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# Standing Committee on Citizenship and Immigration

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EVIDENCE

**Thursday, April 22, 2010**

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**Chair**

**Mr. David Tilson**



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• (1540)

[English]

**The Chair (Mr. David Tilson (Dufferin—Caledon, CPC)):** Good afternoon, ladies and gentlemen.

This is the Standing Committee on Citizenship and Immigration, meeting number 10, Thursday, April 22, 2010. Pursuant to Standing Order 108(2), we continue our study of immigration application process wait times.

We have three witnesses before us this afternoon. Thank you for coming, gentlemen. You will each have up to ten minutes to address the committee on this topic. Following that, there will be questions from the committee—or generally there are—and each caucus will have for the first round up to seven minutes.

I will ask Pierre Emmanuel Paradis, who is the senior economist for the Analysis Group, to address us first.

**Mr. Pierre Emmanuel Paradis (Senior Economist, Analysis Group):** Thank you for inviting me.

My name is Pierre Emmanuel Paradis. I'm with Analysis Group, which is a consulting firm with offices in Canada and the United States. I'm a co-author of the study that is before you on the economic impact of the immigrant investor program. I co-wrote the study with a professor from Queen's University in Kingston—his name is Roger Ware—and also with Pierre Fortin, who is an emeritus professor of economics at UQAM in Montreal.

Immigrant investors comprise more or less 3% of all immigrants who come into Canada each year. In the past 25 years or so, about 130,000 of them have arrived in Canada. They provide a substantial initial contribution and economic impact to the country. The study comprises four main parts. We described the inner workings of the program and the immigrant flows. We looked at the selection process and how funds of immigrant investors were used. For this part we essentially used data from CIC to present some basic statistics.

Second of all, we did something that had not been done before, which was to create a profile of the personal and economic activities of immigrant investors in Canada, which shows that essentially they establish their families here: they buy homes, and their children study here. A significant proportion get involved in their community.

The third part, which is the main part, assesses the economic impact of immigrant investor families who arrive in this country. Essentially, a typical immigrant investor family contributes to the Canadian economy in three ways. First of all, when they come into the country, the net impact of their initial contribution is valued at

about \$45,000. Provinces then use the funds that they receive from immigrant investors for various projects. The data on this is unclear, but we calculated that up to an additional \$30,000 resulted from the use of these funds.

Third and more importantly, when immigrant investor families arrive in Canada, they buy homes, business assets, investments, and durable goods. In the survey we did of 107 families, the average assets that each family bought in this manner were valued at \$721,000. If you calculate that we have 2,500 families coming into Canada every year and having this much economic impact, we're talking about an additional \$1.9 billion to \$2 billion every year for Canada.

Fourth, we looked at the prospective supply and demand of immigrant investors in the coming years in Canada. Essentially and in every way, economically and demographically, these families will provide a significant contribution to Canada. Regarding the international programs and policies, Mr. Major is going to talk more.

Our brief analysis concluded that Canada's program is fairly competitive. Its main competitive advantage is the initial contribution, which is lower than that of other countries. The main problem with it is the delays, which are the longest, by a significant amount, of all the programs we looked at.

Finally, in terms of the supply, there is a pool of wealthy families that would be interested in immigrating to Canada, which Canada taps into. It is really the tip of the iceberg. The pool of families is very large, and Canada could benefit significantly from having more of these investors.

I will give you the recommendations that we make in our analysis, which are on page 5 of the report in English. There are four of them:

First, the program should be not only maintained but expanded, considering all the economic benefits that I just presented.

Second, for the benefit of the general public, we believe the general public should know more about the impact of not only immigrant investors but all other categories of economic immigrants, so that the general public could appreciate the business activity, jobs created and investments performed by all these immigrants.

Third, I believe that Canadian authorities could build on our analysis to really optimize the program's criteria and conditions in view of what is offered internationally, and perhaps improve its weaker aspects, the greatest of which are the delays.

Fourth, I think that future research would be indicated if we looked at, for instance, the long-term impact of the second generation of immigrant investors.

I did my presentation in English, but I'm also willing to answer questions in French if any arise.

Thank you.

• (1545)

**The Chair:** I guarantee you that Monsieur St-Cyr will ask you some questions in French.

[Translation]

**Mr. Pierre Emmanuel Paradis:** It will be my pleasure.

[English]

**The Chair:** I want to thank you, Mr. Paradis, for an excellent presentation. I'm particularly impressed by the fact that you gave us this very attractive book and hardly looked at it. Thank you very much.

**Mr. Pierre Emmanuel Paradis:** I have to say this is Mr. Audet's book.

**The Chair:** Oh, that's a real book.

**Mr. Pierre Emmanuel Paradis:** This is the one, yes.

**The Chair:** That was Mr. Audet's book, that's why you didn't refer to it.

Mr. Audet is our next presenter, and he is with the immigrant investor program from Desjardins Trust.

Welcome, sir. You have up to ten minutes.

[Translation]

**Mr. Marc Audet (Vice-Chair, Immigrant Investor Program, Desjardins Trust Inc.):** Thank you.

My name is Marc Audet and I am a vice-president at Fiducie Desjardins, in the Immigrant Investor Program. I have worked in that program for over 15 years.

My presentation will deal with processing times for the immigrant investor class, for both the Quebec program and the federal program. It will be divided into three parts: current processing times, expected times and our recommendations.

I have prepared set of documents for the participants. There is an English version and a French version. I invite you to look at the various sections during my presentation.

Before looking at processing times, I would like to note that I have attached a list of countries of permanent residence showing the corresponding Canadian visa offices, for filing the application, in section 1A. This will help you follow.

Before looking at sections 1B and 1C, I would like to draw your attention to the fact that the number of months shown represents the number of months between the date the application is received by CIC and the date when the decision is made, that is, the date the visa is issued. So the processing time does not indicate the time it would take to finalize the thousands of cases now waiting.

You will see that 80% of the cases finalized in 2009, worldwide, were submitted 35 months earlier, so in 2006 and 2007. The current situation for the busiest Canadian visa offices, in terms of investors to be processed, is as follows: Beijing: 33 months; Damascus: 35 months; Hong Kong: 40 months; Islamabad: 46 months; London: 25 months; New Delhi: 23 months; Seoul: 29 months; Singapore: 37 months; and Taipei: 24 months. This is the situation for 80% of cases. So that leaves 20%. We will see the number of applicants that means in a moment.

Section 1C represents processing times for immigrant investors in the Quebec program. Here, it should be noted that for Quebec cases, a selection certificate is issued, and the \$400,000 investment has been made. The federal government's job is therefore the background check and medical examination, which are a prerequisite for issuance of a permanent resident visa. You can see that for 2009, the average for all offices worldwide is 17 months, for 80% of cases. For Quebec cases, the processing times in the busiest offices are: Abu Dhabi: 1 month; Ankara: 6 months; Beijing: 13 months; Cairo: 28 months; Damascus: 27 months; Hong Kong: 16 months; and Islamabad: 29 months.

