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Chair

Mr. Rob Merrifield

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• (1530)

[English]

The Chair (Mr. Rob Merrifield (Yellowhead, CPC)): I will call the meeting to order.

We want to thank our witnesses for coming and being able to present to the committee.

We are on Bill C-50, dealing with our budget bill. We look forward to what you have to present to the committee. Although some of the committee members aren't quite here yet, we have enough of the committee to be able to start.

We'll start with the Chinese Canadian Community Alliance. We have Tom Pang. Welcome to the committee.

Mr. Tom Pang (Acting President, Chinese Canadian Community Alliance): Good afternoon.

I'm a representative of the Chinese Canadian Community Alliance. We are a non-profit organization based in Toronto. Because we're part of the Chinese community, we are very concerned about changes in immigration law. After studying these amendments, our organization has decided to support the amendments.

Basically, the community is concerned about two problems with the Immigration Act. The first is the backlog. Everybody, especially from China, has to queue up and wait—four to six years, according to the ministry. The increase in the backlog could soon go over a million people, resulting in a wait time of ten years. This is something that's not acceptable to potential immigrants.

The other problem we see is with the newcomers. At this point, we're basing the immigration application on a point system. We're basing it on people's age, educational background, and experiences, without much consideration of whether they will fit into our job market. Consequently, we see all kinds of people coming here who can't find a job and have to move back to where they came from.

During the past month or so, I was helping a friend who runs a piano school. Typically, all the students are new immigrants. I was surprised by the number of families who had only one person in Canada. The other half of the family was in China, Taiwan, or Hong Kong, because they couldn't find a suitable job. There are even people who have to move down to Brazil or Argentina, because it's much easier for them to find a job down there.

Recently I saw a Chinese TV program, a program that tells how successful new immigrants are. One of the programs surprised me. It was about a person who was a famous opera singer in Shanghai. He

qualified under the present system and came here, but he couldn't find a job at all. Eventually he went to a factory and had to sing an Italian song to convince the Italian owner to give him a job on the assembly line.

We would support this bill if the amendments fulfilled two conditions: reducing wait times, and bringing in people who can find a job. It goes without saying that there are pros and cons within the community. There are people for and against the amendments.

Some of the arguments concentrate on things that, to me, have nothing to do with these amendments at all. This morning I came by train, so I was reading the Chinese paper on the train. There was an article about a person who appeared before one of the committees, either this one or the one on citizenship and immigration. He was using the minister's statement that Canada cannot take in all the qualified applicants from China and India as a means to say that the immigration minister is a racist.

• (1535)

Now, in a rough estimate, if even 10% of the people in China alone qualified under the system, we're talking about 130 million people. I don't think any government official would dare to say that we must, we shall, take in that number of people, but this is the kind of thing used against the amendments. To me and to our association, it has nothing to do with the real meaning of these amendments.

I repeat: our association has decided we will support these immigration amendments.

Thank you.

The Chair: Thank you very much.

I'm sure we'll get some questions as we go into the question-and-answer part of our meeting, but we'll continue with our presenters.

Next we have Peter Ferreira, from the Canadian Ethnocultural Council. The floor is yours, sir, for seven minutes.

Mr. Peter Ferreira (President, Canadian Ethnocultural Council): Thank you very much.

Good afternoon, Mr. Chairperson.

Founded in 1980, the Canadian Ethnocultural Council is a non-profit, non-partisan coalition of national ethnocultural umbrella organizations, which in turn represent a cross-section of ethnocultural groups across Canada. The CEC's objectives are to ensure the preservation, enhancement, and sharing of the cultural heritage of Canadians, the removal of barriers that prevent some Canadians from participating fully and equally in society, the elimination of racism, and the preservation of a united Canada. While my notes don't suggest it, we have 32 member organizations, and they're all national organizations.

It is a cliché but one worth repeating: we are blessed to be living in a wonderful nation with such a diversity of people. They are our strength, and our diversity will continue to define us as we seek to build and bolster our economy. Canada's economy continues to be strong, but it is no secret that as our population ages we may be faced with labour market shortages that could slow this growth. In the past we have looked to immigration as an answer to this challenge.

Today's newcomers come ready to work but may face challenges that are more complex, as we move from a resource-based to a knowledge economy. Systemic barriers to full inclusion for Canada's ethnic and racial communities still exist. Language barriers, lack of training opportunities, and difficulties with recognition of foreign credentials are some examples of obstacles that impede immigrants' joining the labour force.

When these are overcome, lack of Canadian experience and even indirect discrimination still frustrate the creation of a fully-integrated workforce. Skilled immigrants are critical to keeping our economy healthy, and immigration has long been the main source of population growth in Canada. Tapping into the skills and the expertise of newcomers benefits just about every industry. As an immigrant myself, I see both sides of the coin, and I know that immigration is also good for those who choose to leave their countries of origin and come to live here. They may even sacrifice high-paying jobs to do so.

Can Canada do more to attract immigrants? Yes, and we will need to. We need to acknowledge that it takes a lot of courage to uproot a family and come here. I believe we need immigration reform that creates an even more welcoming environment, with reductions in lengthy processing times, enhanced language training, and anything else that will help ease the transition from newcomers to productive members of society.

In addition to competing globally for trade, Canada is competing with other countries for people. There is a lack of skilled workers worldwide, a trend that has been increasing for years. As an example, many of our member organizations have been telling the government since the 1980s that we need more people in construction and that immigration is one way to fill the gap.

Today the potential immigrants we could use in this sector from countries such as Ireland and Portugal, to name but two, are staying where they are because there is such a shortage in the European Union. We need to promote that coming to Canada is a more attractive option, and it usually is. Immigration is a win-win situation, both for those who choose to relocate here and for Canada as a whole. As a Canadian citizen, I'm pleased and proud that we

have put out such a substantial welcome mat, and I hope that platform widens in the near future for even more newcomers.

The Canadian government is promoting its controversial bill by including, in part 6 of Bill C-50, immigration amendments to the Immigration and Refugee Protection Act, promising that it will reduce our current backlog of some 950,000 applications, produce faster processing times, and make our system more responsive to Canada's labour market needs. To accomplish this, the government proposes giving the immigration minister unprecedented new powers. The government maintains that the minister needs these powers to cherry-pick applicants who are needed here on a priority basis.

Our current legislation states that the federal cabinet "may make any regulation...relating to classes of permanent residents or foreign nationals", including "selection criteria, the weight, if any, to be given to all or some of those criteria, the procedures to be followed in evaluating all or some of those criteria...the number of applications to be processed or approved in a year", etc.

The reality is that our current legislation authorizes the minister to set target levels and to prioritize certain classes of applicants without even a regulation being passed. I would respectfully argue that the minister has the power under our current legislation to make virtually any changes she wants, subject to the charter. The CEC is concerned with the passage of this bill, as we believe that the proposals set forth belong in an immigration bill simply because we have far too little debate on the kind of immigration program Canada needs.

● (1540)

If the bill passes as presented, this minister and others who follow her would be free to govern by decree and eliminate public debate on immigration policy. The publication of the minister's instructions in the *Canada Gazette* would be no substitute for an open debate.

The CEC proposes that the best way to eliminate the backlog and speed up the immigration process is by dedicating more resources to them, increasing the levels, and/or by simplifying the process. This bill does not address this, and it is simply a transfer of power from the cabinet to the minister.

Thank you.

The Chair: Thank you very much.

We'll now move on to Mr. James Bissett. In your agenda he is listed as an individual. I would like to remind the committee that he is the former ambassador to Yugoslavia and Albania and the former head of the Canadian immigration system.

Mr. Bissett, the floor is yours.

● (1545)

Mr. James Bissett (As an Individual): Thank you, Mr. Chairman. I am pleased to come before the committee.

I believe the proposed changes are needed, and I think they are urgently needed, to regain control of an immigration movement that is rapidly getting out of control. Canada is facing a growing backlog of people who have met all the immigration requirements. They've paid their fees and are waiting in a backlog that, as Mr. Pang has pointed out, may take them six to ten years to get here. The numbers are estimated to be almost one million—950,000-some people—who are waiting to come in.

