THE MYSTERY OF CANADA'S HIGH IMMIGRATION LEVELS

ABSTRACT

Canada has a per capita immigration level far in excess of any other large Western nation. Why is that? wonders the author, especially when one considers the economic and social stresses associated with a high number of immigrants.

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It is federal government policy that immigration must be used to increase the population of Canada's largest city, each and every year, by more than 100,000 new arrivals from abroad. The government appears to have secret research indicating that Toronto is dangerously underpopulated.

This may come as news to some because Ottawa, which has no jurisdiction over urban affairs, has never announced such a policy. But it is the policy nonetheless, because relentless population growth in Greater Toronto is the inevitable result of permanent high immigration levels imposed by the federal government. The government knows that almost half the newcomers who arrive each year settle in Toronto. Therefore, when it sets an immigration target of 250,000, it is deciding to increase Toronto's population by more than 100,000 whether it says so explicitly or not.

One of the mysteries of Canadian public policy is why Canada has a per capita immigration level far in excess of any other large Western nation and twice as high as those of the U.S. and Australia, the other two major receiving countries with organized immigration programs.

Permanent high immigration is a recent phenomenon in Canadian history. As recently as the Trudeau era, immigration levels fluctuated from year to year depending on economic conditions and were cut sharply during downturns. No longer. The Mulroney government imposed permanent high immigration, divorced from any consideration of labour market need or absorptive capacity. This policy has been continued by the Chrétien government.

The issue, for this writer, is not whether or not Canada should have immigration. We should, in my view, because immigration makes our country livelier and more interesting, because it is an important national tradition, and because there are refugees who need our protection. The issue is why we should have so much of it given that all the adverse effects of immigration are caused by excessive numbers. Among them are stress on the urban infrastructure including public school systems, wage compression, increased poverty among immigrants, and the growth of illegal sweatshops dependent on unskilled immigrant labour.

Why Canada has adopted this policy is a mystery to which neither economics nor demographics provide an answer.

Immigration does not increase per capita incomes. It does increase the population, thereby creating a larger domestic market for Canadian business. But Canadian business does not need a larger domestic market any more than Sweden does. Both countries have always earned their livings by exporting their products to the world.

The only significant economic impact of high immigration levels, in Canada or anywhere else, is to reduce wages by increasing the supply of labour. In the eyes of Allan Greenspan, head of the U.S. Federal Reserve, this is a good thing because it keeps a lid on inflation. In the eyes of workers whose earnings are reduced, it is a bad thing. Are high immigration levels deliberately imposed by Ottawa to suppress wages as part of its anti-inflation strategy? If so, the government should admit it openly, thereby solving the mystery of its immigration policy.

The demographic case for a high immigration level is even weaker than the economic. It amounts to frequent repetition of unproven statements such as that made by John Anderson of the Canadian Council of Social Development in a January interview with the *Toronto Star*. Canada, Anderson told the newspaper, "desperately needs immigrants" because of its aging population.

Because of increasing longevity and decreasing fertility, almost every country has an "aging population." Even China, with below-replacement fertility of 1.8, has an aging population. Why Canada, uniquely in the world, must address this normal demographic development through permanent high immigration has never been explained.

The peculiar notion has taken hold in Canada that the population must be rejuvenated and that immigrants are a substitute for babies as a way to achieve this. But they aren't. Immigrants are much older than babies – a median age of 30 on arrival compared to 0 for babies. True enough, immigrants are younger than the overall population which has a median age of 35. But they are not young enough to make any noticeable difference in the age structure of a population of more than 31 mil-

lion. Even doubling or tripling the already high immigration levels would have only a minuscule impact.

The other misconception underlying the demographic case is that Canada will run out of workers to "support" the growing ranks of the retired. Yet countries with more retirees than Canada are coping well without resorting to massive immigration. Britain has 3% more people over 65 than Canada, 3% fewer people of working age, and much less immigration. According to British demographer Phil Mullen, also quoted in the *Toronto Star*, over the last 100 years the ratio of working people to retired people in the U.K. has dropped from 14 to 1 down to 4 to 1. The result? "Hardly anyone noticed," Mullen said.

