their empires and to embrace under their economic sphere of influence new lands in North America along with their plentiful resources. Both of these European powers encouraged limited immigration to their colonies, with different degrees of success, as a means of securing their foothold on this continent and as an opportunity to put into practice the prevailing mercantilist philosophy of the time. Hence population growth in the colonies was perceived as a means of enhancing the exploitation of their natural resources and providing a sustained supply of raw materials, all this, with the object of maintaining employment and economic activity in the mother countries, namely England and France.

Attempts to document the evolution of European settlement upon the geographical expanse of the Canadian confederation are fraught with many difficulties. This is partly due to the fact that the successful attempts at colonization started with a trickle of European settlers, were impeded by the political circumstances of the mother countries, and were compounded by the wars that became an incessant feature of the colonizing nations and the colonists themselves. Indeed, the seventh census of Canada for 1931 concluded with respect to the early census data that: "no one can fail to remark how slight were the beginnings of colonization in this country, or how slowly and through what vicissitudes the settlement of these vast territories proceeded".[1]

France's colony in North America named New France used the census approach in 1666 to enumerate 3,215 inhabitants. By 1685 the population of New France had reached 10,977 including 1,538 of the Indian population collected in villages. A census for St. John Island (now known as Prince Edward Island) enumerated a population of 572. Separate censuses for Nova Scotia and New Brunswick completed in 1767 enumerated 11,779 and 1,196 inhabitants respectively. By 1784 Lower Canada had a population of 113,012 and in 1826 Upper Canada had a population of 166,379. Census figures for Upper Canada and Lower Canada in 1829 reveal their populations to be 197,815 and 467,906 respectively. By 1832 Upper Canada's population had reached 263,554 while that of Lower Canada was recorded at 547,065. In 1844 the population of Lower Canada was 697,084 and by 1848 the population of Upper Canada had reached 725,879.[2] The slow evolution of Canada's population growth in the early stages of colonization can be clearly discerned from these early census data.

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[1]Canada, Seventh Census of Canada, 1931, Ottawa, Dominion Bureau of Statistics, 1936, p.99.

[2]A more detailed enumeration of early census data can be found in the Seventh Census of Canada 1931, Ottawa: Dominion Bureau of Statistics, 1936, pp. 133-153.

The paucity of historical statistics on population makes it difficult to trace the growth of population in great detail for the early periods. While it is quite apparent that the population increased since the early European settlements, it is also markedly noticeable that the growth rates have been highly irregular and have shown considerable fluctuations in the early period.

Up until the mid-nineteenth century Canada was a relatively unexplored wilderness with small pockets of population who devoted their lives to challenging the brutal forces of nature and the incessant hardships of inclement weather in order to establish an economic foundation for their existence and provide a basis for a fledgling agricultural sector. Census data for the years 1851 and 1861 are the total of four separate censuses for Lower Canada, Upper Canada, Nova Scotia and New Brunswick. From 1871 to 1951, Canada has tabulated a decennial population census, in subsequent years censuses have been taken every five years with a comprehensive census at the beginning of the decade and a mini-census at the middle of the decade.

Table 1 provides a statistical illustration of the historical trend in population growth from 1851 to 1991. Canada's population doubled in the first four decades of this period from 2.4 million in 1851 to 4.8 million in 1891. By 1931

TABLE 1

Growth of the Population of Canada, 1851-1991

Census Year	Population No.	Increase during intercensal Period No.	%	Average Annual rate of population growth %
1851	2,436,297			
1861	3,229,633	793,336	32.6	2.9
1871	3,689,257	459,624	14.2	1.3
1881	4,324,810	635,553	17.2	1.6
1891	4,833,239	508,429	11.8	1.1
1901	5,371,315	538,076	11.1	1.1
1911	7,206,643	1,835,328	34.2	3.0
1921	8,787,949	1,581,306	21.9	2.0
1931	10,376,786	1,588,837	18.1	1.7
1941	11,506,655	1,129,869	10.9	1.0
1951[1]	14,009,429	2,502,774	21.8	1.7
1956	16,080,791	2,071,362	14.8	2.8
1961	18,238,247	2,157,456	13.4	2.5
1966	20,014,880	1,776,633	9.7	1.9
1971	21,568,311	1,553,431	7.8	1.5
1976	22,992,604	1,424,293	6.6	1.3
1981	24,343,181	1,350,577	5.9	1.1
1986	25,354,064	1,010,883	4.2	0.8
1991	27,296,859	1,942,795	7.7	1.5

[1] Newfoundland was included for the first time in this census. Excluding Newfoundland, the increase would have been 2,141,358 or 18.6%.

SOURCE: Canada Year Book, Ottawa, Supply and Services Canada, various years.

Canada's population exceeded the ten million mark. In the ensuing three and a half decades the population would again double to reach 20 million. The 1951 census included an instantaneous addition of 361,416 people, when the Province of Newfoundland joined the Canadian confederation on April 1, 1949. The most recent census taken in 1991 recorded Canada's population at more than 27 million. In the course of the eight and a half decades of the current century Canada's population experienced a five-fold increase.

While the size of Canada's population reveals a definitive growth trend in the absolute size of the population what is of particular interest to us is the wide variations in the annual rates of growth. These fluctuations in Canada's population growth over the period 1851 to 1986 are amply highlighted in Table 1. The decade from 1851 to 1861 was one of rapid population growth second only to the growth rate in the first decade of the present century. The variation between high and low average annual rates of population growth has vascillated over the decades in a cyclical manner except for the post World War II period when a steady decline in the average annual rate of population growth is markedly discernible. The range in peaks and troughs of average annual rates of growth extends from a high of 3.0% in 1911 to a low of 0.8% in 1986. Significantly, the 1991 census recorded a reversal of this downward trend with an annual growth rate of 1.5%.

A closer examination of Table 1 further reveals that Canada's rate of population growth has varied significantly over the decades. Prior to the advent of the twentieth century the average annual growth rate had fluctuated from a high of 2.9% during the decade between 1851 to 1861 to a low of 1.1% during the last decade of the nineteenth century between 1891 to 1901. The fluctuations in annual population growth

rates for the decades of the twentieth century have been even more accentuated. A high of 3.0% annual rate of population was recorded for the decade of 1901 to 1911 to a low of 0.8% for the five year period between 1981 to 1986. This latter low level in population growth is substantially lower than the low of 1.0% recorded for 1931 to 1941, the decade that spanned the Great Depression and most of the second World War. After 1941, Canada's population growth rate accelerated once again reaching an almost record expansion rate of 2.8% for the period 1951 to 1956. This was one of the highest population growth rates experienced by Canada in this country's demographic history. This surge in Canada's population growth after 1941 was due to a combination of factors including the addition of the Province of Newfoundland to the census of 1951, the increase in birth rates during the immediate post World War II period and the substantial increase in immigration to Canada. In the ensuing three decades since the twentieth century peak in annual population growth rates there has been a fairly rapid decline to 1.5% in 1971 and to 0.8% in 1986 which is the lowest it has ever been in the 135 years of official census taking in Canada.

In short, annual rates of population growth during the twentieth century have been marked by three distinct trends: a downward trend for the three decades starting in 1911 and ending in 1941; an upward trend that commences in 1941 and subsides in 1956; and a steady downward trend that commenced in 1956 and ended in 1986 with a significant increase in the annual population growth rate recorded in the 1991 census.

Components of Population Growth

The basic components of change for a country's population size and rate of growth are essentially natural increase and net migration. Natural increase is the differential between births and deaths while net migration refers to immigration minus emigration. These components of growth contribute towards the aggregate profile of a country's population balance sheet. In short, the dynamic features of population change can be represented as follows:

$$P = (B - D) + (I - E)$$

where P = change of population over a given time period
B = births I = immigration
D = deaths E = emigration

Both natural increase and net migration have contributed to Canada's demographic evolution. Furthermore, Canada, like other immigrant receiving countries such as the United States of America and Australia, has induced an increase in the absolute size of its population and attained an increase in the growth rate that has been more accelerated than would have been possible by relying simply on natural increase alone. All of this has been achieved in the past and continues to be achieved in the present through recourse to international migration flows. Indeed, natural increase and net migration have both contributed to the changes in Canada's demographic evolution in varying degrees. It should be noted that Canadian population statistics are susceptible to under-registration of births and deaths and errors in migration data. This is particularly so because no attempt is made to collect emigration data and the emigration column in the population balance sheet is computed as a residual.

The historical evolution of Canada's population balance sheet is depicted in Table 2. The distinct variations in terms of the impact of natural increase and net migration are clearly illustrated in this table.

The contribution of natural increase to Canada's population size was highest during the decade of 1861 to 1871 with a continuing substantive contribution occurring during the subsequent three decades from 1871 to 1901. In the course of the twentieth century natural increase was the most significant contributor to Canada's population compared to net migration during only one decade from 1931 to 1941. It is also worth reflecting that this was the decade that spanned the Great Depression and most of the second World War. Furthermore, the four intercensal periods between 1861 to 1901 and 1931 to 1941 are depicted as periods when emigration exceeded immigration, hence natural increase was the sole contributor to population growth. All of those decades were periods of high rates of natural increase and net outward migration. It would seem appropriate to remind the reader however, that for immigrant receiving countries the growth in population attributable to natural increase is itself a spin-off from earlier immigrant arrivals and their descendents. In other words, in addition to the domestic born the contributors to natural increase are the foreign born immigrants who contribute to the natural increase of that and later periods depending on their age and family structure.

TABLE 2

Components of Population Growth, Canada[1], 1851-1991

Period	Total population growth '000	Births '000	Deaths '000	Natural increase '000	Ratio of natural increase to total growth %	Immigration '000	Emigration[2] '000	Net migration '000	Ratio of net migration to total growth %	Population at the end of the Census period '000
1851-1861	793	1,281	670	611	77.0	352	170	182	23.0	3,230
1861-1871	460	1,370	760	610	132.6	260	410	-150	-32.6	3,689
1871-1881	636	1,480	790	690	108.5	350	404	-54	-8.5	4,325
1881-1891	508	1,524	870	654	128.7	680	826	-146	-28.7	4,833
1891-1901	538	1,548	880	668	124.2	250	380	-130	-24.2	5,371
1901-1911	1,835	1,925	900	1,025	55.9	1,550	740	810	44.1	7,207
1911-1921	1,581	2,340	1,070	1,270	80.3	1,400	1,089	311	19.7	8,788
1921-1931	1,589	2,420	1,060	1,360	85.5	1,200	970	230	14.5	10,377
1931-1941	1,130	2,294	1,072	1,222	108.1	149	241	-92	-8.1	11,507
1941-1951[3]	2,503	3,212	1,220	1,992	92.3	548	382	166	7.7	14,009
1951-1956	2,071	2,106	633	1,473	71.1	783	185	598	28.9	16,081
1956-1961	2,157	2,362	687	1,675	77.7	760	378	482	22.3	18,238
1961-1966	1,777	2,249	731	1,518	85.4	539	280	259	14.6	20,015
1966-1971	1,553	1,856	766	1,090	70.2	890	427	463	29.8	21,568
1971-1976	1,424	1,758	823	934	65.6	841	352	489	34.4	22,993
1976-1981	1,288	1,820	842	978	75.9	588	278	310	24.1	24,343
1981-1986	1,011	1,873	885	988	97.7	500	477	23	2.3	25,354
1986-1991	1,754	1,930	945	985	56.2	874	105	769	43.8	27,108

[1]Includes Newfoundland since 1951.

[2]Emigration figures are estimated by the residual method.

[3]Data on growth components shown for 1941-51 were obtained by including data for Newfoundland for 1949-50 and 1950-51 only.

SOURCE: Canada Year Book, Ottawa: Supply and Services, various years.

Canada's population balance sheet also illustrates that while this country is often and accurately depicted as a country of immigrants it has also experienced decades when the outflow due to emigration exceeded the influx of immigrants. Net migration therefore rather than gross immigration is the determinant of population growth attributable to international migration flows. From 1861 to 1901 and from 1931 to 1941 Canada recorded a net loss of people as emigration exceeded immigration inflows and contributed to the slow population growth for those periods. Emigration from Canada has been predominantly to the United States of America; it has traditionally been induced by domestic born Canadians seeking economic improvement and career advancement across the border as well as European immigrants who have used Canada as a springboard for their ultimate intended destination to the United States of America. Emigration has also included dissatisfied or disillusioned immigrants to Canada returning to their countries of origin.

While natural increase has played an important role in contributing to population growth the role of immigration has been equally significant during periods when Canadian immigration policy was conducive to admitting immigrants. A superficial and cursory interpretation of Canada's population balance sheet would suggest that overall net migration has played an insignificant and secondary role in terms of its contribution to the size and rate of growth of the population. That conclusion however would be both inaccurate and would not reflect the severe limitations placed by Canada's immigration policy during certain periods in terms of impeding immigration flows into Canada and consequently preventing immigration from contributing its full

potential towards population growth. That is why a more detailed analysis of the components of population growth and more specifically the role of net migration is essential to our understanding of the economic impact and the relevant public policy parameters for immigration vis-à-vis Canada's demographic profile.

An incisive analysis of the components of population growth highlights some interesting features regarding the contribution of net migration. Table 2 reveals that all the decades of the nineteenth century recorded a net exodus of migrants except the period between 1851 to 1861 when net migration contributed 23% of total population growth. The subsequent decades varied in terms of the negative impact of net migration between a low of -8.5% to a significantly high net exodus of -32.6%.

In the course of the twentieth century the impact of net migration vascillated over the decades depending upon whether Canada pursued an easy or tight immigration policy. The first decade of the century, the period between 1901 to 1911, recorded the highest ever contribution of net migration to population growth, more specifically 44%. This was a decade when immigration was clearly recognized and utilized as an instrument of demographic and economic policy with the intent of achieving an expansion in Canada's population base, settling the western parts of the country and infusing into the labour force immigrant farmers who would provide the human resource base for the take-off of Canadian agriculture particularly in the western provinces. The expansive parameters of Canada's immigration policy reflecting the economic prosperity

of the latter part of the 1960's and the early 1970's was an influential feature in recording a positive net contribution for net migration to total population of 29.8% and 34.4% for each of the quinquennial censuses of 1966 to 1971 and 1971 to 1976. Furthermore, the two quinquennial censuses immediately following the cessation of hostilities after the second World War were also period of an expansive immigration policy and recorded a significant contribution for net migration to total population growth during 1951 to 1956 and 1956 to 1961 in the magnitude of 28.9% and 22.3% respectively. Most periods when net migration recorded a weak contribution towards total population growth were periods when economic malaise prevailed and public antipathy towards immigration resulted in a tight immigration policy. This was certainly true of the only decade in the twentieth century that recorded a net exodus of migrants during 1931 to 1941 when the ratio net migration to population growth was recorded at -8.1%.

Immigration was once again called upon to correct Canada's demographic imbalance during the period from 1986 to 1991. The significant contribution of net migration to population growth during this census period is highlighted in Table 2. It is noteworthy, that the 1991 census recorded the second highest ratio for net migration to total population increase at 43.8% since census taking began in Canada. Second only to the decade from 1901 to 1911 that is considered the heyday of immigrant arrivals in Canada.

Annual Immigration Levels

A continuous set of annual immigration data are available since 1852. Table 3 depicts annual immigration figures from 1852 to 1993 and illustrates the wide fluctuations in immigrant arrivals. Indeed a historical scan of the data underlines the marked discrepancies between peaks and ebbs in annual immigration levels. Furthermore, the magnitude of these differentials encompasses a summit peak in 1913 of 400,870 immigrants to a low ebb in 1860 of 6,276 immigrants .

The Pre-Confederation Period

The period prior to Confederation from 1852 to 1866 records mild fluctuations in immigration arrivals from a high of 37,263 in 1854 to a low in 1860 of 6,276. Cultural affinity was the most compelling feature in determining the link between source countries and the regional destination of immigrants to Canada. In other words the cultural and linguistic milieu was an important factor in determining a prospective immigrants destination. For example, British nationals were more likely to consider immigrating to Upper Canada and French nationals to Lower Canada even though there were no specific regulatory mechanisms in place operating to favour one group over the other. Furthermore, many American colonists, subsequently known as United Empire Loyalists, emigrated from the United States of America to Upper Canada as a result of the outcome of the American Revolution and their preference for the British form of government and opposition to the new American republicanism.