In addition, the minister has announced that next year the government intends to increase immigration levels, I think to 265,000 additional immigrants. You have a problem of not only dealing with the backlog, but also dealing with the new arrivals. The system is desperately unfair. It's making people wait for years and years to join their relatives here or to come to jobs and start a new life. As has already been mentioned, a lot of the people in the backlog have gone to other countries.

The problem stems from the Immigration and Refugee Protection Act that was passed by the previous government, in 2001. That act didn't include any mechanism for controlling or adjusting the flow of people, or turning it up or down. Consequently, anyone now who meets the immigration selection requirements has to be accepted. That's really the problem. There's no mechanism for turning off the flow or slowing it down, even if the numbers who are applying can't possibly be processed in any one year by the number of visa officers abroad.

As Mr. Pang pointed out, the reality is that in China alone, you may easily find 130 million young people who can meet our selection criteria. Probably the number is close to that in India as well. There are many of them who would like to come to Canada. If they apply and meet the requirements, we have to take them. That's essentially the problem.

I think the proposed regulatory changes are therefore designed to enable Canada to get control of the immigration flow back and to manage it properly before we're faced with a complete fiasco with two or three million people having met all of the requirements, having paid their fees, and are waiting to get here. It's certainly not fair to the immigrant, and it doesn't give Canada a very good image.

There has been a lot of speculation about the intent of these regulations. I think perhaps it was the Standing Committee on Citizenship and Immigration that yesterday heard immigration lawyers say that the proposed changes are simply a plot on the part of bureaucrats to satisfy their lust for power. Others have said it's simply the forerunner of very drastic changes that are going to come about.

I think most of these charges are nonsense. The current act is flawed because it doesn't provide the mechanism for controlling or managing immigration flow. I think there are plenty of safeguards to ensure the minister does as she says she will do, which is to consult with business, labour, and ethnic organizations about the rules she proposes. She must report to Parliament every year, and in that report she has to explain and table the categories she has established, the order of their processing, and the disposition of the applications.

The previous government recognized, a year after they passed the act, that there was a problem. They tried to solve it a year later, in

June 2002, by passing regulations that required those in the backlog to meet much higher criteria. That regulation was taken to the courts, and the courts ruled it was *ex post facto* and could not apply. Nothing has been done since then, and that's why we have close to a million people waiting to get here.

Prior to the 2001 act, the flow used to be controlled by one of the factors in the selection criteria that was called "occupational demand". It was worth ten points in the total number of points. If you got zero on occupational demand, it didn't matter how many points you received in the other factors, you were turned down.

● (1550)

The government controlled the flow by adjusting this occupational demand factor. When the economy was booming and the labour force needed workers, a long list of occupations were given weight on the demand side. When we were going into a recession or things were slowing down, we sent out hundreds of occupations with zero demand. This cut off the flow and ensured that we didn't get large numbers of people coming in who couldn't find work.

Canada has earned a reputation for managing its immigration program in an excellent fashion. Many countries have tried to emulate our point system. Australia has done so. But the 2001 act changed this, and it needs fixing. I think this proposal is the thing to do. We should get it done, and get it done quickly. We are already facing an amazing number of people who want to come here. If this problem isn't fixed, we could become an international embarrassment for mismanaging a program that we used to manage so well.

Thank you.

The Chair: We now have Mr. Fred Carsley, a lawyer.

Mr. Fred Carsley (Lawyer, As an Individual): Thank you, Mr. Chairman.

This afternoon I'd like to introduce some diversity to this session by restricting my remarks to the Canada Interest Act.

[*Translation*]

Good afternoon. My name is Fred Carsley. I am a partner with the Montreal law firm of De Grandpré Chait and head our real estate practice. I specialize in the acquisition, sale, development, leasing and financing of commercial real estate.

[*English*]

In addition, I am the past Canadian chair of the government relations committee for the International Council of Shopping Centers. This is a trade association for the retail real estate industry, with over 75,000 members in Canada, the United States, and over 80 other countries around the globe.

[Translation]

I wish to thank the committee for the opportunity to appear before you today and discuss an issue that is of great interest and concern to the commercial real estate sector in this country.

[English]

Although the budget implementation bill is rather omnibus in scope, I wish to focus on the consequential amendment that involves the Interest Act. I want to consider clause 155 of the budget implementation bill. It deals with the amendment of section 10 of the Interest Act.

I must admit that this issue is nowhere near as exciting as it sounds—nothing like immigration. However, let me assure the committee that this issue has arisen in every longer-than-five-year mortgage financing I have been involved with. Simply put, the lenders need the assurance, as an essential condition to lending the money, that after month 60, the negotiated loan terms on prepayment will be respected through to maturity.

This part of the Interest Act was last amended in the 1880s. Initially, section 10 was added to provide protection to the Canadian farmers who were being forced to lock into long-term, high-interest mortgages. The section essentially states that after five years any mortgage can be paid off with a penalty of three months' interest. This rule is a public order. As such, it overrides any contractual stipulation to the contrary.

The next amendment, also made during the 1880s, was brought into force to facilitate the building of the trans-Canada rail system. It soon became apparent that lenders were reluctant to enter into long-term financing deals with corporate entities as long as section 10 could jeopardize their yield maintenance. The solution was to add subsection 10(2). It exempts corporations from the rule in subsection 10(1), and allows for long-term, clear, and consistent transactions. This amendment reflected the ownership structure in vogue at the time, namely, a corporation that successfully met the concerns of the sector.

During the next 100 years, the commercial real estate industry evolved, adapted, and reacted to market forces. As a result, new ownership structures have been developed, such as limited partnerships and trusts, as the vehicles of choice. We are asking that the exemption for corporations be extended to apply to limited partnerships and trusts. Without the amendments to subsection 10(2) of the Interest Act, these entities are disadvantaged, in comparison with the treatment of corporations, when arranging mortgage financing for longer than five years.

• (1555)

[Translation]

In addition, the differences inherent in the ownership and property rules of Quebec civil law from those in the common law provinces require complicated and expensive gymnastics for Quebec loans to reach identical results.

In 2006, a number of industry leaders approached the Department of Finance and asked that they consider adding limited partnerships and trusts to the exceptions for corporations in section 10(2) of the Interest Act.

[English]

After several extremely detailed and valuable exchanges, as well as Department of Finance consultations with all provinces and interest groups, the decision was made to go forward and draft amendments to reflect the change.

While we are pleased with the Department of Finance's timely recognition of the problem, the amendments to the bill open the door to some unintended consequences. Under the normal legislative process, the opportunities for industry consultation would be ongoing. However, the decision to include these amendments in the budget implementation bill meant that, given the confidential nature of the process involved, holding the normal consultations around legislative wording would be precluded, as doing so would violate a long-standing parliamentary convention. As a result, this hearing represents our first opportunity to discuss the proposed amendments with you, honourable members.

There are four short points I would like to raise, and then I will conclude my remarks and allow for any questions that committee members may have.

First, the current corporate exemption applies to all mortgage loans. The proposed amendments suggest a new category of prescribed mortgages, which, pursuant to proposed subsection 10(3) of the Interest Act, would be determined by regulation of the Governor in Council. This would mean that each time a borrower that was not a corporation wished to borrow money for more than five years on a closed mortgage basis, or prepayment, for that matter, with yield maintenance, the lender would be obliged to determine if the mortgage qualified. This process might result in significant uncertainty around which products met the qualification and therefore could severely limit the range of financial options available.

Second, the same argument applies to the definition of prescribed entity. If the regulations distinguished between types of entities of the same nature, then we would be discriminating against others.

Third, there is no reason why we cannot achieve the desired result directly in the legislation, rather than complicating matters through the cumbersome and uncertain regulation of the Governor-in-Council process. Simply put, limited partnerships and trusts should be placed on an equal footing with corporations for the purpose of the exemption from the rule in subsection 10(1) of the Interest Act.

