

Consistent with one of its original objectives, and relying on section 3(h) of the Act, the Program later undertook, for a variety of reasons, to promote regional economic development by a regulatory amendment effective at the beginning of 1990 which created a lower tier (Tier I) of investment for immigrant investors designed to encourage investment in provinces which had not traditionally attracted business immigration and investment. This was successful and, according to the Task Force Report, in 1991 resulted in an approximately equal distribution of investment between Tier I (\$150,000 investment) and Tier II (\$250,000 investment) provinces, (\$171.55 million in Tier I and \$192.5 million in Tier II in 1991).

It is clear from the evidence of the witnesses, the submissions and the Task Force Report that:

1. Qualified business persons in significant numbers have been admitted to Canada under the Program, specifically, according to the Task Force Report, 7,593 investors subscribed under the Program for the period ending December 31, 1991, which represents approximately \$1.5 billion.
2. While not all of these investors have yet been granted a permanent resident visa, the evidence disclosed that, on average, over 90% of those persons applying successfully obtain permanent resident visas.
3. The definition of an investor contained in the Regulations to the *Immigration Act* (the "Regulations") requires all persons granted a visa under the Program to have been found to have successfully operated, controlled or directed a business or a commercial undertaking outside of Canada, and visa officers abroad were rigorous in attempting to ensure this requirement was met.

The record of the proceedings before your Committee establishes that the Program has attracted risk capital investment and that direct employment, in excess of 10,000 jobs⁴, had been created as a result of the investment. The Program is unquestionably an important vehicle for attracting foreign capital. For example, although germane comparisons are difficult to make given the available data, the \$491 million subscribed under the Program in 1990 represents approximately 31% of total net foreign purchases of Canadian corporate securities in the same period.⁵

The Committee recognizes that the majority of offerings have not yet been required to repay the investors their investment. Thus, it is too soon to say whether immigrant investors will need to absorb losses arising from inappropriate risks or deliberate abuse. The improvements recommended in this Report will substantially reduce this possibility with respect to future offerings.

⁴ Roslyn Kunin, *The Economic Impact of Business Immigration Into Canada*, September 1991, p. 26.

⁵ Statistics Canada, *Canada's International Transactions in Securities*, (Catalog No. 67-002), February 1992, Tables 7 and 11.