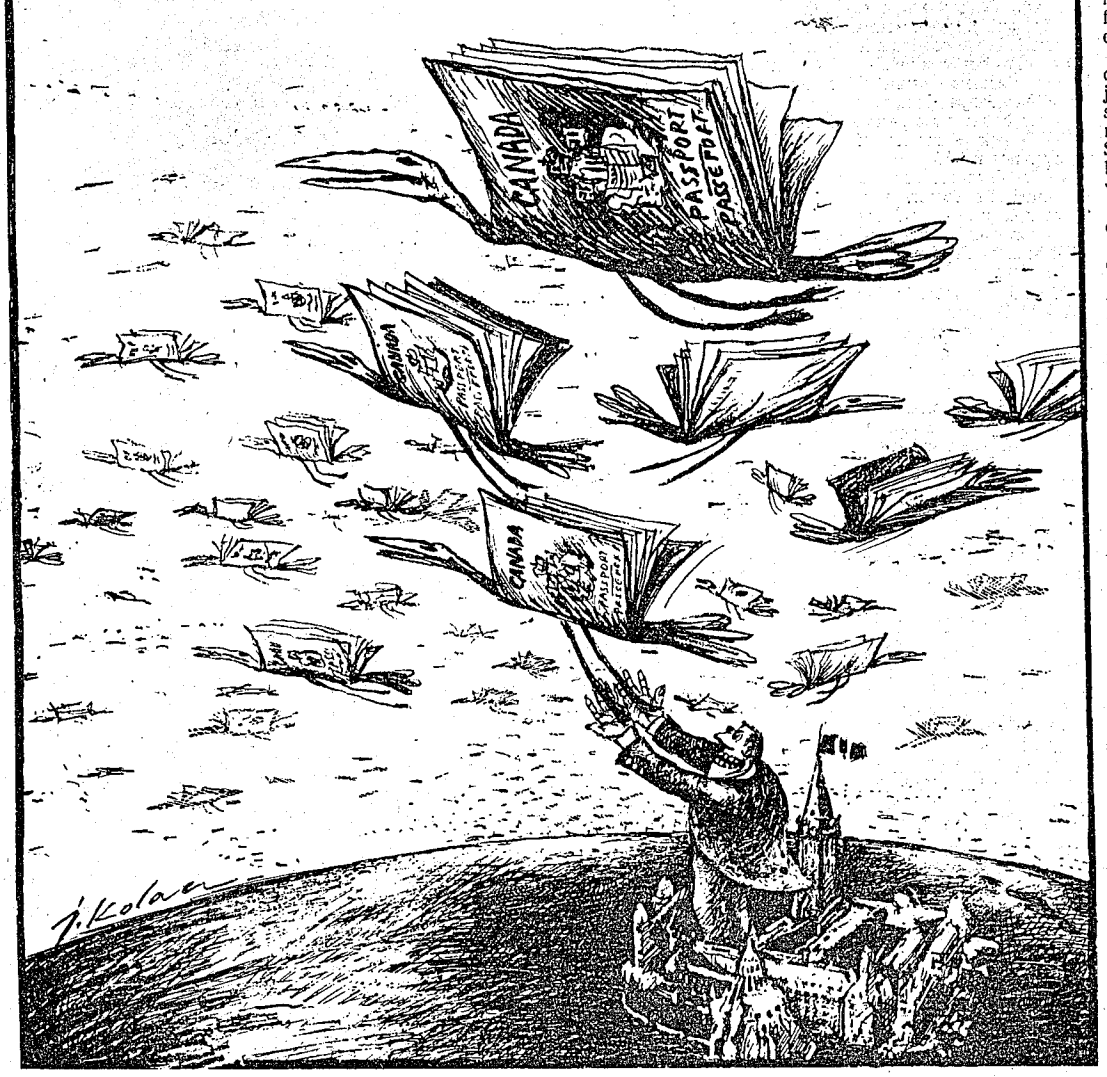
CANADIAN CITIZENSHIP

A passport to chaos?



By Jack Cahill Toronto Star

On the 40th anniversary of the act that created Canadian citizenship, the world is being populated by Canadian citizens who have never been to Canada or possibly even care about the place.

This is mainly because of the laissez faire Citizenship Act of 1977, which made Canadian citizenship much easier to obtain than previously. The act allows, and even encourages, Canadians to be citizens of two or more countries at once. And under it, persons applying to become Canadian citizens are no longer required to show that they intend to reside in Canada.