Fourth, thanks to some Ontario Court of Appeal decisions, this is currently not as problematic an issue in the common-law provinces as it is in Quebec. The proposed legislative plan, while levelling the playing field throughout the country, could detrimentally change this existing situation outside of Quebec. Simply adding the limited partnership and trust exceptions to the existing subsection 10(2) will make the law uniform throughout Canada, without creating adverse risk to existing practice.

Real estate is a capital-intensive industry in which mortgage financing is both critical and basic. Every effort should be made to facilitate the process.

Mr. Chairman, I have support letters from the director of legal affairs of MCAP and from the vice-president of legal affairs and corporate secretary of Desjardins Asset Management, previously given to the Department of Finance, which I would like to table with this committee.

I respectfully submit that the current subsection 10(2) be amended to include limited partnerships and trusts and that amendments under clause 155 of Bill C-50 be eliminated. This approach will provide to all parties simplicity, transparency, and clarity.

Thank you for your attention. I invite any questions you may have.

The Chair: Thank you very much.

Just before we present those to the committee, are they in both official languages?

Mr. Fred Carsley: No, they are not, which is why we haven't done this.

The Chair: We will have them translated and distributed.

Mr. Fred Carsley: One is in English, and one is in French.

The Chair: That's fine. We'll translate and distribute those.

We'll move now to our question-and-answer portion of the meeting. We will start with Mr. Rae. You have seven minutes.

Hon. Bob Rae (Toronto Centre, Lib.): Thank you.

Mr. Bissett, thank you. I'm going to ask you a couple of questions, and I hope to get one to Mr. Pang and Mr. Ferreira in the time available.

I appreciate your intervention, Mr. Bissett. If I heard you correctly, the reason we have a backlog is that we have no means of telling people they can't apply, and we have no means of turning people down provided they meet the criteria that are established in the act and the regulations. Is that right?

• (1600)

Mr. James Bissett: That's right.

Hon. Bob Rae: As I understand it, the law being proposed by the government doesn't change the central provision. It doesn't change that feature of it, but it gives the minister the capacity, in a sense, to pick and choose from individuals who have applied so that if there is somebody who is on the waiting list or in the backlog who the minister, or essentially the government, feels should be brought forward, they will bring that person or that group or that class of people forward more quickly. Is that correct?

Mr. James Bissett: I think that's correct. I think that's what the minister has said, at least publicly—that if, in the backlog or in the applications that are received, there are some highly qualified people who are desperately needed by Canadian business or the labour force, they would, in effect, be put at the head of the line and be brought forward.

Hon. Bob Rae: I agree there's a problem with our current system, but the minister's not actually dealing with the backlog.

Mr. James Bissett: That's right. The proposed regulations do not touch the backlog.

Hon. Bob Rae: So the problem we have, which you've identified, is that under our current system anyone can apply. There's no logical reason why the backlog couldn't go to two million, three million, or four million, because anybody can apply and we can't turn people down because they don't have enough points.

Mr. James Bissett: We can turn them down if they don't meet the selection criteria. But as Mr. Pang has said, the problem is that there are probably 130 million to 150 million people in China who could meet the selection criteria.

Hon. Bob Rae: How do the Americans, Australians, and Brits deal with backlogs? Do they have backlogs, in your experience?

Mr. James Bissett: I'm not sure how the Brits do it. I think the Australians have a system somewhat similar to what we had prior to this act in 2001. If they don't meet a particular part of the selection criteria they can be refused, even though they may score high on other points.

Hon. Bob Rae: How do you deal with Mr. Pang's or Mr. Ferreira's argument that what the government is proposing won't deal with the backlog, but it will lead to first-class and second-class choices? In other words, some people will be moved forward more quickly. We know enough about life to know that if some people are being fast-tracked, then other people are being slow-tracked. How do we deal with that problem?

Mr. James Bissett: That again would be the minister's responsibility. But someone has said—I'm not sure if it was the minister—that if she had applications she would pull the nurse out and give priority to the nurse, even though the exotic dancer had applied several months beforehand.

Hon. Bob Rae: I know the exotic dancer's an easy example, but let's take family reunification as perhaps a less exciting contrast. If we move forward more quickly with categories or people who are seen as being more desirable in the short term for economic reasons, isn't the necessary implication that many other members of the family class and others will be left further behind?

Mr. James Bissett: We won't know until the rules come down, but I can foresee the possibility that the minister will give priority to spouses and minor children ahead of parents or grandparents.

Hon. Bob Rae: Mr. Pang, could you comment on the answers of Mr. Bissett? Did you listen to his intervention?

Mr. Tom Pang: Yes.

The minister has emphasized more than once that these new amendments will not touch the family reunification cases or the refugee cases. There's nothing in there to make me doubt what she said. She emphasized that more than once.

Hon. Bob Rae: But you indicated concern about the legislation, if I listened correctly.

Mr. Tom Pang: No.

Hon. Bob Rae: You think this is all very good and positive?

Mr. Tom Pang: As far as we're concerned, it is.

Hon. Bob Rae: Mr. Ferreira.

Mr. Peter Ferreira: I'm one who believes that the power should be with cabinet and not the minister. I don't think the minister needs these extra powers.

With all due respect to my colleagues here, and Mr. Bissett in particular, who has much experience in the field of immigration, I'm also a former senior immigration officer. I've been practising immigration law for 32 years now. I think the 10% of China example is fear-mongering. It's possible that 10% to 30% of the population in China may want to emigrate to Canada, but I don't think that should be used in any way against or for this amendment. I think it's a bogus argument. I don't think we should visit that 10%, because there are so many scenarios we don't know about. I don't think it's fair for us to just pick 10%. We might as well go to 50%, assuming they all qualify.

• (1605)

Hon. Bob Rae: The reality is that the flow of immigration around the world is going to increase, and the desirability of coming to Canada is going to increase. So from one perspective we either have an official backlog of people who've applied, or we have people who are not allowed to apply but still want to get in. So there will always be more people wanting to come to Canada in any one year than people coming to Canada.

Mr. Peter Ferreira: That's right. If you recall, the Government of Canada has never met its targets. Years back, all parties were talking about 1% of the population, and that's never happened. It may never happen.

Without being too partisan, the previous government cut back on the overseas complement of staff, and that added to the backlog. It seems like the backlog is being used as a red herring. I don't want to play politics here. I'm trying to be as neutral as I can, and I don't want to dump on any one party. For 32 years I've met and dealt with many ministers of immigration who were well-meaning. Interestingly enough, I recall speaking with Walter McLean, who was a minister under Brian Mulroney. With 35,000 cases in the backlog in Canada, he announced a special program to land all those who were not criminals.

I agree with you, Mr. Rae, that the demand is there. I think we have to manage our immigration program overseas better.

The Chair: We have one more question, but maybe we'll get another round in. We're not so sure.

Monsieur Laforest.

Hon. Bob Rae: I want to make it clear that I had a question for Mr. Carsley. I don't want him to be lonely, but I'm not allowed to ask it.

The Chair: He's not going to be lonely down there.

Mr. Laforest, the floor is yours.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chairman.

Mr. Pang, earlier you said that people from the community you represent were in favour of the changes and that others were opposed. Then you told us that you agreed with the change proposals.

What ratio do you represent when you say you agree? What percentage of the Chinese community is in favour of these changes?

[English]

Mr. Tom Pang: I really can't talk about ratios. I can only base it on articles in the newspaper, and such. Different organizations and individuals are putting up their arguments to it. All I'm saying is that the kinds of arguments that were put up against this amendment do not convince me to change my mind.

[Translation]

Mr. Jean-Yves Laforest: You say you speak on behalf of the Chinese Canadian Community Alliance, but you don't have a specific voting mandate. You say that the arguments against the changes written in the newspapers don't convince you.

Do you consult the community before appearing before a committee like this one?

[English]

Mr. Tom Pang: I never said we represented any parts of the community. The Chinese community is like any other community. It's so diversified. We're talking about people who come from China, Taiwan, Hong Kong, and Southeast Asia. They all have their different views.