TABLE 3

Immigration by Calendar Year, 1852-1993

1852	29 307	1888	88 766	1924	124 164	1960	104 111
1853	29 464	1889	91 600	1925	84 907	1961	71 689
1854	37 263	1890	75 067	1926	135 982	1962	74 586
1855	25 296	1891	82 165	1927	158 886	1963	93 151
1856	22 544	1892	30 996	1928	166 783	1964	112 606
1857	33 854	1893	29 633	1929	164 993	1965	146 758
1858	12 339	1894	20 829	1930	104 806	1966	194 743
1859	6 300	1895	18 790	1931	27 530	1967	222 876
1860	6 276	1896	16 835	1932	20 591	1968	183 974
1861	13 589	1897	21 716	1933	14 382	1969	161 531
1862	18 294	1898	31 900	1934	12 476	1970	147 713
1863	21 000	1899	44 543	1935	11 277	1971	121 900
1864	24 779	1900	41 681	1936	11 643	1972	122 006
1865	18 958	1901	55 747	1937	15 101	1973	184 200
1866	11 427	1902	89 102	1938	17 244	1974	218 465
1867	10 666	1903	138 660	1939	16 994	1975	187 881
1868	12 765	1904	131 252	1940	11 324	1976	149 429
1869	18 630	1905	141 465	1941	9 329	1977	114 914
1870	24 706	1906	211 653	1942	7 576	1978	86 313
1871	27 773	1907	272 409	1943	8 504	1979	112 096
1872	36 578	1908	143 326	1944	12 801	1980	143 117
1873	50 050	1909	173 694	1945	22 722	1981	128 618
1874	39 373	1910	286 839	1946	71 719	1982	121 147
1875	27 382	1911	331 288	1947	64 127	1983	89 157
1876	25 633	1912	375 756	1948	125 414	1984	88 239
1877	27 082	1913	400 870	1949	95 217	1985	84 302
1878	29 807	1914	150 484	1950	73 912	1986	99 219
1879	40 492	1915	36 665	1951	194 391	1987	152 098
1880	38 505	1916	55 914	1952	164 498	1988	161 929
1881	47 991	1917	72 910	1953	168 868	1989	192 001
1882	112 458	1918	41 845	1954	154 227	1990	214 230
1883	133 624	1919	107 698	1955	109 946	1991	232 020
1884	103 824	1920	138 824	1956	164 857	1992	253 345
1885	79 169	1921	91 728	1957	282 164	1993	254 670
1886	69 152	1922	64 224	1958	124 851		
1887	84 526	1923	133 729	1959	106 928		

Source: Department of Citizenship and Immigration, Ottawa, Canada.

During this period immigrants were primarily motivated by self interest and economic self improvement and were confronted with a minimal of government regulations.

Confederation: The First Thirty Years

The period from 1867 to 1895 was one of relatively easy access to Canada for immigrants. Over this time span about 1.5 million immigrants entered Canada. During this period government policy towards immigration was two pronged. On the one hand it encouraged and facilitated the inflow of settlers by assisting with transportation costs and providing land grants. On the other hand immigration legislation defined those who would be prohibited from entry. Immigration controls took the form of legislation passed in 1872 and 1879 which was directed to exclude prospective immigrants who were criminals and other vicious classes and paupers and destitute immigrants.

Ethnic and racial restrictions in immigration flows to Canada were also evident during this period. In 1885 at the instigation of the Province of British Columbia the federal government passed legislation restricting and regulating Chinese immigration in an effort to prevent the continued admission of Chinese males into that Province; an immigration stream that began with the construction of the railroad and the gold rush.

Fluctuations in magnitude of annual immigrant arrivals are evident throughout this period. The highest level of annual immigration during the first thirty years after Confederation was recorded in 1883 when 133,624 new arrivals were admitted. The beginning of this period documented particularly low annual immigration levels with the lowest being recorded in 1867 when only 10,666 immigrants arrived in Canada.

Throughout this period the great majority of immigrants came from Britain and the United States of America. This was in conformity with the prevailing ethnocultural make-up of Canada's population profile. The 1871 census reveals that almost two thirds (61%) of the population was of British origin, those of French heritage comprised practically one third (31%) and the remaining eight per cent were made up predominantly of other European origins.

The Immigration Boom

The period sandwiched between the end of the nineteenth century and the beginning of the first World War which spanned the years 1896 to 1914 turned out to be a boom period for immigration to Canada with hitherto unprecedented and subsequently unsurpassed levels of annual immigration. Approximately three million immigrants arrived in Canada during this period with almost half that number arriving during the four years between 1910 to 1913. Modest levels of immigration at the beginning of this period were compounded with record high levels towards the end of the period. In 1913 alone Canada admitted 400,870 immigrants an annual level of immigration that was unprecedented and unsurpassed since that time. The lowest immigration inflow was recorded at the beginning of the period in 1896 when 16,835 immigrants arrived.

Furthermore, the last decade for this period, the decade 1901 to 1911 documented the highest levels of immigration of any decade with over 1.5 million immigrants being admitted; a number equal to the total immigrant arrivals for the preceding fourty years. This was also the decade when immigration contributed 44% to population growth, the most substantive contribution ever recorded in Canada's demographic history.

There is no denying that this was a singularly important period in the evolution of Canada's immigration policy and program. An expansionist immigration policy was pursued that resulted in a significant increase in immigration levels. The concept of selectivity in the context of occupational orientation became an increasingly important feature of Canada's immigration program. Also the cultural diversity of immigration flows to Canada began to take form and substance during this period.

The Ministry responsible for immigration pursued an immigration policy aimed at encouraging the immigration of farmers, farm workers and domestic servants, especially those from countries such as Britain, the United States of America, France and a few other northern and western European countries whose customs and ideals were compatible with those prevailing in the Canadian population profile. It subsequently became evident that the traditional source countries would fail to produce a sufficient number of immigrants to complete the settlement of western Canada. Recruiting efforts were therefore redirected to eastern and southern Europe as well as a concerted effort to encourage group rural settlements such as the Hutterites, Doukhobors, Ukranians and others.

Along with the new thrust in occupational selectivity that became apparent in Canada's immigration program during this period the prohibitionist element in Canada's immigration legislation continued. The restrictive parameters in Canada's immigration legislation were designed to prevent the immigration of less desirable persons such as charity cases and diseased persons as well as those who were unlikely to make a positive economic contribution to Canada.

Attempts to maintain the cultural homogeneity of the domestic population resulted in a series of increases in the Chinese head tax as well as the implementation of the continuous journey requirement specifically designed to thwart the immigration of East Indians. Landing money requirements were also enacted in order to prevent the arrival of charity cases and Asians, other than the Chinese, whose freedom to enter Canada had not yet been abridged.

In spite of the obstacles designed to control the ethnic and racial character of immigrants to Canada, the historical trend towards more multicultural and multiracial immigration was firmly set on course. By 1911, the proportion of the domestic population of British origin had declined to 55.5% while the proportion of the population of French heritage, assisted by continuing high fertility levels, declined only slightly to 28.6%. The remaining population comprising all the other ethnic groups had increased to almost 16%.Of these 83% were other Europeans and only 4% were of Asian origin. This latter group had increased

its numbers from approximately 4,000 at the time of the 1871 census to 43,000 during the census of 1911 of which 28,000 were Chinese and 15,000 were of Japanese and other Asian origins.[3]

The War Years

The period between 1914 and 1945 witnessed two World Wars and the Great Depression nevertheless it also recorded the arrival of two million immigrants to Canada representing a moderately low annual average of about 65,000 per annum. The immediate war years recorded very low levels of immigration while the years between the two world wars and prior to the global economic depression documented a surge in immigration levels. The lowest ebb in immigrant arrivals was recorded in1942 with 7,576 immigrants arriving in Canada while the highest peak was in 1928 with 166,783 immigrant arrivals.

This was a period when policy makers were divided on the desirability of continuing large scale immigration. World War I had reinforced old national rivalries and generated considerable resentment towards certain potential migrant groups. For example, the list of prohibited groups grew and now included enemy aliens, those groups who had opposed the war such as the Mennonities, Hutterites, and Dukhobors and some Asian groups. While many of the restrictive acts and exclusions were rescinded with the passing of time and the healing of wounds, the onset of the major economic depression of the 1930's resulted in a virtual shutdown of immigration to Canada. Furthermore, the outburst of hostilities during the second World War ensured that annual immigration levels were maintained at their lowest ebb.

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[3]W.E. Kalbach and W.W. McVey, The Demographic Bases of Canadian Society, 2nd edition, Toronto: McGraw-Hill Ryerson, 1979, Table 8:2.

It is worth noting that despite the unfavourable economic and social climate as well as attempts to restrict the immigration of certain groups, the proportion of those of British origin within Canada's total population continued to decline during this period, decreasing to 49.7% in 1941. In contrast those of French heritage achieved a slight gain from 28.6% to 30.3%. Canadians of other origins, however, increased substantially during this period from 15.9% to 20.0%. Central, eastern and southern Europeans revealed strong gains in numbers during this period while immigrants of Asian origin as a whole continued their growth increasing from 43,000 in 1911 to 74,000 by the time of the 1941 census.

The Post War Immigration Boom

The euphoria of the post second World War period prompted a more optimistic perspective regarding Canada's absorptive capacity. As a consequence the immigration tap was once again turned on and approximately 2 million immigrants were admitted to Canada between 1946 and 1961. This period continued to illustrate the cyclical fluctuations in immigrant arrivals that has characterized Canada's immigration program in the past. The lowest annual level of admissions was recorded in 1961 with 71,689 arrivals and the highest was in 1957 with 282,164 immigrants.

Immigration policy during this period continued to be selective in scope both in terms of occupational affiliation and the geographical origins of prospective immigrants. The post war period saw a change in emphasis in terms of occupational

preferences away from the agricultural and non-skilled work categories towards a more professional and industrial orientation of immigrants selected for admission to Canada. It is noteworthy that immigration policy in the post second World War period swayed to reflect Canada's evolving labour force needs as the immigration program attempted to match the labour characteristics of the immigrant stream to Canada's domestic labour force requirements. Furthermore, the traditional preference for British, French and Americans was maintained while the more blatantly restrictive and ethnically biased practices were moderated. The Chinese were removed from the exclusion list, but still subjected to the tighter restrictions applying to Asians in general. Blacks were held inadmissible unless they fell in the preferred classes of workers or were children of Canadian residents. A special effort was expended to assume Canada's rightful share of responsibility in the resettlement of displaced persons and refugees in addition to expanding the scope of the program for admitting sponsored relatives by including several more classes of relatives than previously permitted.

Although this was a period of substantive immigration levels the baby boom bulge tempered the aggregate impact of net migration. As a consequence the net effect of immigration on Canada's population size during this period was not as significant vis à vis the contribution of natural increase.

It is also interesting to note that the ethnocultural profile of immigrants during this period reveals two significant developments. First, the two decades between 1946 and 1966

highlighted the fact that the majority of immigrants to Canada, and more precisely 58.5%, were of British and northwestern European origins. Second, a breakdown of this period into its two component decades reveals another interesting trend. The first decade from 1946 to 1955 recorded that 64.3% of the total number of immigrants were of British and northwestern European origin. On the other hand, data from 1956 to 1966 document a substantive decline to 53.6% for that group. In contrast immigrants of southern European and Asian origins increased significantly during this period, with the former increasing from 15.3% to 29.9% and the latter group increasing its share from 1.7% to 6.5%. Furthermore, the proportion of Canada's total population which was of British origin continued to decline, reaching 43.8% in 1961, while those of French heritage remained practically constant at 30.4%. Consistent with the ethnocultural make-up of post war immigration flows to Canada, the non-British and non-French component in the domestic population continued to increase from 20.0% in 1941 to 25.8% in 1961, mainly as a consequence of substantial German, Dutch and Italian immigration during the mid and latter years of the decade of the 1950's. The Asian population resident in Canada revealed little change during the immediate post-war period, but increased sharply between 1951 and 1961; from 73,000 to 122,000 at the time of the 1961 census.[4]

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[4]Ibid, pp. 195-199.

Recent Immigration Patterns

The economic prosperity of the 1960's triggered an expansionist undercurrent in Canada's immigration program which resulted in more than one million immigrants arriving in that decade alone. Indeed the highest level of immigration recorded for the period 1960 to the 1980's was established in 1967 with 222,876 immigrant arrivals. Furthermore, the decade of the 1960's proved to be the second highest plateau for immigrant arrivals during the post World War II period. By contrast the recession of the early 1980's recorded a sharp decline in immigrant admissions and the lowest annual level of immigration for the period was recorded in 1985 when a mere 84,302 immigrants were admitted.

The period since 1962 is particularly distinct in terms of the substantive changes to the composition of immigration flows to Canada. Changes in Canada's immigration regulations during this period adopted a universalistic perspective and enforced an objective immigrant selection scheme which eliminated references to racial and ethnic characteristics as criteria for admission to Canada. These substantive modifications in Canada's immigration policy thrust were necessitated by the need to reinforce this country's labour force requirements with the occupational profile of prospective immigrants irrespective of their ethnic or racial origins.

Consequently, despite the sharp divergence between peaks and ebbs in immigrant admissions, the 1960's and in a more pronounced manner the 1970's and 1980's established a pattern for increased immigration from non-European and non-traditional source countries. What is particularly distinctive about this period

is the decline in the proportionate share of annual immigration from traditional source countries and the substantial increase in immigrant arrivals from non-European source countries. This substantive change in the pattern of immigration flows to Canada that is particularly evident in the 1970's, 1980's and early 1990's has imbued a distinctive multicultural and multiracial composition in this country's contemporary immigration profile. Indeed, data recorded for the 1991 census indicate that the proportion of immigrants in Canada born in Europe declined to 54% of the total population while those born in Asia increased to 25% of the total population. Immigrant arrivals to Canada between 1981 and 1991 were more likely to have been born in Asia, the Middle East, the Caribbean and Central and South America.[5]

In a sustained effort to avert a population decline, Canada's immigrant admissions were increased substantially in the early 1990's with the first four years of the decade recording a total of 954,265 immigrant arrivals. This represents the highest four year cluster of immigrant admissions for any consecutive four year period in the post war era.

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[5] Canada, Canada's Changing Immigrant Population, Ottawa: Statistics Canada, 1994, pp 1 and 71.

CHAPTER VIII

IMMIGRATION AND THE LABOUR FORCE

INTRODUCTION

The economic role of immigration transcends the demographic parameters and impacts directly upon the labour force and the labour market. It is therefore imperative that a conceptual framework that encompasses the longer-term and proactive elements of a country's immigration program come to grips with present and future labour force considerations.

It is important to underline at the outset that the expansion of the labour force as a result of immigration is normally proportionately greater than the immigration-induced increase in the size of the population. This is because the age composition of immigrant streams tends to be comprised largely of working age males and females. Indeed, inasmuch as migrants are usually in the prime of their working life, tend to be mentally and physically vigorous, desirable of becoming gainfully employed soon after arrival in their country of destination, and since the migration decision is largely based on their desire to better themselves economically it is conversant to conclude that immigration will have a direct and pronounced impact on the labour market.

It should be noted that the impact of immigration on the labour force is not confined to voluntary immigration movements but also encompasses forced migrations that

originate with oppression and persecution in their country of origin. Indeed, even refugees aspire to gainful employment and economic participation in the country granting them political asylum. Consequently, refugee movements that reflect humanitarian sentiments in their admission to immigrant-receiving countries have a direct impact on the labour force and the labour market.

Immigrant receiving countries have historically exhibited a very short-term perspective when identifying the economic consequences of equating the supply of, and the demand for, the labour requirements of the domestic economy. This is abundantly clear in the scope and substance of immigration policies and programs pursued by most immigrant receiving countries. Clearly, the longer-term public policy implications of short-circuiting the labour market structure by relying on immigrant manpower to fill job vacancies have not been fully addressed.

Labour Shortages and Immigrant Labour

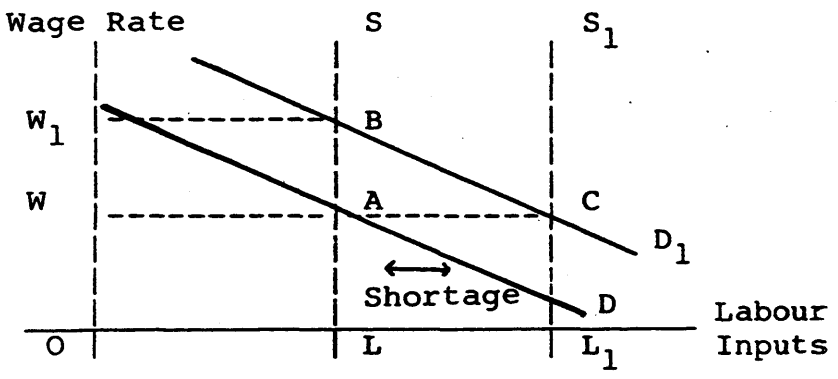
One of the central issues that needs to be addressed in considering the public policy dimension of the economics of immigration is the role of immigrant labour in alleviating labour shortages. This is particularly pertinent for immigrant-receiving countries where immigrant labour is perceived as an instrument for correcting labour supply imbalances in the domestic labour market. In this regard immigrant labour is considered a tool for rectifying labour

force deficiencies of a quantitative and/or qualitative nature. The quantitative dimension encompasses the incremental additions to the labour force, while the qualitative aspect refers to the education and skill quotient embodied in each migrant worker.

Labour shortages can be illustrated diagramatically in the following manner:

Figure 1

Labour Shortages



The diagram reveals that an increase in the derived demand for labour from D to D_1 induces, other things being equal, an increase in the wage rate from W to W_1. In the absence of any migration the shortage of labour equal to LL_1 will persist, and the cost of that shortage to the domestic economy will be $WABW_1$. The cost of this labour imbalance will remain until such time as the labour shortage is eliminated.

In the diagram the absorptive capacity of the economic system is defined by LL_1 units of immigrant manpower. In

other words, international migration will supplement the domestic labour force of OL units by LL_1 units in order to eliminate the labour shortage. This scenario assumes that a supply of immigrant manpower would be induced to emigrate when the wage rate W is higher than the wage rate in their country of origin, taking into account all the other pecuniary and non-pecuniary costs and benefits of emigration. Assuming that W is higher than the wage rate in the immigrants country of origin, employers will be able to increase their labour supply without resorting to the higher wage rate of W_1. By accessing immigrant manpower to fill the labour shortages, employers will be able to maintain the wage rate of W hence realizing an inputed saving to the economic system of $WACBW_1$.

Two types of labour shortages need to be highlighted in the context of the interface between immigrant labour, the domestic labour force and the labour market.