A decade after its passage, the act is drawing strong criticism from many citizenship experts, civil servants and External Affairs officials. They say the act, along with a combination of little publicized court cases and cabinet orders-in-council, has left Canadian citizenship in a state of uncontrolled, potentially costly and nationally dangerous confusion.

It's a matter causing particular concern for the Department of External Affairs, whose officers are asking far-reaching questions: Will it be possible to accept responsibility for millions of Canadians who have no real connection with Canada? Will the Canadian passport lose the respect it now has? And who will be responsible for a dual citizen living in a third country, say an Iranian-Canadian living in or visiting the Philippines?

The critics note that people can visit Canada from Hong Kong (or anywhere else) over a three-year period, become Canadian citizens and then go back to Hong Kong. Although they might never come back to Canada again, they will always be Canadians. And so will their descendants, as long as those in the succeeding generations register with a Canadian consulate before they are 28 years old.

Thus there could be huge colonies of Canadians living permanently in Hong Kong (and similar places) within a few generations.

By the same token, within two generations there could be a huge pocket of people in faraway Turkish villages for whom the Canadian government is responsible. This hypothesis assumes that half the 2,000 Turkish "refugees" who arrived in Canada recently may decide to go home to their wives after acquiring citizenship and earning a nest egg. At a rate of just three children per family, below the average in Turkish villages, those 1,000 Turks could produce 9,000 Canadian grandchildren.

Another scenario concerns the Tamils who recently landed by boat in Newfoundland. If some decide to go back to Sri Lanka after becoming citizens, they and their descendants will all be Canadians.

Little-known facts

If the long civil war in Sri Lanka continues to escalate, one day hundreds of Tamil-Canadians, who have never been to Canada, may run to the Canadian high commission for protection. Does the Canadian government have to send in a fleet of C-130s to rescue them? And, if so, is Canada interfering with the internal affairs of another country?

Here are some little-known facts about Canadian citizenship as it has evolved in the past decade.

☐ Although all other countries of the world regard citizenship as a privilege, in Canada it is a qualified right. This is because the wording of the Citizenship Act was changed in 1977 to make it obligatory for the citizenship minister to grant citizenship if certain conditions were met, whereas previously he could use his discretion.

☐ You do not have to be of good character to become a Canadian. It used to be that way, but that requirement was also dropped in 1977.

☐ A person who applies for Canadian citizenship can just spend three years as a "resident," get his citizenship, and then depart for somewhere else, including where he came from in the first place.

Nobody can work out what being a "resident" means because the Federal Court ruled in 1978 that a Greek named Antonious E. Papadogiorgakis was a resident of Tusket, N.S., while he was attending a university in Amherst, Mass.

☐ Once you are a Canadian you are always a Canadian. You can become a citizen of another three or four countries but you are still a Canadian. Even if you have to renounce your Canadian citizenship to become a citizen of another country like the United States, Canada won't take any notice of your renunciation. You're still a Canadian. If you are really determined to become an non-Canadian you have to go to a lot of trouble and plead your case in a Canadian Citizenship Court.

☐ Nobody knows how many Canadian citizens there are at present: not the registrar of citizenship in Ottawa; and not the people who take the census every now and again. This is because the registrar only counts native-born Canadians if they ask for proof of citizenship. And the census only records Canadians resident in Canada. Most native-born Canadians believe they don't require any proof of citizenship beyond their birth certificate so they are not registered.

Concerned civil servants point out that it's difficult to have amendments to the Citizenship Act to provide controls adopted by Parliament for several reasons.

Controls may be unpopular with some politically powerful ethnic groups. Also, the press and public seem concerned only about the immediate arrivals of immigrants and refugees rather than the longer-term and more important effects of their eventually becoming citizens.

Another problem is that the federal Ministry of Citizenship and Immigration was split in 1966. Responsibility for immigration was attached to the minister of labor and immigration and responsibility for citizenship given to the secretary of state, so that immigration and citizenship now have no direct bureaucratic connection.

Also, they say, secretaries of state change at such a rate they hardly have time to consider citizenship affairs.

British subjects

Messy though the Canadian citizenship situation is, it's a lot less discriminatory than it was in the summer of 1946 when a young Paul Martin introduced a new Citizenship Act in the Commons that provided for Canadian citizenship for the first time.

Before that, people born or naturalized in Canada were "British subjects." At least the men were. Up until the Citizenship Act was proclaimed on Jan 1, 1947, a married woman was whatever her husband was. If she was born in Canada but married an alien, she was an alien. If she was the wife of a British subject, she was a British subject.

