



House of Commons  
CANADA

## Standing Committee on International Trade

---

CIIT • NUMBER 050 • 1st SESSION • 39th PARLIAMENT

---

EVIDENCE

**Tuesday, February 27, 2007**

—  
**Chair**

**Mr. Leon Benoit**

Also available on the Parliament of Canada Web Site at the following address:

**<http://www.parl.gc.ca>**

## Standing Committee on International Trade

Tuesday, February 27, 2007

• (1110)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):** Good morning, everyone.

As you all know, this committee has been examining Canada's international business policy, what obstacles stand in the way of improved trade and investment ties around the world, and what policies are needed to achieve those goals.

We will continue today in that vein, with witnesses from the Canada-Arab Business Council. We have Dwain Lingenfelter, the chairman and CEO, who is vice-president of government relations of Nexen Inc.; David Hutton, the director general; and Paul Mariamo, who is senior vice-president, Middle East, of SNC-Lavalin Group Inc.

Gentlemen, we've discussed your program here today. Please go ahead and make your presentations as you have planned. When you've finished the presentations, we'll go directly to the questions.

Thank you for being here this morning. I'm looking forward to this meeting very much.

**Hon. Dwain Lingenfelter (Chairman and Chief Executive Officer, Vice-President, Government Relations, Nexen Inc., Canada-Arab Business Council):** Thank you very much, Mr. Chairman.

Thank you for inviting the Canada-Arab Business Council here today to participate in the committee's important review of the opportunities and challenges that Canada and Canadian businesses face in the increasingly competitive and rapidly changing world of international business and trade.

I'm joined here by Paul Mariamo from SNC-Lavalin—Paul, thank you for coming as well—and also David Hutton, who is one of our directors general with the Canada-Arab Business Council. David, thank you for being here and helping out today.

I'm going to follow some notes, Mr. Chairman, because I gave them to the translator, just to try to keep from having too much confusion.

I just wanted to start by saying that we had been asked to focus on six countries from the Gulf Cooperation Council, or the GCC, which is comprised of Saudi Arabia, Kuwait, Bahrain, Qatar, UAE, and Oman. We will also speak to Yemen, which is an associate member and will likely be asked to join the GCC in the foreseeable future.

I should note, Mr. Chairman, that while the GCC is an enormous growth potential for Canadian businesses, there are many other trading partners in the Arab world that also enjoy and have been enjoying spectacular growth. In the Maghreb, Libya and Algeria are certainly examples of that kind of growth.

Now, our message to you this morning is a simple one, and that is that this region is important to Canada. As the minister said in addressing the Canada-Arab Business Council recently, it is in fact a very important part of Canada's future.

As I mentioned, I have with me today Mr. Paul Mariamo, the senior vice-president of the Middle East for SNC-Lavalin, and David Hutton. David served most recently as the ambassador to the UAE, up to September of last year. We are pleased that he is working now with Rick Mann, a former ambassador from Kuwait with our council, and they add a lot of weight to what we are attempting to do.

The Canada-Arab Business Council will celebrate its 25th anniversary next year as an organization of Canadian business leaders active in the region. The Canada-Arab Business Council was established by a group of business leaders in Toronto and Montreal in 1983. They saw a need and the opportunity to build closer business relationships with the Arab-speaking world and Canada, and we continue to make modest steps.

We have about 85 members at the present time. A lot of the leaders of Canadian companies are involved with our organization, and we are active in all the provinces. Our board includes representatives from all levels of government. I should note that the Canada-Arab Business Council is non-political: our business is simply the prosperity agenda.

The Canada-Arab Business Council is committed to sharing its business knowledge and to developing serious business opportunities for Canadian companies that have interest, commitment, and to some extent the financial capability to establish a business presence in the Arab-speaking world. Our organization organizes missions to the Middle East, and it also hosts in-country missions coming from those countries.

I want to refer to that, and I think Paul will be referring to that.

Just on that point, I think it's hugely important for the Canadian government and members of Parliament to realize how many hundreds of these groups and parliamentarians come from these regions and how little we go back. The perception in many of those countries is that Canadians are disinterested because we don't send our legislators and members of committees like this to those areas of the world. I think we should really analyze how many of them we invite to Canada. There needs to be a counterbalance of elected members, not just business people, going back to those regions to get the proper results.

On Tuesday, February 13, as I mentioned, the Canada-Arab Business Council, together with the dean of the Council of Arab Ambassadors—that would be the UAE's ambassador, Al-Suwaidi—hosted a gala dinner at the Museum of Civilization, and Minister Emerson gave us his views on the business opportunities in the Middle East and North Africa, the MENA region, which I am very pleased to say reflected our own ideas, and he referred several times to a document released last November, “Advantage Canada”. I think it really needs to be looked at as a blueprint, because I think many of the ideas in “Advantage Canada” should be and could be implemented in order to build this relationship.

Earlier that day, February 13, the Canada-Arab Business Council and the Department of Foreign Affairs and International Trade co-hosted a conference on the Canada and Arab world business opportunities in 2007—and I want to thank David for all the effort he put into it. Unfortunately, I was away, but I understand that day went very, very well, and we hope to replicate that next year in February when we have our silver anniversary gala here in Ottawa.

I've taken time of the committee to briefly describe some of the workings of the Canada-Arab Business Council in order to put a marker down about the role of the councils and trade associations in promoting Canada's trade and investment concepts. In no way do I think we have found the only way to do business or that we're the only alternative. In fact, I think we operate at a much lower level than we should and could. However, we do believe that business associations play an important role in our trade relations, and with the cooperation of government in doing more things in partnership with government and industry, we can do an even better job.

Two years ago, almost to the day, David Hutton and I addressed the subcommittee on international trade on the subject of trade and economic opportunities in the GCC, and what we said then is still very relevant. We are grateful for the opportunity to reinforce that message here today. The GCC offers Canada one of the best, perhaps even the best, opportunity for greatly expanded trade and economic relationships in the world.

I just want to point out a few statistics, because I think they're relevant and I think they make the point.

The GCC is a billion-dollar-plus export market for Canada and has been for several years. In fact, it has grown by 90% in the last five years and is now the 17th largest export market. With 50% of the world's energy reserves, it is now the 17th largest economy. It's interesting to note that during that same five-year period, Canada's exports to China grew by 13% as compared to 90% to that region; exports to India, by 59%; and to Brazil, 15%. Our exports to GCC are greater than they are to India, Brazil, or even Russia.

Canadians are remiss in not taking a greater advantage of the unique historical opportunity afforded to us in building a stronger relationship with this important region. Collectively, we need to consider fully why the region is not being given the priority and the treatment that even a cursory look by economists would confirm it merits. We look forward to the discussion on this important point.

I want to conclude my remarks and ask David Hutton to say a few words, and then Paul Mariamo will give insight into his company's workings and some of the issues that he sees.

David, I turn the floor over to you.

•(1115)

**His Excellency David Hutton (Director General, Canada-Arab Business Council):** Thank you very much.

Thank you, Mr. Chairman. It is indeed a very great privilege for me to meet with you and your colleagues this morning.

In the next few minutes I'd like to briefly build on Dwain's introduction by outlining some of the conclusions that emerged from the Canada-Arab Business Council-Department of Foreign Affairs Conference on Canada and the Arab World, Trade and Investment Opportunities 2007, which was held just a few weeks ago. Before I do so, let me make several very brief observations. I'm confident that each group that has been asked to address your committee has offered a very similar message—our region, or our country, should be accorded a higher priority by the Government of Canada. We will do the same, but I most sincerely believe that we will do so with stronger facts and with stronger figures. It seems it's often hard for our country to recognize its own vested interests, and the work of your committee is very much appreciated.

During my four-year posting as Canada's ambassador to the United Arab Emirates, our trade increased by over 250%. I should have left that posting with a feeling of accomplishment, and indeed, in many ways I did, but I would be fooling myself if I did not confess, Mr. Chairman, that I personally felt it could have been and should have been a 500% increase during my watch.

The gross domestic product of the Gulf Cooperation Council, the GCC, was \$725 billion in 2006 and will grow to \$790 billion by the end of this year. Fuelling this growth is an oil wealth and a windfall that is almost unique in history, and it is being converted into an investment boom. There are \$1.1 trillion U.S. in projects planned in this region alone. In the UAE, with 10% of the world's oil reserves and a population of four million people, an estimated 15% to 20% of the world's cranes are busy at work in their construction.

It's important to note that it is not only the quantity of Canada's exports to the region, but also their quality. The top 10 Canadian exports to the region are as follows: specialized vehicles, helicopters and planes, flight simulators, motor vehicles, barley, wheat, gold, lumber, electrical apparatus, and machinery parts. That is over 60% manufactured products and I believe a very good balance for our traditional hewers of wood and drawers of water. The flight simulators are an important item to note, with over \$250 million worth, as it reflects the very large joint venture that CAE from Montreal has with Emirates airlines in Dubai. Trade follows investment in so many ways.