1. Demographic Labour Shortages: These labour shortages are induced as a consequence of the evolution of a country's demographic profile. Basically they emerge as a result of the age structure of the population pyramid. A shortfall in the population of working age has a direct impact on the aggregate domestic supply of labour and on the balance between the economically active and the dependent portions of the population. For example, the impact of declining birth rates on the population structure is likely

to reveal, with a lag of two decades, a decline in new entrants to the work force. This will necessarily mean a contraction in the aggregate domestic labour supply with the possibility of deficiencies in the country's productive capacity.

Within these bounds, immigrant labour may be perceived as an adjusting mechanism which will facilitate the acquisition of new labour force entrants, usually in the prime working age categories, who would instantaneously alleviate quantitative deficiencies in the domestic labour force. Access to immigrant labour would raise the percentage of the population that is economically active and reduce the dependency ratio.

2. Occupational Labour Shortages: Differ from the preceding in that they are shortages in specific occupational categories, for example, computer programmers, doctors, carpenters, etc. Occupational labour supply shortages are invariably associated with structural change in the evolution of a country's domestic economy. This type of labour shortage is especially related to the process of structural change that is not adequately compensated for through manpower planning or labour forecasting in the occupational characteristics of the work force.

Countries of immigration have persistently used immigrant labour to alleviate and fill labour shortages of a specific occupational affiliation. In the course of their

economic evolution and maturity, these countries have generally relied on immigrant labour that possessed urgently needed skills and occupational attributes for the purpose of filling labour shortages associated with resource development and industrial expansion. It is worth noting that occupational labour shortages may exist even at times of high unemployment. The existence of job vacancies contemporaneously with high unemployment rates is a signal that the clearing mechanism of the labour market, the output of educational and vocational institutions, and manpower planning capabilities are not being coordinated effectively.

Labour Shortages and Public Policy Considerations

In assessing the economic role of immigrant labour and defining its public policy parameters one must consider the demand and supply conditions that necessitate and facilitate the infusion of foreign workers. A conceptual frameowrk that encompasses the demand and supply conditions for immigrant-receiving countries begins with the recognition that the demand for immigrant labour arises out of a demographic deficiency or out of the evolving structural parameters of the economy requiring the infusion of immigrant labour with specific occupational characteristics. It is therefore essential to consider not only the quantitative aspects related to the demand for labour which arise out of the age structure of the domestic population pyramid but also the qualitative aspects related to the

skills, expertise and specialized training component of the domestic labour force and its future requirements. All of this in order to effectively respond to the evolving structure of the economy and its specific manpower demands. In short, the demand for immigrant labour is essentially a demand that arises out of a shortfall in the quantitative and/or qualitative labour force attributes and characteristics of the domestic population.

Immigrant-receiving countries have the luxury of tapping foreign-sources of labour supply in addition to their domestic sources in order to complement and supplement their domestic manpower requirements in a quantitative and qualitative manner. The domestic supply of labour is essentially determined by the age and sex characteristics of the population pyramid. More particularly an advance warning regarding the labour force component in the domestic population pyramid can be ascertained with a lag of approximately two-decades where the birth rate is suggestive of the need for public policy formulation and fine tuning in order to manipulate and rectify shortcomings in the numerical magnitude of the labour force. In essence, therefore, the demographic element of the domestic population relates a current need for foreign labour to the consequences of past rates of population growth as they are illustrated in the evolving nature of a country's population profile. The progression of the young age cohorts into the working age category will determine the supply of the

domestic labour force. The migratory process allows the ultimate supply of labour to be reflective of the forces of natural increase as well as those leading to immigration and/or emigration.

On the other hand, it is the change in magnitude and composition of investment and economic activity that defines in large measure the shift in the qualitative demand for immigrant labour. With the expansion of one sector and the decline of another the structural changes in the economy precipitate changes in the quantitative and qualitative demand for labour. For example, the expansion of the agricultural sector in Canada at the turn of the century brought about an increased demand for agricultural workers. In contrast, the post Second World War period recorded a rapid expansion in Canada's industrial and manufacturing base and consequently defined the need for immigrant workers with industrial skills and expertise.

From a public policy perspective it is appropriate to acknowledge the direct impact of immigration in increasing the labour force and rectifying labour market deficiencies. Furthermore, assuming favourable employment conditions, the proportion of the economically active in an immigrant-receiving country's population profile will increase consequently leading to a decrease in the dependency ratio. For immigrant-receiving countries whose demographic outlook is characterized by declining birth rates, the end of the baby boom and the aging of the

population pyramid, the favourable impact of immigration on the labour force garners added significance.

Most migrants relocate their domicile for the purpose of enhancing their material well-being. It follows that such labour market attributes as income differentials, employment opportunities, career advancement to name but a few are principal areas of interest and consequence. Any public policy perspective must therefore assess the likely consequences of immigration on labour market variables by identifying the effect of migrant labour on the domestic labour force as well as upon a country's economic potential for growth and development. One persistent issue of public debate revolves around the question whether immigrant workers tend to displace the domestic-born in the labour market. An additional parameter to the foregoing is whether the increase in the labour supply as a consequence of immigration is conductive to a decline in incomes and career advancement opportunities for the domestic-born.

The transfer of human and financial capital across national boundaries which is embodied in the migration process is another element worthy of public policy assessment. Indeed, immigration flows include more than just migrant workers narrowly defined; they also include immigrant entrepreneurs. The economic significance of this component of immigration flows cannot be neglected in any conceptual framework that addresses the public policy parameters of the economics of immigration. Indeed,

immigrant entrepreneurs should be recognized for their vital economic contributions to the labour force profile of their country of destination. The economic endowment that is embodied in the migration of immigrant entrepreneurs encompasses a range of economic attributes such as specialized entrepreneurial expertise, investment funds and their employment creation potential. All of which are essential economic attributes in enhancing the process of economic growth and development.

Immigrant receiving countries are fully cognizant of the qualitative component of immigrant labour that permits the transfer of human capital. This human capital endowment becomes progressively more significant, and economically and socially important, as immigrant labour embodies higher levels of education, or specialized skills and expertise. As immigrant receiving countries have veered away from demanding unskilled labour and have advocated occupational-selective immigration policies, favouring highly qualified professionals, those with university level education, those with industrial skills and expertise, and technical and managerial workers, this qualitative economic and social benefit of immigrant labour has become increasingly significant.

An often neglected parameter of the public policy aspects of immigration is the qualitative attribute of self-selection. There is no denying that the complete and ultimate impact of immigration on the labour market and more

comprehensively on the process of economic development is initially and fundamentally triggered by the inherent self-selection of immigrants. The concept of self-selection underlines certain personal qualities and economic attributes recognised in immigrants that precede the procedural screening of prospective immigrants through the established selection criteria prescribed by immigrant-receiving countries. These personal attributes encompass such qualitative labour force characteristics as ambition, determination, hard-work, self-reliance, motivation, and broadly defined entrepreneurial qualities. All of those personal qualities inherent in the self-selection of immigrants are distinct and valuable economic assets that contribute an element of economic vitality and dynamism to an immigrant-receiving country's national economy. Indeed, this instant transfusion of economic lifeblood in the form of immigrant labour is in some instances an essential precondition that enables an immigrant-receiving country to reach new and higher standards of economic achievement and enhances the momentum of economic growth and development.

In pursuing this qualitative element one may readily come to the conclusion that immigrants and the domestic-born are not perfect substitutes. The domestic-born are relatively more intensive in their knowledge of country-specific skills including labour market information that facilitate career advancement and enhanced earnings.

Immigrants, on the other hand, tend to be more intensive in allocative decision making skills, internationally transferable human capital as well as being highly motivated and self-selected for economic success.

Longer Term Public Policy Considerations

One of the most serious deficiencies of the contemporary public policy focus with respect to immigrant labour is its concentration on short-term needs and consequences. A proactive approach must necessarily begin to address the relevant issues that are of a longer term significance. Complementing and supplementing the domestic labour force with immigrant labour has an important quantitative and qualitative impact on various facets of economic activity that are both of a short-term and long-term perspective.

Perhaps one of the most important aspects related to the public policy considerations of immigrant labour is the extent to which immigration disrupts the normal mechanism for labour market adjustments. This is particularly so where immigration policy perceives the role of foreign labour as contributing a quick fix to domestic labour shortages. The short term perspective associated with immigration policy determines that labour shortages should be relieved almost instantaneously in order to eliminate supply bottlenecks and production delays. For example, Canadian immigration policy has persistently pursued the objective that the need to admit immigrant labour should

respond to the contemporary needs and requirements of the domestic economy and contribute instantaneously towards bridging the gap between labour demand and the domestic labour supply. In this scenario the longer term costs and benefits of this public policy focus have not always received the attention they deserve.

The elimination of production bottlenecks is an important consequence of immigrant labour that needs to be highlighted in terms of its longer term focus. The process of structural evolution for a country's economic fabric may precipitate a discrepancy between the demand and supply for certain occupational skills and expertise. Immigrant workers are likely to make an instantaneous contribution by removing labour supply bottlenecks in the productive process, thus facilitating an immigrant-receiving country's smooth economic transition as structural changes evolve.

An important consideration in terms of the long term consequence of immigration is the extent to which foreign-born immigrants limit or constrain the upward mobility of the domestic-born. Where immigrant labour force entrants are selected on the basis of filling specific labour shortages, this process negates the mechanism for labour market adjustment and may hinder the redeployment of the domestic-born and constrain occupational mobility. As a result occupation stagnation may prevail and induce friction and confrontation in the labour force. Also, relying on immigrant manpower to fill labour shortages may hinder the

allocation of public expenditures for the upgrading of skills, retraining, and the distribution of educational expenditures between institutions of higher learning and vocational institutes. Indeed, recourse to immigrant labour and the instantaneous access to a supply of additional highly educated, professional and skilled labour from overseas sources may contribute to a postponement of human capital investment in the education and training of the domestic labour force. Furthermore, employers may become slow and reluctant to develop in-house training programs and absorb the cost of internal arrangements for skill up-grading as long as they are guaranteed access to immigrant manpower that possesses the required levels of training, skill and expertise.

The absence of a long-term perspective in the formulation of immigration policy is conducive to the battering of special interest groups whose predisposition is towards instant solutions. As such the longer term focus of a country's immigration program is often neglected in the melée of intense lobbying activity. Employers, on the one hand, are the beneficiaries of immigrant labour through the anticipated reduction in labour costs and increased profits. They are therefore likely to lobby for the adoption of expansive immigration policies. Unions, on the other hand, are more likely to advance the notion that their wages and job opportunities are threatened by the influx of immigrant workers. They are therefore more apt to lobby against

open-door immigration policies. One of the pitfalls of this tug of war is that public policy tends to lose sight of the longer term impact of immigration as political expediency dictates a short-term compromise.

A longer term focus for immigration policy is also more amenable towards disproving the perception that immigrant labour persistently displaces the domestic born from employment opportunities. Filling labour shortages and avoiding production bottlenecks may reduce the consequences of unemployment for a portion of the domestic work force while immigrant entrepreneurs create employment opportunities for the domestic labour force. Further, immigrant workers may ease the burden on the domestic labour force by accepting jobs the domestic-born workers are unwilling or unable to perform. In this respect, immigrant labour may provide the necessary manpower to fill not only the highly skilled and professional jobs but also the socially undesirable menial jobs that are spurned by the domestic labour force. Hence, immigrant workers may facilitate the process of inter-occupational and inter-sectoral labour mobility.

All in all, a longer term and proactive conceptual framework for immigration must take into account that the short-term benefits of immigrant labour must be weighed against the longer term costs and benefits related to the economic growth and development prospects of immigrant-receiving countries. In other words, the public

policy framework within which the role of immigrant labour must be evaluated must consider migrants as members of the labour force as well as consumers, entrepreneurs, taxpayers and as contributors to social programs and services and the beneficiaries of social and cultural amenities.

Another feature of longer term consequence with respect to immigration policy is the influx of a pronounced multicultural and multiracial flow of immigrant labour. It is worth noting that a culturally and linguistically homogeneous work force offers one set of strengths and weaknesses while a pluralistic society offers another array of challenges and opportunities. In view of the fact that it is anticipated that future immigration flows will be from non-traditional source countries and even more multicultural and multiracial in composition, this underlines the need for a more vigorous assessment of the longer term public policy considerations inherent in the effective utilization, development, management and deployment of a pluralistic work force.

History has recorded the tension and strife that emerges in the work place whenever the domestic work force is confrounted with immigrant labour. This is particularly so when immigrant workers are perceived by the domestic work force as reducing their employment opportunities, undercutting their wages, and affecting adversely their training and career advancement. All of which ultimately raises the spectre of social and political unrest which may

lead to a disruption of labour peace, is conducive to political instability and may eventually transpire into dire consequences for investment and economic development. The magnitude of this tension and strife is compounded by the heterogeneity of immigrant workers who possess multicultural and multiracial features and characteristics. It is therefore imperative that we address the public policy issues relevant to the influx of multicultural and multiracial immigrant workers who contribute to a pluralistic society's costs and benefits that are sufficiently distinct from a culturally homogeneous society.

Let us now turn to the direct and indirect economic and social costs related to the prevailing and future streams of multicultural immigrant labour. Examples of this type of costs would encompass job counselling, labour market orientation, language training services, citizenship classes, health and consumer information and other indirect economic and social costs borne by the immigrant-receiving country in assisting multicultural immigrant workers to adjust to their new labour market environment. Furthermore, the probability of a decline in labour market cohesion and worker productivity as a consequence of tensions and rivalries between the domestic labour force and a multicultural immigrant labour component is an added cost that must also be accounted for. Indeed, a culturally heterogeneous work force is more prone to the social and economic costs of actual or perceived elements of prejudice

and discrimination.

Periods of economic recession when the competition for jobs is accentuated usually creates an atmosphere of friction or resentment between the domestic-born and foreign-born workers with intense negative repercussions. Furthermore, when the domestic-born population feels dissatisfied with declining economic opportunities, this may lead to hostility and bitterness toward the foreign born component of the population, particularly where they are readily identifiable by distinct ethnic and cultural traits. Whenever resentment, prejudice and discrimination surfaces in the work force, in the competition for jobs, in advancement and promotion opportunities, or in housing, education, or access to social and recreational facilities, it involves a social and economic cost. It renders a proportion of the population socially and economically disfunctional and may result in a marked increase in absenteeism, an increase in industrial and work mishaps in the work place, and a decline in productivity.

The foregoing suggests that higher levels of multicultural immigration may test the tolerance level of an immigrant-receiving society. New government programs and initiatives may be called upon to enhance public awareness with respect to the economic benefits of immigration and dilute racial tension and social friction in the workplace. Educational programs may need to be devised in order to dispel the negative myths associated with immigration and to

project multicultural immigration in a positive light.

On the other hand, a multicultural work force offers distinct economic advantages and labour market attributes. These include endowing the labour force of the immigrant-receiving country with a linguistic proficiency in many different languages and dialects, an appreciation of the traditions and nuances of doing business effectively around the world, and facilitates the formation of economic bridges with every country in this ever shrinking global village. For example Canadians either through their birthright or through their ancestral heritage, have a direct or indirect link with every nation in the world.

The positive economic attributes of a multicultural society remain an untapped resource and a sadly neglected dimension of an immigrant-receiving country's public policy. There is an urgent need to place the unique feature of a country's multicultural human resource endowment on the economic agenda and to identify the public policy considerations and issues related to their effective utilization, development, management, and deployment. Indeed, public policy must begin to acknowledge multiculturalism as a human reservoir of tremendous economic importance and potential.

In many respects an immigrant-receiving country's multicultural profile is a valuable economic asset and an undiscovered economic resource. The presence of this multitude of cultures provides an opportunity to develop

special economic relationships all over the world. Indeed, the profound economic benefits that can accrue through the effective utilization of a country's cultural diversity and linguistic pluralism remains a largely unexplored and uncharted territory.

The multicultural, multiracial, multifaith and multilinguistic character of contemporary immigrant-receiving countries should become an important component in their development strategies. Their multicultural attributes should be harnessed for economic advantage in such areas of vital economic importance as enhanced international trade and export potential, building overeas business contacts, attracting foreign investment, touristic appeal and many other avenues of direct and indirect economic benefit. In short, the unique and valuable economic attributes of a country's multicultural human resources should become an integral component of a nation's economic development strategy and an important focus of economic growth initiatives.

The influx of immigrant labour from widely diverse geographical source countries raises some specific challenges related to the transfer of human capital across international boundaries. One such issue is the accreditation of overseas educational qualifications by immigrant-receiving countries. Domestic employers and professional associations may be reluctant to accept overseas qualifications and accreditation certificates. This

may be because overseas education is perceived as being less useful than domestic education, because of risk aversion, incomplete information or indeed because of the insularity of domestic professional associations. Indeed the preponderance of knowledge based industry's have accentuated the correlation between education and country-specific skills. For example, there is a wide disparity in transferring accountancy qualifications relative to carpentry skills. Accounting services incorporate a high level of country specific knowledge such as that required for an understanding of tax and company law. A carpenter's services on the other hand are easily transferable across national boundaries. Public policy must therefore begin to address the international transfer of human capital endowments in an innovative and creative manner in order to effectively convert international human capital into domestic labour market assets. The foregoing has also underlined the need to realign social and economic policies as an integral component of a longer term and more proactive approach in the formulation and implementation of immigration policy.