Sections 1D, 1E and 1F show the volume that CIC processed during a 12-month period, from October 1, 2008 to September 30, 2009. The document in section 1D provides an overall portrait of investors, both for Quebec and federally. The document in section 1E is limited to federal cases, and the one in section 1F is just Quebec cases. We can conclude that the number of investor cases processed by CIC, whether accepted or rejected, was 2,968. That figure breaks down as follows: 1,126 cases accepted and 486 rejected by the federal government, for a total of 1,612; 1,327 cases accepted and 29 rejected by Quebec, for a total of 1,356. The two totals combined come to 2,968 cases. That number is relatively low, given the total for other categories. We can conclude that processing the 1,612 cases in the federal programs took 35 months while the 1,356 Quebec cases took 17 months. The figures for recent years show substantially the same levels both in Quebec and at the federal level, 3,000 cases finalized per year, more or less, and average processing times of over 30 months federally and over 15 months for Quebec.

What is the current trend, given the inventory, the number of cases underway, in relation to the pace of processing? We estimate that if nothing is done for the 2011 fiscal year, the immigrant investor program will be in jeopardy. Processing times will be unacceptable to this clientele, which has other options. I think this subject will be covered by another participant.

I invite you to look at the table shown in section 2A. It is based on the latest official statistics from CIC. It summarizes the current situation, specifically for the federal program. The processing time, which was 35 months for 2009, will likely be about 60 months more or less for 2010 and 2011. In addition, Quebec's volume is also growing, so CIC is facing a double impact.

The table in section 2B offers an overall perspective for recent years. It is clear that the targets have to be increased if we want this program to continue to attract the international elite.

•(1550)

If we move on to section 3, we can see that there are hundreds of thousands of immigrants in line and that each one has reasons for seeking Canadian permanent resident status. However, given the conclusions from the study by Analysis Group, the low number of investor cases processed each year, disadvantages unique to investors and international competition, we recommend that CIC consider a substantial increase in the annual volume processed.

Considering the figures in the table in section 3A showing variations in inventory for the period up to 2013, we recommend that the federal program try to process 6,000 cases over the next three years, which would allow for reasonable waiting times of 24 months more or less to be achieved.

For the Quebec program, given the quality of the selection work done by the Quebec ministère de l'Immigration et des Communautés culturelles, there should be a target of a maximum waiting time of 12 months more or less, which would bring the number of cases processed to an average of 2,000 cases a year, more or less, based on current inventory and the 2010 and 2011 targets of the Quebec ministère de l'Immigration et des Communautés culturelles.

I will be pleased to answer your questions.

Thank you.

[English]

**The Chair:** Thank you, sir.

Our final presenter is Mr. Eric Major, who is the managing director of global investor immigration services, with HSBC Capital (Canada) Inc. Is that correct?

**Mr. Eric Major (Managing Director, Global Investor Immigration Services, HSBC Capital (Canada) Inc.):** That's correct.

**The Chair:** Good afternoon, sir. You have up to ten minutes. Thank you, sir.

**Mr. Eric Major:** Good afternoon, Mr. Chair. Thank you again for having me, and thank you to the members of the committee.

My name is Eric Major. I'm the managing director, as the chair explained, of this specific program or division within the bank, called global investor immigration services. Let me just give you a brief overview of HSBC, for those of you who are not familiar with our organization.

We're headquartered in London. I think we're now one of the largest—if not the largest—financial services organizations in the world, with over 8,000 offices in 88 countries. The HSBC group is named after its founding member, the Hong Kong and Shanghai Banking Corporation, which was in fact established in 1865 to finance the growing trade between Europe and China at the time.

We've been in this great country for 20 or 25 years, I believe, since the late 1980s. We have now 140 branches across the nation, making us, I believe, the largest foreign bank in this country.

As for the division that I head, essentially what my team and I do is assist our clients from around the world to migrate to this great country through this specific program called the immigrant investor program. It has a banking element to it. It has an investment element.

The Government of Canada has brought financial institutions in to participate.

One of the interesting attributes we have is that we help families move to other countries. There are other countries in the world that also have similar types of programs but with different criteria. In fact, HSBC today facilitates migration. The greatest amount of migration is by far into Canada, but for the last five years now the second-greatest amount has been into the United Kingdom. Hong Kong as well, interestingly enough, has a program like this, as does Singapore. In fact, there are a number of countries that have it, but HSBC is involved with predominantly four right now.

I've been asked to comment on processing timelines, particularly as they relate to the federal program with which we're particularly involved, so I'll do that, although my friend Marc here has alluded to some of the issues that are arising there. Also, I'll give you a sense of the international marketplace, what other countries are doing, and how they're evolving.

One point is that each of these programs has its specific characteristics and its advantages and disadvantages, so it is somewhat challenging to compare one country to another. I believe you have with you now a table, an international comparison chart, in both French and English, which I tried to summarize neatly into one page so that you could try to get a sense of what the other—

•(1555)

**The Chair:** Excuse me one minute. I don't know whether we got a chart.

**Mr. Eric Major:** I think it was left behind here, but we'll circulate it.

**The Chair:** Sorry, sir.

**Mr. Eric Major:** No problem.

**The Chair:** Sorry to interrupt you, but it's important that we have it before you speak.

**Mr. Eric Major:** Yes, it's helpful.

As it circulates, shall I maybe summarize it?

**The Chair:** No.

**Mr. Eric Major:** Okay.

**The Chair:** Okay, Mr. Major, I think we all have that, so you may proceed. Thank you very much.

**Mr. Eric Major:** Thank you.

This chart has attempted to outline some of the main nations that compete with the Canadian immigrant investor program. It tries to encapsulate some of the key characteristics that these programs have in terms of average process timelines, what you get when you apply and when you extend, what happens at the maturity of the investment, how much the investment is, and what the equivalencies are when you convert those dollars into Canadian dollars and factor in average exchange rates.

I'll give you the punchline of this chart. Essentially it shows that given that most nations provide a return.... They say you could invest your way into our nation, but in exchange we'll allow you to get a return on that investment. Canada, as you know, is \$400,000 for five years—no interest. That's the nature of the program. The U.K., United States, Australia, and Hong Kong all provide a yield.

The yellow bar at the very bottom demonstrates that when you factor in the return you realize that the United States is roughly equivalent to \$428,000 Canadian, whereas Australia is at \$555,000 Canadian, and Hong Kong is at \$650,000. I'll get to Canada in a minute. The United Kingdom is really in another stratosphere, at \$1.5 million, which is maybe why they're attracting fewer than a hundred immigrants a year.

At \$400,000, where the Canadian program is now, obviously this is why we're all so very busy. It's been a great program. It's eleven years old. This program has been in place since 1999.