Canada has several billion dollars invested in the region, and the region has over a trillion dollars in foreign assets, of which billions are no doubt invested here in Canada. DP World is one recent example. In addition, as was said earlier, you must also add the high-value service sector. Canadian engineers, architects, project managers, etc., are very active in the GCC. Their effort makes this in fact a \$2 billion market per year.

Canadian business has very clearly shown the way in developing this market. However, what is still lacking is the political and economic architecture to support this rapidly expanding opportunity. Government support, and indeed leadership, has a very important role to play in developing this market, as is evidenced by the actions of other governments. Australia could serve as a very good market.

Two years ago, as Dwain was saying, the Canada-Arab Business Council made three recommendations. I believe they're still relevant. We must take advantage of the existing favourable view of Canada and the growing markets of the region by swiftly acting to build on our momentum.

• (1120)

Secondly, we must build relationships with partner countries. Government figures such as yourselves must be more involved in developing partnerships in the regions through strategic high-profile market visits, delegations, missions, and so on; and government members must continue to support these relationships by participating and hosting return visits. These partnerships are a key element. We should strive to provide a greater infrastructure for government offices in the region, as well as trade agreements, foreign investment protection agreements, and so on.

These recommendations were repeated in the conclusions of our conference, which was held just two weeks ago. Canadian business leaders, Arab and Canadian diplomats, and government officials again came to a similar conclusion. To the list they added and emphasized the need for free trade agreements, and as I said, foreign investment protection agreements, air services agreements, and so on. At present we have, I believe, only three double taxation agreements in the region and one or two air services agreements.

I believe there is a broad consensus as to what has to be done. Minister Emerson reflected that consensus in his speech, as Dwain noted, and of course in the government's "Advantage Canada" documents. The challenge we face, and indeed have faced for a number of years, is to take the necessary action and to commit the necessary resources to accomplish these agreed goals. Simply said, we need to just do it. It takes resources and it takes our collective

will. The European Union, the United States, Australia, India, China, Singapore, and many others are steps ahead of us.

Former Trade Minister Peterson set a goal of doubling our trade to the UAE when he visited that country in 2005. That's a reasonable goal and I think one that could be easily attained.

In closing, I hope the committee will come to the conclusion that the GCC and other Arab countries should be viewed as priority markets, and the Canada-Arab Business Council will continue to work collectively with all levels of government and business in building this relationship.

Thank you.

• (1125)

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

Paul, do you want to make your remarks now?

[*Translation*]

**Mr. Paul Mariamo (Senior Vice President, Middle East, SNC-Lavalin Group Inc., Canada-Arab Business Council):** Thank you, Mr. Chairman, for giving me the opportunity to take part in today's meeting to discuss SNC-Lavalin, our expertise, the work that we do in the Middle East, our current outlook and the difficulties that our company has encountered in the Middle East and more particularly in the GCC countries since the 1970s.

Because of the recent increase in oil prices, GCC countries have an enormous surplus that they have begun to invest in all areas: in infrastructure and highways, electricity, in other words, they are seeking to improve the standard of living for their rapidly growing population.

[*English*]

As you know, GCC countries experience one of the highest growths of population. They have major surpluses. They have no local labour; most of their labour is imported from outside. Consequently, because of these ex-pats coming in, there's demand for housing, electricity, roads, malls, all kinds of things. We see a tremendous opportunity for SNC-Lavalin and other businesses to do business with the GCC.

I have personally been involved with the market there for many, many years, first with CAE Electronics, when I used to work for them, and then with SNC-Lavalin. The market is enormous. The market provides challenges. One of the challenges we are facing there is basically the ownership, but we cannot establish a business, particularly by ourselves. We have to have partners. Things are changing. We see the changes now in the UAE, but they're not changing as fast as we would hope.

For example, in the U.A.E., we established a company with Tabreed to do the district cooling. We've won a lot of jobs accordingly. We started a company called SNC-Lavalin Gulf Contractors. We've been doing business with Aramco for many, many years. But the issue of visas to go into the country is difficult; to get people into Saudi Arabia is difficult. We have to have some kind of bilateral arrangement with them in order to facilitate us, the Canadians, travelling into the region and doing business in the region.

[*Translation*]

We are also planning to invest at least \$25 million in the energy sector in the Middle East alone, in the Gulf Cooperation Council, or GCC countries, in order to meet the demand over the coming five years. That is a huge opportunity for SNC-Lavalin.

As to current projects, our costs are much higher than those of other countries; for example, our travel expenditures are higher. There is no direct flight to the Gulf countries. There is always a stop-over in Europe, so it ends up costing us more and taking us longer to get there. Other companies have a real advantage over us in that area. When the projects involve hundreds of millions, or even billions of dollars, then these amounts are not that significant, but in the case of projects costing \$2 million or \$3 million, a difference of \$200,000 or \$300,000 is substantial. It will be difficult for companies that are smaller than SNC-Lavalin to do business there without the help of the government, of our parliamentarians, our ministers and our Prime Minister.

When we were there, we were often asked about Canada. They told us that they wanted to do business with us, but that we were only there once in a while, and that we would have to have a greater presence and be more active if we wanted their business.

There is a move to break up the cartel of European, Japanese or American companies. We are seen as a civilized country with North American expertise, and without the American imperialism or the European colonialism. We must capitalize on that now because within the next few years, once China has made its move into these countries to completely dominate the market, it will be too late. We have to gain a foothold in there now and establish a relationship that will be strong enough to provide future benefits for Canada, our employees and Canadian investors.

I don't want to belabour the point, but I must admit that it has not always been easy. Take Oman, for example.

[*English*]

In Oman at one time we were the incumbent of one of the projects, and Exxon put up a very heavy fight with the backing of the American government. We ended up losing the job. That was a multi-million-dollar job and hundreds of millions, close to a billion dollars. We would have loved to have the support of our government. Sometimes it doesn't stop at the ambassador; it has to go much higher. We would love to see our Prime Minister or ministers there often, promoting our product. We can fight companies, but we cannot fight governments. We need you to fight the governments for us; we cannot do it ourselves. We're ready to fight and compete with other companies, but we cannot compete with France at a 25% tax rate. We cannot compete with England at a 30% tax rate, when our

tax is 32% to 39%. We cannot compete with the Japanese when they have a 30% tax rate, but they have incentives left and right that we don't have.

From taxation also we have a foreign tax credit. They have what they call territorial taxes; they don't pay taxes if they're doing business in those countries. We have to pay this extra cost for us, and it's really hurting our business.

We have to look at all these issues. We're here today to participate in this discussion. I've opened a lot of doors to things we can discuss. I can give you some inputs.

We're pursuing at the moment close to \$3 billion in business. I don't know if we're pursuing a lot, actually, for SNC-Lavalin. The market there is tremendous. We have a token of the market compared to the big international companies that are doing business there. They lead; they get business in the billions and hundreds of billions. We have to be there, leading our other Canadian companies to that market and helping them penetrate that market and establish business there.

Thank you very much.

• (1130)

**The Chair:** Thank you very much, gentlemen.

Your message is very clear. We will now go directly to the questioning.

Mr. Maloney is first.

**Mr. John Maloney (Welland, Lib.):** Mr. Hutton, I believe it was you who said the political and economic architecture is absent. I assume you're referring to FIPAs or the air service agreements or free trade agreements. What in fact is the barrier? Why don't we have the economic architecture?

**Mr. David Hutton:** It's a difficult question and an extremely relevant one. I'm sure there are many factors, but I would think the basic one is just the lack of resources.

First of all, I think one needs to do the analysis we're doing—and that has been done before—as to where our priorities are. Priorities have been set. The gulf area in particular has been ranked as one of the top 10 priorities, but not in the lower echelon; I think the lower echelon countries, up to this point, have been given the resources.

This is not the case with other countries, though. I think every one of our trading partners is in an active negotiation for a free trade agreement with the GCC at this time. In fact, in the case of the European Union there are always stumbling blocks, but if they do sign, it would be the first time there would be an agreement between two economic blocs, and this I think would have some great historical significance.

The U.S. has adopted a different approach. They've gone for a series of bilateral agreements. They have one with Qatar. I believe they have them with Oman and Jordan and some of the other countries, but the GCC now has reacted against that and has said they will no longer do bilateral agreements; it'll have to be an agreement with the group as a whole. Australia was very active in courting the UAE in particular, but after that decision it is now opening negotiations with the GCC, China, India, Singapore, and others. There's a 5% tariff barrier that the common economic GCC zone has, but in that competitive market it is significant enough to disadvantage Canadians enormously.

In terms of foreign investment protection agreements and others, quite frankly, I don't know why they haven't been given the priority, because, as I'm sure Dwain will tell you in his remarks, Nexen's investment in Yemen is exceptional. SNC-Lavalin's operations, CAE's operations in the UAE—all of these I think would merit the benefit of these sorts of agreements.