I represent just this community alliance—our association, our members. We sat down and went through some of the discussions. We came back and discussed, and this is our conclusion.

I never claimed to represent a “community”.

[Translation]

Mr. Jean-Yves Laforest: Thank you.

Mr. Ferreira, earlier you said you agreed that improvements had to be made to the system and to the reception given to immigrants so that they have more information and support in learning the language.

Do you believe we can make changes to the present act without them necessarily being those proposed in Bill C-50?

• (1610)

[English]

Mr. Peter Ferreira: I think if the current legislation were to work, at this particular time, the way the lawmakers envision it working, we wouldn't be in this situation. I think a lot has to do with priorities that are set by governments. I hinted earlier when I was answering another question that when you gut or take away a substantial amount of money and staff from overseas missions, you're obviously going to get a bottleneck. You're going to get people who just can't be processed. That's a reality.

Regarding the language issue, of course the skilled-worker class has to be fluent in either English or French. They all have to pass an English or French proficiency examination. Most of those don't need language training. The issue, I guess, comes with family class and refugees who are taken in by government and private organizations. I think more can be done for those people, definitely. And more can be done for those who are fluent in both official languages. I think the credentials issue, or lack of recognition, has been an issue all of you have heard of for countless years. One government will turn to the other and say that's a provincial matter; that's not a federal matter.

At the end of the day, we have people who are coming to Canada well qualified. These are people Canada needs. We're talking about doctors, dentists, nurses, you name it, yet they have obstacles that will take some of them three to five years to resolve, and some will just give up, as we heard here today. Some people give up and just leave Canada because of the climate—and I'm not talking about the climate in the true sense. The programs are not there to facilitate the integration of a lot of our immigrants whom we claim to need. At the end of the day, I think a lot more could be done for the immigrant community, because we do want them to integrate quickly, we want them to be self-supporting, and obviously we want them to be giving all they have to Canada. At the end of the day, Canada wins.

[Translation]

Mr. Jean-Yves Laforest: You also say you practised immigration law for many years, particularly in Ontario.

[English]

Mr. Peter Ferreira: In Ontario, yes. I used to work for the Government of Canada as an immigration officer. I left the government and now I'm in private practice.

[Translation]

Mr. Jean-Yves Laforest: Are you familiar with the immigration agreement between Quebec and the federal government? When Minister Finley appeared before us, we asked her whether Bill C-50 would make changes to the agreement that already exists between Quebec and the federal government. She told us no.

Is that your view as well?

[English]

Mr. Peter Ferreira: That's a very good question. I don't want to foretell the future, but I think the minister would have difficulties negotiating any amendments with the Quebec government, be it Liberal or any other colour.

As far as the Ontario situation goes, it's obviously totally different from the Quebec situation, as you know. The Quebec government has been selecting its immigrants for countless years. It takes in about 30,000 to 35,000, if I'm not mistaken. Only now has the Ontario government signed an accord, a provincial nominee program last year, to take in 500 immigrants—a very low number. We want that pilot project to become, obviously, more.

In particular, if I may say, I come from the Portuguese-Canadian community, where many are in the construction trades. Two years ago many of these people were targeted and removed from Canada, in spite of the fact that the Conference Board of Canada, their employers, and their unions were suggesting to all who would listen that these people were key to this economy. Obviously, it would be

self-serving for me to argue for my community, but I'm not just arguing for my community, but other communities, which is why I mentioned Ireland as well as Portugal. I didn't want anyone to suggest I'm here to speak for one community alone.

More needs to be done. The family class is in shatters. Why should we be waiting four to six years for a mother or father to join us in Canada? Why is it so? Why are they not given priority? Some would say, "Well, you know, parents aren't going to give us anything". Then, as a government and as members of Parliament, you have to stop going from reception to reception saying "We need more; we believe in family reunification".

• (1615)

The Chair: Thank you very much.

We'll now move to Mr. Menzies for seven minutes.

Mr. Ted Menzies (MacLeod, CPC): Thank you, Mr. Chair, and through you, thank you to our witnesses for coming today.

There are some interesting observations from all of you. It's interesting, we have one person who's interested in tax policies here today, but please forgive me if I don't focus on that, because we seem to have gotten a little bit sidetracked on the immigration issues. Frankly, I think this government has been wrongly criticized by some of our witnesses and by our opposition as well on the intent of this.

Mr. Bissett, I certainly respect your credentials when it comes to immigration and therefore certainly respect your answers that I'm looking forward to hearing on this. I would like to go back to this 945,000 or whatever the number of the backlog is and the system we now have in place. We're working as fast as we can to get rid of that backlog we inherited. The other day the minister told us that last year alone saw the largest number of newcomers in almost 100 years, 430,000.

We've heard that just throwing money at it isn't going to help. We need to change the system, improve the system, make it more effective, and be able to clear up the other issue that is facing us, and that's the labour shortages in this country, skilled labour, bright people who we need to stimulate our economy.

How do we decrease that number? And is that number accurate, or have those people just given up on Canada and gone somewhere else?

Mr. James Bissett: I don't know. I suspect, though, that of the 950,000 or whatever it is, most of them are still there. Most of them would still want to come.

Mr. Ted Menzies: After ten years, do you think they're still waiting in line? I can't believe someone would put their life on hold for that long.

Mr. James Bissett: I think 30-some percent are relatives of Canadians who are already here, so they'll certainly be there. The others, I think, are still gainfully employed in their own countries and are waiting until they get a decision, so there's no reason why they would necessarily go unless they left for another country, which is a possibility, of course.

I have no idea, but I would suspect most of them, if given the opportunity to come to Canada, even if they may have moved to another country, would still take that opportunity and get back quickly to get their visa.

Mr. Ted Menzies: But do you see some mechanism in part 6 of this budget bill that will allow us to provide a more effective system as well as cutting down or getting rid of that backlog?

Mr. James Bissett: The proposed regulations don't touch the backlog, so that's the problem. Now, the minister has said she's asking for, I think, \$27 million over two years to hire additional officers who can concentrate on the backlog, but other than that, I don't see much impact being made on that backlog.

Mr. Ted Menzies: It is unfortunate we ended up going from where we were, from 50,000 to 800,000 or 900,000, wherever we're at.

There has been lots of reference to the Australian system, and we were on a similar system, or up until this passes I guess we were on a similar point system, referred to as a human capital model. Australia has moved away from that. I'm sure you're familiar with that; with your background you must have followed that. They've overhauled theirs, and it's become a more efficient system.

In any country I've travelled to recently, the Australian system has been held up not only for getting skilled labour in, but also for bringing students into their country. What else can we do to make our..? Is the Australian model something we need to pattern ours after? Is this close enough to it that it will make the difference that it has in Australia?

• (1620)

Mr. James Bissett: Actually, the Australians copied our system, the point system, which we designed. As a matter of fact, I was on the task force that designed it. I hate to tell you when. Back in 1967 we designed the point system, and the Australians did copy it. They have made some improvements in it, I think, that I'm not sure we would want to do. For instance, they insist on people being able to speak English before they arrive in Australia. With regard to professionals, they will not accept any professional applicants until their qualifications have been accepted by the Australian states or provinces. We let professionals in, even though we know and we tell them they won't be able to qualify to practise their profession until they get the licence to practise, primarily from the province. Australia doesn't let them in until they have already have that permission.

There are parts of the Australian system that we should perhaps study and maybe adapt. The key thing with their system is that they keep control of the numbers. For one thing, they don't take nearly as many immigrants as we do on a per capita basis. I think they take about 0.44%, while we're taking close to 1%. So they don't have the numbers to deal with. They seem to be more efficient, and they certainly are getting highly skilled people. I don't think their

selection criteria emphasize education to the same degree ours do. They're looking for skilled people. Whether they're upholsterers or mechanics, if they are needed in Australia there are selection criteria that are designed to get those kinds of people. At the moment, our selection criteria are weighted heavily for education, so a lot of skilled workers cannot possibly meet our criteria.