I will conclude by saying it's time to reposition it. There are some bandwidths being discussed as to what could be a right amount for Canada, but clearly when you look at these comparisons, I would argue it's somewhere between \$600,000 and \$800,000.

In some respects we've been a victim of our own success. We've been very much the model of the world when it comes to this investor program. Those in the business know Canada is the reference point, so that's the good thing. We've managed this program very well over the last twelve years; the government has done very well in that regard. But now it's overly busy. Inventories have swelled up and we have a problem. We're now saying to clients that it's going to be three years, four years, five years, so they want to talk about other countries. It's way too long for any entrepreneur or investor to be told we'll get back to you in four years, for example.

The international comparison is an important one, and one that's always being upgraded. Countries are always amending their programs, so we can expect some further competition down the road.

One of the items that I think was also circulated, I hope, but if not, it's also in Mr. Audet's submission, is the overall inventories of the federal program. Without getting too scientific about it, you've got roughly 14,000 investor applications sitting in embassies worldwide, and simple math would suggest that if you're going to review 3,000 of them a year you're heading towards the five-year mark. Again, we're a victim of our own success. It's time to reposition the programs, slow that intake, raise the bar, and get more economic benefit at the investment level.

Mind you, I think Mr. Paradis has done a very good job in his report to outline that these immigrants, when they settle here, are big consumers. Living in Vancouver, I can tell you that more than 50% of our immigrant investors establish residency in that province. While Quebec has done a great job in also being a big participant in this program in terms of the investment, the real winners of this program are the areas that attract them. For the most part, that's been B.C. So the real ancillary benefits that the program brings, in terms of consumption, ancillary investments, business endeavours, their children in schools, and obviously their wealth, has been the success story of this program, as far as I'm concerned.

We have a number of recommendations, but I'll maybe leave that as part of the questions. I'm sure it will come up.

Thank you.

• (1600)

**The Chair:** Thank you, sir.

All three of you are excellent, and we appreciate your coming.

The first person to ask you questions is Mr. Karygiannis.

**Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.):** Thank you, Chair.

Thank you to our witnesses for coming today. I really appreciate the fact that you were able to outline the benefits from each country, the successes, and all that stuff.

We're looking at about 3,000 people coming in per year, and the amount of inventory is skyrocketing. There are people out there who say open the doors and let more people in, and there are people out there who say we can only accommodate 250,000 people of all the various categories. There are different groups that would vie for certain groups to be let in, be they parents, spouses, blue-collar workers, skilled workers, or investors, although the investors come and spend \$700,000—

**Mr. Pierre Emmanuel Paradis:** They spend \$721,000.

**Hon. Jim Karygiannis:** There you go—\$721,000—and they should be welcomed.

How do we go about maintaining the number we're allowing in—250,000 per year? Should we increase that number to 400,000, 450,000, or 500,000 to accommodate more people? How does the business community, the banking community, your group, see us allowing more people in? Is there a flavour to that? It is palatable to you? Or are you here to say just let the investors in, because they're spending \$721,000, and never mind the rest? When you get somebody who wants his parents to be let in because they are glorified babysitters and will look after the kids when he and his wife go to work, if we're going to allow more people in, how would that fit in with the investors, the investment community, and the business community?

**Mr. Pierre Emmanuel Paradis:** If we allow more people in we could go from about 3% to about 5% of all immigrants in Canada, which would be a sizeable increase in the immigrant investors. But that would represent 1,500 families. We would benefit from 1,500 families spread out over all ten provinces. Granted, more of them would go to B.C., Ontario, and Quebec, which are the three main landing provinces. We're not talking about 150,000; we're talking about 1,500 families. They're all wealthy individuals who buy houses in the posher neighbourhoods and send their kids to private schools. The only counterpart to that is integration, and integration of 1,500 families could be improved right now with the current levels. But I don't think the marginal cost of this would be sizeable. We would benefit much more from having more than less.

• (1605)

**Hon. Jim Karygiannis:** Mr. Paradis, maybe my question was misunderstood. You're saying 3% to 5%. What I'm saying to you is do we allow more people into Canada? Probably this is what you were trying to address, but if you go from 3% to 5%, that would be something like half a million people per year into Canada.

**Mr. Pierre Emmanuel Paradis:** Okay, you're talking about all categories. I'm only talking about investors.

**Hon. Jim Karygiannis:** I mean not only the investor class, but all categories. If we allow more people in it would take care of the backlog you have in the investor class, but it would also bring other people in other categories. Increasing that from 250,000—or the 3% we have never achieved—to a 5% level, how does the business community see this? Instead of 220,000 to 250,000 coming to Canada, we're talking about increasing that to 500,000 to accommodate all the other backlogs that are out there and everybody else who wants to come to Canada—the family class, and business. What impact would that have on Canada and the business community if we increased the number of people per year coming into Canada from 220,000 to 250,000, to 500,000 ?

**Mr. Eric Major:** I'd love to take that one on, if that's okay.

Speaking as a banker and part of the business community, that would be marvellous. These are people of means, with networks and business savvy, and that's one of the key conditions or criteria of this program. It's not just money; you need to have experience managing and operating a business. That's a key criterion that I wouldn't touch.

**Hon. Jim Karygiannis:** Sorry, Mr. Major, but don't forget we're not only the investors; we're also bringing here....

**Mr. Eric Major:** I understand. So if you raised the overall levels, the business community would not only receive more investors, skilled workers, and other categories. There's some absorption room in this country of ours to accommodate them. Would the business community in general be in favour of that? As far as I'm concerned it would.

I personally think the mix should be reviewed. With roughly 3% to 4% of immigrants being investors, even if you bring in entrepreneurs that number is still very low. I'm of the view that we should be bringing in more of this profiled type of migration. I'll leave that to the policy-makers, but when you're talking about 3% being investors, that's too small in terms of what they ultimately bring.

Capital injection.... From the moment they land there's that injection of money. Then they consume. They have these networks. As a banker I'll tell you that 30% to 40% of my clients wind up.... They don't just twiddle their thumbs; they start up businesses and create links with their home countries. There are too many good stories there, and this report kind of taps into that.

Marc, I know you're biting at the bit.

**Hon. Jim Karygiannis:** Thank you very much. I appreciate it.

**The Chair:** Are you going to let him speak?

Go ahead.

**Hon. Jim Karygiannis:** On my last question, should we allow more investor business people in and fewer parental class people who are just coming to...?

**Mr. Marc Audet:** I don't know how many years we've had a rule in Canada where about 60% of immigration is on the economic side, and 40% is on the humanitarian side. Do we have to change the ratio? That's a decision, you know—

**Hon. Jim Karygiannis:** Should we?

**The Chair:** We'd better move on here.

**Mr. Terence Young (Oakville, CPC):** I believe that's a policy question.

**The Chair:** Mr. Young, we're okay. We're finished anyway.

**Mr. Terence Young:** That was an unfair question.

**The Chair:** Monsieur St-Cyr, you have the floor.

[Translation]

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** Thank you, Mr. Chair.