Air agreements are another important question. Our policies have been different from others', although from what I understand, the government's thinking is changing very quickly on this. Australia adopted an open-skies approach during the four years that I served in the UAE. There are now I think over 60 flights a week between Australia and the United Arab Emirates; there are three flights a week via Brussels to Canada. It's not because there isn't the interest in the airline that services that region; in fact, they're clamouring for the opportunity, but we haven't allowed them the access they've been seeking.

In all of these things, of course, in trade agreements and in air traffic agreements, there are winners and losers, but the Australian case is an interesting one because their trade relationship has expanded astronomically in virtually every aspect—not only in direct trading figures, but also in terms of visitors, inflows of investment, education interests, and so on. All of these elements are linked.

The answer to your question—and I apologize for being long-winded—is that we just need to establish this as a priority and then give the resources to our negotiating departments to go forward and put these agreements in place.

One small footnote, based on other people's observations as well as my own, is that we tend to take a fairly complicated approach to these things. It would serve all of us well if we could simplify our agreements and perhaps tailor them for different markets, and I believe the department is actively looking into this.

It's a question of urgency and of the push that's needed to move these things forward, rather than the collective will or the realization of what needs to be done.

Thank you.

• (1135)

**Mr. John Maloney:** There's tremendous wealth in this area, as you've indicated. Do we need a FIPA? Are our operations that trade, or could trade, at risk? Would we be okay?

**Mr. David Hutton:** I'll let my colleagues respond in introducing their comments.

To my knowledge, we have not had a lot of trade disputes over that sort of thing, and that's a very valid point. The disadvantage, though, is that there is an importance in these instruments in their own right. It's very time-consuming to have meetings between government officials and so on, but the advantage is that their tax lawyers get to know our tax lawyers, their investment protection authorities get to know ours, and this economic relationship is built up. So there's more to it than simply the protection that's afforded. It's a network of contacts, and that is of service not only government to government, but also government to business.

Dwain, maybe you could expand on that.

**Hon. Dwain Lingenfelter:** I can speak for Nexen.

When we were on a mission in the Maghrib in North Africa, one of the things that surprised us was how much durum market was being lost to the Americans. When we went around and talked to people, we asked why we were unable to compete. Under the bilateral agreements with several of the countries, because there's a trade advantage and a certain percentage of reduced tariffs as a result of these bilaterals with the U.S., Canadian durum finds it very difficult to find its way into what used to be mainly a market that was exclusive to Canadian durum because Canadian durum was superior. It could be that Canadian durum finds its way there through the United States.

Having said that, I think these bilaterals, it would seem to me, would be very simple to do. I think we have boilerplate agreements that you can modify very quickly, but we're just not flexible enough, and when it comes to trade and trade relations or how we support our companies, we don't move as quickly as the Chinese or the French or many other countries.

I have another good example, and I use it with some trepidation because it's our own company. Nexen has been in Yemen since 1993. We've produced a billion barrels of oil. Current levels are \$50, but if you averaged it at maybe \$35, that's \$35 billion worth of value that we've produced in a very small country. We're about 30% of the GDP of the country.

We've been asking the federal government for 10 years to have a presence in Yemen. We have 1,000 employees. Hundreds of them—Ted, you would know about this, because you fly with many of them out of Calgary. First, there's no direct air link. There's no federal government embassy; there's no representation, even though this country has had an embassy in Canada for the past eight or ten years. It's these kinds of things that are taken by the Yemeni as a lack of interest by the government, as well as the fact that no ministers travel there or show interest.

I don't think we realize how we're perceived in this part of the world. What we say we're too busy to do is perceived by them as, at best, ignoring them and at worst as insulting them. I think this is a real issue. Maybe travelling with some of the trade missions to these parts of the world and even holding meetings could be a very useful part of the work of the committee.

**Mr. John Maloney:** It's almost a cultural thing. Certainly they feel insulted or affronted by government officials, ministers, prime ministers, or parliamentarians not going there. If parliamentarians go there, it's considered a junket, but there's a lack of appreciation even within the Canadian culture.

• (1140)

**Hon. Dwain Lingenfelter:** I think that as Canadians we have a very bad opinion of our politicians that's unwarranted and not helpful, but that is not the way Canadian politicians are seen in many of these countries—either politicians or the Governor General. If the Governor General, the minister for industry and trade, or a former prime minister were to go to Yemen, they would roll out the red carpet. These are very important and significant symbols, and you're showing respect for those governments. As Canadians we think that if it's an MP or a minister, the best we can do is yell and holler at them and insult them. That's not the way it is in many parts of the world, and we should put ourselves in their shoes to understand what is really needed there.

**The Chair:** Mr. Maloney, your time is more than up, but I wanted you to continue with your line of questioning.

Mr. Cardin is next.

[*Translation*]

**Mr. Serge Cardin (Sherbrooke, BQ):** Thank you, Mr. Chairman.

Good morning gentlemen. I'm happy to see you here today. I might have missed some of the comments. A few years ago, I had to deal with some countries, including Qatar. When I asked for Canadian representatives, they were sent from Kuwait. Do they still come mostly from Kuwait? Does Canada have an official presence in any other Gulf country?

**Mr. Paul Mariamo:** Not in Oman. There is an office in the UAE and in Saudi Arabia. They have none either in Bahrain. There is an office in Kuwait. That puts us at a great disadvantage. I will give you an example. When we make a bid, it is important for us to visit the country, but the ambassador and the minister should both pay a visit as well.

**Mr. Serge Cardin:** Why is that?

**Mr. Paul Mariamo:** The tribal mentality still applies in those countries. It is always the country's leader, the head of the government, who is in charge of everything, who is the one who gives the orders. Without his consent or his blessing, nothing will work, particularly when it comes to large scale undertakings. He won't speak to me or to my boss, or even to the president of my company, but if the prime minister shows up, then he will deal with him.

To answer your question, I would say that there is not enough in terms of representation, and any representation we do have is inadequate. We often asked for help, and there are two or three people working in the embassies, which are short staff and can't really do much to support us and work with us. We need them to help open doors and meet with the people in high places. We can do the negotiating ourselves, but it is essential that we have the involvement of the government to represent us. As I said earlier, we are seen as a country with a very civilized, very advanced form of government, and they do want to do business with us, but they

always wonder where we are, and why we are not established over there. They don't consider us to be active or interested in their region. In their minds, we are a bunch of companies working on the odd contract, and looking out for opportunities. They don't think that we are in it for the long haul, and they are wrong. SNC-Lavalin has been there for quite some time. Nexen has been there for 10 years, maybe even 13 years. I know of other countries, like CAE and Bombardier, that have been there for quite some time as well. But that is not how they see us, and, as Canadians, it puts us at an enormous disadvantage.

**Mr. Serge Cardin:** Through the contracts that I signed with people in those countries, I came to realize that they do indeed have a great deal of respect for elected representatives, but when the time comes to sign a contract or an agreement, I think that they would rather have the country's representatives there to close the deal.

You said that there is \$3 billion trade with these countries, or \$1.6 billion in exports and \$2 billion in imports.

However, Mr. Lingenfelter, you alluded to more substantial amounts arising out of trade relations with these countries. Of course, you would like that to be re-established. You seem to relate this future or repeated success to Canada having a presence in these countries and to any help that the government can provide in terms of exporting and relations with these countries. Is that, essentially, what you were saying earlier?

• (1145)

[*English*]

**Mr. David Hutton:** I think the question of statistics and the measurement of our trade is an extremely challenging one. It's not only in the service sector, which by very rough back-of-the-envelope calculations is probably equal to our merchandise trade, but an enormous amount of our exports pass through the United States.

I think anyone who has visited Saudi Arabia will see a significant preference for Mercedes-Benz, of course, but also for large Canadian Fords and Chryslers. I don't have the exact figures, but there are probably 50,000 or 60,000 Canadian automobiles that are shipped out of our plants here in Canada, from Quebec and Ontario, to Saudi Arabia. They all pass through the United States and wouldn't be in our figures.

Those are very, very real issues.

On the question of embassies, I think our staff does extremely well with the resources that we have on hand, but there is no question that there is a very strong demand for a Canadian presence. I'll let Dwain expand on this point. It's not a zero-sum gain that we're talking about here, taking away from other resources that are needed in other sections. What we are asking the committee to consider is a larger pie. The return on investment from these facilities would be enormous, absolutely enormous.

**Hon. Dwain Lingenfelter:** I'd just use the example, again, of the number of employees we have in Yemen. If you do some quick calculations on the amount of tax Nexen pays to the federal government—and our employees pay to both the federal and the provincial governments—it's multi-millions of dollars every year.



If we open an office in Yemen, there's little doubt about the return, and I'm not talking about having to take money from Brazil or India. As a business person, if you look at it as a stand-alone or a profit centre, over the last 10 years the profit coming back to the Canadian government or to the Alberta government from Yemen is phenomenal on the \$35 billion worth of oil that we have produced and sold, and that's just from Nexen. We probably now have 30 other Canadian companies doing service for Nexen in Yemen. The total number of employees who are employed by Canadian companies doing work around this one oil field is probably in the area of 2,500 in that country. I don't think the factor of how much profit is created and how much revenue flows to the government is questionable at all.