Mr. Ted Menzies: So you're suggesting that although the Australian model is working very well, ours is probably going to end up superior through these changes? I thank you for that comment.

Mr. James Bissett: We'll see.

The Chair: Time is up.

We'll now move to Monsieur Mulcair.

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Thank you, Mr. Chairman.

First, I want to thank Mr. Carsley for his presentation. Holding degrees in common law and civil law as he does, I thank him for his presentation.

That is the case elsewhere, but clearly, particularly in finance, an effort has to be made to respect the fact that Canada is a bilingual and bijural country. That's a major challenge. Having previously had to deal with people from the Department of Finance, I realize that everything there is done exclusively in English. So I'm not surprised at the difficulties. I must also congratulate you for your sense of sacrifice. This is the first time I've heard one of my colleagues come here and say we should eliminate something costly. While congratulating you on that sense of sacrifice, I'm going to tell you that you will have our support because, in addition to being very clear, your presentation deserves the amendment requested.

Mr. Ferreira, I want to congratulate you. You expressed with such class what many people think when they hear Mr. Bissett make his presentation. I have had the opportunity to hear him say exactly the same thing. He seems to have a very strong concern for exotic dancers. This is not the first time I've heard him talk about it. Your term "fear-mongering" precisely defines what that is about. It is fear-mongering; that is to say it is playing with the basest feelings instead of leading us toward the highest, the most noble. I want to thank you. I also agree with you that his arguments are bogus, as you said in English, which I would take the liberty of translating into French as "factices". That is precisely what they are.

Since you are a lawyer and a member of the bar and have been practising immigration law for a very long time, perhaps you can tell us a little about the effect that can have on families. I know you are in your community, but that you're not just speaking on behalf of the Portuguese community. I also congratulate you on being the founder of the Portuguese-Canadian National Congress. Perhaps you can tell us a little more directly about the effect that can have on people and families, in particular.

[English]

Mr. Peter Ferreira: Most of my day is taken up in speaking with clients who cannot understand why the government is continuing to keep their loved ones from joining them.

We're not talking about people who have health issues or criminal issues. We're talking about people who qualify, who are joining their sons, their daughters. In most cases, they have to wait for four years; for Asians, it's more like six. This is quite shattering for families. It's devastating.

At the end of the day, the family class should not be targeted as they are. Some would argue that there are economic reasons for giving them such a low priority. We don't want them to come and take advantage of our social safety net. If we truly believe that, the government should be clear and say they don't want the family class. We cannot say that we're doing everything for the family class and then give them almost no priority.

I'm not here just to argue for the family class. I think we could do more. A few years ago, the system seemed to be working quite well. Most of my clients, at one point, were going to Kingston, Jamaica. The embassy there was processing Asian clients of mine in three to six months.

A mission in Kingston, Jamaica, with two officers could process dozens of applicants in a matter of three to six months. Now the same mission is taking two to three years for people from Jamaica. We're not talking about people who are coming from outside. We can no longer lodge applications outside. There was good reason for that. This was one of the things that I didn't mind. It was an instruction that came from the then-minister—one had to apply where one lived.

The minister has the power to create lists of occupations that she wants to facilitate, as unfair as that is. Imagine waiting six to eight years. Let's use the movie scenario. You buy a ticket to watch a movie, and you're in line, but then a security guard comes to you and says you're not allowed into the theatre. You say you see seats that are still vacant, and the guard tells you that even though there's a place for you he is choosing not to let you in.

This is what some of us who oppose the amendments are afraid of. It may never happen. Maybe I'm scaremongering, but I don't believe so. I've heard too many immigration ministers promise the sky. Unfortunately, most of them have not even come close to what they've promised.

● (1625)

Mr. Thomas Mulcair: I want to ask another question that has to do with the recognition of foreign credentials. Statistics Canada informs us that the number-one cause of poverty among immigrants is the failure to recognize foreign credentials. Mr. Bissett's spoke of the exotic dancer who would be replaced in line by a nurse. The problem occurs when there's no place to retrain people in the provinces—the provinces are 100% responsible for professional licensing.

Is there anything in the bill before us that would in any way ease the recognition of a nurse's professional credentials?

Mr. Peter Ferreira: Unfortunately, I don't see it. I'm not sure if the minister will go down that road. I don't see it at this juncture. It's

sad to say—and we hear this as a joke—that we have some of the world's best-educated taxi fleets in Toronto, Montreal, and Vancouver. It shows where we are right now as a nation in respect to our immigrants. It doesn't say much for what we're doing for them.

A lot of these people are giving up high-paying jobs. The Government of Canada is luring these people to Canada, only to give them the excuse that their problems are a provincial matter. Because the provinces regulate nurses and doctors and engineers, the federal government says it can't get involved. That's sad, and I think it has to stop. If this passes, I hope the minister addresses this concern.

The Chair: Mr. McCallum.

Hon. John McCallum (Markham—Unionville, Lib.): Thank you, Mr. Chair.

My apologies for missing most of the presentations.

I'd like to start with Mr. Carsley, not just because he might be feeling lonely, but also because his subject is one I've had some involvement with. Just over a year ago I met with a Mr. Dover on this subject, and I wrote to Mr. Flaherty. You're seeking what should be a relatively simple amendment to the Canada Interest Act, and that's what I wrote in support of a year ago.

If I understand correctly, the government had the intent of acceding to your request, but there were some unintended consequences in the delivery. Is that a fair statement?

● (1630)

Mr. Fred Carsley: It seems that way. When we first saw the proposed legislation, after the bill went through second reading in the House and it became public, we saw this, and the industry was frankly pretty nervous about what a prescribed mortgage is and what a prescribed entity is. We met with the people from the Department of Finance to see what they had in mind and explained some of the concerns they had.

They told us that what they're trying to achieve in terms of prescribed entities is limited partnerships and trusts. I said that sounded good. In terms of prescribed mortgages, all they were trying to do was ensure it was on a going-forward basis and there was no retroactive effect. My reaction to that was that I never thought there was a presumption in the law of retroactivity, but if they felt that was important because they didn't want to upset existing transactions, it wasn't of great concern to me.

Then I asked why we can't just put it in the law. The answer was "We just can't".

Hon. John McCallum: Am I correct in thinking that relatively simple amendments to the existing legislation would be able to meet your needs?

Mr. Fred Carsley: Absolutely.

Hon. John McCallum: I would think this is an entirely non-partisan matter. There's not a political ounce in it.

Mr. Fred Carsley: There's absolutely nothing political about this. I can tell you all players in the commercial real estate industry want this.

Hon. John McCallum: Perhaps I might have a chat at some point with Mr. Menzies. I know the government doesn't like amendments, but if this is simple, totally technical, and non-political, maybe they could conceivably be open to that, but I won't raise that with him now.

I have a question for Mr. Bissett. I was intrigued, and again I think this is a non-partisan—

The Chair: I just want to remind the committee that we answer to Parliament and we report to Parliament. You can talk to Mr. Menzies, but that's got nothing to do with the committee.

Hon. John McCallum: No, but I meant in his capacity as parliamentary secretary.

I was very intrigued by Mr. Bissett's comment. This is something I think has plagued Liberal and Conservative governments for years, if not decades. This is the question of people coming and then having to have certification inside Canada. You said that in Australia they have a system where people have to be certified outside Australia before they come in. This is something I think the government committed to in the last election but I don't think it's been able to do.

How do the Australians do that?

Mr. James Bissett: I don't know how they do it, but they do it. It may be because the states in Australia may not have that power. Maybe it's a federal government power to license professionals in Australia.

Hon. John McCallum: Maybe they let in very few.

Mr. James Bissett: I beg your pardon?

Hon. John McCallum: You said they let in many skilled trade people, so maybe part of the answer is that they don't let in very many professionals.

Mr. James Bissett: Certainly they don't let in as many immigrants as we do. That's true. As you know, the licensing of professions and trades is a provincial responsibility, and that's part of the problem here.

Hon. John McCallum: Right, but it would be difficult to change the Constitution.

I have one last question, if I have time.