This was because under the Imperial Act of 1915, which granted recognition of British Commonwealth status throughout the empire, married women were considered to have a "disability" as far as citizenship was concerned. The act described "disability" as follows: "Disability means that status of being a married woman or a minor, lunatic or idiot."

Some women didn't like being in this legal position so it was dropped from the 1947 Citizenship Act. After 1947, women were also allowed to pass on their citizenship to children born outside the country as long as the children met the legal definition of "bastards." If the children were born in wedlock, they took on the nationality of the father or country of birth.

Still, allowing the mother to pass on her Canadian citizenship to a child born out of wedlock was an advance. It gave at least some recognition to women as individuals and it rescued a lot of children from statelessness.

And this 1947 act really was forward-looking and revolutionary. Through it Canada became the first Commonwealth country to dilute the British subject status by defining its citizens as Canadians. Other Commonwealth countries quickly followed the example.

But becoming a Canadian was not easy in those days. If you were born in Canada it was okay, of course. But if you were born outside the country of a Canadian father (or were an illegitimate child of a Canadian mother) you had to be registered as a Canadian within two years of birth. If you were the legitimate child of a Canadian mother but a foreign father, tough luck.

To be naturalized after 1947, you had to be a landed immigrant who had been domiciled in Canada for five years. (If you were the wife of a Canadian you could apply after one year's residence). Then you had to apply to a county or provincial court because there were no separate Citizenship Courts at the time.

If you were not a British subject, you had to convince a judge at a court hearing that you met all the legal requirements and were a fit and proper person to be granted citizenship. Then the judge made his recommendation to the minister who had full and complete discretion on your fate because citizenship was then considered a privilege.

Everybody had to apply individually except minor children who could be the subjects of subsequent applications by a responsible parent. A wife had to apply and meet the same conditions as her husband. So sometimes a judge allowed a husband to become a Canadian but not his wife and vice versa.

And sometimes the judgment of good character was very subjective. In the 1960s, for instance, a man was turned down because he had run a still in the 1920s and the judge considered that he was not quite rehabilitated. A married woman, separated from her husband, was turned down on grounds of her character. She was told that if she went home and returned to her wifely duties she could make another application.

But all of that changed drastically in 1977 when the Liberal government pushed through the completely new Citizenship Act on the last day of a session, with little attendant publicity and explanation. It was an adventurously liberal act. In effect, the politicians admitted they were losing control over citizenship affairs and therefore should have fewer controls.

One of the more drastic effects of the 1977 act was to stamp official approval on a system of uncontrolled dual citizenships for Canadians, although the phrase "dual citizenship" was never mentioned in the brief House of Commons debate.

Reluctant recognition

Before this time, dual citizenship was officially frowned upon. There had been only a reluctant recognition in Canada that some dual citizenships were inevitable because of births by Canadian parents on foreign soil or because some countries, mostly in the East European Communist bloc, refused to allow renunciation of the original nationality.

But this started to change in 1972 when an American, David Ulin, applied for Canadian citizenship in Montreal, swore the oath of allegiance to Canada, but then refused to sign a renunciation of his American citizenship.

Such a renunciation was then required under the regulations of the original Canadian Citizenship Act of 1947, which was still in effect. But Ulin protested it before the Federal Court of Canada and won his case on a technicality — that the regulation requiring the renunciation was not covered by the wording of the act itself.

Thus Ulin became both an American and a Canadian.

Subsequently, the federal government, by order-in-council dated Jan 10, 1974, revoked the requirement that anybody seeking Canadian citizenship had to renounce his previous citizenship. And then the 1977 Citizenship Act went even farther with its section forcing Canadians to go to court if they wanted to shed their citizenship.

The result of all this was that an immigrant no longer had to renounce a previous citizenship to become a Canadian and a Canadian never lost his citizenship even when he became a citizen of another country. And if the other country required a denunciation of Canadian citizenship before the Canadian could become a citizen of that country, Canada just ignored the renunciation because it was made under a foreign law.

Officially, the U.S. government still insists on such a renunciation, which the Canadian government ignores, but in fact the U.S. is taking no action against any-

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Canadian steel's side in U.S. dumping charges

By Alan Toulin Toronto Star

OTTAWA — The people who make steel in the driving, dusty mills of Hamilton and Sault Ste. Marie counted themselves fortunate in the summer of 1984 when the industry escaped American trade sanctions.