Thank you for being here.

I am going to start with an initial question about Mr. Audet's presentation. Obviously, I am very happy that a representative of Fiducie Desjardins, the great Quebec institution, is here today. As well, like my colleagues, I was very pleased to see the tables and presentations.

I would just like to examine section 1F in more detail. Right at the beginning, on the first line, it shows that the approval rate for applications from Quebec processed abroad is 98%, which is quite high. It seems to me, having been an engineer in the past, that this process is virtually useless. Ultimately, nearly everyone who starts the process finishes it, since only 29 were rejected. Compared to those applications, the approval rate at the federal level is 70%. So the process involves a larger number of rejections.

Can you tell us what explains the difference between the two approval rates? Also, do you have a breakdown of the rejected cases? Are those cases for security or health reasons?

•(1610)

**Mr. Marc Audet:** To answer your questions, Mr. St-Cyr, I will say that these are two different processes. As I mentioned earlier in my presentation, the Quebec cases have already been screened in part by Quebec. Quebec selection certificates have already been issued.

For example, out of 100 applications submitted in Quebec, about 75 get through at present, which gives an acceptance rate of 75%. It is those 75 cases that go through the federal process. Then maybe 72 or 73 of them are accepted at the federal level. The 70% acceptance rate for the federal cases is the gross figure, given that there is no CSQ issued for those cases; it is a residence visa that is issued. That is why you can't really compare the two figures.

As for the process itself, Quebec is responsible for selection, while the federal government is responsible for admission. That is part of the accord with Quebec. Admission has to do with the medical and security aspects. So that explains the 29 rejected cases. Admission can also be refused because the source of the funds was not proved.

**Mr. Thierry St-Cyr:** So you don't know what proportion of those 29 rejections was for medical reasons, or for other reasons.

**Mr. Marc Audet:** Subject to information to the contrary, I would say that medical reasons do not come up often, because the people who apply already know how their health is, barring surprises. I would say that in 25 of the 29 cases I'm sure it related to proving the source of funds.

**Mr. Thierry St-Cyr:** In your presentation, you recommended that a target be set of responding to applications from the Quebec program within 12 months. Is that because you in fact consider that a large part of the work of verifying the source of funds has already been done by Quebec, and so there is a kind of duplication in the activities of the two governments?

**Mr. Marc Audet:** We have to be careful when it comes to Quebec's work. Unlike other provinces that have their own administrative agreement programs with the federal government, Quebec has its own immigration department, immigration offices outside Canada and specialized counsellors. Their level of expertise may be higher, which means that due diligence is higher than in the other provinces. We think that given the volume of applications that Quebec generates in a year and the work done upstream, a 12-month target can in fact be met.

At present, waiting times are 17 to 20 months after the CSQ is issued. So if the client has already waited 8 or 10 or 12 months before being selected by Quebec, you have to add that time to the total waiting time. That must not be concealed, the end result is a permanent resident visa, not a Quebec residence visa.

You also have to understand that Quebec has ambitions in the Immigrant Investor Program, and there will be more, to support our SMEs. The business model works very well in Quebec. Our businesses want more. This enables businesses to grow and hire staff. The skilled workers who enter Quebec need jobs, and those jobs are created by businesses. The program is thus a financial structure that enables the businesses that benefit from it to grow, to create jobs and to keep their workforce in Quebec.

**Mr. Thierry St-Cyr:** I have one last question about how the two programs fit together. I raised the question of duplication, since the process for verifying funds seems to be done twice. Is that process at least consistent? Can you take the case submitted in Quebec City and submit it as is to Ottawa, or does all or some of the work have to be redone between the two steps?

•(1615)

**Mr. Marc Audet:** At present, we work with two separate applications, the application submitted to Immigration Québec, and when a selection certificate is issued, the client has to submit a new application using the federal forms, and supplying substantially the same information for the use of the officers in the Canadian visa offices abroad.

For some time we have noticed a better working agreement between Quebec and federal immigration offices, for forwarding part of the analysis already done. Unfortunately, unlike Quebec's program, there is a lot of staff turnover among federal officers around the world, but are businesspeople. They don't necessarily see a lot of cases and they are not always familiar with all of the mechanics. Sometimes, an officer will inadvertently ask for things again that were already asked for by Quebec. That is the business model we have to live with right now.

**Mr. Eric Major:** If I may, I will add something. I agree with Mr. Audet: nonetheless there is the reality behind all this that there are officers who cause some delays. In my view, there is a little duplication. Perhaps we would cut a few months off if the analysis, examination and work done by Quebec were shared with the federal government. The federal government could then really focus on the two points: the medical and security issues.

In my view, discussions could be held on this, and that would improve the process and would ultimately be to the benefit of the Quebec program.

[English]

**The Chair:** Thank you Mr. Major.

Ms. Mathysen, good afternoon. Welcome to the committee again. You may ask some questions.

**Ms. Irene Mathysen (London—Fanshawe, NDP):** Thank you, Mr. Chair.

Please forgive me, but this is a little outside of my usual area, so I need some clarification.

I want to start with the discussion on the kinds of immigrants coming in. While I realize you focused on the investor program, I'm wondering if in the course of that investigation you were able to talk to some of those folks about their needs.

Once they've set up a business they need people to help them make it a success, and I'm thinking about skilled trades. We know there is a tremendous need for more skilled people along that line. If we're really going to have a successful economy we need a balance in the people we're bringing in. While I appreciate that it's important to have the investors, there are all those other people who support our communities through their work, whatever it is. I wonder if you have any thoughts on that in terms of your study.



**Mr. Eric Major:** I could comment on that, given that our organization meets face to face with many of these applicants. We don't deal solely with third parties. We leverage off our network around the world, and my team and I meet with some of these clients. So we get to be very close to these needs and understand them.

For sure, once investors arrive they may have ancillary needs in terms of setting up a business, and we will guide them. What you're referring to maybe touches more what I call the active categories, the categories under which you have an active need to either enter the labour force and work, maybe as a condition of your visa, or to set up a business. That's the entrepreneur category. We come across many of those clients, and they have skill sets and they have experience and expertise in their home country, and they ask us about Mississauga or Calgary or Vancouver. So we try to make those linkages with the local bankers and accountants and lawyers, government representatives locally there as well, to try to make those connections. But I'd be lying if I said it was easy. I'd be lying because Canada is not Hong Kong, it's not Shanghai, and it's not Dubai. So there are adjustments there, but HSBC is sensitive to those kinds of situations because we're in all these markets and we try to brand ourselves as the group that can facilitate this, and we do, to some degree. But at some point obviously more could be done, I think, in terms of helping make that transition.

For investors it's more ad hoc because they don't need to do it. They do it on their own. They have their own networks. But for entrepreneurs in particular this is a very big need, and we're trying to help more and more.