Conclusion

Our analysis of the impact of immigration on an immigrant-receiving country's labour market underlines the importance and the need for a longer term focus and more comprehensive conceptual framework in the formulation and

implementation of public policy with respect to immigration. An effective immigration policy must become an integral component of a nation's overall economic, demographic and social policies. Furthermore, it has become abundantly clear that integrating the immigration component in social and economic policies which are formulated and evolve on two separate, distinct and parallel tracks is no longer adequate or satisfactory. Rather the intricacy and complexity of future public policy initiatives require a greater interaction and realignment in the development of social and economic policies which recognizes their conplementarity rather than dwells on their substitutability.

It has also become clear that the impact of immigration on the domestic labour market must be perceived and evaluated not only on the basis of the short-term consequences but more importantly in terms of its longer term scope and contributions. This is because immigration will undeniably have a short-term and long-term impact on the domestic labour market and the national economy. In other words, an enlightened immigration policy needs to be responsive to the requirements and conditions of an immigrant-receiving country's labour market in the short and long term time spans.

The longer term focus for immigration policy highlights the requirement for an effective interface between immigration policy on the one hand and manpower planning and employment strategies on the other. It is therefore

important both in perception and substance that an immigration policy and program avoid working at cross purposes with domestic labour force attributes and prospects. In this respect a country's immigration program should become an integral component of labour forecasting and manpower planning strategies.

For immigrant-receiving countries the demographic outlook and economic conditions will dictate the quantitative and/or qualitative labour shortages that may emerge as a consequence of supply or demand exigencies. There may be periods when the demand for workers with certain occupational characteristics may surpass the supply in the job market or the supply of labour force participants may fall short of the aggregate demand. These labour shortages will most likely generate production bottlenecks and adversely affect employment prospects generally. In particular where unfilled job vacancies adversely affect the operation of the economy and impede the process of economic growth and development the end result may be accentuated levels of unemployment.

We have acknowledged that some immigrants in their prime working age counterbalance demographic deficiences and still others who possess occupational characteristics and specialized skills offer an expeditious solution to the problem of labour shortages. However, great care must be exercised not to allow expediency to overrule economic rationale. In particular, the immigration program must not

curtail, or divert attention from, the array of alternative options that should be taken into account in the formulation of a national manpower stragegy directed towards fulfilling the requirements of the labour market. In other words, the exercise of labour forecasting must contribute to the development of a manpower strategy in order to allow for a careful consideration of the alternative options other than immigration such as qualifications upgrading, inhouse training, and the acquisition of new skills for the domestic labour force in order to satisfy the occupational requirements of the labour market. This is of primary concern since short-circuiting the labour market adjustment mechanism by recourse to immigrant labour may be an easy, immediate and comparatively speaking less costly solution but one with serious long-term consequences and repercussions in the form of labour unrest, social friction, and productivity decline to name but a few. All of these are likely outcomes and consequences when the domestic-born labour force perceives that immigrants are gaining employment opportunities that they have been denied. The magnitude and intensity of these repercussions may be further accentuated when the influx of immigrant labour is reflective of a more pronounced multicultural and multiracial composition. In short, the utilization of immigrant labour to rectify labour market deficiencies is essential to avoid the pitfall of relying on a short-term tunnel vision and hence turning a blind eye to longer term

consequences.

Immigration policy should, therefore, be designed to complement rather than conflict with a domestic manpower resource strategy. Fundamentally, it should encompass a strategic approach in dealing with national manpower problems. This scenario should permit the most effective deployment of the domestic labour force in terms of the occupational opportunities created by the national economy prior to considering an alternative recourse to immigration. A delicate balance must be incorporated into the immigration solution that does not lead to the exploitation of immigrants, on the one hand, or the foreclosure of opportunities for the domestic-born labour force on the other. Inasmuch as their exists a comprehensive conceptual framework that incorporates a proactive and longer term focus, immigration can be a positive and constructive influence on the national economy and its ability to initiate and sustain the process of economic growth as well as maintain the harmony and productivity of the domestic labour market.

CHAPTER IX

THE ECONOMIC DETERMINANTS OF CANADA'S MULTICULTURAL IMMIGRATION

Economic Considerations

Economics has played a very pervasive role in determining the nature and extent of Canada's multicultural composition. The influx of immigrants from around the world and their descendants born in Canada have defined this country's population composition and profile. As such, the ethnocultural origins of successive waves of immigration have influenced, in a profound and indelible manner, the ethnocultural and racial mix of Canada's population.

There is no denying that short term economic considerations have been a pivotal feature in Canada's immigration policy, and the ebb and flow of immigrant admissions have been sensitive and responsive to economic variables and statistical indicators of economic performance. More specifically, the state of health of the domestic economy and its labour requirements have been the two principal ingredients that have defined and shaped Canada's immigration program.

By way of illustration, a booming economy required - and was able to absorb - an expanding population. Thus, the rate of growth of the Canadian population was accelerated beyond the natural increase rate by means of relying on immigration. Furthermore, immigration was a centrifugal force in facilitating the changing structure of the Canadian economy as it evolved from a primitive resource based economy to one with an expanded and thriving agricultural sector; and until it matured into an appreciably industrialized economy, increasingly dependent on an enhanced and viable manufacturing

sector. The evolution of the Canadian economy through the various stages of economic and industrial maturity necessitated the influx of immigrant workers with occupational characteristics, skills and expertise that were non-existent - or in short supply - in the domestic labour force. In this manner, labour shortages were avoided, production bottlenecks were averted and generally the process of Canada's economic growth and development was enhanced.

Multicultural Immigration and Economic Development

Immigration has played an important and vital role in the course of Canada's economic development. It should be noted that the influx of immigrant manpower required to supplement and complement the domestic labour force, was instrumental in infusing a more diversified ethnocultural mix in Canada's population. In many respects the progressively more diversified multicultural and multiracial composition of immigrant arrivals heralded the triumph of economics over discrimination. By that, I mean that the economic necessity of attracting immigrants, possessing the appropriate occupational qualifications,required tapping the labour resources and human capital from non traditional source countries of emigration. This course of action negated the persistent efforts of numerous special interest groups, to preserve the cultural and racial homogeneity of the Canadian population in the northwestern European image.

Canada's economic history is replete with illustrations that portray the benefits this country has reaped from the contributions, enterprise and talents of individual

migrants, and immigrant flows, representing a wide variety of ethnocultural origins. From Sir John. A. MacDonald's national dream that included the building of a transcontinental railway; to the opening of the western frontier and the 'wheat boom' of the early 1900's; to the post World War II efforts to generate a strong industrial base for the economy, multicultural immigration has played a vital and visible role in sustaining Canada's comparative affluence, and in ensuring the long-term viability of the domestic economy.

Canada's early economic activity was closely tied to the exploitation of easily accessible natural resource staples with a recognized export potential. These staples included fish, fur, lumber, and subsequently, wheat and mineral resources.

The advent of the seventeeth century found British and French immigrants occupied in farming, fishing and fur trading. The arrival of the United Empire Loyalists in the aftermath of the American Revolution of 1776 further accentuated the ranks of British immigrants who were primarily interested in making a living from farming.

Building Canals and Railroads

By the eighteenth century, British immigrants - primarily from England and Scotland - enhanced the ranks of skilled craftsmen capable of producing tools, clothing, conveyances and dwellings. On the other hand, immigrants of Irish and Chinese origins performed an important task in laying the transportation infrastructure that was an essential prerequisite for Canada's early development efforts in the

nineteenth century. The Lachine Canal, completed in 1825 - which opened the way for larger ships to pass inland beyond Montreal - is a tribute to Irish immigrant labour. It is not widely known that Chinese immigrants were present in this part of the new world, destined to become known as Canada, prior to the proclamation of the Canadian confederation. Indeed, Chinese immigrant workers were eagerly sought after for employment in the arduous and dangerous tasks of mining and railway building, well before 1867. The importance of Chinese immigrant labour to the Canadian economy was underlined during the course of a heated debate in the House of Commons in May 1882 when Canada's Prime Minister, Sir John A. MacDonald, concluded:

> "...several vessels had been chartered to bring over Chinese labourers to work on this railway, to which I think there can be no objection. I share very much the feeling of the people of the United States, and the Australian colonies, against a Mongolian or Chinese population in our country as permanent settlers. I believe they would not be a wholesome element for this country. I believe that it is an alien race in every sense, that would not and could not be expected to assimilate with our Arian population; and, therefore, if the temporary necessity had been overcome, and the railway constructed across the continent, with the means of sending the European settlers and labourers into British Columbia, then it would be quite right to join to a reasonable extent in preventing the permanent settlement in this country of Mongolian, Chinese or Japanese immigrants. At present it is simply a question of alternatives - either you must have this labour or you cannot have the railway."[1]

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[1]Canada, House of Commons Debates, Ottawa, May 12, 1882, p. 1477

Forced by economic necessity, the Canadian government permitted the admission of Chinese workers into this country to build Canada's national dream, and to lay the foundations for Canada's future transportation network. The completion of the Canadian Pacific Railway in 1885 is a living testimony to the valuable contribution of many thousand Chinese railway workers.

The Wheat Boom

The economic depression that had gripped Canada in the latter part of the nineteenth century, was largely over by 1896. With the rejuvenation of the economy came a vigorous campaign to encourage immigration. Furthermore, the building of the transcontinental railway made it possible for new settlers to reach the western frontier. The mastermind behind the influx of immigrants at the turn of the century was Sir Clifford Sifton, Minister of the Interior in the Laurier cabinet and an ardent promoter of immigration to the west. Sifton's intensive campaign to populate the west with immigrant agriculturalists was conducted by means of a combination of advertising and soliciting; by inducements to steamship companies, and by a system of European agents. He immediately faced a Herculean problem. The supply of immigrants with farming skills from the traditional source countries of western Europe had dried up. It was evident that if the settlement of the western provinces was to proceed as planned, immigrants from non-traditional source countries would have to be admitted. Sifton was able to convince his cabinet colleagues in the Laurier government of the imperative need to relax admission preferences, and to open the doors to immigrants from the farming communities of central and eastern Europe. The type of immigrant workers that the Canadian

economy hungered for at that time was colourfully articulated by Sifton in this manner:

'I think that a stalwart peasant in a sheepskin coat, born on the soil, whose forefathers have been farmers for ten generations, with a stout wife and a half-dozen children, is good quality.'[2]

Many of these newcomers were Ukranian and Polish peasants who responded enthusiastically to the offer of free homesteads in western Canada. Their economic contributions were most impressive. As farmers, they cleared and cultivated vast areas of land in the prairie provinces - their previous experience and expertise with innovative farming techniques served Canada well as they were instrumental in introducing new and more efficient methods of farming and hybrid seeds that proved to be more resilient to the harsh Canadian environment; as farm labourers, they increased wheat production on existing farms; and as unskilled workers, they provided the muscle and brawn required by railroad, mining, lumbering and construction enterprises. Indeed, the economic potential and contributions of these eastern European immigrants was strong enough that initial reservations regarding the cultural traits of these new types of immigrants,held by the established farmers of British origin, were soon relinquished. Furthermore, we would be remiss if we did not mention the legacy of the Mennonite and Dukhobor refugee movements in 1874 and 1899 respectively. These early refugees consisted primarily of agriculturists who made important contributions to the manpower requirements of the Canadian west. Avery[3] estimates that between 1896 and 1914 approximately one million immigrant farmers were admitted to this country.

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[2]V. Lysenko, Men in Sheepskin Coats, Toronto: Ryerson Press, 1947, p.31

[3]D. Avery, Dangerous Foreigners: European Immigrant Workers and Labour Radicalism in Canada 1896-1932, Toronto: McLelland and Stewart, 1979, p.19

Sifton's concerted efforts to populate the west with the more culturally diverse central and eastern European immigrant pioneers was an unqualified success for it gave rise to a period of unprecedented growth and prosperity in the annals of Canadian economic history. Canada's population grew quite rapidly and the core of the economic expansion was the staple wheat. By 1912, Canada was the world's third largest exporter of wheat. There is no denying that these new immigrants from non-traditional source countries performed the necessary and essential function of contributing the agricultural manpower that played such a vital role in the take-off of the agricultural sector of western Canada.

Unskilled workers of Italian origin also made significant contributions to Canada's evolving economic structure. Between 1896 and 1911, two new transcontinental railways were built in Canada, and immigrant Italian workers furnished the bulk of the labour force for this endeavour. In the 1950's Italian workers were highly visible in construction enterprises and in the laying of streetcar tracks in various Canadian metropolitan centres.

Immigration in the Post War Period

Canada's persistent dilemma between, on the one hand, the economic necessity and positive economic benefits of immigration and immigrant labour and, on the other, the preference for maintaining the cultural homogeneity of the domestic population surfaced once again in the early days after the cessation of hostilities in the aftermath of the Second World War. Prime Minister MacKenzie King alluded to this dilemma when he laid the foundations of Canada's post-war immigration policy by stating:

> "The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration...With regard to the selection of immigrants, much has been said about discrimination. I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens.
>
> It is not a 'fundamental human right' of any alien to enter Canada. It is a privilege. It is a matter of domestic policy...There will, I am sure, be general agreement with the view that the people of Canada do not wish, as a result of mass immigration, to make a fundamental alteration in the character of our population."[4]

The economic benefits of enhanced immigration were fervently advocated in the King statement. He was also emphatic, however, in stressing the need to maintain the 'character' of the domestic population by means of perpetuating the existing ethnic composition and balance of the Canadian population. This could be achieved by gearing Canadian immigration policy to express a preference for immigrants from the traditional source countries of western Europe and the United States. The manpower demands of the national economy in the Second World War period, however, would effectively challenge the ethnic selectivity of Canada's immigration program and induce the foundations of a universal immigrant selection scheme.

The Canadian economy went through a paramount structural transformation during the post-war period. In the first few years of the post-war economic renaissance, the Canadian economy experienced an upward swing as consumers vented their pent up demand for consumer durables that had been postponed during the war years. In terms of the

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[4]Canada, House of Commons Debates, Ottawa, May 1, 1947, pp 2644-2646

economy's productive capacity, the production facilities that were in existence at the end of the War, were too limited to meet the rapidly rising demand. Consequently, it became necessary to replace the war-torn machinery and equipment with the most up-to-date technology and avant garde industrial innovations. These structural innovations took the form of new processes of production, new types of machinery and equipment, new products, and required the more efficient utilization of human resources. Also, significant exploratory discoveries were made in the mineral resource sector and the economic exploitation of mineral resources such as oil, gas, iron ore, and nickel deposits, were speeded up.

The principal impact of these economic developments was in terms of realizing the shortcomings of the domestic labour force. The industrial expansion that was underway required an enhanced demand for skilled manpower, which, because of the reduced expenditures on education and training during the Great Depression of the 1930's and the War period, was not available in the required quantities. In short, the quantitative supply of the domestic labour force fell short of the employment requirements of the various expanding sectors of the Canadian economy. Furthermore, there existed major labour shortages in a large number of specialized skills and trades; for workers with industrial expertise, and for a large array of professional occupations. The problem was further accentuated by the fact that a substantial portion of the better educated veterans decided, upon their demobilization to enter educational and training institutions and programs, rather than join the active labour force.

The enhanced demand for skilled workers in many sectors of the Canadian economy was triggered by the increased expenditures and investments in new construction, industrial plants and equipment, public utility projects and residential housing, all of which expanded rapidly and reached unprecedented high levels from 1947 to 1949. These developments placed considerable pressure on the relatively limited supplies of skilled tradesmen available and led to continuing shortages during most of the period in a number of occupations. Tradesmen in greatest demand were primary and secondary textile workers, cabinet and wood workers, sheet metal workers, electrical machinery tradesmen and mechanics. Numerous industrial and professional occupations that required advanced levels of education also experienced dramatic labour shortages.

The snowballing momentum of economic activity that persevered in the first two decades after the Second World War, made it quite apparent that the domestic population could not supply all the workers or the skills and expertise that were needed in order to sustain the process of economic growth and development that was underway. Hence, Canadian private enterprise embarked on an active lobbying campaign to impress upon the federal government the need to open the doors of immigration, in an effort to supplement and complement Canada's domestic labour force with immigrant workers. Once again, at an important juncture in the evolution of the Canadian economy, the reliance on immigrant manpower to redress labour shortages and avert production bottlenecks persisted as a vivid reminder of the important and beneficial economic role of immigration.

The manpower requirements of the Canadian economy in the post war decades dictated the need to permit the admission of immigrant workers from non-traditional source countries. This was absolutely essential if Canada was to acquire immigrants who possessed the skills and expertise that were urgently required. Like an octopus reaching out with its tentacles for its life sustaining food, Canada's immigration program reached out to Asia, Africa, the Caribbean Islands and Latin America for immigrant workers that were an essential feature of this country's economic lifeblood. Responding to the need for immigrant workers from non-traditional source countries, Canadian immigration policy was amended in the 1960's to reflect a more racially indiscriminate and universalistic approach, but in the same vein, the principal criteria for immigrant selection was more intensely correlated to the occupational and manpower requirements of the Canadian economy. The universalistic addendum to Canada's immigration program and policy further enhanced and accentuated the multicultural and multiracial composition of the domestic population.

Refugee movements in the post-war period also influenced the multicultural composition of the Canadian population,as well as contributing resourceful manpower that possessed the skills and expertise required by the domestic economy. The Hungarian refugee movement of 1956 and the Czechoslovakian movement of 1968 included a large number of academics, medical doctors, scientists and engineers. The Tibetan refugee movement of 1971 was the first time that Canada admitted refugees from Asia. The Tibetans consisted primarily of agriculturalists who settled in the western Provinces. The influx of the Uganda-Asian refugees in 1972 enhanced Canada's labour

force with professionals and commercial entrepreneurs. More recently, the military defeat of South Vietnam, and the protracted civil strife in Lebanon have resulted in refugee movements to Canada in 1975 and 1976 respectively and have contributed to an infusion of industrial and entrepreneurial talent in the domestic labour force. Subsequently several refugee programs have enhanced the multicultural composition of refugee movements to Canada. For example, the Iraqi Kurds (1976); the Argentine Political Detainee Program (1978); the Polish Special Movement (1982); the Iranian Special Movement (1982); the El Salvadoran Special Movement (1982); the Sri Lankan Special Movement (1983); the Guatemala Special Movement (1984); and the Special Measures for the Citizens of the Former Yugoslavia (1992).

