



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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No. 59/4 THE EFFECT OF IMMIGRATION ON CANADA'S ECONOMY

Notes for an address by Mrs. Ellen Fairclough, Minister of Citizenship and Immigration, to the Montreal Chapter of The American Marketing Association and The Sales Executive Club of Montreal, on January 14, 1959.

I have chosen to speak to you today, ladies and gentlemen, on a subject which is very close to my heart - the vital role which immigration has played, and is continuing to play, in the development of Canada. It is a subject which is, no doubt, of continuing interest to you also. Indeed, to groups interested in advertising and marketing, immigration is an absorbing topic as well as a challenging opportunity.

Year by year immigration brings to Canada a steady flow of producers as well as consumers of Canadian products. How then, to acquire the goodwill of newcomers?

That many are aware of the potentialities of this widening market is apparent from comments that I have heard. I know of one firm, for instance, which has earmarked a substantial share of its advertising budget for ethnic publications. It may interest you to recall that there are 169 such publications in Canada. Other firms are also studying this market to see whether special advertising and sales promotion material should be prepared and, if so, what form it should take. For decades the people of Canada have sought markets all around the world. Now, in a very real sense a new and important domestic market is being created by immigrants.

While all of us are interested in the effects of immigration as a factor of population growth, a group such as yours is primarily concerned with the direct and stimulating influence of immigration upon the national economy. In good times little criticism of immigration is heard. But when economic expansion slows down, there is a tendency on the part of some to question the value of immigration. Occasionally we hear that immigrants take work from native-born Canadians and aggravate unemployment; this, notwithstanding the oft-expressed

view of reputable economists that there is little or no connection between immigration and unemployment. By contrast, the great contribution of immigrants as producers of wealth, as employers of labour, as consumers of Canadian products, receives too scanty attention. I trust I shall be permitted to take this opportunity to set out factual evidence in that regard.

Since the dawn of the century, nearly six million people have come to Canada; since the end of the Second World War, nearly two million. While there was a considerable decrease in immigration last year, the Government takes the position that it is neither fair nor sensible to entice immigrants to come to this country unless the economy shows sufficient signs of buoyancy to provide opportunities for their employment reasonably soon after arrival.

Critics of immigration perhaps ought to be reminded that it is only a relatively small proportion of the total number of immigrants who seek employment on the open labour market. The yearly movement includes a large number of dependents, as well as workers coming to sponsored employment, or to establish themselves in businesses or on farms. These have little, if any effect as competition on the employment market.

Let us look at 1958, when 124,700 immigrants came to Canada. Of that number, 61,600 were dependents and 63,100 were workers. This latter group included sponsored immigrants, those who came to establish small enterprises and, finally, those who were to seek employment with the assistance of my Department or that of the Department of Labour.

The sponsored immigrants are those for whose admission a Canadian citizen or a legal resident of Canada has applied. Sponsorship is allowed only on the basis of an undertaking that the immigrant will not become a public charge and that the sponsor accept the responsibility to provide employment and shelter for him. This undertaking, either by individuals or by business firms, is a very important phase of the immigration process, since it ensures that the sponsored immigrant will have employment and a home on arrival and enables departmental officials to concentrate their energies on the placement or establishment of unsponsored immigrants.

In 1958, 25,000 sponsored immigrant workers entered Canada. In addition there were 19,500 immigrants classified as "workers" who belonged to the so-called "self-establishment" group, which includes farmers, businessmen and professionals.

In other words, dependents, sponsored workers and immigrants admitted for self-establishment numbered 106,100 out of a total of 124,700 immigrants who came last year. The balance - 18,600 - were workers whom the Departments of Citizenship and Immigration and Labour assisted in finding

employment on the open labour market. Even among these, however, were many classes of "workers" who are in short supply in Canada, such as nurses, teachers, physicians, librarians, stenographers, etc. They numbered approximately 4,700. The net total of workers for open placement, therefore, was 13,900. Many possessed useful skills and training and their emigration to Canada filled an actual need. It should be remembered that even in every kind of economic climate there are many positions which native-born Canadians fail to fill, either because of lack of training, because they do not care to perform certain types of work or they do not wish to locate in remote areas.

Another important point to remember also is the fact that each year Canada is acquiring valuable skilled workers and professionals whose education and training have been provided at no expense to this country and that their presence tends partially to offset the loss of trained Canadians through emigration.

It is not generally realized now many skilled and professionally-trained workers Canada has lost in the post-war years through emigration. Figures compiled from United States' sources show that a large number of professional, technical and kindred workers emigrate to the United States each year. In 1957, more chemistry specialists emigrated to the United States than graduated from Canadian universities. In fact, between 1955 and 1957, 2,472 engineers, 1,073 teachers, 344 chemistry specialists, 3,643 nurses, and 535 physicians and surgeons left Canada for the United States. It can hardly be argued that immigrants in these highly-trained skills and professions cause unemployment.