**Ms. Irene Mathysen:** You touched on something I wanted to pursue here. In my dubious youth I was an MLA in Ontario, and one of the things I participated in, in my city, was the establishment of a council of Canadian immigrants. We worked very hard. We tried to connect with the federal government with regard to the expertise these folks brought, and you touched on that a bit. In addition to the contacts, we were trying very hard to have the government recognize that these were people who knew the customs in their home countries. They knew how to make connections with regard to trade and they knew the basics, such as when you sat down with someone to talk about trade or business, there was a certain dynamic you had to understand.

I wonder if you could comment on that.

• (1620)

**Mr. Eric Major:** It's an evolving matter. I think as time progresses, and we get more and more globalized and these linkages grow.... I know for myself, 15 years in the business, my rolodex is growing. So I'm doing much better at being able to make these connections than I was ten years ago. A lot of these organizations are sprouting up and trying to make these linkages, whether it's for specific industries, engineers, whether it's for certain trades, and they're building and plowing ahead with this, but it's by no means an easy task. I think more has to be done on accreditation. We read a lot about those kinds of issues, and this is an ongoing challenge for any government, so there has to be more effort there. I think you've got to empower these organizations, both private and public, to build those networks, and not be afraid to talk to the outside. We get to

know lawyers and accountants who could bridge these new immigrants into their new environment.

It's baby steps.

**Ms. Irene Mathysen:** You mentioned accreditation. Any comments or advice in that regard?

**Mr. Eric Major:** As far as I'm concerned, it's not what preoccupies the clients we're dealing with. So it's not something I come across very often, in terms of accreditation. We're aware this is an issue, but investors are very self-sustaining and find their way around.

**Ms. Irene Mathysen:** In my constituency office we deal with embassies all the time, and one of the things we found was that there is just not enough personnel in the embassies. They work very hard, but if there's a crisis of any kind, they're just inundated and they can't manage.

Do we need more people in the embassies, and do these immigration agents need more training and support to deal with the caseload?

**Mr. Eric Major:** I know Marc is probably going to want to add to this, but that's one of the main recommendations I've been making for the last six or seven years, not necessarily just to have more staff. I will be honest: it relates to this very narrow area called "investor" category. I'm not talking about general immigration. There is a very narrow category called investors.

I believe in the SWAT team approach. Take three or four individuals who know what a balance sheet looks like, what financial statements look like, and what the nature of business in these countries is, and have them flown over to Accra, to Shanghai, to Mexico, to São Paulo to plow through their inventory, because in fairness, a lot of these visa officers don't have that skill set. It's not that they can't learn it. In fact, I've talked to the CIC and there have been tremendous strides in terms of training and all that. But as it relates specifically to this area, my main recommendation today is to create a SWAT team, up until there is some medium- to long-term view to maybe creating centralized processing around it so that you have that skill set in one area. But I don't think you need to go that far, because you don't have the scale. It's a small program still. So to have three or four well-trained individuals who go out there and address what is their expertise is my own view.

I don't know if Marc wants to add to that.

**The Chair:** Thank you. We'll have to wait for another round.

Dr. Wong.

**Mrs. Alice Wong (Richmond, CPC):** Thank you, Mr. Chair.

And thank you, gentlemen, for coming to this committee.

I came from Hong Kong and my doctorate degree was in studying immigrant entrepreneurs. I definitely have followed 40 immigrant entrepreneurs for two years, so I know the challenges they have had and the skill sets they have had.

I want to comment on a couple of things. First of all, I definitely agree with Mr. Major's recommendation. What the government has been doing is moving files between offices. In fact, if you look at numbers, in 2004 in Hong Kong alone we had 3,459. But in 2008 the number rose to 11,244. What the government has done is exactly what you have just said, which is to transfer files between offices, and that's why the waiting time has been reduced. But of course we can still do better.

Looking at some of the economic impacts of the investor class immigrants, I know that Mr. Major is very familiar with the Vancouver area. Could you quote some actual examples of the economic impact of these investor immigrants?

•(1625)

**Mr. Eric Major:** I would love to. I have hundreds of them to give you.

Without naming names, a client from the U.K. migrated to the program, still very young, and just invested \$5 million in essentially some manufacturing equipment out of Germany that was involved with the building wraps in relation to the Olympics. This chap migrated about six years ago. We put him in contact with the B.C. immigration people, with the entrepreneur and business immigration department there. They put him in contact with some key people they knew—a few bankers, a few lawyers, a few accountants. He got his skill set from his U.K. experience and brought it over to Canada and was involved in building wraps and did extremely well, thank you very much.

I can give you ten more of those kinds of examples, but the report was actually something.... We were hoping to get away from these anecdotal types of evidence and examples that I had always come to see some minister or some deputy minister to tell them about the great things these people are doing. So I applaud Mr. Paradis and Roger Ware's work on showing, beyond the specific examples that we see, the aggregate of the great contributions these people bring after they arrive here.

**Mrs. Alice Wong:** Thank you very much.

My next question is for the whole panel. If we can shorten the wait time then we will probably become more attractive. I also agree with what Mr. Major has just said about our program, that we are the victim of our own success, and that's why there is such a backlog we are facing right now.

What other suggestions or recommendations can you give us? For example, when we were talking to the Australian immigration people not long ago, they have two categories for sponsorship of parents, for example. If you pay more for the processing then they will be able to hire more personnel just to handle those. Do you think this might be an idea that might help?

**Mr. Eric Major:** It's a great idea.

I know that in principle it might be harder to implement than business people like me could appreciate. I think it exists within government already that you can get a passport in four weeks or you can get it in two weeks. If you want it in two days or four days, you'll pay more for it. I think we are now at the point where the government should be looking at this.

It's very difficult to sit down with a client who has great potential under this program and say to them, "We'll get back to you in four years". Australia, New Zealand, even the U.K. or the U.S. will pick them up. Again, we've obviously done well, though. I'm not going to deny the great ten years that this program has generated. But we've been a victim of our success now, and we need to reposition.

In terms of recommendations, very briefly I would say reposition the program. It has to increase. It's time—it's eleven years old.

With regard to SWAT teams, get more commitment from the client up front. Get a deposit. That will slow things down. A deposit is a partial payment on what they will later need to provide to fulfill the investment, but slow the process down by getting more commitment up front.

Increase the targets. I think the report suggests that's a good idea. I still don't understand why this program has FD targets as opposed to visa targets. Every other category I've ever seen has targets in terms of visas. This program has targets in terms of final dispositions. I don't understand that. We think it's time to go to 3,000 visas.

Maybe I'll hand it over to you, Marc, if I am permitted.

**Mr. Marc Audet:** We can work on the Quebec model. I think the industrial program, the success for the past.... We're now at 25 years in Quebec. We used to receive fewer than 2,000 applications a year; now it's close to 5,000 applications a year under the Quebec program. Quebec is in the same position as you guys are. They are limited in manpower. They have to grow from inside, so they have to find another way to do the business.