Canadian Censuses and Multiculturalism

The evolution of Canada's population profile into a distinctive multicultural and multiracial society as a consequence of immigration flows has evolved over the decades. Canadian censuses are a particularly good milepost to ascertain the magnitude of ethnocultural diversity and the changes over time that have taken place in this country's ethnocultural composition. In large measure the impetus for the more difused ethnocultural diversity has been a consequence of the structural changes in the national economy and the specific quantitative and qualitative labour requirements of the domestic economy. Indeed, the historical evolution of Canada's ethnocultural diversity was determined by economic necessity which dictated the admission of immigrants from non-traditional source countries who reflected a more diversified ethnic and racial composition. Furthermore, better internationa transportation links, improved and more efficient telecommunicat services, an enhanced committment towards accepting refugees

from around the world, as well as Canada's and the rest of the world's demographic dynamics have all gradually contributed to the displacement of the conventional source countries by Third World countries.

The discovery of the new world ultimately meant that Canada's native people began to share the North American continent with the French colonizers and subsequently the British. The latter were soon supplemented with the arrival of the British Empire Loyalists who left the newly formed republic of the United States of America. Subsequently immigrants with unconventional racial, cultural,religious and linguistic backgrounds began dotting the Canadian population landscape and enhancing this country's multicultural composition.

It should be noted that while multicultural groups have a long history and presence in Canada they did not become numerically important until very recently. The presence of Chinese immigrants in Canada before Confederation has been well documented. The German and Dutch immigrants reached Canada before the turn of the century, Sifton's "men in sheepskin coats" who were Ukranians and Poles arrived in the early 1900's and finally enhanced immigration in the post World War II period included initially a larger proportion of eastern European immigrants and subsequently a more multiracial composition of immigrants from Africa, Asia and South America.

An incisive analysis of Canada's census data underlines certain patterns and trends of interest for the historical evolution of Canadian multiculturalism. Shortly after Confederation, the census of 1871 identified 60.5% of the Canadian population as being of British descent, the numerical importance of this group has declined over the decades to 28.1% in 1991. In contrast, the percentage of Canadians of French heritage has declined more moderately; from 31% in 1871 to 22.8% in 1991.

Table 1 underlines the significant gains in proportionality by the population that was neither of British or French heritage. That category registered a mere 8% in 1871 and increased substantially in 1991 to 49.1% of the total population.

Canadians of German descent have consistently formed the third largest ethnocultural group by percentage of Canada's population, ranging mostly above the 5% level. Declines in the proportion of German Canadians below the 5% level in 1921, 1931, 1941, 1951 may reflect a fear of reprisals in being identified as enemy sympathisers. Indeed, a corresponding rise and subsequent drop in the percentage of Canadians of Austrian origin during the censuses that identified a decline in the proportion of those of German descent provides a socio-political explanation for this statistical discrepancy. However, with the large influx of non-European immigration in the 1980's the proportion of Canadian's of German origin declined to 3.4% of the total population in 1991.

TABLE 1

Multicultural Composition of the Canadian Population: Census Years

1871		1881	
French	31.1%	French	30.0%
Irish	24.3%	Irish	28.1%
English	20.3%	English	20.4%
Scottish	15.8%	Scottish	16.2%
German	5.8%	German	5.9%
Netherlander	.85%	Netherlander	.7%
Negro	.67%	Negro	.49%
Scandinavian	.05%	Scandinavian	.12%
Italian	.03%	Asiatic [Chinese]	.10%
Russian	.02%	Italian	.04%

1901		1911	
French	30.7%	French	28.6%
English	23.5%	English	25.9%
Irish	18.4%	Irish	14.9%
Scottish	14.7%	Scottish	14.3%
German	5.9%	German	5.6%
Netherlander	.63%	Scandinavian	1.6%
Scandinavian	.58%	Jewish	1.1%
Russian	.37%	Ukranian	1.1%
Chinese	.32%	Netherlander	.78%
Negro	.32%	Italian	.64%

1921		1931	
English	29.0%	French	28.2%
French	27.9%	English	26.4%
Scottish	13.4%	Scottish	13.0%
Irish	12.6%	Irish	11.9%
German	3.4%	German	4.6%
Scandinavian	1.9%	Scandinavian	2.2%
Jewish	1.4%	Ukranian	2.2%
Netherlander	1.3%	Jewish	1.5%
Austrian	1.2%	Netherlander	1.4%
Ukranian	1.2%	Polish	1.4%

Table 1 (continued)

1941		1951	
French	30.3%	French	30.8%
English	25.8%	English	25.9%
Scottish	12.2%	Scottish	11.1%
Irish	11.0%	Irish	10.3%
German	4.0%	German	4.4%
Ukranian	2.7%	Ukranian	2.8%
Scandinavian	2.1%	Scandinavian	2.0%
Netherlander	1.8%	Netherlander	1.9%
Polish	1.5%	Polish	1.6%
Jewish	1.5%	Jewish	1.3%

1961		1971	
French	30.4%	British	44.6%
English	23.0%	French	28.7%
Scottish	10.4%	German	6.1%
Irish	9.6%	Italian	3.4%
German	5.8%	Ukranian	2.7%
Ukranian	2.6%	Netherlander	1.98%
Italian	2.5%	Scandinavian	1.8%
Netherlander	2.4%	Polish	1.5%
Scandinavian	2.1%	Jewish	1.4%
Polish	1.8%	Norwegian	.8%

1981		1991	
British	43.5%	British	28.1%
French	28.9%	French	22.8%
German	5.1%	German	3.4%
Italian	3.4%	Italian	2.8%
Ukranian	2.4%	Chinese	2.2%
Dutch	1.8%	Ukranian	1.5%
Chinese	1.3%	Dutch	1.3%
Scandinavian	1.27%	East Indian	1.2%
Jewish	1.2%	Polish	1.2%
Polish	1.14%	Portuguese	.9%

SOURCE: Computed from Canadian census data.

The post 1960 period is a significant milestone in the evolution of multiculturalism in Canada. Prior to 1962, Canada's immigration legislation and program expressed a preference for immigrants from northwestern European nations - especially those of British origin - and restricted Asian immigration. With the advent of a universalistic immigration policy in 1962 and the lifting of racial barriers, subsequent Immigration Acts and Regulations emphasized manpower and occupational criteria for immigrant selection. In particular, the new selection criteria underlined a preference for immigrants who possessed higher levels of education, specialized industrial training and skills, and specific occupational affiliations. These developments opened the door for increased immigration from Asia, the Caribbean and Latin America.

The 1991 census recorded some important developments for Canada's evolving multicultural mosaic. Immigrants who came to Canada between 1981 and 1991 were more likely to report Chinese, East Indian, British, Polish and Filipino ethnic origins. The numerical significance of immigrants to Canada who were not of British or French ancestry was revealed in the 1991 census when 88% of immigrants who came between 1981 and 1991 declared an ethnic origin other than British or French. Prior to 1961 the non-British and non-French component of immigration to Canada was recorded at 67%. By far, the largest component of new immigrants were of Asiatic origins at 42%, followed by those of European ancestry at 22%. This is in sharp contrast to data from earlier censuses when 2% of immigrants who came before 1961 reported an Asiatic origin whereas 60% reported a European ancestry. Furthermore, 6% of recent immigrants reported Caribbean or Latin American origins; this represents an impressive increase from the 0.1% of immigrants who came from those regions prior to 1961.[5]

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[5] Statistics Canada, Canada's Changing Immigrant Population, Ottawa: Statistics Canada, 1994, p. 21.

Canadians of German origin have retained their numerical superiority amongst the other ethnic groups in the 1991 census and remain the third largest ethnic group in the Canadian population after the British and the French. The 1991 census enumerated the major ethnic groups as follows: German origin - 911,560 ; Italian origin - 750,055; Ukranians - 406,645; Dutch - 358,180; Chinese - 586,645; East Indian - 324,840.

Census figures illustrate that Canada is perhaps one of the more striking examples of a predominantly immigrant society whose people are drawn from every geographical, social, economic, political, cultural, religious and ethnic background. This has given rise to a mosaic of people from a diversity of racial and ethnic origins. Immigration flows have unequivocally infused a high level of cultural and racial heterogeneity that has become a salient feature of the Canadian population.

Perhaps the most emphatic statement with respect to the multicultural composition of Canadian society, was made during the course of the recent constitution debate in the Canadian Parliament. During the formal introduction of the proposed new Canadian constitution and the Canadian Charter of Rights and Freedoms by the Minister of Justice in 1981, the essence of Canada's ethnocultural pluralism was once again officially and formally acknowledged. In part, this is what the Minister of Justice had to say on that occasion:

> '...the charter makes specific reference to the multicultural nature of our society. At the time of confederation our forefathers established a new country based on two great cultures, the English and the French. Over the last 114 years, Canada has been enriched by the contribution of immigrants from the four corners of the globe. And because Canada prides itself on not being a melting pot, we are establishing today that the charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians is such an essential fabric of our nationhood that it must be reflected in our Constitution.'[6]

Conclusion

The preceding historical exposition has highlighted the substantive increase in Canada's ethnocultural minorities. Furthermore ethnic minorities in this country are becoming a controversial public policy issue in terms of their proportion to the Canadian population.

The Canadian economy has grown and prospered, to a large extent because of the positive economic benefits of immigration. In particular, the Canadian economy has been a principal beneficiary of immigrant manpower flows that possessed levels of education, skills and expertise urgently needed to re-enforce the domestic labour supply. The diverse geographical areas from which immigrants who possessed the appropriate occupational characteristics were drawn to Canada, resulted in the multicultural and multiracial mosaic of the Canadian population.

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[6] Canada, House of Commons Debates, February 17, 1981, p. 7375.

It should be noted that Canada's contemporary multicultural profile is not simply a recent phenomenon, or one that occurred by chance. As a matter of fact, the evolving nature of Canada's multicultural composition can be traced back well before the birth of the Canadian nation in 1867. Furthermore, the unfolding multicultural composition of the Canadian population was not a haphazard development but one that was debated at great length, and which proved to be the only exodus from the quagmire of the manpower needs of the domestic economy. Indeed, there was no other feasible option but to tap the manpower resources of non-traditional source countries for prospective immigrant workers in order to ensure that the numerical and occupational needs of the Canadian economy were met.

Fundamentally, the contribution of all the ethnocultural groups to Canada's economic growth and development is a visible and lasting monument to the economic vigour and dynamic enterprise that has made a significant endowment to the process of nation building, and continues to be a source of vitality and innovation to the present day.

CHAPTER X

CANADA'S DEMOGRAPHIC OUTLOOK AND MULTICULTURAL IMMIGRATION

Introduction

There is no denying that the history of Canada is closely linked to immigration. Furthermore, it is becoming increasingly obvious that Canada's future will be largely dependent on the long term role that immigration is allowed to play. Canada's contemporary demographic profile characterized by the end of the baby-boom, the decline in fertility rates, the aging trend of the population and the prospects for an absolute decline in the Canadian population shortly after the turn of the century necessitate an enhanced role for immigration to Canada and suggest the need for a more proactive immigration policy. In short, Canada's projected population outlook requires us to enlist immigration to play an even more crucial role than it has performed in the past in order to correct and fine-tune certain demographic trends and to confront the social and economic challenges and opportunities of the ensuing decades.

Indeed, the expanded role for immigration to Canada must be examined from the perspective of a comparatively larger inflow of immigrants from non-traditional source countries. In this regard certain changes and modifications may be required to correlate Canada's immigration policy with our economic and social policies as well as our cultural and linguistic programs. This would appear to be particularly relevant in view of the anticipated increase in the multicultural and multiracial composition of economically motivated migrants, business and entrepreneurial immigrants and refugee movements to Canada.

The Global Outlook

Canada's demographic prospects appear to be quite similar to the global trend for population growth. A recent publication concludes that:

> "The total world population reached almost 5.3 billion by mid-1990, a level 2.1 times that in 1950. According to the medium variant of the 1992 revision of the United Nations population estimates and projections, the world population is projected to reach 6.2 billion in 2000 and 8.5 billion in 2025. Although the annual growth rate of the world population has declined from a high of 2.1 per cent in the late 1960's to the current level of 1.7 percent, this slow down in growth has not yet been translated into absolute figures.[1]

The overall decline in the rate of global population growth along with the distinctive variations of population growth rates between European industrialized countries and Third World countries in Asia and Africa are likely to feature as important considerations in Canada's ability to compete for the international pool of immigrants as well as in determining the ethnocultural and racial make-up of future immigrants to Canada.

Canada's Demographic Outlook

Canada's recent population history reveals a demographic profile with potentially serious economic and social consequences. It is particularly noteworthy that Canada's long term demographic evolution has been influenced by the population components of natural increase and particularly fertility rates on the one hand, and net migration on the other. The long term decline in

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[1]United Nations, Population Environment and Development, New York: United Nations, 1994, p. 24.

Canada's total fertility rates along with an aging population has spotlighted the important future role of net migration in correcting for the consequences of a demographic imbalance.

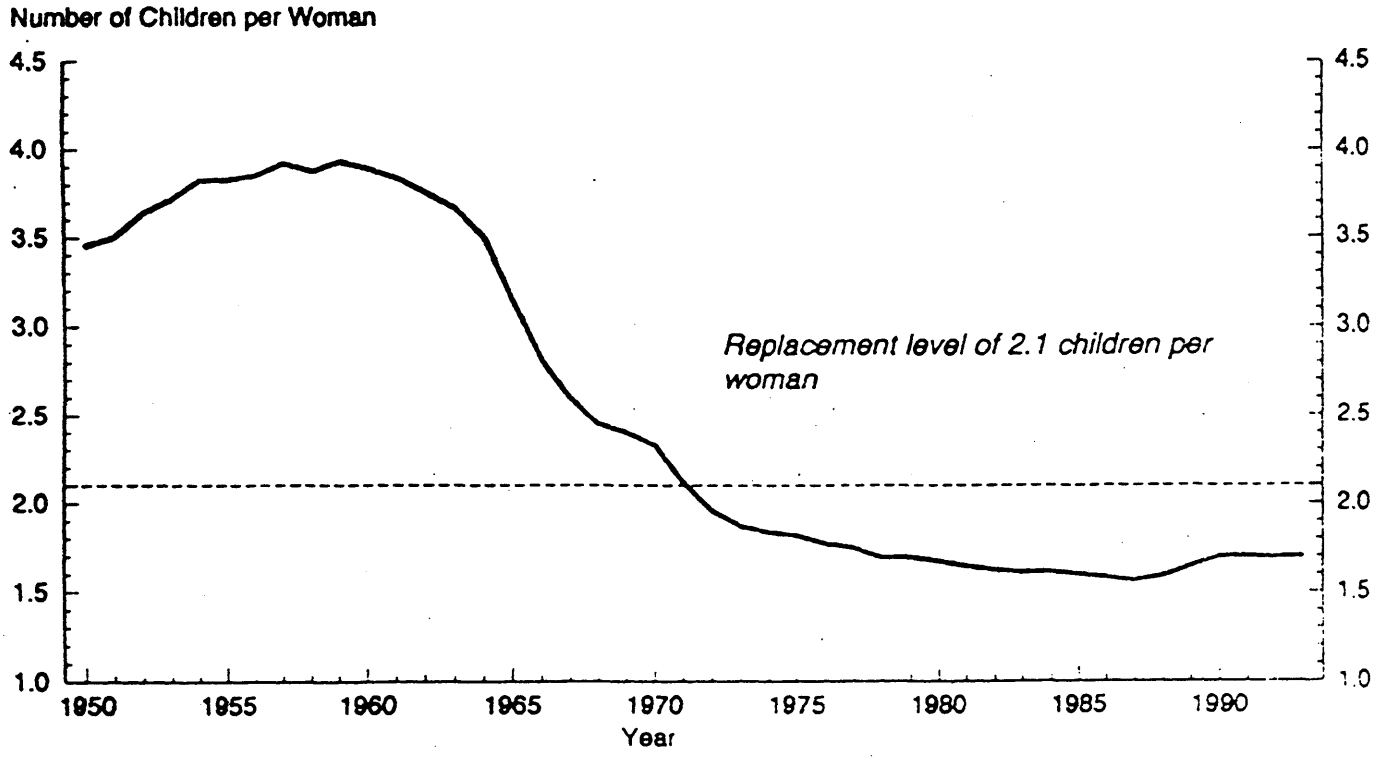
Fertility rates in Canada are a key demographic variable that directly influence population growth and the age structure of the domestic population. Figure 1 depicts the evolution of fertility rates in Canada from 1950 to 1993. It reveals that subsequent to the baby boom period which lasted from 1946 to 1966, the total fertility rate experienced a significant decline reaching a fertility rate that was well below the replacement level of 2.1 children per woman. Total fertility rates were 1.8 children per woman in 1974, they declined steadily thereafter to their lowest point at 1.57 in 1987. Subsequently, total fertility rates rose moderately to 1.7 children in 1990 and remained at that level until 1993.