Early immigrants to this country were mainly agriculturists. However, in the last half century Canada's increasing industrial development has created a demand for larger numbers of skilled and professional workers. Moreover, a rapidly advancing technology absorbed an ever greater number of scientists, technicians and highly skilled personnel in commerce and business administration. The remarkable post-war growth of Canada's population, therefore, has been partly the cause and partly the result of our country's rapid economic expansion.

All in all, Canadians may feel well satisfied with the selection of applicants for admission to this country. Their demonstrated capacity for diligent work has earned for them the respect and confidence of most employers and the impetus they have given to the Canadian economy has been valuable and timely.

Let us consider for a moment the contribution these newcomers have made as producers and as employers of labour.

In the last nine years, immigrants have established in this country a total of 2,358 small business enterprises by purchase, at a cost of \$27,602,500, and 84 by rental. These enterprises have resulted directly in the establishment of 2,701 immigrant operators who, with their dependents, numbered

8,350. They have also provided for the employment of 8,947 Canadians and newcomers.

A striking feature is the fact that more than half of these enterprises were established in 1958. In the past year alone immigrants established 1,324 small businesses of various kinds, 1,303 by purchase and 21 by rental.

Why was 1958 such a banner year for the establishment of immigrant enterprises? The reason is partly financial. Many of these operators lacked both capital and Canadian business experience and had to work for some years to acquire sufficient funds and knowledge before striking out on their own. Quite likely also, it was the optimistic reports of earlier immigrants which induced other small businessmen to establish firms in Canada.

And what are these enterprises and where are they? They were established in eight of the ten provinces. The majority, 805, were established in Ontario. British Columbia was second with 222, and Quebec third with 153. Nova Scotia received seven, New Brunswick two, Manitoba 40, Saskatchewan 22, and Alberta, 73.

These concerns were of various types. As an example of their diversity, in Ontario and Quebec there were established, last year, 27 firms dealing in meat products, 40 in bakery products, 43 groceries and delicatessens, 154 construction firms, 18 plants manufacturing wood products and 22 dealing in metal products; 81 firms were engaged in automobile repairs, sales and service, 32 in the manufacture of leather goods, knitted goods and paper products and 13 in publishing, printing and lithography.

Twenty-four firms came under the heading of truck gardening and florist shops and 84 were retail outlets for departmental store items. These were in addition to 19 commercial concerns dealing in dairy and feed mill products, fishing, etc., 22 tailoring establishments and 63 barber shops and beauty salons. There were established, as well, 127 service establishments, 24 radio-television sales and service outlets, and six tourist accommodation centres.

Nor was the field of finance overlooked, since 31 insurance, real estate, import-export and wholesale firms were established in 1958.

These figures lend support to the findings of the Royal Commission on Canada's Economic Prospects. It was the opinion of the Gordon Commission "that immigrants have made a decided contribution to the scale of economic development in Canada". The report added: "This is true in aggregate terms because of the addition that immigrants have made to the available labour supply."

It is equally true in qualitative terms when one considers not only the relative mobility of immigrants and their willingness to accept the types of work that are less attractive, but also when one thinks of the various skills and cultural accomplishments with which many immigrants are helping to enrich our Canadian life. It is our firm belief that it is in Canada's interest to continue to encourage people from other countries to emigrate here in order both to assist and participate in the development of our country and also to contribute further variety to our social organizations and institutions".

I was interested to note in the latest annual report of the Netherlands-Canada Chamber of Commerce that some 40 Dutch firms have set up branches or subsidiary companies in Canada. Fifteen of the 32 concerns listed in the publication are in the importing and distributing field, four in banking and investment, three in insurance, two in general trade and one in the nursery business. Seven others manufacture, assemble or package a wide variety of products - metal goods, alcoholic beverages, clothing, gelatine products, pharmaceuticals, radio and electronic equipment, essences and pipes.

In addition, two large Dutch mining companies have acquired property and are doing exploratory work. Another group of bankers and businessmen is developing a typical Dutch "polder" in British Columbia and has formed a Canadian engineering firm which is bidding on a number of projects in Canada. Dutch manufacturing, trading and transportation companies and shipping lines have active selling connections in this country and are enlarging their interests every year.

What the Dutch have accomplished has been duplicated by the nationals of other countries, particularly since the end of the Second World War. The Italians, for example, are prominent in the construction industry, in wholesale fruit and grocery businesses; the Germans in a variety of occupations, including real estate, retail furniture, nursery and landscaping, dressmaking and the restaurant business; the Jews in the clothing industry and the Greeks and Chinese in the restaurant trade.