[Translation]

**Mr. Serge Cardin:** Then you probably agree with the Conference Board report that advocate integrated trade, through foreign investments that would also create jobs here in Canada.

It would be difficult to have an accurate accounting of the amounts invested in these countries without revealing the true value of the companies. Earlier, though, Mr. Mariamo did not hesitate to state that SNC-Lavalin has been or will be investing soon several billions of dollars.

**Mr. Paul Mariamo:** All of our projects are valued at several billions of dollars.

**Mr. Serge Cardin:** Yes. So the investments in these countries do not seem very transparent. How much does Canada currently invest in these countries? How many potential jobs could be generated in Canada?

[English]

**Hon. Dwain Lingenfelter:** Those are the kinds of things I think this committee should be asking of the staff who do this kind of work. I think they would be able to provide that information for you.

I know as a practitioner of business development in the oil industry that when I go to Angola and we are bidding on blocks offshore, we are competing with the national oil company from China. When the President of China comes and says on the same day that he will build airports, the infrastructure around the port authority, and a railway, and that, by the way, he would like them to talk to the Chinese oil company that's there with him, you can imagine that Nexen doesn't have any conversation or any need to stay in the meeting to talk to them about getting those blocks for oil. This is what we're up against.

It's not only the Chinese. The French operate this way with Total in Nigeria. When it comes to debt forgiveness, they have meetings while Total is in another room having a different discussion. They're not linked, but there's a dotted line between the discussions that go on between the French government and Total. Norway is the same with Stats.

In Canada we don't operate that way, and we can continue to do that, but we are at a huge disadvantage as companies when we're told to go and compete with the rest of the world. The playing field is not level when we compete with Chinese companies, with French companies, with American companies, or with British companies.

That's what we have to understand as Canadians and as Canadian legislators. If you're telling your companies to go and compete, don't assume that it will get you the results. It's much more complicated than that.

• (1150)

**The Chair:** *Merci, Monsieur Cardin.*

Next is Mr. Menzies for 14 minutes, except that the comment you made on my tie will lead me to cut that time in half, so it will be seven minutes.

**Some hon. members:** Oh, oh!

**Mr. Ted Menzies (MacLeod, CPC):** I am sure his wife is missing the rest of the curtains.

Thank you, Mr. Chair, and thank you to our presenters. I had the pleasure of being at the dinner you hosted last week. The enthusiasm for Canada to play a larger role in trade was very evident. There was a lot of enthusiasm among all those individuals.

I take your comments as constructive criticism. Perhaps this committee should take them to heart in terms of how we get involved as members of Parliament and at a ministerial level to show these people that we do care, that we are interested.

I would like Mr. Lingenfelter to expand a little bit. We've talked all about oil and gas here, and I think there are service industries we need to talk about. Mr. Lingenfelter, I think you have a good news story that you need to tell about your involvement above and beyond the commercial aspect.

I know that Nexen is involved in helping out the people of Yemen. Something many people forget is that there is a role for SNC-Lavalin when you're involved, and for Nexen, that goes beyond the dollars and cents of trade. I'd like you to comment a bit on that good news story, and then I'll share the rest of my time with Mr. Cannan.

**Hon. Dwain Lingenfelter:** I'm the vice-president for government relations, and our department implemented a scholarship program in Yemen. We have now selected 90 students to attend university in Calgary. Once Nexen does the selection, every year 10 new students will come to Calgary and get their complete degree paid for by the company. It's one of our ways of giving back to the community.

In the long run, over a 20-year period, 200 Yemeni students could come from Yemen to Canada and learn our culture, and believe me, we learn theirs, because we spend a lot of time with these students. It's interesting to watch how our company has changed, and how the students change when they come to our Christmas parties and understand the celebration of Christmas. It's interesting that in our society in Canada we think that to be politically correct we should get rid of things like Christmas, but that is not what the Yemeni students or Yemeni families want; they want us to practise what we practise. They want to see it.

They came to my house for Christmas dinner. You watch 15 young Muslim women and men at your house at Christmastime and you talk to them about what Christianity means, for example, and they tell you stories about their religion, and we all go away much stronger and better for this.

This goes far beyond the dollars and cents. That's not to say the dollars and cents aren't important, but there's wonderful work going on that I think is the 180-degree difference to what we're trying to do in Iraq, which is to teach democracy by forcing it on people.

I think there's a much better way. Canadians can play a much bigger and more important role if we're more engaged. Our scholarship program, the clinics we build in the country, and our hospitals have given us huge opportunities to grow as a company. We just wish the Canadian government was there in Yemen to be part of this experiment, rather than waiting until it becomes a failed state. If it should become a failed state like Afghanistan or Iraq, then there's no question of money.

You don't think very much about whether we should put \$100 million into Afghanistan after it's a failed state, but what about a preventative program, a wellness model for democracy, to save those countries that are trying and putting their best foot forward, as many of the countries in Africa and in the Middle East are doing at the present time?

• (1155)

**Mr. Ted Menzies:** What level of presence would be required on the ground there? Do we need EDC and CCC there to help facilitate these transactions?

**Hon. Dwain Lingenfelter:** I think it's all of the above. Starting with this committee, I think you need ministers going through the country on a regular basis. They don't have to stay a long time, but they have to go and fly the flag. I would like to see an embassy or an office; all the other G-8 countries have embassies in Yemen. None of them has the investments Canada has in Yemen; we're by far the largest investor in the country, yet we're the only G-8 country not to have an embassy.

These kinds of things the Yemeni do not understand. They really don't understand it; I can't defend it, because I don't understand it.

**Mr. Ted Menzies:** Well, Dr. Nasher is certainly a strong proponent of that cause.

**Hon. Dwain Lingenfelter:** I'm sure all of you have heard the story from Ambassador Nasher, who is a wonderful person and a great emissary for his country.

**The Chair:** Mr. Cannan, you have about three minutes.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair, and thank you, guests, for sharing a little bit about your experiences of living in another country and about cultural education through diplomacy. I really support that effort.

The ultimate goal of this committee is to deliver a report to the House by the end of next month on how we can enhance Canada's trade policy and identify some of the opportunities and challenges in underdeveloped trade in areas where we can open some doors.

One of the comments we've heard from a few other witnesses is that we don't need to take such a complicated approach to these agreements. Could you enlighten us on how we might be able to simplify the process so we can get some short-term FIPAs and steps in the right direction? What's holding up the progress to date?

**Hon. Dwain Lingenfelter:** I'll ask Paul to comment on this, but I would start off by saying that North Africa is a good example. I think

the bilaterals the U.S. is doing are very simplified models that just solve a problem. They're not looking at a huge trade agreement that will take five or 10 years to negotiate. They're quite straightforward and simple and cover off maybe only five or six or 10 problems.

The one other point I'd like to make before I turn the mike over to Paul is that this issue of lack of Canadian representation at the political level has become worse over the last five years. It's not anyone's fault, except to say that when there are elections on the horizon—and having spent 23 years in politics, I know this—obviously many things get set aside.

I know that with a minority government it is very difficult for members of Parliament to travel, for obvious political reasons, and we may, as Canadians, need to face this for some period of time, which only tells us that we have to find a way around it. You can't stay in Ottawa or in your constituency and ignore the rest of the world if we're going to continue to build the economy. I'm not saying it's because of one party or the other; I think it's the situation we're in, and the problem is getting worse and worse. First of all, no one wants to be on what might be determined as a political junket in the media. No one wants to be away when the House has a vote, but believe me, that's not helping us in the international world that we work in. In your report, I would like us to find a way to speak very directly to that issue and try to solve it.

• (1200)

**The Chair:** Mr. Cannan, you can have a very short question and a very short answer.

**Mr. Ron Cannan:** Paul, could you touch on how you would see simplifying the process?

**Mr. Paul Mariamo:** I'd like to stress one thing, first, if I was misunderstood. The embassies help us. They're not that well staffed, but we get full support from wherever they are. I just want to point this out.

On bilateral agreements, business in the Middle East is not easily done unless you have a good personal relationship with them. You have to visit them often and have coffee with them and eventually you'll get the business. It doesn't come in the North American way where you make and you sign the deal.

The same thing happens with the politicians. You have to establish a relationship with them, the Prime Minister with the leader of that country. Be close to him, befriend him—in order for him to lobby for, and win, Canadian business.

If you see an opportunity for a bilateral agreement, such as sectors where you can provide engineering know-how or whatever, elaborate on those, build on this relationship where you would do a technology transfer between Canada and the UAE, for example, or in the oil field or education. Choose a couple of topics where others haven't excelled.

We've been doing business there. I know some universities have opened in Qatar. Qatar has announced a major investment in education to copy Dubai in a way. Education is an area that Dubai has not touched yet.

Why don't we push something like that in bilateral agreements with Qatar to start with and expand on that eventually? Experience that first with one of those bilateral agreements, with one country or with the GCC overall. As Mr. Hutton said, we have to do it with the GCC now. We can go from there for more kinds of free trade agreements.

