

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Pace Law Firm

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Addressing Canada's Infrastructure Deficit Canada has a national municipal infrastructure deficit for which there is no apparent means of payment. According to a recent report published by the Federation of Canadian Municipalities ("FCM"), after years of relatively little repair to existing municipal infrastructure, the accumulated national municipal infrastructure deficit has grown to \$140 billion and continues to grow today. FCM and others also point out that there is no comprehensive national program in place to retire the Deficit. The Gas Tax Fund and the municipal portion of the HST refunded to municipalities, total in excess of \$2 billion annually, which is far below the \$14 billion that would be required annually to retire the Deficit over a 10 year period. In January 2012, Pace Law Firm and Pace Global Advantage (PACE) responded to a request for submissions from the federal Ministry of Citizenship and Immigration regarding improvements to the Immigrant Investor Program. The PACE proposal essentially calls for the creation of a specially recognized immigration investor program whereby such investors are matched with specific municipal infrastructure improvement projects as approved by Infrastructure Canada and local authorities. Central to the program is the use of certified intermediaries with defined roles and responsibilities and a commitment by the federal government that expedited processing will occur within a defined period. The approved infrastructure investment will be managed by a project specific incorporated entity that receives a federally guaranteed annual rate of return for the investment term (30 years) which will be privately redeemable by the investor after three years. At the conclusion of the three year period, the investor and their defined family members will be eligible for citizenship if the residency requirements have been met, the investment has transpired as required and no actions leading to an inadmissibility finding have occurred. Should such inadmissibility occur from either unrelated conduct or failure to complete the investment, special expedited removal without return of funds will be mandatory. The PACE proposal can be accessed from CIC and a copy has been forwarded to the Committee for consideration.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

ECONOMIC GROWTH AND JOB CREATION BY RESOLVING CANADA'S INFRASTRUCTURE DEFICIT The Immigrant Investor Infrastructure Program recommended above and submitted by PACE will also produce tangible economic stimulus and job growth across Canada. PACE's analysis confirms that the suggested intermediary facilitated, investor immigration program can attract 2,500 ultra high net worth investor immigrants annually to invest C\$5 million each in approved Canadian municipal infrastructure projects. As a result, Canada could retire the Infrastructure Deficit over a 30 year period at minimal additional direct cost to it and without increased direct federal allocations for the infrastructure modernization. Creation of such a program at this time would be well received by ultra high net worth

individual investors worldwide (“UHNW Investors”). There is strong interest among this group for a program that would deliver expeditiously issued permanent residence and eventual Canadian passports for UHNW Investors and their families in return for UHNW Investors making substantial secure investments in Canadian municipal infrastructure bonds for the purpose of funding Canadian municipal infrastructure projects. Such a program would also be beneficial to Canada and Canadians: Municipalities would benefit by receiving full funding for the repair of existing infrastructure projects that they are unable to fund themselves; The Canadian construction industry would benefit from the many projects that would provide continuous work for the industry and keep construction trades employed for the duration of the program; and Ottawa would benefit from a program that would provide, at minimal cost to it, a private sector intermediary facilitated solution for eliminating the Deficit over a 30 year period.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

To tackle the issue of demographic change, an internationally competitive immigration policy that proactively locates and encourages properly selected skilled workers from around the world to come to Canada to take up jobs that require such skilled employees would help Canada deal with the challenge. For example, using highly skilled American veterans to take up work in the Alberta oil sands, would make a significant contribution to the Canadian economy, would make more sense than recruiting workers from overseas, and at the same time it would facilitate Canada's goals related to the expansion of the Keystone oil pipeline into the United States. As for the needs of an aging population, increased emphasis on recruiting in the medical and therapy professions, as well as a policy that is directed at providing culturally sensitive approaches to elder care, would help deal with that issue. Finally, a policy that encourages high net worth individuals (HNWI) to come to Canada and bring their wealth with them, will help the Canadian economy expand, provide new jobs, address the issue of decaying infrastructure as previously mentioned, and deal with the challenges of the future.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?