In addition to the establishment of small businesses, many immigrants have engaged successfully in agriculture. Between 1950 and the end of 1958, they purchased 3,879 farms and rented 849 others. These provided for the establishment of 5,141 owners and tenants who, with their dependents, number 23,235. The over-all price of these properties was \$43,647,500, against which immigrants made down payments totalling \$14,226,900.

In 1958 alone they purchased farms in every province with the exception of Newfoundland. These totalled 786, in addition to 83 which were rented. These ventures accounted for the establishment of 865 immigrants, involved 4,132 operators and dependents, and gave employment to 1,263 persons. The over-all purchase price amounted to \$10,063,800, against which down payments of \$3,266,500 were made.

The majority of immigrants buying or renting farms in 1958 engaged in mixed farming - 471 mixed farms out of a total of 869. Dairy farms were next with 166, followed by tobacco farms with 38, and fruit farms with 36. Others engaged in beef cattle farming, bee keeping, canning crops, fur farming, market gardening, nursery and greenhouse production, poultry farming, sheep farming, ranching, sugar beet growing and wheat farming.

But immigrants are consumers as well as producers and here their contribution has been enormous. In the nearly two million immigrants who have come since the Second World War, Canada has found a large home market. Many merchants in communities most affected by the influx of immigrants were quick to recognize the purchasing power of this new pool of customers, and have introduced many lines of merchandise designed to attract their trade.

It is to be remembered that the immigrant market is one which is constantly expanding. A high proportion of the yearly intake is composed of young people. Not only is there a demand for supplies to equip parental homes but also, as the years go on, to provide for the homes of their children. Of the 124,700 immigrants who arrived in Canada in 1958, more than 58,000 were between the ages of 15 and 29 - almost half of the total for the year. Surveys of immigration figures of other years also emphasize the youthful character of newcomers.

At the beginning of 1951, post-war immigration into Canada had reached 430,389. In that year the census revealed rather striking features in the purchasing habits of newcomers. It was found, for instance, that in that short period, immigrants had established 62,160 households and had purchased 43,215 electric or gas ranges, 26,360 mechanical refrigerators, 32,105 powered washing machines, 18,065 electric vacuum cleaners, 51,900 radios, 20,255 passenger automobiles and had 30,085 telephones.

Impressive as they are, these figures do not take into account food, wearing apparel and a wide range of consumer goods which form the basic necessities of life.

Using the 1951 census figures as a base, it is possible to make a fairly accurate estimate of consumer expenditures by immigrants in recent years. Between 1951 and the end of 1958, immigrants numbered approximately 1,365,000 - roughly four times the number who arrived in the immediate post-war period. Using the census yardstick, immigrants during that period would have established more than 248,000 households and purchased nearly 173,000 electric or gas ranges, more than 105,000 mechanical refrigerators, more than 128,000 powered washing machines, more than 72,000 electric vacuum cleaners, more than 207,000 radios, 81,000 passenger automobiles. They also spoke in a multiplicity of tongues through 120,000 telephones in their homes.

In addition to the part played by immigrants as producers and as consumers, there is yet another field in which Canada has benefited by immigration. Between 1946 and the end of 1958, immigrants brought into this country approximately \$800 million in cash and securities, as well as some \$300 million in settlers' effects. In 1957 alone, the last year for which figures are available, newcomers brought to Canada \$101 million in visible assets and \$41,800,000 in settlers' effects.

And, as ordinary mortals, immigrants in 1957 paid an amount estimated at \$190 millions in direct taxation, and saved some \$146 millions.

But immigrants are much more than an important economic factor. It is too often forgotten that they are our fellow workers, our employers and employees, that they attend our churches and schools and patronize our business establishments, that their children are the playmates and companions of our children, that, like ourselves, they have hopes and ambitions.

As descendants of immigrants, we know that the story of immigration is indeed the story of our country. The map of Canada is dotted with placenames which spell the names of pioneers or of the communities from which they emigrated. The first Prime Minister of Canada, Sir John A. Macdonald, was an immigrant, as were also Robert Service and Stephen Leacock. The rich Turner Valley was named after a couple of Scottish immigrants, Robert and James Turner, who settled in the West in 1886. The pioneers of bygone days who settled the plains of the West, who made fruitful the Niagara peninsula, the Annapolis and Okanagan valleys, who tapped the minerals of the Laurentian shield, have been followed by other immigrants who made Kitimat possible, who helped to build the St. Lawrence Seaway, opened the riches of Elliott Lake and Knob Lake, who have established industries and tilled the farmlands from one end of the country to the other. They are the worthy successors of the pioneers of former years.

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