They decided to change their model. For the past five or six years the banks have been more involved in the process. That's something that CIC is now looking at, saying to the guys from Desjardins or HSBC, "What can you do? Can you do part of the work to help us to speed up the case?" Maybe; they'll have to see.

Again, I think having specialized people.... Because you know when you receive a skilled worker file, it's like this, and an investor case is like that. During the day, you do five like this and one like that. That's the problem, I think. In Quebec they have specialized officers for the business class, and they travel around the world. They have interviews in Hong Kong, in Damascus, in Ankara. It's a kind of tiger team, a SWAT team. That's part of our suggestions. This is possible.

•(1630)

**The Chair:** Thank you.

That concludes the first round. I have a couple of questions before we move on to the second round.

Dr. Wong was raising the issue of temporary visas, and you commented on that. Can you tell us why you recommend that?

**Mr. Eric Major:** Sorry—you were saying that one of us commented on temporary visas?

**The Chair:** Yes. I didn't hear that?

**Mr. Eric Major:** I...

**The Chair:** Well, if you didn't hear it, maybe I heard it.

Last Thursday we heard from a representative of the Australian government via video conferencing. That was one of the issues raised by the Australian authorities. The question was whether a faster initial temporary visa would make Canada's program more attractive.

**Mr. Eric Major:** Thank you, Mr. Chair. Now I understand the angle of that question.

To be frank, it wouldn't apply for the investor category. Why? Because the investor category doesn't tie any terms and conditions to their visa when they arrive here.

I think it's a brilliant idea to bring somebody in on a work permit and keep them on a short leash. Tell them they will now have one, two, or three years to fulfill what they said you would do, which is either enter the regular force or start a business. Those are different categories, for which I think this Australian idea.... Frankly, B.C. has a program like that right now, which says "I'll let you in for two years. You said you had this business plan. I want to see you implement it. If you do so, I'll graduate you to permanent residency."

But that's not the reason we let investors in. We let them in because they have business experience and net worth, and they inject today \$400,000 and maybe tomorrow \$600,000 or \$800,000 Canadian. Once they're here, we don't ask them to, but as this report shows, they contribute through these big expenditures.

Over to you, Marc.

[Translation]

**Mr. Marc Audet:** If I may, I also demonstrated this in my last presentation to the standing committee. If we can't significantly reduce the waiting time problem for investors, perhaps a temporary work permit could be an option, because, as I mentioned earlier, investors can be patient as long as their children are already in Canada. Investors' primary motivation, particularly in immigration, their push factor, is their children's education. That may vary from one country to another, but it is the main reason. An investor who has to wait three or four or five years before getting an answer will find other options to send their children to other countries. If we can't solve the waiting time problem quickly, perhaps we should assess other options so that when an immigration application is filed, these immigrants' children would have access to our schools. If the process takes three years and the children have been in university for three years, we are in business.

[English]

**The Chair:** Thank you.

Mr. Coderre.

[Translation]

**Hon. Denis Coderre (Bourassa, Lib.):** Thank you, Mr. Chair.

I have seen that the numbers are growing, which means that the recession has not hurt immigrant investors, both in Quebec and in the rest of the country. What would you say about that, Mr. Major?

• (1635)

**Mr. Eric Major:** Not at all. The rate of wealth creation in India and China has never been seen before in human history, full stop.

[English]

The number of millionaires being created on planet Earth grows year in, year out, constantly. And Asia is the driving force to that growth, but make no mistake about it, it's North America and Europe as well. So the number of people who have the ability to afford themselves these options is growing, and hence we need to reposition it.

[Translation]

**Hon. Denis Coderre:** Right.

Mr. Audet.

**Mr. Marc Audet:** Yes, I would like to add to what Mr. Major said. We are seeing what is happening. In the past, in Canada, the Immigrant Investor Program was the unchallenged number one. This is no longer necessarily the case, because other little "mushrooms" are popping up in the world. Now there are programs in Bulgaria, for the European Union. Our next-door neighbour, the United States, had a program at the time that you could count on the fingers of one hand, called regional centres. Today, there are 80 of them.

**A voice:** There are 84.

**Mr. Marc Audet:** They sniff things out. They look at the other side of the border, on the Canadian side, and see that our business model is a good one. But they notice that even though their business model is not as good, our waiting times are much longer. But they still require a \$500,000 investment, and a risk investment, so it's different.

**Hon. Denis Coderre:** Mr. Paradis.

**Mr. Pierre Emmanuel Paradis:** The effect of the recession has been to shorten the line-up waiting, but there is still a very long and very significant line. In the offices there has been no net impact on the volume of applications submitted.

**Hon. Denis Coderre:** Obviously I knew the Quebec system and the system in the rest of Canada that has had all sorts of problems. That wasn't the case in Quebec; they were very interested and they adapted to the situation. It seems to me that it isn't just a question of waiting times. There may be something else that should be done in the rest of the country to improve the federal program.

You said that you might be able to ask for the money faster. That is the banker speaking, I suppose he is the one who wants to have a deposit as fast as possible, is that it?

**Mr. Eric Major:** It's also to help the client get assessed a little sooner, precisely because the fact that the person has money is an indication that it is serious.

But in fact there are other changes that could be made, particularly to the federal program. We hope to take part in discussions in the next few months and specifically to address the question of the allocation of funds that go to the provinces, as you may know. Could the federal government not benefit from that as well?

**Hon. Denis Coderre:** There could be a figure for small and medium-sized enterprises, the investment.

**Mr. Eric Major:** That's right, exactly.

**Hon. Denis Coderre:** Let's talk about urban legends. They say it's easier to get into Quebec. Is the retention rate stable or do you have people who invest in Quebec and then go to other provinces?

**Mr. Marc Audet:** What do you mean by "easier to get into Quebec"?

**Hon. Denis Coderre:** For example, I've seen that it's easier in terms of waiting times, which are shorter in Quebec. When people arrive in Quebec and see that the federal plan is a little more demanding, does that change the retention rate? When people opt for the Quebec program, or do they go elsewhere?

**Mr. Marc Audet:** My answer will be twofold, if I may, Mr. Coderre.

The Quebec program is not necessarily easier. That may be the case if we calculate it in months. But unlike the federal program, when Quebec makes its choice, the client has to make their \$400,000 investment. Whether it is eight months later or 10 months later, they then have to make the commitment by making their investment. It is the opposite for the federal program: they make their investment at the end of the process. So they can play with their funds while they're waiting.

That is one of our problems, certainly, because you have to go at it with the clientele. You understand that the leading market for immigrant investors, by far, is China. The second market is Iran. After that there is a gamut of countries, and it can change from year to year. Naturally, for the clientele from Asia, the first port of entry to Canada is often Vancouver airport. Unfortunately for Quebec, there are still no direct flights between Montreal and Peking, and that is a handicap.

The government of Quebec has created a partnership that brings together Investissement Québec and the ministère de l'Immigration. It is a sort of guidance program. We are working on it.