Their victory in avoiding a program of import quotas imposed by the United States on Japan, Korea, Brazil and a host of other countries was due to an unprecedented joint lobbying effort in the United States by Canadian industry executives and union leaders.

But the more astute observers of events in the American steel industry and in the U.S. political process knew that it was only a matter of time until the protectionist tomtoms started to beat again.

Over the past 2½ years, the American steel industry has continued to be crippled by more cost-effective foreign competition, an over-valued U.S. dollar and a decline in the domestic market for steel.

Once the epitome of American industrial might — an industry that once thumbed its nose in defiance of presidents Harry Truman and John F. Kennedy — American steel is now fighting for its continued existence.

Some of its biggest integrated producers are in bankruptcy and others have folded or rationalized production by eliminating thousands of jobs.

It's not surprising that, as Americans look around and wonder what's happened, they cast a malevolent eye at Canada.

Relatively successful

The early part of the 1980s have not been an easy time for Canadian steelmakers either. But Americans looking at our industry see it as relatively successful. Our biggest companies, such as Stelco Inc. and Dofasco Inc., are profitable and are continuing to invest in upgrading their plants and equipment.

At the same time, Canadian steel, in nearly all its forms, is continuing to flow into the American market. And it's this growing level of exports that are drawing the fire of politicians like Pennsylvania's Senator John Heinz. The conclusion that Heinz and other American politicians and citizens come to is that Canadian steel is damaging the American industry and taking jobs away from American citizens.

This past week, Heinz introduced a steel import trade bill aimed at Canada and other countries, giving them 90 days to work out a steel export restraint agreement with the U.S. government. Failing to reach a "voluntary" agreement, the Heinz bill would then unilaterally impose quotas on foreign steel coming into the American market.

"To suggest at this point that a sectoral issue of some significance like steel is only our problem and not theirs, and that Canada has no role in helping to solve it, is to drive our two economies farther apart rather than coming closer together," Heinz said in introducing the bill.

The growing storm in the U.S. over steel imports has set alarm bells ringing in the Canadian industry which fears that, after the recent softwood lumber controversy, its trade could be the subject of the next big bilateral dispute.

The Canadian industry has been comparatively successful, says Sherman Cheung, an assistant professor of finance, business and economics at Hamilton's McMaster University.

But the well-being of Canadian steel has not come at the expense of the American industry, Cheung says.

"The Canadian industry has been hurt by the over-capacity of steel production in the world, but it is comparatively better off than the American steel industry," says Cheung.

A combination of the right business strategies and some help from the tax code have helped to maintain the relative prosperity of Canada's major integrate steelmakers, Cheung says.

Domestic demand

In terms of business strategies, the capacity of the major producers has historically lagged behind domestic demand for steel and extra capacity has only been added to match the growth of demand in the Canadian market.

Another key strategy is the industry's policy of re-investing to improve and upgrade their steelmaking capability. Canadian companies are quick to introduce new technology, with companies such as Stelco Inc. building a whole new, highly automated plant on the shores of Lake Erie. At the moment, Dofasco is also spending hundreds of millions of dollars to update its plant in Hamilton to curb costs and improve productivity.

Unlike their American counterparts, big steel in Canada has concentrated its investment in the industry, Cheung says.

The Canadian industry has also benefited from a more generous capital cost allowance or write-off regime than the U.S., he says.

The ability to quickly recover investments in land, buildings and machinery has helped the cash flow of the Canadian industry. During the years of high inflation, the ability to recover these costs in a short period of time meant the dollars available to the industry for re-investment were relatively unimpaired by the ravages of inflation.

On the other hand, the American industry, until the election of President Ronald Reagan, has been burdened with a longer write-off period for capital assets.

With inflation raging during the 1970s and 1980s, the longer American companies had to wait to recover the full costs of their capital investment, the lower the purchasing power of the dollars they finally received. The cash flow of American mills deteriorated, inhibiting new investment to replace aging machinery and plants.

Even with that situation, steel companies in the U.S., such as the giant USX Corp. Ltd. (formerly U.S. Steel Corp.), didn't invest when they were profitable. Instead, in a move typical of some of the U.S. majors, the company tried to diversify by investing in other businesses.

"I don't think the U.S. industry has invested to lower costs and improve productivity. Some of the big companies that are in trouble now like USX used their money to takeover other firms in other types of businesses," Cheung says.

As well, he says, the serious overvaluation of the American dollar against other currencies, including the Canadian dollar, has allowed foreign steelmakers to enter the

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