In terms of immigration more generally, as my colleague Bob Rae said, if you fast-track one group, almost by definition you're slow-tracking another group, if the resources are not increased significantly.

My contention would be that the government is only increasing the resources by a very minor amount, like 1% or 2% of the budget. One cannot see how one could fast-track in a major way one group without slow-tracking another group. While I acknowledge the importance of economic needs, it seems to me that if they're really fast-tracking the economic immigrants, almost by definition but without admitting it, they're likely to be slow-tracking other categories, like family reunification.

I'll ask first Mr. Ferreira and then the other two witnesses if we have time. Do you agree with that?

Mr. Peter Ferreira: Definitely, yes.

The Chair: Please give a short answer, because his time is up.

Mr. Peter Ferreira: There will be winners and there will be losers. What I'm afraid of is that there might be some winners on the backs of others who would have been winners in the past.

We should do everything we can, obviously, to better the system. I think the 1% or 2% you referred to is really not going to do much. Some of my former colleagues who were dismissed from overseas posts would tell you that even if we bring back the complement of staff that was there five or six years ago, we would have probably three to five years of processing this backlog. This backlog is going to grow unless we seriously look at it and throw in some serious resources. I'm talking about manpower to deal with it.

We can't just have the minister issue a letter to 800,000 or 700,000 saying, "Thank you very much for applying. You can now leave the queue. By the way, I'm not refusing you, so you can't appeal this to the Federal Court; it's just one of those administrative things. But I thank you for waiting eight to ten years. Thank you very much."

•(1635)

The Chair: Thank you.

We'll now move to Monsieur Crête.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Thank you, Mr. Chairman.

Mr. Carsley, you've already explained the proposals you are making to us today, but I'm going to ask you to explain once again what the advantages, and possibly the disadvantages, of the amendment you are proposing, that is to add limited partnerships and trusts to subsection 10(2) and to delete subsections 10(2) and (3). What would the consequences of that be?

Mr. Fred Carsley: Well, the disadvantages of the suggested amendment are all those I stated in my opening remarks. The advantages—

Mr. Paul Crête: —of your proposal.

Mr. Fred Carsley: Our proposal is simply that limited partnerships and trusts be treated as companies. For tax or cooperative reasons, the real estate world currently favours trusts, such as real estate investment trusts and limited partnerships, and they do not enjoy the exemption granted to companies. The main advantage is the reason why I started to get involved in this issue. Quebec's property system is different. In common law, there is a difference between beneficial ownership and legal ownership. The courts, particularly the Ontario Court of Appeal, have held that, if a company is the legal owner, that is to say the registered owner, even if the real owner, called the beneficial owner, is not a company, that is sufficient to qualify for the exemption under subsection 10(2).

In Quebec, however, there is no such distinction. In our system, if a company represents the real owners and is only there as a nominee or mandatary, there is no distinction. I have an excerpt from a standard letter of undertaking from MCAP, which is part of the Groupe immobilier Caisse. This concerns a large mortgage loan of several million dollars with a term of 10 years. The paragraph concerning the term refers to 120 months, or 10 years, and it continues:

The term of 120 months shall be granted provided the lender receives an acceptable legal opinion to the effect that none of the corporations or companies acting as borrowers is entitled to repay the loan before the term of the loan has expired under the provisions of the Interest Act. If that is not the case, the loan shall be made for a maximum term of five years.

It is clear under subsection 10(1) that there can be no prepayment before five years have elapsed. The next day, if interest rates are falling, someone can send a cheque to the lender and seek financing elsewhere. I experienced a situation, even with the Caisse de dépôt et placement du Québec, in which a borrower, which was a real estate investment fund, had a five-year or 10-year option. It couldn't satisfy the Caisse with respect to section 10 of the Interest Act, and the Caisse decided that it wouldn't be more than five years, which didn't suit the borrower or the lender.

• (1640)

Mr. Paul Crête: A little earlier, you told Mr. McCallum that the government hadn't given you an answer or a reason why it didn't include it in the act. Have you received an answer from the department? You were given no reason, or was it simply because it contained the word "trust" and it was dangerous last year?

Mr. Fred Carsley: It's not that. The issue was trusts at one point, in 2006 or 2007. However, we went back in June 2007, convinced that it wasn't a political or tax issue, and so on. It was simply a housekeeping issue. The question concerned the methodology used in that housekeeping matter. Do we amend the act, which is what we propose, or do we adopt another process that we don't know?

Even if you get the same result, every lender, whether it be the Caisse Desjardins or another lender, will ask whether the loan or borrower qualifies, not only in Quebec, but anywhere else where there isn't this kind of situation.

Honestly, I didn't understand. That's why we decided to try to be heard today.

Mr. Paul Crête: All right.

Mr. Chairman, I would like us to ensure that we obtain an opinion on the department's position on this before the clause-by-clause consideration. As Mr. McCallum said, it is possible to come to an agreement not to amend Canada's budget and to make only a minor technical amendment. Based on what Mr. Carsley has said, the government's intention may be good, but, rather than solve the problem in Quebec, the government's new section causes one in the rest of Canada.

Mr. Fred Carsley: That's how I see the situation, and other people share that view.

Mr. Paul Crête: Mr. Chairman, I would like us to obtain an opinion from the department on that before the clause-by-clause consideration. If we don't obtain a written opinion, we will definitely ask the question during clause-by-clause consideration. So it would

be preferable to get that opinion before the clause-by-clause consideration to avoid this taking a needlessly long time.

[English]

The Chair: We can make that request. That's fine.

We'll now move on to Mr. Dykstra.

Mr. Rick Dykstra (St. Catharines, CPC): Thank you, Mr. Chair.

I have a couple of questions for Mr. Bissett and Mr. Pang.

Mr. Ferreira, I want to congratulate you as well. I understand you were a candidate in the last provincial election. Folks who sit around the table here certainly admire the fact that a number of us do put our names on the ballot. You did run in the last provincial election for the New Democratic Party, so I just wanted to note that.

I want to clarify a couple of things you mentioned. One is the suggestion that the wait list of 900,000 was a red herring. I don't know what you meant by that, because that certainly is a pretty clear indication to all of us, regardless of political stripe, that we have a problem with our system if we have 900,000 to 950,000 people on that wait list. Can you tell me in what context you meant that?

Mr. Peter Ferreira: When I referred to the term "red herring", I meant to suggest there was never any need to allow it to get to this particular stage. My suspicious side suggests this is now being used to ram through these amendments. That's my personal opinion. I'm not speaking on behalf of any particular agency or board.

Mr. Rick Dykstra: I appreciate your clarifying that. A host of organizations and associations disagree with your personal position on that, but having said that, I think it's clear you're representing your own opinion versus that of the organization you're representing today.

The other comment you made that I want to clarify... You said that under the new legislation the minister would have the power to make changes on her own. I want to make it very clear to you—and we've had presentations from the ministry on this—this is not the case.

If the minister were going to recommend any changes or any strategic decisions, she would obviously have to go to cabinet before any of those decisions were approved. I wasn't sure if you were aware of that.

• (1645)

Mr. Peter Ferreira: Again, this is my impression from what I've heard—

Mr. Rick Dykstra: I appreciate you got the impression, but we have to deal in fact as much as we possibly can here. There are a lot of impressions as to what this legislation is about.

Mr. Peter Ferreira: That's true, and none of us has a crystal ball. Obviously we can't know now whether the minister will, on every occasion, go to cabinet for their approval. She may believe, in my opinion, that she may not have to go back to cabinet.

If she's telling you that on every major issue she's going back to cabinet, I'm not here to call her a liar. If that's what her intention is and if her successors will be doing this and if we're going to have public input into where the immigration program in Canada is going, then what can I say?

Mr. Rick Dykstra: Thank you.

The other point you made is a serious and significant one, and I appreciate your bringing it up. It is the issue around unification of families. The issue of the backlog certainly is one of the reasons the changes are being presented as they are, but just as significant a reason is family reunification.