In Canada, the ratio of workers to retired people has also dropped sharply but not as much as in the U.K. because Canada is younger. So in Canada the elderly dependency ratio is 5.3 to 1. That's a big drop from where it was 100 years ago – and yet no one has noticed it here either. As our population ages, we will get down to where the British are now. Nobody will notice. The reason, as Mullen points out, is that increased productivity increases national wealth faster than the elderly dependency ratio drops.

Some people resort to the "Canada is a big country" argument to explain the mystery of Canada's immigration levels. In this view, Canada is a vast, under-populated land mass that needs more bodies.

In 2003 this argument is beyond absurd. For decades, Canadian-born people have been moving from rural areas and small towns to big cities in search of economic opportunity. Immigrants, in search of the same thing, have no intention of replacing the Canadian-born who have left rural Canada. That is why almost all immigrants settle in big cities. There is, therefore, no relationship between Canada's geographical size and its immigration program. Even if Ottawa succeeds in using immigration to turn Toronto into a Sao Paulo of the north, with a population of 20 million or more, most of Canada's vast land mass will remain sparsely populated.

Yet the notion of importing people to settle in less-populated regions persists, as demonstrated by the proposal of the current immigration minister, Denis Coderre, to attract 1 million skilled immigrants and require them to live and work outside the major cities. This scheme raises more questions than it answers. Where is the evidence that Canada faces a shortage of 1 million skilled workers? The second-largest population cohort in the Canadian population, the 6.5 million members of the baby boom echo, are currently entering the Canadian labour market; are they not skilled? If not, why not? Is the Coderre plan an attempt to use the immigration program to do what the education system has failed to do?

It would be one thing to require a small number of urgently needed foreign-born doctors to live outside the major urban areas as a condition of their residence in Canada but quite another to impose such a condition on 1 million people. The last country to attempt to regulate the internal movements of a large segment of its population was the apartheid regime of South Africa. Enforcing the Coderre dispersal scheme would require creating a Canadian version of the hated South African pass laws.

This proposal appears to be Mr. Coderre's attempt to maintain high immigration levels while taking some of the population pressure off Toronto and Vancouver. But surely high immigration levels, in the absence of any economic or demographic need, are not so important that they are worth stripping 1 million people of a fundamental democratic right, the freedom of mobility.

Quite apart from its dubious legality, the Coderre scheme is too impractical to work because immigrants will insist on living in the large cities where others of the same national origin are already established. The inescapable reality, therefore, is that a continuation in Canada of high immigration levels means a continuation of rapid urban growth, especially in Toronto.

Immigration, viewed in this perspective, becomes mainly an issue of the urban environment. The current immigration program is designed to turn Toronto from a big city into a megacity. Yet megacities – urban agglomerations of 10 million or more – are not better places to live and work than smaller big cities.

In this respect, the annual results of the William M. Mercer liveability rankings are instructive. Mercer, an international human resources consulting firm, annually ranks cities around the world for quality of life. Among the criteria used in this ranking are the political and social environment, the economic situation, culture, the standards of schools and other public services, housing, recreation, and the natural environment.

Significantly all the top-ranked cities on this list are small to medium sized ones in the 1 to 4 million range as opposed to megacities. The smaller big cities – such places as Vancouver, Sydney, Stockholm, and Geneva – offer the cultural attractions, shopping, restaurants, and other agreeable features of big city life without the pollution, congestion, and higher crime rates of the megacities. Toronto has been slipping down the rankings each year as its population grows.

Still, the only good argument for high immigration levels I have ever heard is that the truly great cities of the world all have very large populations. A world-class metropolis, so this argument goes, would be an asset for Canada and only immigration on a grand scale can achieve it.

Unfortunately, a Canadian city of 10 million plus would almost certainly have more in common with such modern megacities as Seoul, Mexico City, and Bombay than with such former imperial capitals as London and Paris whose populations grew gradually over many centuries. Just adding millions of bodies over a few decades doesn't create a great city.

In any event, the people who live in Canada's major cities deserve to have a say in their futures. It is bizarre that Toronto's politicians and planners discuss rapid population growth as if it were a natural phenomenon, something that just happens by itself, rather than the direct result of an immigration policy that could be changed.

It's time the federal government explained why it has decided to use immigration to bloat Toronto's population. And it's time the people who live there were heard from and listened to.