I don't know if I answered your question properly, but that's the way I see it. I don't see it happening in one shot. We have to first build a relationship with the government itself. Maybe we have to have the government, the Prime Minister, there for a few years to establish this relationship. Still, we need to do something. It is still the Prime Minister of Canada who represents Canada. It doesn't matter which party he represents, he still represents Canada. If he establishes a relationship, we will have it for the long-term.

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

Your time is up, Mr. Cannan.

Mr. Julian, for eight minutes or so. Go ahead.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** I like your tie, Mr. Chair. I want to be on the record on that.

**Some hon. members:** Hear, hear!

**Mr. Peter Julian:** Thank you very much for coming here today.

What I find particularly intriguing is the emphasis on the percentage of manufactured goods we're exporting to that region. That's a fundamental problem. As I know you're aware, as traders internationally, we tend to export our raw materials—whether it's raw logs or oil and gas—and as a result of that we're seeing a basic erosion in family income for most Canadian families.

We have to address that. One of the ways is by diversifying our markets. The other is by increasing the manufacturing component of our exports.

I'd like to come back to you, Mr. Hutton, to begin. You mentioned a 250% increase in trade with the United Arab Emirates over four years. How did you achieve that, and what were the resources you had on the ground in order to do that?

**Mr. David Hutton:** I think I should say immediately that I didn't achieve it. Canadian business is leading very much on this. What's taking place in Dubai and in the United Arab Emirates is something relatively unique. They have set out to diversify their economy in virtually every sector. One of the ways they are doing that is to make it a transportation hub, an entrepôt for this \$1.5 billion market, which includes the subcontinent, even Russia.

One of my favourite stories is about an ATV agent who had a snowmobile shipped from North America by accident and was bemoaning the frustration and the inconvenience of having to ship it back. He decided to put it in his showroom just as a draw and came out the next day to see two customers arguing over who had the right to buy it. He didn't even have a price on it. Now he sells a couple of dozen snowmobiles out of Dubai every year.

We actually ran a fur show with the Canadian fur auction in Dubai very successfully.

This is an extraordinary environment. Dubai has become an exhibition centre, so it's like Germany in many ways. Huge shows take place, which have grown exponentially in their trade centre. Canadians started to come. It was a very efficient way for them to be introduced to the market, and, quite honestly, successful Canadians brought other Canadians along. I can't emphasize more the point that my colleagues have made. One thing leads to another in a snowball effect, and that's what we have.

The issue that's been brought up by the honourable members this morning—and I'm speaking personally, if you'll allow me—is a very critical one. We have an education job to do. We have to educate Canada that this is a very important place for Canada and a place for Canadians to do business and to build relationships, not only economic but social. We have to convince our press and our public that there is a cost to doing business, that when an MP or a minister or a government official travels to these countries, the return on that airfare is enormous, and you are playing a critical role in the business development.

I don't think any other country in the world is as hard as we are on our politicians and ministers for basically doing a very onerous job: flying in a short period of time halfway around the world and meeting a couple of hundred people or more. That is a personal comment.

I'll illustrate, if I can, the point that I think you are raising. At one of these exhibitions, there was a company, InterHealth Canada, that came and established a hospital in Abu Dhabi. It was an extremely successful contract. This hospital, the first accredited to Canadian standards outside of Canada, which was successfully drawing Emiratis to stay in UAE instead of going to clinics such as the Mayo Clinic and others, was staffed with Canadian doctors. There were over 300 medical staff there. At one of the trade shows, there was a Canadian company from Toronto, which was selling surgical gowns and medical clothing that doctors and nurses wear. It turned out that it was doing \$1 million in business in the UAE, based on a contract, first of all, with the Sheikh Khalifa hospital, but then with others, because his garments were used by the Canadian doctors in Canada and could be washed 100 to 150 times, whereas the garments from the subcontinent, where you would expect to get them, deteriorated after five or ten washes. The last thing you would have thought was that a Canadian garment manufacturer of something as simple as a doctor's gown would have been that successful.

The same is true on the education side. The Southern Alberta Institute of Technology received a contract in the UAE to do some training for the oil industry. One of the things that came out of that contract was an award to an Alberta company to make a simulator for an oil operation. That was a \$1 million contract.

The issue that we have to support is that this is an aggregate. It is a collective effort, and our companies seem to be extremely competitive. Perhaps where we are not competitive is government to government, which is the point that has been made this morning.

Thank you.

•(1205)

**Mr. Peter Julian:** I thank you for those comments. You also said it should have been a 500% increase. Coming back to that and the specifics of why we're able to achieve.... I realize it's beyond you. It's staffing. It's the businesses that are doing business in the United Arab Emirates, but what was in place and what did you need in order to look from a 250% to a 500% increase? What was missing?

**Mr. David Hutton:** I'll use the example of Australia because I think there are some parallels, although there are others I could draw on, but they're the same distance away, the same kind of economy, and so on. I'm not sure what their trade figures were, but they were significantly more than ours. In their approach, there was probably a minister coming through the UAE on a weekly basis, I would say—certainly a trade committee such as your own, or a minister of trade on a semi-annual, or even quarterly basis. I won't say they were in the face of the UAE because they were often there for other reasons, sometimes just in transit to Europe, but it showed a government and business commitment that I think allowed them to leverage enormously.

We have a lot of things at play. Obviously, our operations in Afghanistan are very significant, but a lot of the purchasing we do is done in Dubai. When we responded to the tragedy in Pakistan, we did our purchasing in Dubai. We've been able to leverage some of that, for example, to bring in Canadian meat and food products simply because we had the power of the Canadian military to place these orders.

The interesting thing—and I'm going on too long, and I apologize, Mr. Chairman—in these countries, certainly in Yemen, but also in the UAE and others, is if we're not in the very central core of it, we're in the second ring. You may have Britain, the United States, the European Union, and France in that core, but around the second ring you have Canada. You don't find that in very many places, yet we do not act as though we're in that core position. We just simply don't have that presence. It's an anomaly.

•(1210)

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

Now to the second round.

For five minutes, Mr. Temelkovski.

**Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.):** Thank you very much, Mr. Chair.

Thank you to all the presenters.

I find it interesting how much emphasis you place on visiting, political travel, and being present in these countries. We, as a committee, haven't travelled anywhere and yet we're a committee of international trade. I welcome your comments and will continue to work on making sure we travel. I understand the importance of travel.

I have done some trade shows in Chicago, Detroit, and Toronto. I have some colleagues who have gone to Germany, Taiwan, China, and so on, and the support they receive from our Canadian partners or government officials in those countries is very important to us. Not having somebody there, how would one be able to understand the landscape and the business landscape? What are some of the

levers or associations that one can build on? What are we doing to sensitize or have the local population understand us more?

**The Chair:** Who would like to answer that?

**Hon. Dwain Lingenfelter:** I think it's a good point. When it comes to travel, I always look back to what we do in our normal lives. As members of Parliament, you understand totally how important it is to know the people on the main street in your hometowns. Really, you can extend that example to the main street in Yemen or the main street in Dubai. If you're not there and somebody else is, you're going to lose.

When we talk about it being a very simple exercise in human nature, international trade is a very simple art. It's how often you are there, what you are offering, and whether they need your service. But in my company, being involved in international trade, if I sat in Calgary and waited for people to come, we wouldn't do any business and I'd lose my job—and I should lose my job because I'm not doing the work that's required to be in international business development.

The committee needs to become like that. Regardless of the critics, part of your role is teaching the public. We can help in that, but we have to be able not only to defend what you're doing, but to celebrate the successes that members of Parliament and the ministers have, or that the Prime Minister has when he goes and makes these kinds of visits.

Just as a final comment on Yemen, two years ago, I think, we invited the three ambassadors or three representatives—you, David, David Viveash, who was then the ambassador to Libya, and Graham Rush—to come to Yemen. With them, two MPs came along, one Liberal and one Conservative. We went to meet the President of Yemen. The reason we got to see the President of Yemen was that we had two members of Parliament with us. When we went to the room, the Liberals were in government and the representative sat by the President. Our friend from the Conservative caucus from Calgary was sitting at the back of the room, and President Salih asked where the other member of Parliament was. We said he was in opposition, and the President said, "No, he's an elected member. He comes and sits on the other side of me." That just spoke volumes.

This wasn't a high-level minister or the Prime Minister. These were two backbench members of Parliament. So I think you shouldn't underestimate the impact that each one of you has both in educating the public and your colleagues, but also in doing many of these missions and helping business get business.

•(1215)

**Mr. Lui Temelkovski:** We hear oftentimes that trade missions are not worth it. What's your opinion?

**Hon. Dwain Lingenfelter:** The trade missions that don't work are the ones that say, "Nexen, do you have any deals that you have signed, and can we come and be part of the photo-op?" That's ridiculous. In those cases, we don't need any help. We already have the deal.

What we need is the front-end work, where a company like SNC—Lavalin is going to a country in the Middle East or in Africa for the first time, where there's risk and potential, but no deal is even in the offing. Those are the kinds of places where members of Parliament and the Prime Minister make the difference.