As a former employee of the ministry, I'm sure you keep close track of the improvements that have been made. Even just over the last two and a half years, family reunification situations and cases have improved by 20% to 40%, depending on the category. While the problem hasn't been fixed—and this legislation will address that as well—I certainly want to make sure that you know—and I'm sure you do—we have seen a significant improvement over where we were a number of years ago.

Mr. Peter Ferreira: Well, the processing times are still unacceptable. I'll give you that. If the statistics show that we're a little bit better than we were two years ago, then that's a positive.

I guess where I'm coming from is that on a day-to-day basis I'm dealing with frustrated Canadian citizens who still have to wait four to five years. So if you're saying that we've shaved a month or two off a parent's application, for example, I don't think that's satisfactory. I don't think we should be content with that.

Mr. Rick Dykstra: I would agree. I think all I'm suggesting is that we're taking steps in the right direction. This legislation is doing the same.

To repeat, this isn't about what our impressions may be; this is about fact. This is about families; this is about individuals who—as you've indicated on a number of occasions now—have had to wait four, five, and sometimes six years. That's not acceptable. No one around this table—regardless of political affiliation—believes that's acceptable. That's why the legislation is there.

We can argue whether you agree it's the right or the wrong step, but the purpose—the intent of this legislation—is to ensure that families in fact are brought together.

Mr. Peter Ferreira: What I'm saying is that today the minister could send out a direction and give family-class reunification a higher priority. She doesn't need these amendments to do it. That's all I'm saying.

At the same time, we're hearing the minister say that last year we brought in 430,000, we broke all records. But let's keep this in perspective. We're talking about immigrants, students, people on work permits; we're not talking about—

Mr. Rick Dykstra: I appreciate that, but you're into a different subject now, and I want to allow Mr. Pang to respond to a couple of questions.

The Chair: Just very quickly.

Mr. Rick Dykstra: Mr. Pang, you mentioned your organization and the people you represent. What is the common theme that you deliver on their behalf here today, in terms of what is the one thing they are most positive about, when it comes to this legislation?

Mr. Tom Pang: I repeat what I said when I did a presentation. There are two concerns. The backlog is a concern, and the right kinds of people who come into Canada. An immigrant wants to find

a job to be successful. If they arrive in Canada and couldn't find the kind of job they intended, then it's not acceptable.

While on that question, when the minister was in Toronto last week doing a press conference she was talking about the backlog problem, and specifically she mentioned the three areas that we are doing to improve the situation. The first thing she mentioned was that with the drop of visa requirements in some of the countries in Europe, obviously the workload would decrease in Europe, and she's moving these people over to Beijing and India to help with the situation over there. Of course, I guess everybody knows that there's an extra amount of money being spent on this issue. She gave us a figure, but I couldn't recall it.

The Chair: Very quick.

• (1650)

Mr. Tom Pang: Thirdly, she mentioned that she was going to send out a letter to all those 920,000 people asking them whether they're still interested in coming to Canada, so we have some idea what kind of real backlog we are talking about.

The Chair: Thank you very much.

We'll now move on to Mr. Rae. You have five minutes.

Hon. Bob Rae: Just very briefly, Mr. Bissett, would it be a fair assessment of what you've said that if we wanted to deal with the backlog we'd have to make more profound changes to the Immigration Act?

Mr. James Bissett: No, not necessarily. My problem is that if we're going to increase immigration levels next year to 265,000, and deal with the backlog, it's going to be a difficult task to do that.

My own view is that I almost would declare, perhaps, a moratorium on new cases, except for highly needed skilled people and spouses and minor children, and try to get rid of that backlog, because you're dealing with almost a million people. It would take from four to six years to clear that up if you did nothing but work on it.

Hon. Bob Rae: Wouldn't you agree with me, though, that if you were going to declare a moratorium—as you're suggesting—that would require a change in the act? The minister right now can't just unilaterally say “You can't apply”.

Mr. James Bissett: No, no, that's right. It would require a major change.

Hon. Bob Rae: I go back to my first question. I asked you—if you were going to deal with the backlog—if it would require a more major change than is being proposed, and I hear you saying, at the end of the answer to the second question, it would require a major change.

Mr. James Bissett: Yes, and it would require many additional staff, I would suggest, too.

Hon. Bob Rae: And it would require many additional staff. Those changes aren't actually contained in this legislation?

Mr. James Bissett: I think the additional staff are implied with the additional \$27 million over two years. I understand the minister is planning to use that money to have additional officers deal with the backlog.

Hon. Bob Rae: When we look at the Australian system or other systems—and we'd have to have a chance to look at others—I have real problems with how in fact, unless you stop people from applying, or, as you suggested in the case of professionals, say your application will not be approved until such time as your professional skills are recognized at the provincial level.... It's very difficult for us to imagine a way of getting the number of applicants down, given the level of demand around the world, isn't it?

Mr. James Bissett: That's the problem with the current act. You can't stop it, because section 11 of the act—I think it is—says that if the people meet the requirements, they shall be accepted. As I said, prior to the 2001 act, there were many people who met most of the selection criteria, but we didn't take them because we didn't need them, or we thought we were getting too many people, so we turned the tap on and turned it off. That mechanism is missing in the current legislation.

I presume that underlying the change from “shall” to “may” is the minister's intention to be able to have some mechanism not to deal with the backlog, but to more effectively control the incoming flow, rather than simply letting everybody who meets the criteria into the country.

Hon. Bob Rae: Mr. Ferreira, what would your view be on that?

Mr. Peter Ferreira: I have a particular issue with the words “may” and “shall”. I like the word “shall”. I don't like the word “may”. “May” is very vague. She may do this, she may do that. It's up to her what she wants to do, and that's dangerous.

Hon. Bob Rae: How would you deal with the backlog issue?

Mr. Peter Ferreira: I would obviously have to find more than the \$27 million that's been.... How much is it...?

We obviously need to identify those applications that clearly qualify. We do background checks on them, we ensure they're medically fit, and we give them visas. We don't wait three to five to six years to call them in for a ten-minute interview and then say yes, everything checks out. That's one way you can reduce the backlog.

As far as who's in the backlog, we have 900,000 or 950,000. I can speak only from personal experience. Very few of my clients actually withdraw their application. Most of them stick it out for the long haul because they want to come to Canada. They want to be Canadians. They want to contribute to Canada's economy.

So there are ways one can expedite these applications. Mr. Bissett is right on—it's going to take a long time. Even if the minister adapts some of what I'm saying, it's still going to take a lot of manpower and a lot of money to do this, but it doesn't take as much money and manpower if we target those applicants who are truly qualified.

The other thing is that while I applaud the idea of bringing these people over on a work permit in the short term to get them here ASAP, I'm afraid we'll have a lot of people here on temporary work permits who possibly never get landed. They may be here three years or four years, and then goodbye.

•(1655)

The Chair: Thank you very much.

Now we'll move on to Mr. Tweed, if there are no objections. We don't have a paper for Mr. Tweed, but if there are no objections to his doing questions—and I see none—the floor is his.

Mr. Tweed, you have five minutes.

Mr. Mervin Tweed (Brandon—Souris, CPC): Thank you, Mr. Chair.

I seem to have a lot of paper in front of me, but whether it's relevant or not....

Mr. Ferreira, I have a couple of questions. You're a lawyer?

Mr. Peter Ferreira: No, I'm a paralegal.

Mr. Mervin Tweed: Okay. I wasn't sure whether you were or you weren't.

Mr. Peter Ferreira: I'm a former senior immigration officer. I'm duly licensed by the Canadian Society of Immigration Consultants. I'm not a lawyer.

Mr. Mervin Tweed: So basically your responsibility is to provide services for immigrants.

Mr. Peter Ferreira: Exactly. I specialize in immigration.

Mr. Mervin Tweed: But you don't litigate against the department or anything like that?

Mr. Peter Ferreira: No. I never have.

Mr. Mervin Tweed: I was just curious. I wasn't sure exactly what....