The declining trend in total fertility rates is partly explained by more effective contraception, the higher participation rate of women in the labour force, the career orientation of a larger proportion of women in the population, a larger proportion of the population is remaining permanently single, a larger proportion of career oriented young people are postponing marriage until later in life and a higher divorce rate.

Projections for Canada's fertility rates into the 21st century reflect the continuation of a rate well below the replacement level. Figure 2 portrays three possible scenarios for Canada's fertility rates projected to the year 2016. It is noteworthy that the most optimistic assumptions project a fertility rate of 1.9 children per woman while the most guarded assumptions suggest a decline in fertility rates to the 1987 level of 1.57 children per woman. It is more likely, however, that fertility rates in the ensuing two decades will remain at the current level of 1.7 children per woman. In consequence, the below replacement levels projected for total fertility rates in Canada, allow me to

FIGURE 1

TOTAL FERTILITY RATE FOR CANADA, 1950-1993



Source: Statistics Canada, Population Projections for Canada, Provinces and Territories 1993-2016, 1994.

conclude that net migration will be called upon to play an important role as a correcting influence in the demographic equation.

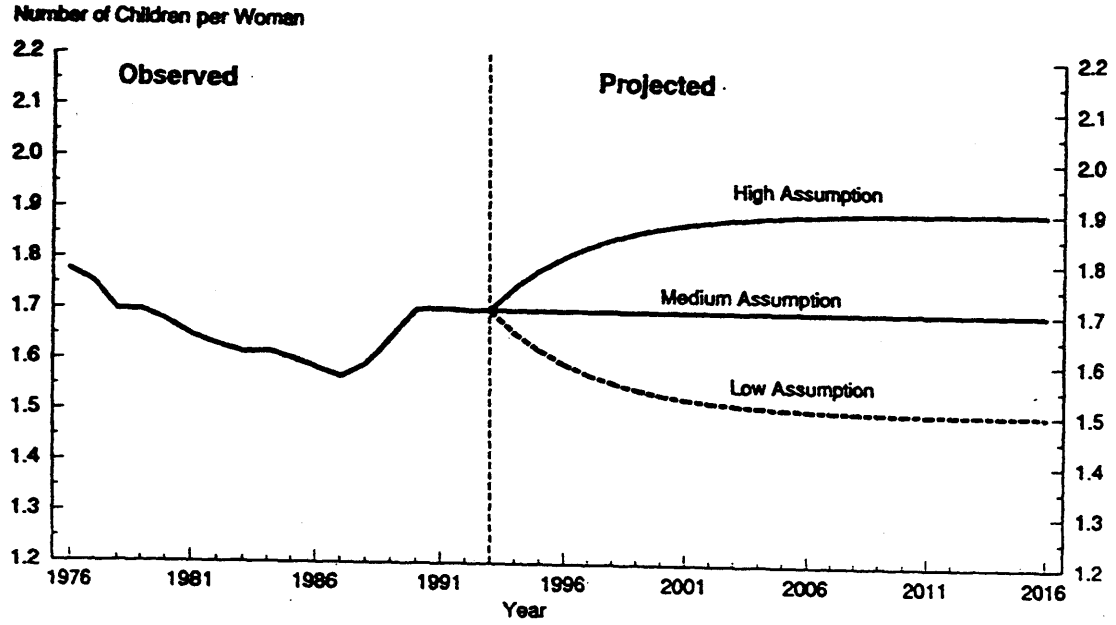
Canada's recent demographic evolution also highlights the economic and social consequences of an aging population. By that I mean that Canada is on the threshold of confronting a demographic scenario wherein a significantly higher proportion of the population is in the older age groups. The trend in declining fertility rates, the buoyancy of the baby boom bubble to the top of the population pyramid and a lower mortality rate largely attributable to preventive medical care and the scientific and technological advances in medical science will contribute to the projected aging of the Canadian population. This in turn will result in Canada's public policy having to confront an array of economic and social challenges related to taxation revenues, pension demands, medical services, size of the labour force and social programs to name but a few.

Figure 3 depicts the unfolding demographic scenario as a consequence of the below replacement trend in fertility rates and the aging of the Canadian population. Natural increase, the excess of births over deaths, continues to be positive, although at a declining rate, until it reaches the zero mark around the year 2029. Beyond that Statistics Canada projections conclude that deaths will exceed births.

The combination of demographic influences and particularly the decline in total fertility rates since the early 1970's and their projected stagnation at below replacement levels will result in a significant alteration to Canada's age structure into the next century. According to the most recent Statistics Canada projections "the median age will increase from 33.9 years in 1993

FIGURE 2

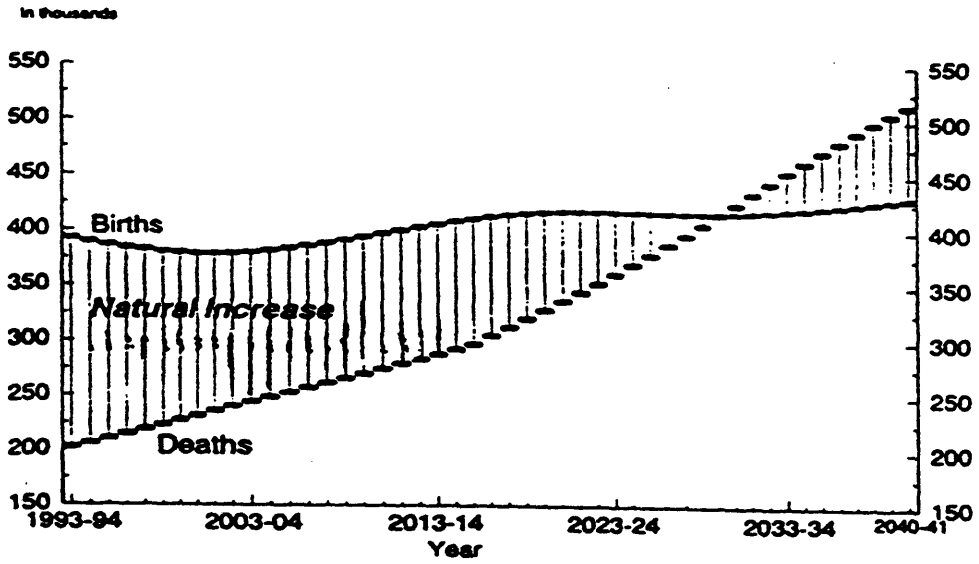
TOTAL FERTILITY RATE FOR CANADA, 1976-2016



Source: Statistics Canada, Population Projections for Canada, Provinces and Territories 1993-2016, 1994.

FIGURE 3

BIRTHS, DEATHS AND NATURAL INCREASE, CANADA, 1993/94-2040/41



Source: Statistics Canada, Population Projections for Canada, Provinces and Territories 1993-2016, 1994.

to 40.4 years by 2016, and to 43.5 years by 2041"[2] A central feature in this process of the aging of the Canadian population is the progression of the baby boom generation into the upper ranges of the population pyramid.

In 1993, the baby boom cohort was still within their active working years and child-bearing ages at the age span of 27 to 47 years of age. However, the baby boom generation will have retired in significant numbers by 2016 having reached the 50 to 70 years mark. By the year 2041, at the age brackets of 75 to 95, the baby boomers will experience high mortality rates.

The most recent Statistics Canada projections conclude that:

> "The proportion of Canadians aged 65 years and older will increase from around 12% in 1993 to roughly 16% by 2016. By 2041, seniors will account for 25% of the total population. On the other hand, young people (0-17) made up 25% of Canada's population in 1993; by 2016 their proportion will drop to 20% and to 19% by 2041, if current fertility remains constant."[3]

The significant changes anticipated in Canada's age structure are explored in Figure 4. Canada's projected population pyramids vividly demonstrate the dramatic changes in age composition of the Canadian population into the 21st century. The erosion in the pyramid's base is clearly evident in the 1993 population pyramid as a consequence of the declining fertility rates and the baby boom cohort having reached the middle of the pyramid structure. Projections for the years 2016 and 2041 further accentuate the changes in Canada's population pyramid as a result of the aging of the population and the projected decline in the proportion of young people.

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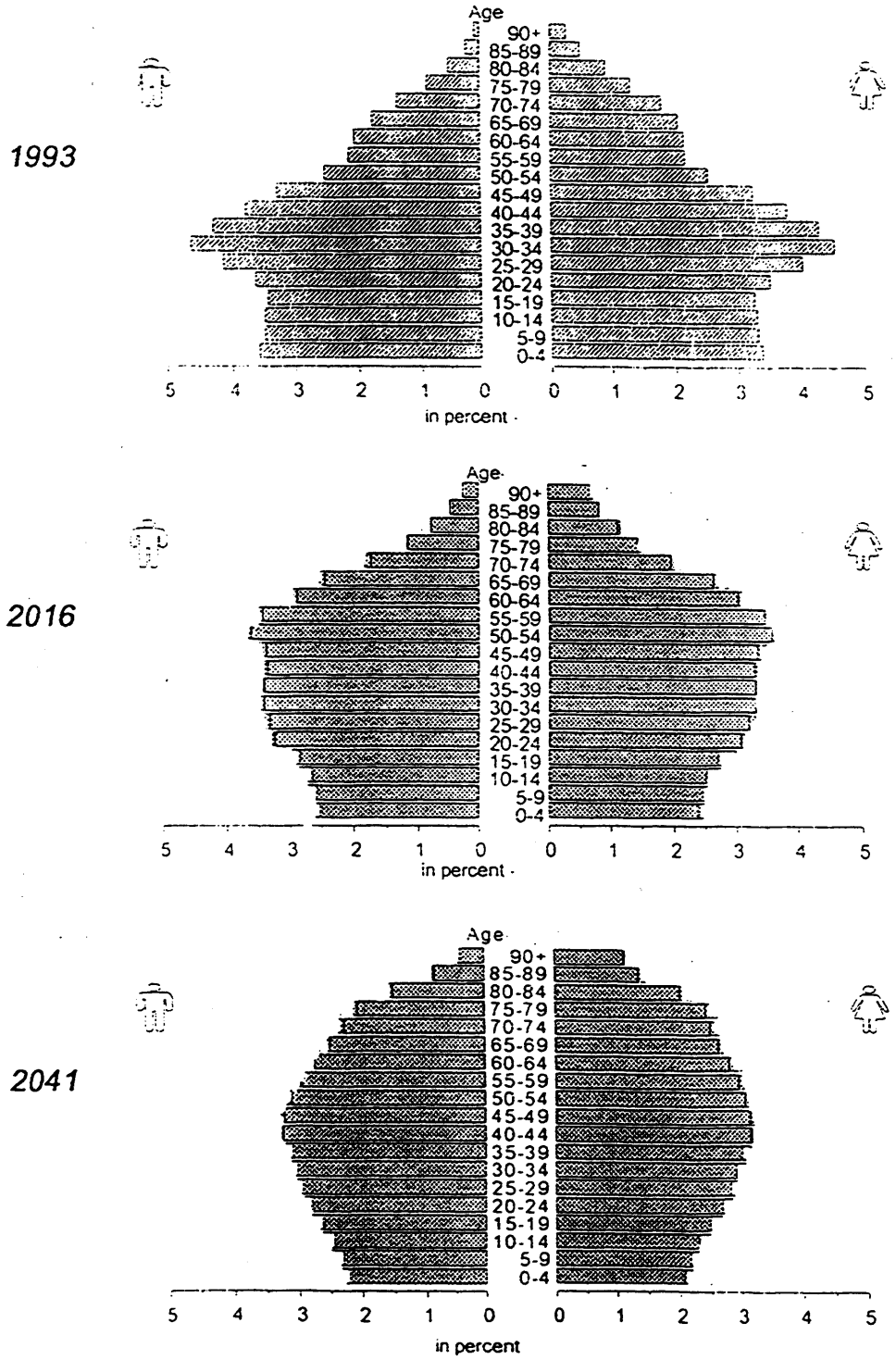
[2]Statistics Canada, Population Projections for Canada, Provinces and Territories 1993-2016, Ottawa: Statistics Canada, 1994, p. 70.

[3]Ibid., p. 72.

FIGURE 4

POPULATION BY AGE AND SEX, CANADA, 1993, 2016 AND 2041



Source: Statistics Canada, Population Projections for Canada, Provinces and Territories 1993-2016, 1994.

In this kind of a demographic scenario the role of future immigration levels and the potential mechanism that immigration offers in terms of fine-tuning deficiencies in the domestic size and composition of the Canadian population needs to be examined in greater detail. In particular the broader economic and social implications for Canadian society of enhanced multicultural immigration need to be assessed and evaluated in a more systematic and exhaustive manner than has been the record to date.

In order to assess the role and magnitude of net immigration that would bestow a positive influence on current demographic trends we will highlight two recent population projections. The first was conducted by the Economic Council of Canada and the second is the most recent Statistics Canada projections.

Population projections completed by the Economic Council of Canada in 1991 concluded that immigration would play an important role in contributing to future population growth for Canada. Assuming a fertility rate of 1.7 children per woman and varying the level of immigration between three scenarios: (i) no immigration (ii) medium immigration levels of 0.4% of the population and (iii) high immigration levels of 0.8% of the population. Figure 5 illustrates the population outcome from the variations in immigration intake. The Economic Council concluded that with no immigration Canada's population will increase marginally reaching 28.3 million by the year 2015 and decline shortly thereafter. The second scenario assumed an annual net immigration rate of 0.4% of the population i.e. the equivalent of 100,000 immigrants per year would result in a population size of 32 million by the year 2015 and 35 million by 2040. The third scenario assumed an annual net immigration rate of 0.8% of the population which translates into 200,000 immigrants a year, in which case Canada's population would increase much faster reaching 36 million in 2015 and 44 million by the year 2040.[4]

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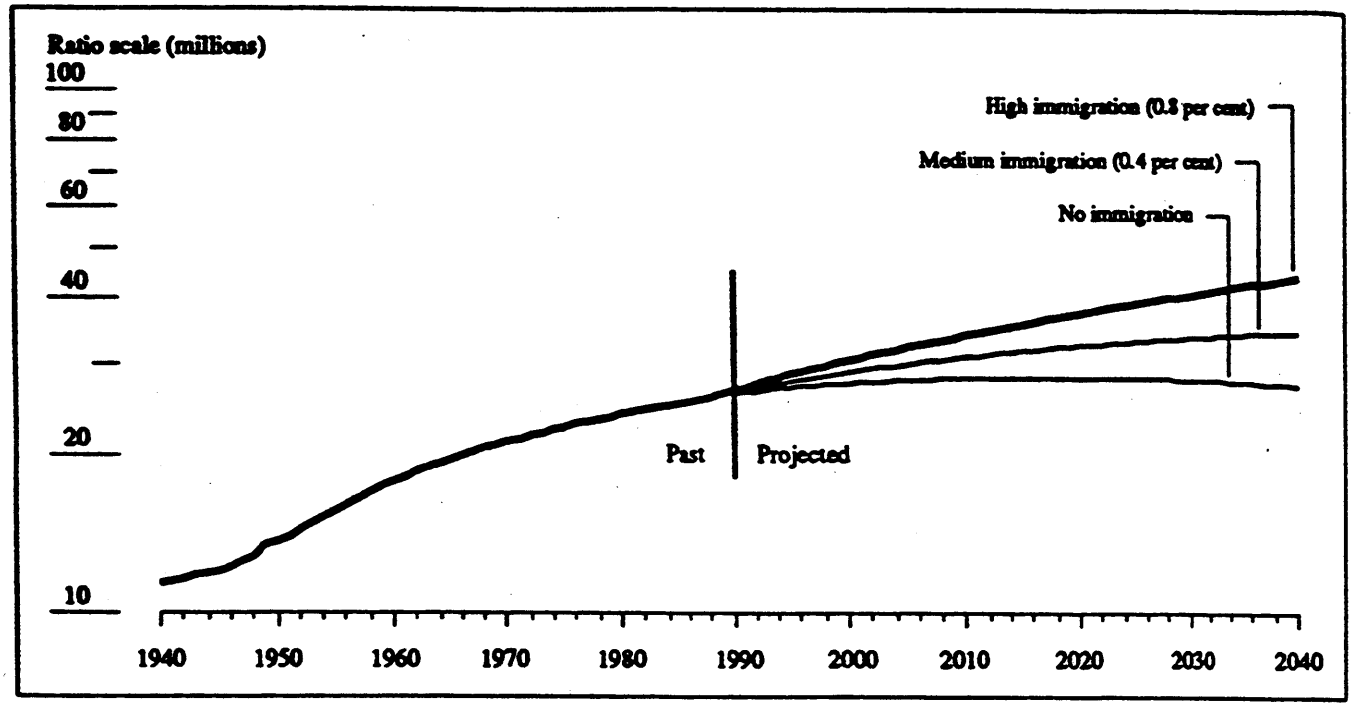
[4]Economic Council of Canada, Economic and Social Impacts of Immigration, Ottawa: Supply and Services, 1991, pp. 37-38.

FIGURE 5

POPULATION INCREASE, PAST AND PROJECTED, CANADA, 1940-2040



Source: Economic Council of Canada, Economic and Social Impacts of Immigration, 1991.