Yes, we bring money into our SMEs. However, as Éric and Pierre Emmanuel were saying earlier, these immigrants spend a lot of money. So it is to our advantage to increase the numbers, but I think we have to do more to get these people to discover Quebec.

• (1640)

**The Chair:** Thank you.

We will move on to Ms. Thi Lac or Mr. St-Cyr.

**Mr. Thierry St-Cyr:** I'm going to continue.

Mr. Paradis, your recommendations referred to expanding the program. Do you have some idea of the size, to suggest to the committee? What kind of increase should it be, ideally?

**Mr. Pierre Emmanuel Paradis:** That has to be answered at the political level, because at the economic level, we could double it

overnight and there would be no particular problem for integration. The volume of applications has been the same for a very long time. One thing is truly noteworthy: the contribution made by immigrant investors is not just financial. Certainly, they buy big houses, but in demographic terms, they arrive with three family members, which is much more than for the other economic immigrant classes. From the demographic standpoint and the education standpoint, they contribute positively to mitigating the economic pressure caused by the aging of the population. They are not very numerous. You may say that 2,500 more families is not huge, since there are 33.5 million Canadians, but each of those families is putting pressure in the right direction. The question is really a matter of what commitment the department is prepared to make at the political level.

**Mr. Thierry St-Cyr:** From time to time, we hear about the possibility of raising the minimum investment to \$600,000 or \$800,000, when it is currently \$400,000. That has been talked about again today. I would like to know what each of you thinks the advantages and disadvantages of each solution are and what your recommendation would be.

**Mr. Pierre Emmanuel Paradis:** You would have to look simultaneously at what investment is required and how many months it takes to process the application. Those are the two main variables for an investor. If the processing time to be accepted is longer in a program, the initial contribution threshold has to be lower, to stay competitive in comparison with other programs. Given current processing times, we could even reduce the minimum contribution threshold, because the processing times are so much longer than elsewhere. The current contribution is low, but the waiting time is the longest. The two things must therefore be considered simultaneously. What processing times do we want? What contribution do we want to get?

In terms of the contribution question, we note something interesting in our report. There is not just the question of the inflation of the dollar from one year to the next. This \$400,000 may cost a Canadian less today than it did 20 years ago, but we have to take the exchange rate into account. It depends on the country, but as a general rule, the Canadian dollar has risen in relation to other currencies. So that can produce a different picture.

**Mr. Thierry St-Cyr:** I'm going to play devil's advocate. You say that if the threshold is raised, it will be less attractive in terms of processing times, but will they not naturally decline?

**Mr. Pierre Emmanuel Paradis:** If the admission capacity is kept the same, the opposite will happen. The line-up will get even longer.

**Mr. Thierry St-Cyr:** If the threshold is raised, fewer people will apply, probably.

**Mr. Marc Audet:** In terms of the line, Canada's policy at present is first in, first out. Assume there are currently 15,000 cases waiting. Of those 15,000 applicants, some may lose interest. They will maybe already have gone to New Zealand when they are called. Assume there are still 10,000 cases. If we raise it from \$400,000 to \$800,000, what am I going to say to the ones who are investing \$800,000? That they still have to wait three years? Will we have two systems? It's the government that will have to make that decision. The Minister of Citizenship, Immigration and Multiculturalism has adopted Bill C-50, which allows gains to be made in terms of skilled workers. Are we going to do the same thing for investors? Are we going to make one pile for the \$400,000 applicants and another for the \$800,000? We shall see. That will all have to be considered together, while not forgetting to keep an eye on what is going on elsewhere. We also have to decide what we want in Canada.

• (1645)

**Mr. Thierry St-Cyr:** Mr. Major?

[English]

**The Chair:** Mr. Young.

[Translation]

**Mr. Thierry St-Cyr:** Is there no time left for Mr. Major?

[English]

**The Chair:** The time is up.

**Mr. Terence Young:** Thank you, Mr. Chair.

Mr. Major, I'm just doing the math on this. In the Canadian category, applicants have to stay 730 days in Canada during the preceding five years.

**Mr. Eric Major:** Yes. When you get approved, you get permanent resident status, and that's crystallized with the card. To maintain that status, hence to renew that card, you have to have demonstrated that you spent two years out of five in the country.

**Mr. Terence Young:** Thank you.

Mr. Paradis, in your study you showed the net benefit for immigration class immigrants. Did that include them paying income tax in Canada for an average of 140 days a year, or did it include income tax at all?

**Mr. Pierre Emmanuel Paradis:** No, it doesn't include income tax. In cost-benefit analysis, which is analogous to the approach we used, neither taxes nor subsidies are counted as a net benefit or an economic cost.

**Mr. Terence Young:** So the net benefit you had of \$1.9 billion to \$2 billion for 2,500 economic class refugees was even without their income tax revenues.

**Mr. Pierre Emmanuel Paradis:** Exactly.

**Mr. Terence Young:** That's because sometimes they're here and sometimes they're elsewhere. Is that correct?

**Mr. Pierre Emmanuel Paradis:** No. The impact we evaluated is a net impact. If this family isn't here, the impact just doesn't happen, whether they're here or not. So this is additional GDP to Canada, to put it as plainly as that.

**Mr. Paul Calandra (Oak Ridges—Markham, CPC):** Excuse me, Mr. Chair. Is it okay if I continue with that?

**The Chair:** Sure.

**Mr. Paul Calandra:** Assuming all things being equal with our major competitors, what is it specifically about Canada's economy or current economic situation that will bring somebody to invest, be it \$400,000 or \$800,000? What would lead them to make that commitment to Canada? What right now specifically is encouraging people?

**Mr. Eric Major:** Mr. Audet pointed to this. The main point, in our experience, that drives people around the world to contemplate such a big decision is children, children, children. So education and the opportunity that Canada provides in terms of their education is number one.

It's a bit of a pyramid. Children and education are number one in terms of percentage. For our European clients, for example, it's quality of life; it's just lifestyle. They reach a chapter in their life where they want to enjoy being here. It's the opportunity also that North America affords, so our connection to the U.S. is also very important. Sometimes there's a little more to it than that, but those are the main three.

Would you agree with that?

**A voice:** Yes.

**Mr. Paul Calandra:** I think Ms. Mathysen asked a question about what specifically you offer the investor class immigrants. I didn't really get anything outside of a little bit of advice here and there. When an investor class immigrant comes to you, do you have a program specifically for them? What do you give them that you might not necessarily give another client?

**Mr. Eric Major:** I'm proud to say that at HSBC, hundreds of clients each year come to us. We explain the program and introduce them to one of our panel lawyers, who then mounts and compiles the application. We're still bankers. We let the immigration lawyers do their thing.