Mr. Peter Ferreira: No. In fact, I've been very loyal to the department. I was a loyal employee. I left because I wanted to leave. I wasn't dismissed. I left with two other immigration officers who had given approximately 15 years of their lives to the commission, as we used to call it. Now we use our experience to help people.

I speak from experience: Monday to Saturday basically all I do is immigration, as do a lot of the members of Parliament around this table. Maybe in some centres 80% to 90% of your constituency work involves immigration issues, so you're very well versed on the immigration problems we're confronting.

Mr. Mervin Tweed: Thank you. I appreciate that.

Mr. Pang, I appreciate your comments. Previously I had the opportunity to serve on the immigration committee, in opposition. We saw the targets of these numbers continuing to grow. I think we're all challenged here to try to come up with the resolutions that resolve the problem, not necessarily create new problems.

Your organization has come forward supporting the bill. Obviously there was some concern within your organization, I would suspect. Was there anything specific or outstanding from your association in the opposition to your supporting this bill? Was there any concern that maybe it wasn't the right direction to go in?

Mr. Tom Pang: No. Our only concern is that probably the backlog will not be decreased fast enough. That was why we put a question to the minister last week, during a press conference. In summation, her answer promises a right direction. It's probably not fast enough, but at least it seems to be leading in the right direction.

Mr. Mervin Tweed: I appreciate that.

I think a lot of people have said—and I think even Mr. Ferreira said it—that when it continues to grow and grow, obviously you start to question the direction the government is taking. I'm pleased that your association has endorsed what our government is doing, and I agree, if it's done as quickly as possible.

I refer to Mr. McCallum's comment about the \$100-million-plus that we're going to invest over the next five years. If you look at the entire budget of immigration, it may be a small percentage, but if you look at the settlement costs or the actual funding put forward to assist this, it's probably quite a bit larger percentage of dollars. That's more for the record. I did want to clarify that.

Mr. Bissett, you talked about Australia duplicating our points system. You suggested that you were involved in the development of that program. If you were to look back today at when you were developing that program, what specific changes...? Are we not implementing it the way it was designed? Is there something you think we should or could be doing on top of this to fast-track it?

Mr. James Bissett: The selection criteria today are still in the point system, but the factors of selection have changed over the years. I think the most fundamental change, which I don't think was a good one, was the tremendous emphasis given to education as opposed to skills and occupations. It means, in effect, that a lot of highly skilled tradesmen can't get into Canada because they simply don't make the points. On the other hand, we're getting very large numbers of highly schooled academic people who can't find jobs when they get here. That would be one change that I would certainly recommend.

The other, and I think it's what this proposed regulation addresses, is that you have to have a system to control the numbers and the flow. Unless you do that, you're going to cause a great deal of hardship, and the building up of backlogs.

The original selection criteria did have a thermostat built in that slowed the movement down when the government wanted it slowed down and stepped it up when the government wanted it to go ahead. That mechanism is missing under the 2001 legislation. I said it was recognized by the government a year later. They tried to fix it by making the backlog people meet higher criteria than they had originally, and the courts threw that out.

• (1700)

The Chair: I want to thank you very much. Thank you for coming in and contributing to this part of the dialogue on Bill C-50.

I want to thank the committee for their questions today.

With that, we'll dismiss this part of the meeting. We'll suspend for two minutes as we say goodbye to our guests, and then we'll be back.

• _____ (Pause) _____

•

The Chair: Could we have you take your seats for just a quick minute? There's nothing more on the agenda, and I don't want to belabour this meeting at all. I just want to give you a little bit of information.

The Monday we come back, we'll be having one more panel. I believe we have five more guests who will come on Bill C-50, and then we'll be going to clause-by-clause—as to your motion—on May 27, and hopefully will be tabling this bill on May 28.

On May 28 we'll be going to our next priority as a committee, which is asset-backed commercial paper. Our proposal is to have a list of five witnesses. We haven't invited them yet; it will be subject to their availability. But we want to have some of the sellers of this product as well as the group who negotiated the agreement on asset-backed paper here as a panel. And then we would move on to discerning what further meetings we would like with regard to asset-backed paper.

I think what we'll do is have one panel of five. If there's no objection to that, we'll move forward that way. With the subsequent meetings, we certainly are open to whoever the committee would like to hear from.

Mr. McCallum has a suggestion there, I'm sure.

• (1705)

Hon. John McCallum: So your idea is that the first meeting should be a panel of five. Who are they?

The Chair: The sellers of the product, the asset-backed paper, as well as Mr. Purdy Crawford, and perhaps some of—

Hon. John McCallum: I would think, since Mr. Purdy Crawford agreed earlier to come and he was right at the centre of this, maybe he should come by himself.

The Chair: If you'd prefer that. We were thinking about this, and that's why I want to talk to you about it now. We could certainly have him for the first hour, and have the second hour with the sellers.

Would you prefer that?

Hon. John McCallum: I think he could give us a helpful overview, and I think we want to have the federal regulators at some point, clearly. I'm okay with the panel of sellers first.

Mr. Rick Dykstra: You probably want to bring the governor back.

Hon. John McCallum: No, no.

The Chair: Let's do that. If that's a consensus, we'll have Mr. Purdy Crawford for the first hour and then have the sellers of the product for the second hour.

Is that fair?

Hon. John McCallum: I'd like to make one other...

Go ahead.

The Chair: Let's get a consensus on that first of all.

[Translation]

Mr. Paul Crête: I agree to having Mr. Crawford in the first hour, but, in the second hour, we could hear, in particular, from the Superintendent of Financial Institutions and the federal players involved. The Superintendent of Financial Institutions is the person most in contact with the responsibilities. Investors have come and told us—

[English]

The Chair: Yes, I agree with that. Would that be for a subsequent meeting, or do you want it right after that one?

[Translation]

Mr. Paul Crête: After the first hour. Who are the sellers?

[English]

Hon. John McCallum: Canaccord is one.

The Chair: National Bank, Scotiabank, Canaccord.

[Translation]

Mr. Paul Crête: All right.

[English]

The Chair: That's what I was thinking of for the panel for the second hour, and then we'd bring OSFI in on a subsequent meeting.

Is that fair?

[Translation]

Mr. Paul Crête: We said we would deal with the crises in the short term, that we would then make recommendations to prevent the situation from reoccurring and that we would try to produce a report on the subject before the summer adjournment.

[English]

The Chair: That would be the objective, yes.

[Translation]

Mr. Paul Crête: The Caisse de dépôt et placement du Québec because it was its executive director who started the process.

[English]

The Chair: No, that's fine.

[Translation]

Hon. John McCallum: The Caisse de dépôt et placement.

[English]

The Chair: Yes, fair enough.

Hon. John McCallum: There's one last suggestion, which came from my colleague, Mr. Rae.

The Chair: You have a lot of suggestions over there. I like that, good ideas.

What's your suggestion?

Hon. Bob Rae: I've considerable history in finance, so you should watch what you say.

Mr. Rick Dykstra: Actually, I know your history in finance, Mr. Rae.

The Chair: Order.

Mr. McCallum, do you have another suggestion?

Hon. John McCallum: This is my colleague's idea, but the one bank that seems not to have been heavily into these difficulties is TD Bank, so maybe we should hear from the head of TD Bank, Mr. Ed Clark, on what his secret is and he how sees the world unfolding.

The Chair: Do you want him on that second-hour panel? Is that what you're suggesting?

Hon. John McCallum: Yes.

The Chair: I don't know if we want to sort out specific banks. I think we want a representative from them so we get if from their perspective. Is that fair?

Mr. Menzies.

Mr. Ted Menzies: I'm concerned that we don't get too many witnesses so they don't get a respectable opportunity to speak.

The Chair: We'll try to hold it to a maximum of four in that last hour so that's not too much.

Mr. Ted Menzies: That would be my suggestion, yes.

The Chair: Okay, fair enough.

That gives you an indication of where we're going the week after the break, and then we can proceed after that with discussions as to who we need to call forward on this matter. But that does give us a directive so we know where we're going right after the break.

With that, we want to thank you.

The meeting is adjourned.

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