It is important to note that after considering the demographic, social and economic implications of Canada's future population prospects, the Economic Council of Canada recommended a substantive increase in immigration levels. More precisely, the Economic Council of Canada recommended that "immigration be gradually increased above the average levels of the last 25 years, to reach 1 per cent of the population, on a gross basis, by the year 2015".[5]

The most recent population projections completed by Statistics Canada also affirm an important role for immigration as a major component of demographic growth in the context of the declining trend in Canada's fertility rates since the 1970's. Figure 6 depicts the three assumptions for annual immigration levels incorporated in the Statistics Canada projections. The high assumption represents annual immigration levels of 250,000 until 1995 increasing gradually every five years to reach 330,000 by the year 2016. The medium assumption incorporates an annual immigration intake at the current level of 250,000 remaining constant until 2016. The low assumption represents a decline in annual immigration levels every five years from their current level until they reach 150,000 by the year 2016.

Congruent with the Statistics Canada projections for fertility rates in Canada remaining at below the replacement level, the population outcome of the variations in immigration levels are illustrated in Figure 7. Statistics Canada concludes that Canada's population will increase under a high growth scenario to 40 million by the year 2016 and 51 million by the year 2041. In the medium growth scenario the population will increase to about 37 million by 2016 and 43 million by 2041. Canada's population will increase at a much slower pace in the low growth scenario to 34 million in 2016 and 35 million by the year 2041.[6]

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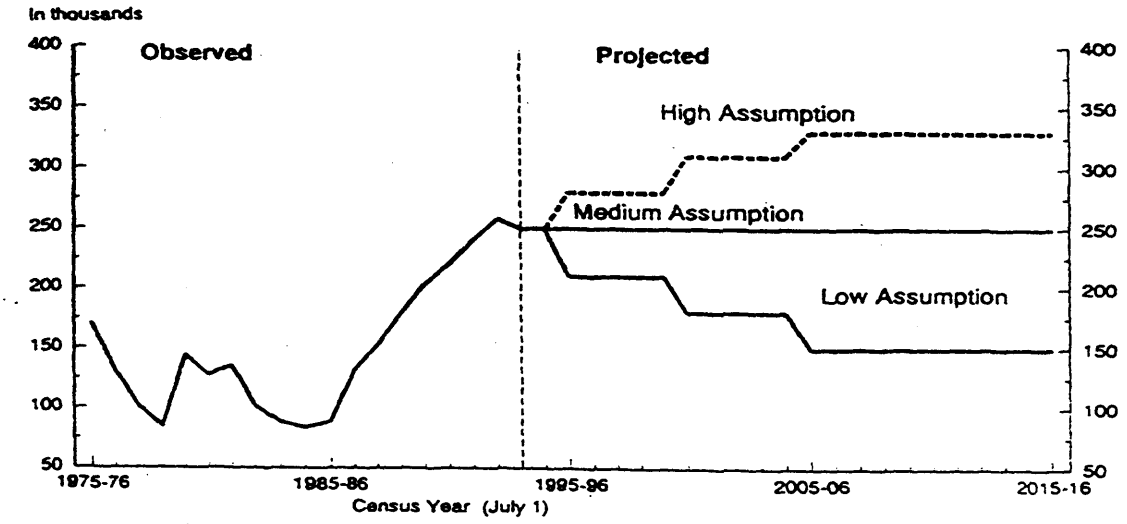
[5]Economic Council of Canada, New Faces in the Crowd, Ottawa: Supply and Services, 1991, p. 34.

[6]Statistics Canada, Op. cit., 1994, p. 66.

FIGURE 6

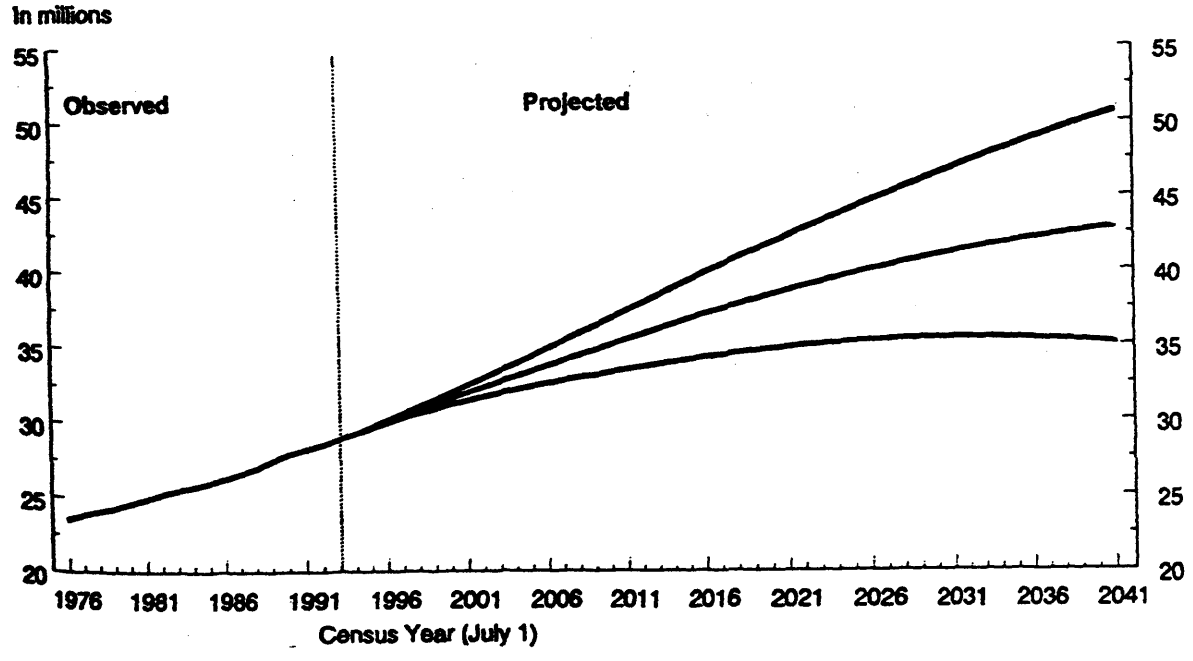
IMMIGRATION LEVELS, PAST AND PROJECTED, CANADA, 1975/76-2015/16



Source: Statistics Canada, Population Projections for Canada, Provinces and Territories 1993-2016, 1994.

FIGURE 7

POPULATION INCREASE, PAST AND PROJECTED, CANADA, 1976-2041



Source: Statistics Canada, Population Projections for Canada, Provinces and Territories 1993-2016, 1994.

Both population projections conducted by the Economic Council of Canada and Statistics Canada assert the important role that net immigration will play in Canada's demographic future. Indeed, both institutions conclude that higher annual immigration levels than those recorded in the recent past will be required in order to correct and fine tune for the projected demographic imbalance in Canada's population prospects.

It is worth noting that with respect to immigration, the Report of the Royal Commission on the Economic Union and Development Prospects for Canada concluded that:

> "Canada should set its immigration levels on the basis of long-term objectives, rather than on that of short-term considerations ... Given the uncertainties involved in deciding both on an appropriate population size and on its age composition, Canada should follow that course which, in the past, has served our country well: that is, a less restrictive policy than that currently in place ... In recommending this approach to immigration policy, this Commission is fully aware of the cultural, linguistic, economic and racial implications."[7]

Source Countries of Immigration to Canada

Economic considerations have always been a paramount influence over the scope and substance of Canada's immigration program. Indeed, it is those economic considerations that have determined the gradual change in the multicultural composition of immigrants to Canada in the post World War II period and are likely to define the more substantive ethnocultural diversity and racial pluralism of immigrants admitted to Canada in the future.

In the course of the five decades following the cessation of hostilities after the Second World War, immigration to Canada was characterized by a radical shift in source countries. As

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[7]Canada, Report of the Royal Commission on the Economic Union and Development Prospects for Canada, Ottawa: Supply and Services, 1985, p. 668.

the supply of immigrants from traditional and preferred source countries such as Britain, the United States and western Europe dried up, Canada increasingly veered its immigration program towards new geographical regions and non-traditional source countries first in eastern Europe and subsequently among the Third World countries of Asia, Africa and South America.

The decline in importance of Canada's traditional and preferred source countries of immigration and the emergence of non-traditional source countries as major contributors to this country's immigration inflow has been precipitated by several factors. These include but are not restricted to such factors as the decline in fertility rates in European countries and the comparatively high fertility of Third World countries; enhanced population pressures in Asia, Africa and Latin America that create the momentum and the desire to emigrate; the improved economic employment prospects among the traditional source countries in Europe that have stifled the incentive to emigrate; and the gradual evolution of Canada's immigration policy and legislation towards a more non-discriminate and universalistic policy for immigrant admissions that is no longer based on ethnic and racial preferences for immigrants from traditional source countries but rather has evolved to a more objective set of admissions criteria currently known as the 'point system' which assesses prospective immigrants on the basis of predominantly economic and labour market criteria.

Table 1 clearly illustrates the evolution towards a pronouncedly multicultural composition of immigration to Canada in the post World War II period. In the early post-war years the leading source countries of immigration to Canada included the United States and all European countries indeed predominantly western European countries with Britain at the top of the list. This is amply illustrated by the ten leading source countries of immigration to Canada in1951. The substantive increase in non-European immigrants to Canada since the late 1960's was primarily a result of Canada's univeralistic policy of admissions that began to take form and substance since 1962. By 1994 the ten leading source countries of immigration were markedly different in geographical juxtaposition. The Philippines and Hong Kong were the two leading source countries, the United States had fallen to eighth place, Britain was in ninth place and France had not made the top ten leading source countries list since 1968. The comparison of the 1951 and 1994 source countries of immigration is most revealing for it clearly illustrates the dramatic shift in source countries from the predominently western European tradition that lasted up until the first two decades of the second World War to the preponderance of Asian and especially Third World countries by the mid 1990's. In short, by the 1990's Asia replaced Britain and Europe as the principal geographical source of new immigrants. Furthermore, in the last fifteen years there has been an influx of multicultural and multiracial immigration from non-European countries that has imbued a large measure of ethnocultural, racial, linguistic and religious heterogeneity to Canada's population. Finally, the anticipated increase of immigration from Third World countries will undoubtedly increase the proportion of visible minorities in Canada's multicultural population profile.

TABLE 1

THE TEN LEADING SOURCE
COUNTRIES OF IMMIGRATION TO CANADA
SELECTED YEARS

1951	1968	1979	1984	1994
Britain	Britain	Vietnam	Vietnam	Hong Kong
Germany	U.S.A.	Britain	Hong Kong	Philipines
Italy	Italy	U.S.A.	U.S.A.	India
Netherlands	Germany	Hong Kong	India	China
Poland	Hong Kong	India	Britain	Taiwan
France	France	Laos	Poland	Sri Lanka
U.S.A.	Austria	Philippines	Philippines	Vietnam
Belgium	Greece	Portugal	El Salvador	U.S.A.
Yugoslavia	Portugal	Jamaica	Jamaica	Britain
Denmark	Yugoslavia	Guyana	China	Bosnia

Source: Department of Citizenship and Immigration, Ottawa, Canada.

The recent increase in business immigration and the concentrated efforts of the federal government to actively recruit this type of immigrant requires us to devote some time to an analysis of the source countries of business immigrants and the most likely future sources for this category of immigrants. Current immigrant selection criteria identify three types of business immigrants: self-employed persons, investors and entrepreneurs. It should be noted, however, that business immigration is by no means a new or recent phenomenon. Even though no accurate records are available immigrant entrepreneurs were a prominent group within the ranks of immigration flows into Canada since Confederation. What is a relatively new undertaking is the concerted efforts of the federal government with the cooperation of the provincial governments to seek, attract and facilitate the immigration of businesspeople so that they can put their entrepreneurial talents and expertise and their financial resources towards stimulating business development and creating job opportunities in Canada.

There is no denying the significant economic contribution of this category of immigration on the Canadian economy. It provides for an instant infusion of human capital in the form of entrepreneurial skills and talent and the infusion of financial capital encompassing the multiplier effect on jobs and incomes that may not have materialized in the absence of business immigration.

Table 2 demonstrates the increased emphasis on business class immigrants within the evolving parameters of Canada's immigration policy. The record reveals a significant numerical increase in most categories of business immigrants over the period 1984 to 1994. The majority of recent business immigrants were investors and entrepreneurs, whereas the self-employed category remained small by comparison. Consequently, the most significant economic contributors to the process of economic growth and development in the business class group were the immigrant entrepreneurs and investors.

TABLE 2

BUSINESS CLASS IMMIGRANTS TO CANADA

1984 - 1994

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Entrepeneurs	3,558	4,973	5,881	8,485	11,379	12,984	12,263	9,901	15,697	16,644	13,964
Investors	0	0	23	319	1,028	2,271	4,208	5,189	9,628	12,630	10,319
Self-Employed	2,705	1,522	1,643	2,327	2,725	2,309	1,979	1,953	2,819	3,362	2,690

Note: Includes totals for principal applicants and dependents.

Source: Department of Citizenship and Immigration, Ottawa, Canada.

The most recent accounting for the important contribution of business immigrants to the Canadian economy is amply illustrated in the following inventory:

> "From 1986 to 1990, immigrant entrepreneurs and investors invested $1.975 billion and $641 million, respectively, in Canada. In total, this amounts to 10 percent of all business sector investment growth. The national average for the total money brought to Canada per entrepreneur in 1989 was $762,000, rising in 1991 to $1,019,000 and decreasing in 1992 to $922,000. The total average amount of money each investor brought into Canada was $1.85 million in 1989, rising to $2.05 million in 1991 and dropping slightly in 1992 to $2.04 million. Between 1986 and 1990 business immigrants directly created approximately 82,000 new jobs in Canada, of which 73,000 were full-time and 8,700 part-time employment. Business immigrant job creation represented 6.3 percent of the net increase in full-time emploment during the period. By 1992, the cumulative total of jobs created increased to 101,241. The investor class created 1.3 jobs per investor from 1986 to 1992 across Canada. The estimated cumulative contribution of business-class immigrants to the national gross domestic product from 1986 to 1990 was $2.6 billion or 3 percent of the growth in GDP." [8]

Table 3 offers a revealing picture of the evolution of source countries of business immigrants to Canada. What is especially noteworthy is the emergence of Asian and Middle Eastern countries among the ten leading source countries of business immigrants during the 1980's and 1990's. Hong Kong was ranked seventh in 1981 however by 1994 it had become the leading source country followed by Taiwan and South Korea. The approaching date of 1997 when Hong Kong will revert back to mainland China has had a significant influence over the large outflow of business immigrants from that country.

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[8] R. Kunin and C. Jones, "Business Immigration to Canada", in D.J. DeVoretz, Diminishing Returns: The Economics of Canada's Recent Immigration Policy, Toronto: C.D. Howe Institute, 1995, pp. 278-279.

TABLE 3

THE TEN LEADING SOURCE COUNTRIES OF
BUSINESS IMMIGRATION TO CANADA
SELECTED YEARS

1981	1984	1987	1991	1994
Britain	Hong Kong	Hong Kong	Hong Kong	Hong Kong
U.S.A.	Germany	South Korea	Taiwan	Taiwan
Germany	Britain	Taiwan	South Korea	South Korea
Netherlands	U.S.A.	U.S.A.	Britain	Germany
Switzerland	France	France	Egypt	Phillipines
France	China	Germany	United Arab Emirates	Saudi Arabia
Hong Kong	Netherlands	Britain	U.S.A.	United Arab Emirates
Israel	Taiwan	Lebanon	Lebanon	Egypt
Iran	Israel	United Arab Emirates	Saudi Arabia	Jordan
Belgium	Lebanon	Kuwait	Switzerland	Kuwait

Source: Department of Citizenship and Immigration, Ottawa, Canada.

Future Immigration Flows

The foregoing has illustrated the decline in the proportion of immigrants from the traditional European source countries and the more recent predominance of Asian and Third World countries as new geographical sources of immigrant flows to Canada. In view of the likelihood of an enhanced role for immigration in Canada's future demographic scenario, it would appear appropriate for us to highlight the composition of prospective immigrants to Canada and the geographical sources of those immigrants.

Canada's pull forces for prospective immigrants will depend on fertility rates and population pressures in emigrant sending countries, employment and career advancement opportunities as well as wage and salary differentials between Canada and other countries, the overall social, economic and political environment in Canada is another important variable in the decision to emigrate. As immigration is increasingly resorted to as a demographic tool to correct and adjust for the aging of the Canadian population, source countries that have the potential to supply young immigrants will assume a more important role.

Canada's most recent flows of multicultural immigration and global demographic trends suggest that future immigration to Canada will be predominantly multicultural and multiracial in composition. Indeed there are strong indications that the largest proportions of immigrants to Canada will be from Third World countries. The relatively high fertility rates that persist in developing countries will contribute to substantial increases in the size of their respective populations creating pressures for emigration.

International comparisons of the age structure and the distribution of the global population which is depicted in Table 4 suggests that in order for Canada to correct the age imbalance in its population pyramid through immigration it will have to increasingly rely on source countries in Asia, South America and Africa.

Table 4

Population Under Age 15 Years For Selected Countries (1994)

Canada.....20.8%	Algeria....41.2%	India.....35.4%
Britain....19.6%	Egypt.....38.6%	Pakistan....44.0%
France.....19.2%	Kenya.....48.2%	Indonesia...33.1%
U.S.A.....22.0%	Iran.....46.7%	China.....26.7%
Poland.....23.4%	Vietnam....36.9%	Columbia....32.7%
Germany....16.4%	Malaysia...36.7%	World.....31.8%

Source: U.S.A., Statistical Abstract of the United States, 1994.

Canada's economic attraction for prospective immigrants from the developing countries of the Third World is expected to be another feature that makes this country a desirable destination. Even during an economic downturn Canada's comparative affluence is particularly striking when compared to the economic performance of most emigrant sending countries in Asia, Africa and South America.