As part of our package, which is on our website and in our marketing propaganda, we also give them a tax session so that they understand the tax implications of moving to a country like Canada. We have landing services as well. We have an arrangement where we pick people up at airports and show them around neighbourhoods and schools. As I was saying earlier, a lot of them are still very young and want to remain active. They want to start businesses. So we put them in contact with the local provincial authorities, the business community, accountants, lawyers, and so forth.

It's a big part of my day job.

• (1650)

**Mr. Paul Calandra:** You mentioned briefly tax implications. I'm assuming that many of the individuals who are coming here have already reviewed it and know what Canada's tax system is like. Is that something else that encourages them to set up in Canada, especially now, in light of the significant tax cuts we've made?

**Mr. Eric Major:** Indeed. There are even special programs, which we came to discover, related to certain industries, which make them very attractive.

It's not necessarily the connotation that they have initially, which is interesting, but I think there's quite a story to be told there.

**Mr. Paul Calandra:** Obviously, for business people and investors, how much tax they pay is very important. It was for me in my business. I was very surprised when I heard the chairmen of the banks all suggest that Canadians were prepared to pay more tax in order to do certain things in the economy. I wonder if the banks would also be willing to pay significantly more tax to help us offset some of the challenges we're facing right now.

**Mr. Eric Major:** I'll plead the fifth on that one.

**Mr. Marc Audet:** I'll have to call the CEO.

**Mr. Eric Major:** That's for somebody else in the organization to respond to, but it's a fair question.

**Mr. Paul Calandra:** They're probably more interested in taxing Canadians than in taxing themselves.

**Mr. Eric Major:** I once heard that banks are a very big tax contributor, more so than most industries.

**Mr. Paul Calandra:** They are. They do very well.

In your experience, are there any instances of people who use the program to get into the country—they do what they have to do, they pay some money, they abuse the system, get their Canadian citizenship, and then just take off?

**Mr. Eric Major:** Again, I personally I haven't experienced that in terms of the people we've dealt with. Life is life, and there probably is some abuse in every category. It's not something we have any statistics or experience with personally.

My own view is that it's a foot in the door. Citizenship, as some of you may already know, is not an easy threshold to get. You have to be here. You have to be here for three out of four years. You're checked. My understanding is that more and more, the courts challenge this, and unless you can show not just memberships and bank accounts but physical presence, you're not going to get it.

I do have clients who have been on the cusp of that grey line. I'm trying to get that famous 1,095 days in a four-year box. You do the math. It's very challenging. If you say that this program gives you citizenship, I say no; it gives you permanent residency. For citizenship, we'll see if you are going to graduate to that. Frankly, their kids will, but most of the main applicants won't.

They run empires, and they have to run the empire to keep the machine rolling.

Citizenship is not an easy thing.

**The Chair:** Okay.

Mr. Dykstra has a very short question.

**Mr. Rick Dykstra (St. Catharines, CPC):** I guess the question is in regard to the recommendations you made, Pierre, in your report.

One of the things you asked, for the benefit of the general public, was that immigration authorities prepare an annual report on the overall impact of economic immigration stemming from immigrant investors and other categories of economic immigrants.

You said that this report can provide statistics on initial investment spinoffs and effects in terms of projects funded, jobs created, and so

on. I'm not sure how this actually helps to speed up the program. It's nice to do all these reports and reviews, but the goal is to get some recommendations on how we can actually expedite it.

The biggest one I've received today is that we should double the amount of money invested. Then we'll be able to cut the list back as quickly as possible. I just want to know why you would have included in your summary such a critical component. It doesn't seem to me that it would necessarily assist us in getting the numbers down.

**Mr. Pierre Emmanuel Paradis:** This is apart from the process, so it's not meant to slow it down in any way. And the objective of this recommendation is.... As we were looking at the available data and analyzing the economic impact, we realized there was just not that much monitoring of any kind for all these categories. What we see from the survey that we did—with great effort, I must say—is that the contribution is significant and immigrant investors are a small component of that. Thousands of specialized workers and business entrepreneurs come in. I think the general public would benefit from knowing how much good these people do for Canada.

• (1655)

**Mr. Rick Dykstra:** Okay, that is helpful. It is separate from the actual—

**Mr. Pierre Emmanuel Paradis:** Completely separate.

**The Chair:** Thank you, Mr. Dykstra.

Monsieur St-Cyr has the last word.

[*Translation*]

**Mr. Thierry St-Cyr:** Okay.

We often hear about processing times making our program less competitive or less attractive. Some people, myself included, think there is a risk of a skimming effect occurring. The fear is that even if we achieve the targets in terms of numbers and there are still people waiting in line, they will not necessarily be the best applicants. Is this a fact you see in your own practice? Has the quality of the applications submitted declined since processing times increased?

My second question is more general. You made a number of recommendations. If you had to make one to the committee that would be incorporated in its report, what would it be?

**Mr. Pierre Emmanuel Paradis:** I will let Mr. Audet and Mr. Major answer the first question.

The first recommendation I would make would be to expand the program. It is beneficial and positive for Canada, from all points of view. In comparison to other countries, we currently have a competitive advantage. We can't predict the future, but I recommend that something be done. In any event, even if we increased it significantly, it would not change much in terms of total immigration volume. But each additional family that enters Canada represents a significant benefit to Canada.

**Mr. Eric Major:** In terms of the average client profile, I would say, on the contrary, that there are still a lot of very good applicants, who have very good business profiles.

As well, if I had to make only one recommendation, I would suggest that we increase the number of applicants admitted. But I'm not naive. I know the challenges the people at CIC are facing. I know they have a lot of work and numerous classes of applicants to manage. There is always the question of priorities. I understand that. We say that more has to be done, but there is a way of reducing the number of new cases coming in a little. How can that be done? By increasing the amount. It's time to do that. It would encourage greater commitment on the part of the client, from the outset.

**Mr. Marc Audet:** I don't think the quality of the applications is in issue. It's simply that we lose some along the way. As I have always said, taking the capitalist route, we can ask a client for \$400,000 and tell them it will take the time it takes. We can also ask a client for \$800,000 and guarantee they will be here in 18 months. And we can ask a client for \$1.2 million and guarantee they will be here in six months. I'm sure there would be clients for each of those categories. It's a little like in the case of passports, which were mentioned earlier.

You can choose regular service or express service. It would be something to consider, eventually.

In terms of the recommendation, I think we have to take Canada's current economic situation into account. It would allow us to accept more investors. That is the priority, at this point. In three or four years, it will perhaps be different. We have to deal with the existing situation. As Pierre Emmanuel said earlier, even if we double the number, in terms of net percentage, it doesn't amount to double: 3,000 families a year total 10,000 permanent resident visas more or less. Compared to 250,000, that is not a lot. I think this should be considered carefully.

**Mr. Thierry St-Cyr:** Thank you.

[*English*]

**The Chair:** Thank you, gentlemen. We've given you a good workout. You're obviously very qualified, and we appreciate your expertise and time this afternoon. Thank you for coming.

This meeting is adjourned.

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