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Speaking Notes for Standing Committee on Finance on Immigration Measures in Bill C-38 - Part IV

Introduction

- I'm an economist who has studied immigration issues and collaborated with Professor Herbert Grubel on a study for the Fraser Institute which estimated that immigration since 1987 was costing Canadian governments \$16 to \$23 billion per year.
- On the Advisory Board of the Centre for Immigration Policy Reform
 - Established to advocate for immigration policies more in Canada's economic interest.
 - Makes no sense to continue to bring in so many immigrants every year when so many Canadians are unemployed and immigrants are performing so poorly in the labour market.
 - Immigration should be used only to complement the existing workforce in Canada and not to provide a quick source of cheap labour that discourages Canadians from entering the job market.
 - Should rely on our own educational and training infrastructure, which is among best in world, to meet most of our labour needs.
 - Should only rely on temporary foreign workers in exceptional circumstances.

Recent Changes in Immigration Policies

- For more than 20 years the performance of immigrants has been deteriorating.
- Only since the Conservative Government came in 2006 that serious efforts have been made to address this problem.
 - Bill C-51 in 2008 to deal with backlog.
 - Three sets of ministerial instructions.
 - Important measures have been introduced:
 - Canada Experience Class
 - More emphasis on arranged employment, job and language skills in immigrant selection
 - C-31 reforms to help to fight human smuggling and to protect Canada's immigration system
 - Other measures to combat fraud including marriage and refugee.

Immigration Policy Changes in Bill C-38 - Part IV

- In spite of the steps taken, the backlog problem persisted and there is no real evidence that the performance of recent immigrants was improving in general.

- Indeed the backlog threatened to undermine the efforts made to improve immigrant selection.
- As I pointed out when I appeared before the CIMM last October, the only choice the Government had to prevent a further deterioration in immigrant performance and growing claims on the fisc was to legislate away the skilled workers backlog.
- The Government also obviously needs the authority to deal with the issue of refunding application fees.
- The Minister of CIC also requires the authority to issue the ministerial instructions needed to implement his proposed new immigrant selection procedures since the old ones weren't working.
- Thus we support the immigration policy measures in Part IV of Bill C-38.

But More Needs to Be Done to Limit Numbers

- The Government still proposes to bring in 250,000 new immigrants a year and a couple of hundred thousand temporary workers.
- And it's actually increasing the number of parents and grandparents allowed in at a great fiscal cost (estimated to be around \$6 billion per year doubling to \$12 billion by 2020).
- The Globe and Mail has run a series pushing for large increases in immigration and the Minister himself has even mentioned the possibility of raising the level of immigration to 400,000 per year.
- That hoary old chestnut of growing labour shortages and the need for more immigrants is again being trotted out in spite of having been proven false over the last twenty years.
- Businesses, of course, always want more cheap immigrant labour because it increases their profitability at least in the short run.
- They don't like allowing the market to perform its normal role of increasing domestic labour supply as wages rise and reducing the demand for labour, thus equilibrating supply and demand.
- The numbers of immigrants in the proposed levels plan would far swamp any modest improvements resulting from the recent immigration measures including those contained in Bill C-38.
- And even if there is no large increase in immigration, there's no reason to believe that the measures taken will be sufficient to reverse the deterioration in the performance of new immigrants and to stem the growing fiscal cost of immigration.
- This will only occur if the numbers admitted are cut back substantially.
- Otherwise Canadians, including particularly existing immigrants and young people, will have to compete with more and more immigrants for jobs and will experience downward pressure on their wages.