The idea of going and signing a bunch of contracts is the opposite of what business development is all about. If you can go there and sign a deal, believe me it has nothing to do with the trip. Those deals will have been worked on for five and, in some cases, ten years.

The public has every right to be skeptical about photo-op trade missions. This is my view. What trade missions should be is front-end work.

**Mr. Lui Temelkovski:** In terms of trade figures, oftentimes trade figures are not correctly portrayed because our products go via the States or other countries. I see this as being a problem not only with Canada but with other countries as well. The figures are not really the exact figures. Is there anything that can be done to streamline them, to reflect a true export or import?

**Mr. Paul Mariamo:** It's very tough to do that when the world is becoming one entity. Really, there are almost no more borders anywhere.

If you look at it from the point of view of what the trade is, it's basically what's behind this trade that we do. We do services. SNC—Lavalin is over there to create wealth for our employees, who come and spend money here and create jobs here indirectly.

When we go there and do a project of a billion dollars, we also buy indirectly from Canada. In buying from Canada, we promote Canadian products. Manufacturing there does not appear as part of trade, although it's being manufactured here to achieve part of the whole deal.

It's very hard to streamline or to put a figure on. I don't know how to do those things. I don't know what to say more than that, really, but there are indirect advantages that are really tremendous and that we cannot measure directly.

The honourable member before asked the same question, about what kind of trade we have. I don't know how to answer that.

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

Monsieur André for five minutes.

[*Translation*]

**Mr. Guy André (Berthier—Maskinongé, BQ):** Good afternoon. I am happy to hear what you have to say. I have a few questions to ask about the Canada-Arab Business Council. Your role is to promote investment in Arab countries, etc. Do you think that prejudice or fear, on the part of contractors, is preventing companies from entering into a business relationship because of mistrust, cultural difference or lack of knowledge about how things operate there?

Also, your mandate has brought you to identify areas in which more investments could be made. There are business opportunities, and you have given us an example. I would like to hear what you have to say about other opportunities, perhaps in the manufacturing sector, which is currently experiencing some difficult times in Quebec. Would there be any opportunities for Canada in that area? What type of opportunities are available and what kind of business relationship is possible? I imagine that you would say... You have identified sectors where investment is possible but there is apparently a limit to what can be done. You seem to be saying that it is time for our governments to make an appearance in that part

of the world. It is important because culture plays a major role in those countries. The political side of things is becoming more important and could help to strengthen business relations. I imagine that you have lobbied the government to move in that direction. Have you done so? Are they listening? Why are things not moving?

• (1220)

[*English*]

**Hon. Dwain Lingenfelter:** Maybe I could comment, but David and Paul will probably want to comment as well.

We've lobbied, and we've lobbied hard. The one hurdle we haven't gotten over with our lobbying—and this has been the case for a number of years—is that we can do way more with the same amount of money in the pot. If you're going to open an office in one country, you have to close one somewhere else.

Again, what I would like to think is that in the corporate world, what you talk about is building. As you grow, you expand your spending. It's not logical that the staff in Foreign Affairs, every budget, is being told that if they're going to open an office here, then they have to close one over there. What we should be asking is how fast they can grow. Based on how fast the trade increases, their budget will go up accordingly. But that isn't the way the Government of Canada has looked at this.

The government doesn't look at it as an investment. It's almost like a social program. There's this much, and you can spread it around the world however you want. But there's usually no reward for being successful. That's a fundamental issue that has to change if Foreign Affairs is going to have the budget it needs to do what business is requesting. That's a hurdle and a lobby effort that we have not succeeded in up to this point.

The budget has to increase and you have to reward success. If an operation is growing in a region, then that budget should automatically be increased to reflect that. Why? Because the return on that investment is coming back to the Canadian taxpayers very directly, and that return is measurable.

[*Translation*]

**Mr. Guy André:** Are companies still afraid to invest, are there still preconceived ideas? Do you feel that there is still a lot to be done in terms of promoting awareness?

[*English*]

**Hon. Dwain Lingenfelter:** Yes, for sure. The CNN factor about the Middle East is real. You have many companies thinking that if they go the Middle East, they're going to be threatened, or it will be very difficult.

I can tell you that we've operated in Yemen since 1993, and we have never lost one day of production. We lose way more production days in the Gulf of Mexico because of hurricanes, or in northern Saskatchewan or northern Alberta because of minus 40-degree weather. In Yemen, with all of its issues and problems and challenges, we have never lost a day of production because of violence.

When I tell people that, they ask how that can be possible, because it's a fragile country and maybe we're going to get kidnapped or whatever. We have a thousand employees there. We've never had anyone kidnapped, we've never had anyone killed, and we've never lost one day of production. These are the kinds of messages that we don't get out enough, because we watch TV and we see Afghanistan night after night.

I sometimes wonder how it can be news that there was a bombing in Iraq. After 1,000 days or 2,000 days of saying that every day, how is that news? But that's the drumbeat of what the Middle East is all about, and it's not accurate in any sense of the word. It's very narrow to those two specific countries.

• (1225)

[Translation]

**The Chair:** Thank you, Mr. André.

[English]

Mr. Allison, for five minutes.

**Mr. Dean Allison (Niagara West—Glanbrook, CPC):** Thank you, Mr. Chair.

I thank our witnesses for being here today.

I'm a small-businessman. One of the reasons I got involved in politics was that while I realize we have had some great growth here in Canada over the last thirteen years, I believe we've had a ton of missed opportunities as well. That's been my biggest frustration as a small-business person. I look around and realize that even though the fridge or the glass of water is half full, we could have a lot more as a country.

You've indicated some of those things today, in terms of missed opportunities and where we are, whether it's trading, etc. I look at places like Australia, where they're there on a number of different fronts, with basically the same type of country configuration. They seem to be doing more, being more proactive.

I will agree only in this instance with my colleague from the NDP. We shouldn't just be counting on our resources. We should be looking at more value-added inputs that we can send out. As a country, I think we've done some of those things.

I've heard it mentioned by a couple of the witnesses, Mr. Lingenfelter, and you also talked about "Advantage Canada". In terms of the reference, what exactly were you referring to, in terms of how that could be helpful as we move forward?

**Hon. Dwain Lingenfelter:** The minister referred to a couple of items in the speech he gave. There was a reference, I believe, to bilateral agreements creating centres of excellence and responding to the needs of business. What permeates from this document is a shift from doing social programs by giving aid to doing social programs by building economy. That's what I like about the document.

I really believe that the way you prevent a failed state is by building strong business relationships, building the economy, creating employment, and giving each family in that country an investment and a reason that they should be involved in the economy. This document, while not perfect, goes some distance from saying we need another \$500 million in aid to give to this

country, to saying that, no, what is needed there is to build the economy and the infrastructure so that people have an investment in their future.

Again, this document is just that, a document, because it's not implemented. What will be the truth of it—

**Mr. Dean Allison:** The true test of it, sure.

**Hon. Dwain Lingenfelter:** —is whether in ten years we can look back and say all of us were part of making this successful.

**Mr. Dean Allison:** That leads me into my second question. We had other witnesses here, and we talked about the pre-emptive sort of diplomacy, whether it's sending aid versus building infrastructure or whatever, as you said.

What are a couple of examples? We did talk about other embassies or consulates as a possibility, but certainly that's not the extent of what you're talking about. Would it be actually trying to help countries build infrastructure? Is that the suggestion? How can we be involved up front so that we have these relationships and help build these countries, as opposed to trying to deal with them after the fact?

**Hon. Dwain Lingenfelter:** My view is that they go together. Encourage another fifty Canadian companies to invest in this region of the world and they can create another 15,000, 20,000, or name however many thousands of jobs. You're getting a return on this investment because Canadian companies are making money, and you can take a portion of that money, as a Canadian government, and invest it directly into infrastructure, whether it's airports, port authorities, or whatever. There's a synergy between the investment that's being made on the private side, a return on that investment to the coffers of Ottawa or the province, and it's going back and giving back to the country.

What doesn't make a lot of sense is that we say to an almost failed state in the Middle East or Africa that they are \$500 million in debt and we're going to forgive it. So what? At the end of the day, if you don't build the economy, you don't create jobs, and you don't build a future that's controlled by the local people, you haven't accomplished very much, because in ten years the debt will be back again and you'll be called on to deal with it.

**Mr. Dean Allison:** In other words, working with. And once again, what you suggested earlier was building government-to-government relations so our businesses have an easier time, whether it be through bilateral agreements, etc.

That leads me to my third question, because I'm almost out of time. We noticed the top ten things, and you mentioned that in your opening remarks, what we're doing or what we're involved in, in investment.

What other types of businesses or opportunities do you see for Canadian businesses in the area? Are we talking about services as a possibility? I notice we've talked about cars and manufacturers. Are there other opportunities there that you believe we could be looking at?