The social and political unrest that has given rise to civil strife and political tension in some Third World countries will also contribute to Canada's attractiveness for the citizens of a number of Third World countries. The recent influx of Lebanese, Sri Lankan, Yugoslavian and Somali immigrants and refugees is a case in point. Canada does have an international reputation for being a tolerant and peace-loving society which enhances its magnetic pull.

Another factor that needs to be considered is whether Third World countries are capable of supplying prospective immigrants who possess the human capital and labour market qualities that would enable them to fulfill the selection criteria set by Canada's immigration policy and program. A large number of Third World countries have made substantial investments in their educational infrastructure and training facilities. This will no doubt contribute positively towards equipping prospective immigrants with the necessary occupational and employment oriented characteristics that would make them desirable immigrants from Canada's perspective. Furthermore, while the heated debate and the angry rhetoric of the 1960's regarding the 'brain drain' has subsided nevertheless some Third World countries continue to be concerned over the emigration of their educated professionals and skilled workers. It is unlikely however, that a large number of Third World countries would impose emigration restrictions and erect legislative barriers preventing the emigration of their nationals. Population pressures along with social, economic and political considerations in a large number of Third World countries make them much more inclined to facilitate rather than prevent emigration. India is a good example of this trend. The Indian High Commissioner to Canada recently expressed his governments view on immigration to Canada:

> "Most of our people come here (Canada) because professionals are needed here. Most have also taken their education in universities in India before coming here. But we have the third largest reservoir of technically trained people in the world. So we can send our professionals to other countries without feeling deprived."[9]

It would seem appropriate to conclude this section with a geographical overview of the prospective source countries for immigrants to Canada. In particular those source countries with the prevailing demographic, economic, political and social forces that would propel their nationals as prospective immigrants to seek Canada as a country of destination. In this respect Canada's future source countries would include India, Pakistan, China, Hong Kong, Indonesia, Malaysia, the Philippines and South Korea in Asia; Egypt, Sudan, Ethiopia, Algeria, Tunisia, Morrocco, Mali and Ghana in Africa; Ireland, Britain, Portugal, the former Yugoslavia, Poland, and France in Europe (bearing in mind that the proportion of European immigrants is likely to be substantively smaller than those from Third World countries); and Columbia, Bolivia, Chile, Paraguay and Uruguay in South America.

Future Consequences

The anticipated influx of higher levels of multicultural immigration will necessitate certain changes in Canada's immigration policy and program. In particular it may require certain changes in the criteria for admission, in the scope and intensity of language and orientation programs available to

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9 Quoted in "Emigration of Professionals No Drain on India," The Telegraph Journal, Saint John, New Brunswick, September 22, 1986.

immigrants after arrival and in the staffing of Canadian immigration offices abroad. This latter point is especially important in view of the persistent complaints regarding the lengthy time it takes to process a prospective immigrant's application in some countries, the long distances that have to be traversed in order to appear for an interview with an immigration officer, and the absence of immigration offices and personnel in some geographical areas that may become key suppliers of immigrants to Canada. The enhanced future role of immigration will also necessitate an immigration policy that is proactive in focus and more integrated with the scope and substance of Canada's mainstream social and economic policies. Furthermore, there is compelling evidence to suggest the urgent need for our immigration policy to become a more vibrant and dynamic component of our demographic directions in order to avert the serious economic and social consequences of a poulation imbalance.

Canada's contemporary multicultural population profile and the anticipated enhanced role of multicultural immigration requires us to ascertain the economic costs and benefits of multiculturalism. On the cost side, programs associated with teaching a level of proficiency in one or both of Canada's official languages and orientation programs designed to facilitate the integration of newcomers in the mainstream society are likely to become a more important budgetary allocation with multicultural immigration. Higher levels of multicultural immigration may also test the tolerance level of Canadian society. New government programs and initiatives may be called upon to enhance public awareness with respect

to the economc benefits of immigration and dilute racial tension and social friction in the workplace as well as in the mainstream of Canadian society. Educational programs may need to be devised in order to dispel the negative myths associated with immigration and to project multicultural immigration in a positive light. A recent article put it most succinctly:

> "Given the trend for more immigrants to come from countries with different cultural backgrounds, special efforts will have to be made to mitigate ethnic or racial tensions. Research should throw light on the kinds of educational programs which would help Canadians to appreciate the benefits of multiculturalism."[10]

Canadians from different ethnocultural origins have endowed this country with a linguistic proficiency in over 70 different languages and dialects, they are cognizant of the customs and traditions of every country in the world, and they continue to uphold and foster their diverse religious beliefs and traditions. Yet the profound economic benefits that could accrue to Canada by exploring our cultural diversity and linguistic pluralism remain a largely unexplored and uncharted territory. Canada's multicultural, multiracial, multireligious and multilinguistic character is a unique and valuable economic resource that could be effectively utilized, managed and deployed in such areas as international trade, overseas business contacts, attracting foreign investment, tourism, technology transfer and many other facets of importance to Canada's growth and development in the twenty first century. Referring to the economic benefits of Canada's multicultural human resources the 1986 Annual Review of the Economic Council of Canada, entitled Changing Times came to the following conclusion:

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[10] S. Seward, "More and Younger?", Policy Options, Vol. 7, No. 1, January 1986, p.19.

> "In pursuing the opportunities for trade expansion, Canada has a rich base of multicultural human resources upon which to draw. In particular, qualified persons from its diverse ethnic minorities, conversant in the various lanaguages of the world, have a role to play in enhancing political and cultural ties, as well as commercial relationships, with the Pacific Rim, Southeast Asia, the Middle East, Latin America, Europe, and other parts of the world."[11]

There appear to be significant economic benefits to be realized from the more effective utilization of our multicultural human resources. Indeed, with the advent of enhanced levels of multicultural immigration this public policy area needs to be addressed more exhaustively.

Conclusion

Canada's demographic outlook predicates an important role for immigration in the ensuing decades. In particular, net immigration is most likely to be called upon to play a centrifugal role in correcting and fine tuning the projected decline in population size and the aging of the Canadian population. The anticipated enhanced role for net immigration will require a more proactive approach to our immigration policy and an overall conceptual framework that encompasses Canada's immigration legislation and program within the mainstream of our economic and social policies.

The evolving global demographic trends suggest that Canada's future immigration sources will be from non-traditional source countries. There is compelling evidence to suggest

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[11] Economic Council of Canada, Changing Times, Twenty Third Annual Review, Ottawa: Supply and Services, 1986, p.25.

that immigration flows to Canada in the future will be pronouncedly more multicultural and more multiracial in composition.

CONCLUDING SUMMARY

Immigration has been a central feature of human activity on this planet since time immemorial. The history of mankind has recorded all aspects of migration flows including conquests and colonization, refugee movements, as well as the pursuit of economic self-improvement.

Despite the centrifugal role of international migrations this topic has not attracted substantive scholarly attention or generated a sustained level of academic enquiry within the mainstream of economic theory. Indeed, from an economic perspective it is a sad commentary to record the void permeated by the absence of a comprehensive immigration theory within the mainstream evolution of economic knowledge. Our overview highlighting the contributions of major economists over a broad spectrum of the history of economic thought underlined the extent to which the economics of immigration was a neglected topic. In the course of the development of economic theory, principal landmarks related to immigration are few and far between.

The absence of a conceptual framework that would delineate the parameters and articulate the impact of international migration is the product of a systematic neglect for the topic of immigration in the historical evolution of mainstream economic theory. Futhermore, the lack of an expansive and exhaustive attempt to integrate immigration within the mainstream of

economic theory has resulted in the marked void in successful attempts to develop a conceptual framework capable of producing a rigorous assessment of the economic parameters of immigration and act as a springboard for a coherent and enlightened approach towards public policy formulation. This has resulted in countries of immigration resorting to short term immigration policies in the reactive mold that are basically an immediate crises management of demographic factors and labour market requirements. The existing theoretical void has also undermined the process of developing the rudiments of a longer term and proactive conceptual framework for the economic role of immigration. This in turn has impeded immigrant receiving countries from setting the foundations and direction of their immigration policies to encompass a longer term and more proactive dimension.

The macro economic impact of the immigration process has micro economic foundations. Both, forced migrations such as refugee movements, and voluntary migrations which are initiated largely by a determination for economic self-improvement have an identifiable macro economic impact on immigration receiving countries. Indeed, voluntary migrants are guided in their decision to migrate by an individual assessment of the economic disparities between one's country of origin and the intended country of destination. Theoretically, the essence of the economic rationale applied at the micro economic level of the decision to emigrate is basically a form of optimizing the returns on one's human capital endowments, broadly defined,

through geographical relocation. Hence, the migratory process will be activated whenever the economic benefits and prospects in one's country of destination are greater than those in one's country of origin. Realistically, this assessment of costs and benefits includes both pecuniary and non-pecuniary elements. In the final analysis, the total of affirmative individual decisions to migrate make up the aggregate immigration flows from countries of origin to immigrant receiving countries.

Both forced and voluntary migration movements are subject to public policy constraints in the country of origin and/or country of destination. International migration flows are demonstrably subject to domestic immigration policies of receiving countries and to a lesser extent to the national emigration policies of sending countries. In short, desired emigration and de facto immigration are not necessarily one and the same thing.

Canada has persistently emphasized the importance of admitting immigrants in numbers not exceeding this country's absorptive capacity. Whereas all immigrant receiving countries have recognized the importance of determining a country's absorptive capacity it has nevertheless remained an elusive concept whose conceptual framework and economic parameters have not been satisfactorily defined.

The biologists concept of carrying capacity provides some assistance in identifying some relevant economic parameters. It is a particularly useful concept in alerting us to the fact that a given population cannot increase its size indefinitely.

Biologists suggest that there is a point at which resource and environmental resistance increases sufficiently to hinder further growth. By definition, carrying capacity is an upper limit placed on a population by its resources and environment which cannot be permanently exceeded. The transition from the biological concept of carrying capacity to the economic concept of an optimum population is fraught with many difficulties. Optimum population is generally defined as the population size which maximizes human welfare. While the concept of an optimum population is theoretically tenable it does not lend itself readily to a quantifiable magnitude. Furthermore, the dynamic context of immigration flows cannot be easily contained within the rigid and static parameters of the optimum population concept. On the other hand, Buchanan's theory of clubs provides an inital attempt towards defining the economic parameters within which immigration levels can be analysed.

The economic role of immigration transcends the demographic parameters and impacts directly upon the labour force and the labour market. Indeed, the increase in the labour force as a result of immigration is normally proportionally greater than the immigration induced increase in the size of the population. Canada like many other immigrant receiving countries has exhibited a very short-term conceptual perspective in resorting to immigrant labour as a tool for equating the labour supply and demand requirements of the domestic economy. Furthermore, immigrant labour has been relied upon as an instrument for correcting labour supply imbalances of a quantitative nature

which encompass demographic short falls in the labour force as well as qualitative deficiencies reflective of the short fall in specific occupational and skill categories. Clearly, the longer term public policy implications of short circuiting the labour market structure by relying on immigrant manpower to fill job vacancies has been a neglected dimension of a comprehensive conceptual framework.

Immigrant receiving countries are fully cognizant of the qualitative component of immigrant labour that permits the transfer of human capital across national boundaries. This human capital endowment becomes progressively more significant and economically and socially more important for countries of immigration as immigrant labour embodies higher levels of education, specialized skills and industrial expertise. In addition, the multicultural and multiracial composition of immigrant labour flows generates distinct public policy challenges and opportunities. For example, Canada's multicultural work force generates an environment that may develop into tension and friction with the consequential economic costs of discriminatory business and employment practices, under employment, reduced productivity, and loss of foreign investment. On the other hand, Canadians either through their birth right or through their ancestral heritage have a direct or indirect link with every nation in the world. Members of Canada's diverse ethnocultural communities contribute language skills, cultural insights and an understanding of the values and nuances of doing business in the international marketplace. These unique human

resource assets afforded to a multicultural society are of distinct economic advantage in dealing with domestic ethnocultural markets, international trade, tourism and foreign investment.

To a large extent the degree to which immigration was allowed to influence the fabric of Canadian society and provide the momentum for economic growth and development was prescribed by the scope and substance of Canada's immigration policy and legislation. Our historical review of Canada's immigration program highlighted the paramount role that economic considerations and domestic economic conditions have played in influencing the direction and thrust of Canada's immigration policy and legislation. There is no denying that short term economic considerations have been a pivotal feature in Canada's immigration policy and the ebb and flow of immigrant admissions have been sensitive and responsive to economic variables and statistical indicators of economic performance. More specifically, the state of health of the domestic economy and its labour force requirements have been the two principal ingredients that have defined and shaped Canada's immigration program. Indeed, the theoretical premise for the emergence of immigration policy and legislation rests with the principle that immigration is a privilege and not a right. Furthermore, it is generally accepted that every country has a right to determine, monitor and control those who will be admitted within its national borders and moreover to screen and select from among those expressing an interest in immigrating only those that it deems would make

suitable citizens from an economic,social and political perspective.

Over the broad spectrum of Canada's economic history this country's immigration policy has had three major objectives. First, immigration was considered an effective means for expanding Canada's population at a faster rate than would be possible through the natural increase process. Second, immigration was relied upon to supplement and complement the numerical and/or qualitative dimension of the domestic labour force. Third, immigration was perceived as an effective tool that would facilitate, sustain and enhance the process of economic growth and development.

Perhaps the singularly most disquieting feature of Canada's immigration policy is its narrowly defined short term focus. In this respect immigration was called upon to provide instantaneous solutions to immediate economic problems. What is also evident is the absence of a systematic assessment of the inter-relationship and overlap between immigration policy and other government policies and programs such as economic policy, social policy, foreign policy, cultural and linguistic policy, labour policy, manpower planning and regional economic development policy. The need for an intergrated and coordinated approach appears to have been a neglected feature in the evolution of Canada's immigration policy.

Canadian immigration policy has two principal tools at its disposal for the purpose of formulating and implementing this

country's immigration objectives and program. These include either federal statutes such as Immigration Acts or cabinet directives which are commonly referred to as immigration regulations and take the form of Orders-in-Council. In practice, successive Canadian governments have found it more expedient and less cumbersome to use Orders-in-Council rather than statutes in order to articulate and enforce Canada's immigration policy. This accommodation was necessary because of the expressed concern with economic forces of a short term perspective that Canadian immigration policy has persistently adhered to. All in all, short term economic considerations have in large measure necessiated the more frequent use of Orders-in-Council rather than Immigration Acts for the purpose of adjudicating and implementing Canada's immigration policy. In keeping with this preference it is abundantly clear that it was not simply a matter of chance that in the course of over a century since Confederation, Canada has legislated only five major Immigration Acts while at the same time it has adjudicated a very large number and a steady flow of Orders-in-Council that prescribed some very drastic shifts in the scope and substance of Canada's immigration policy.

The common denominator in Canada's immigration legislation has always been to ensure that immigrants bestow and generate economic benefits for their adopted country. In the period preceeding the second World War this was achieved by preventing the admission of prospective immigrants unlikely to make a positive economic contribution and who would end up as public

charges. In the post second World War period fine tuned selection criteria ensured that only prospective immigrants with desirable human capital endowments and needed employment and occupational attributes would be selected for admission as immigrants to Canada.

In many respects immigration to Canada is a fundamental pivot of Canada's historical evolution as a nation, its economic structure and growth, its social fabric, its political profile and its ethnocultural mosaic. A careful perusal of the family tree and roots of most Canadian families will undoubtedly reveal that they are all immigrants of one generation or another. When the observation is made that Canada is a country of immigrants and the descendants of immigrants, this is not simply a cursory or fleeting observation, but a factual exposition of the importance of immigration in populating this vast and varied country.

Canada's population balance sheet illustrates that while this country is often and accurately depicted as a country of immigrants it has also experienced decades when the outflow due to emigration exceeded the influx of immigrants. While natural increase has played an important role in contributing to population growth the role of immigration has been equally significant during periods when Canadian immigration policy was conducive to admitting immigrants. Special mention should be made of the fact that for immigrant receiving countries the growth in population attributable to natural increase is itself a spin-off from earlier immigrant arrivals and their descendants.

Economics has played a very pervasive role in determining the nature and extent of Canada's multicultural composition . The influx of immigrants from around the world and their descendants born in Canada have defined this country's population composition and profile. As such, the ethnocultural origins of successive waves of immigration have influenced, in a profound and indelible manner, the ethnocultural and racial mix of Canada's population. It should be noted that the influx of immigrant manpower required to supplement and complement the domestic labour force, was instrumental in infusing a more diversified ethnocultural mix in Canada's population. The economic necessity of attracting immigrants who possessed the appropriate occupational qualifications required tapping the manpower resources from non-traditional source countries of immigration to Canada.

There is no denying that the history of Canada is closely linked to immigration. Furthermore it is becoming increasingly obvious that Canada's future will be largely dependent on the long term role that immigration is allowed to play. Canada's contemporary demographic profile characterized by the end of the baby-boom, the decline in fertility rates, the aging trend of the population and the prospects for an absolute decline in the Canadian population shortly after the turn of the century necessitate an enhanced role for immigration to Canada and suggest the need for a more proactive immigration policy. In short, Canada's projected population outlook will require immigration to play an even more crucial role than it has

performed in the past in order to correct and fine tune certain demographic trends and to confront the social and economic challenges and opportunities of the ensuing decades. Canada's most recent flows of multicultural immigration and global demographic trends suggest that future immigration to Canada will be predominantly multicultural and multiracial in compostion . Indeed, there are strong indications that the largest proportions of immigrants to Canada will be from Third World and non-traditional source countries.

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