• (1230)

**Mr. Paul Mariamo:** I can see the environment being a major issue now. We can do a lot of services there. The governments there are becoming more mature, more environmentally alert. So there is more business for the environment, for example, where we can service them. We have companies in the environment business and agriculture. In countries like the GCC, where the desert covers most of the country, we can maybe help them provide some different agricultural products, help them with our technologies, and stuff like this. We're really not that active in the gulf. Yes, we are in the oil and gas sector. Yes, we're in some kinds of services, but not that heavily in service, such as in hospitals, in education,

On the second question you asked, I think Dwain gave an example a minute ago of educating people from Yemen. Those people eventually will become leaders in those countries, so they will remember Canada and they will give jobs to Canada. If we want to invest, invest in the future, don't invest in the past. Let's invest in the future. That's a perfect example of where we can invest in people for the future, giving them education. If there were a number who lived in Canada for a few years, they'll go back and indirectly they will cherish Canada, they will favour Canada, they will give contracts to Canada. I've experienced that with a couple of companies in the Middle East.

So we can do stuff like this, for example, and gain business from the environment to all kinds of...they're going through privatization and restructuring. They need to know how to do this. The social impact on people when they do this kind of thing, privatization and restructuring, they're not used to it. Everything is provided by the government.

Now they're going more to private business, so that's where we have experience that can help them. We can do the management, as we're doing now for GCCIA, trying to help them with the interconnections they're doing. They don't have this experience, what the impact is if they're going to restructure into private organizations, what's going to happen; restructuring of the industry itself, what's going to happen, how many losses they will have. There is no unemployment insurance there.

For example, I lived in Egypt for many years. Electric companies in Egypt have 10,000, 15,000, 20,000 employees. They need less than that, but they have them. It's the indirect social benefits or unemployment insurance. Give them a job, give them £150 or £200 to live on, instead of being on the street. If you promote this kind of business, to become self-sustained economies, they will get away from terrorism, from fanaticism; they will start looking at money, at business, and getting better.

So education is one thing I think we can invest in. Restructuring, privatization, proper guidance of things, government relations, whatever, but first you have to build this trust with them, which we don't have, and we have to behave as a G-8 country, honestly. We really have to behave as a G-8 country. We're the only G-8 country with a surplus. We don't behave like that. Spain is surpassing us. Other countries are surpassing us. We're left behind. We need to move as a G-8 country. We need to prove ourselves as a G-8 country, not only in name. We have a surplus, as Dwain said. Let's invest this

extra surplus to generate money for Canada, to generate income for Canada, to generate employment for Canada.

[Translation]

We should be investing in those areas, and not in places where money is no object.

[English]

**The Chair:** Mr. Hutton, I see you'd like to answer.

Mr. Allison, your time is more than up, but go ahead with a short comment, if you could.

**Mr. David Hutton:** Thank you, Mr. Chairman.

On the question of small business, one of the things that certainly impressed me was the number of Canadian franchises that moved into the Middle East. For example, Second Cup opened its first franchise outside of Canada in Dubai. A Canadian company called FIDEL had a clothing line, produced in Montreal, that was doing very well. Fruits & Passion and probably a dozen Canadian franchises have moved into that region.

On the issue of fear and concern about doing business, which I think is very fundamental, that's something we collectively have a responsibility to try to overcome. When some of the organizations were considering doing business, I was asked to speak to their boards on some of the concerns they had for their employees.

Even Foreign Affairs travel advisories can have an impact if they're not targeted and very specific. We might be actively promoting participation in a trade show in Dubai, but if there's a general advisory out for the region, it might force some business people not to travel because of perceived risk or even liability issues.

Finally, I honestly think we're at the cusp of something that could be very significant. I see a real momentum. It's possible that maybe even by this fall we could see the initiation of more negotiations with the GCC, whether they're on double taxation, foreign investment protection, or perhaps even free trade.

If the trade committee travelled to the region with so much under way, maybe even the opening of new embassies, what a powerful message that could send to the region about a collective commitment by Canada to increase our business.

I think in this coming year we really are poised to do something significant, or perhaps we'll miss that opportunity again.

Thank you.

• (1235)

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

Mr. Julian.

**Mr. Peter Julian:** Thank you, Mr. Chair.

I'm going to put three questions out to you, and you can answer them collectively or individually.

This comes back to the questions I was asking you in the last round. What on-the-ground resources do we have right now within the GCC—the number of trade commissioners? I understand we have embassies in Saudi Arabia, Kuwait, and the UAE, but I presume they're fairly small and not adequately resourced. Aside from that, there doesn't seem to be much presence. So what is the staffing component, and how could we or should we enlarge that staffing component, particularly trade commissioners?

Second, my sense is that when you're talking about building relationships you're not talking about one-offs. You mentioned the Australian example, where there is an ongoing effort every week to have a presence in the region, and on a quarterly basis a ministerial or parliamentary committee goes into the region.

When we talk about the time factor in building relationships, what would be realistic and effective at the same time, in terms of the investments Canada needs to make?

[Translation]

My third question is mostly for Mr. Mariamo and deals with people of Arab origin living in Canada.

The fastest growing population group in my riding is of Arab origin. At what point should we ask Arab Canadians to become involved in the relationship between Canada and the Gulf Cooperation Council? Do they have a role to play? Can the government do something to help Canadians of Arab origin to take part in establishing these relationships?

[English]

**Mr. David Hutton:** I'll try to sketch out our presence on the ground.

As my colleague said, we have embassies in Saudi Arabia, Kuwait, and the United Arab Emirates. Saudi Arabia is responsible for Yemen, Oman, and Bahrain. Kuwait is responsible for Qatar, and the UAE is responsible for the UAE. We have a consulate in Dubai, as well as an embassy in Abu Dhabi in the United Arab Emirates. There are two Canadian-based trade commissioners in that consulate. That's an addition of one, I'm happy to report, plus there are two locally engaged trade officers. In Abu Dhabi there is one, so that's a complement of five trade commissioners. I believe there is one Canadian-based trade commissioner in Kuwait and one locally engaged. In Riyadh there are two Canadian-based and I'll hazard a guess at three locally engaged. So that's a significant number of people. But I can assure you they are going flat-out.

Where would I suggest that people be redeployed? I think you certainly could strengthen some of those offices. A significant number of trade exhibitions are taking place in Dubai. As my colleagues would argue, Qatar is a very obvious one, as is Yemen, in terms of support.

I'll be candid now that I'm no longer with the government. We may need to decide again which embassy should be responsible for which country, simply because the logistics of travel have changed so much. For example, Nexen has an office in Dubai, so there's a relationship there. But these are issues that are very complicated because they have a lot of different political aspects as well.

● (1240)

[Translation]

**Mr. Paul Mariamo:** SNC-Lavalin has a number of employees who speak various languages. I believe that at least 50 different languages are spoken by SNC-Lavalin employees. That makes things quite a bit easier. It isn't simply a matter of speaking Arabic or Chinese or some other language; in order to understand other people, we must also be familiar with their cultures and values, so that we know how to approach them, how to communicate with them.

For example, one day, when I was with CAE, we entertained Egyptian clients. We arrived late for lunch and we saw that all that was left were ham sandwiches. I immediately realized that they don't eat ham. That is the type of thing that we have to be careful of.

When you deal with people from the Arab or the Chinese community and you speak their language, it makes things easier. You are better able to understand their environment and what happens there, particularly when people have a hard time expressing themselves in English, French, or another language. You can make your point much more effectively.

For some time now, in Arab countries, particularly in the Gulf, education has been provided in English and people there speak English quite well. Many of them also speak French. Our business with them is conducted mostly in English. There are few technical terms in Arabic. But you still have an advantage if you understand the Arab language. It helps you to see what is happening there, how people think, what motivates them, etc. It is important for the government to work along those lines, as we have been doing it as a matter of course within our company. We try to assign employees who speak the language of the country to make things easier for the clients, to better understand their culture, but also to provide better support for those who are sent to work there.

For example, when we want to send someone to China, it is preferable to ask a Chinese employee to go, because it will be easier for him. The same applies to Arab employees who are sent to work in Egypt. As to the UAE, everyone wants to work there, because life is wonderful, but the situation does not apply to other countries. If we send a Muslim to Saudi Arabia, he will have no problems, but if we send a European, a Canadian or a Christian Arab there with his family for two or three years, they will have a hard time of it. If they only go for two weeks or a month, it will be no problem, but if they stay longer they will find it difficult. That is why we need the right mix of people to manage and help businesses, the government, and Canada as a whole.

I don't know if that answers your question, but I think that is what must be done. Culture is important. It is one of the things that must be considered.

[English]

**The Chair:** Thank you very much.

We will now go to Mr. Maloney.

**Mr. John Maloney:** The United States has bilaterals with some of the GCC. You indicated that the GCC prefers to deal in a bloc—the six countries.



Are we prejudiced now because the U.S. is in ahead of us again, or do you think that negotiating free trade with the bloc will be okay? Can you get six countries to agree with us?

**Hon. Dwain Lingenfelter:** My sense is that Canadians don't realize how well they're liked in that region and how much better they're liked than the U.S. at this moment in time.

The U.S. has trade agreements because they've pushed harder than we have. But even if we go there this late in the game with an approach to do trade agreements, I think they can be done very quickly and the results would be quite phenomenal. We have an image that we're the same as the rest of the world, but in the Middle East, and especially in the Arab-speaking world, in many cases Canadians are on a pedestal. Because of our French background, especially North Africa—look at Tunisia, Algeria, Morocco—would much prefer to deal with Canada because of the French language. Then there are many other political things that have happened in the last few years.

But as David said, we can't sit around and wait for this window to stay open, or not to start to close, because I don't think we'll have the advantage we have right now in five years from now. I'd be very surprised if we did.

• (1245)

**Mr. Paul Mariamo:** If I may add to that, at one time, for example, I was told clearly that Libya would like to do business with us and not the Americans. They want North American technology but they want to go through Canadians; they don't want to go to the Americans.

In Algeria, SNC-Lavalin has been doing business, even during the bad years. We were rewarded, big time, with many contracts because we stayed during the bad years. We shared the political risk that we talked about before. If you sacrifice a bit, you get rewarded. Many contracts in Algeria were given to SNC-Lavalin because it survived the 10 years that were tremendously bad in Algeria. And of course speaking French helps a lot. SNC-Lavalin has been the leading engineering company in Africa for a long time.

[*Translation*]

Because we speak French, we were the first company in Africa for a number of years. That helped us a great deal. It gave us an advantage over other companies like Bechtel or any other American or international corporation. Since we spoke French and were close to our clients, we could overcome the American obstacle and win a number of contracts. They think we are different from the Americans or the Europeans. They also wanted to put an end to the way that they awarded contracts to the French and to the British. The Europeans had a captive market in those countries. They want Canadians. We must find some way to capitalize on that advantage.

[*English*]

**Mr. John Maloney:** Mr. Chair, Mr. Temelkovski has a short question and I'd like to share some of my time.

**The Chair:** Yes, just one question.

**Mr. Lui Temelkovski:** Thank you.

We have many people from the Arab world in Canada. There must be a substantial need for direct travel. You mentioned that currently

we're flying through Brussels to get to the Arab world. What are some of the roadblocks, and what are some of the carrots we can provide to improve that?

**Mr. David Hutton:** If we're looking for greater transportation links, I think the solution is a very simple one: we just give them the landing rights. These are negotiated government to government. Of course, the only one that I'm personally familiar with is in the UAE. That currently offers six flights a week, on either side. We have not picked it up on the Canadian side, and certainly I think there is a market opportunity. I know that Air Canada was developing their Indian market instead of focusing on their market into the gulf, into Dubai and Abu Dhabi, but now they've decided not to pursue that any further.

So it's an open door. I know that Qatar is looking for an air agreement, Kuwait is looking for an air agreement. If you can put your freight in the bottom of a freighter going back and forth and get your goods and services there in a day instead of routing it through somewhere else, it makes a difference. And there's an enormous amount of business.

Ironically, and this probably isn't well known, one of the big cargo items on the Etihad flight from Toronto to Brussels to Abu Dhabi is diamonds. All of those diamonds were passing through Heathrow with an enormous insurance cost, and now they have a much more direct route to get there. I think there are trade negotiations going on between Canada and Kuwait right now. Royal Jordanian, of course, has regular flights as well. It's 100% a policy issue.

If you'll permit me, Mr. Chairman, I'll just add a quick word about the GCC as a group. This emerging group is of enormous significance I think to the global economy. By 2010 they will have a common currency. Inside one common trading bloc will be 50% of the oil reserves. It's an open question as to how they will denominate the currency. If they decide to not denominate it in U.S. dollars, which is what most of the member states have, but rather a basket of currency, such as the euro and maybe even an Asian currency such as the yen, we're going to have a profound shift in the world economy.

So this is going to be an extremely significant economic bloc. To my mind, that's just one more reason to be inside the tent and to have these economic agreements and relationships with an emerging force of very significant economic significance.

**The Chair:** Thank you.

Mr. Cardin for about four minutes.

[*Translation*]

**Mr. Serge Cardin:** Thank you.

We are well aware of what you expect from government representatives in those countries: a more constant presence and better support for businesses. We seem to be failing you on that score. The government is thinking of closing some Canadian consulates: in Milan, in Italy, in St. Petersburg, Russia, as well in Fukoka and in Osaka, Japan. Since the trend is to close down consulates, there will not be as great a Canadian presence in various other countries.

You have a certain awareness about that part of the world and you hope to see a government or even a political representation there. That is not what is happening elsewhere. If you have a message for our friends across the table, you can tell them, today. It's important. If consulates are closed down in some countries, it is perhaps because they want to put government money to better use elsewhere. From what we can see, it does not seem to apply to that part of the world. Do you think it would be the best place for the government to invest and establish a presence?

• (1250)

**Mr. Paul Mariamo:** I think it is one of the best places in the world for the government to get the best return on its investment and that is because of the huge surpluses that the Middle East countries have. They are undertaking large scale, subsidized projects and creating jobs in the process. We see it as a consumer society and not a competitive one. It isn't like China where you create a competitor after having invested there. In the Middle East, there will always be investment and consumption; there will always be jobs for Canada. Money will flow into Canada.

What's more, the population is exploding in these countries, which have the highest birth rate in the world, if you don't count the expatriates living there. Investments will be made in their infrastructure to meet the needs that I have spoken of, and the investments mean business opportunities for us. It is up to us to make the most of that and invest in those countries.

It is one of the areas where the GDP will increase by 5% this year, compared to other parts of the world. I understand what you are saying, but I think it is a region where investment is warranted. We have to plan for the next five years. We have to know what Canada's return will be. We have invested in China, in India and in Brazil and we have created competition there. We are not creating competitors when we invest in the Middle East. The GCC countries are a consumer society, they do not compete.

**Mr. Serge Cardin:** You say that there is no competition in those countries. But what about downhill skiing? That would never have occurred to us.

**M. Paul Mariamo:** That is one of their big projects. I used to have a picture of it on my cell phone. It is quite interesting. Where else in the world, other than in Dubai or Qatar, would you expect to see that?

**Mr. Serge Cardin:** That means that there is money over there.

**Mr. Paul Mariamo:** Yes, a great deal of money. It is the Canadians who should have built that project. Canadians are the best downhill skiers, isn't that right? There is a lot that can be done over there.

They built a huge hotel in Abu Dhabi; I think it cost 2.5 or 3 billion dirhams. The hotel was built for the GCC conference that was held three or four years ago. There is a special entrance for the exclusive use of government representatives who attended the conference. That door has never been opened again since the conference ended. Other doors are open though. There are mountains of cash to spend. They have huge surpluses.

However, they are not very familiar with Canada. People with money invested it in the United States and in Europe. After September 11, the money flow changed direction and was invested

in the Gulf, in Arab countries and in Africa. We have to capitalize on that so that Canadian companies will get these projects.

We can also encourage them to invest here. Canada is considered to be a peaceful country, where there is no conflict, a country which is neither imperialistic nor colonialistic. So why not encourage them to invest here in Canada? That would create jobs.

I will respond to your question, which dealt with how we might generate business here in Canada. It isn't up to me or to my colleagues to do that. It is up to the government, the Prime Minister, the minister, the governor general. They must encourage investment in Canada, which is a stable country. Even though there might be talk of dangerous political situations in the Gulf, the countries are relatively stable. There have been no problems there for some time now.

Egypt, for example, has only had three presidents in 50 years. It is an extremely stable country. Yes, it is a dictatorship, but that is part of the Arab mentality. They can't form the type of democracy that we are familiar with. The word "sultan" comes from the Arab word "sulta" which means *power*. The sultan holds the power in his hands. After thousands of years, they did try to change things. But it has never worked.

We have to invite them here and show them that Canada is ready to welcome them. If we open our doors to them they will invest here. They don't know Canada very well, and are unfamiliar with the type of tourist opportunities that we can provide. They could, for example, come here to ski, to see our autumn colours, and what we have to offer. We were able to do it with the Japanese. Why not try it with the Arabs? They are interested and they have money to spend. They travel first class, and that generates income for the airlines. They are interested in doing that type of thing.

• (1255)

[*English*]

**The Chair:** *Merci, Monsieur Cardin.* Your time is up.

We're really short on time. I know we have a motion that we want to bring to the committee, and we're running a bit late for that even. We'll go ahead, but your time is up.

Mr. Menzies.

**Mr. Ted Menzies:** Did you want to start on this motion right now?

**The Chair:** Yes, go ahead.

**Mr. Ted Menzies:** We certainly mean no disrespect, but we do have some business that's been hanging over the committee. I have a motion that is, as I stated at the last meeting, a very friendly motion that all parties would and should support. They've had ample opportunity to go back to their respective caucuses to talk about this.

The motion is as follows:

That any Member of the Committee have the right to issue a dissenting opinion on any report to be presented to the House of Commons by the Committee within the conditions imposed by the Committee and in accordance with the Standing Orders of the House of Commons.

**The Chair:** Mr. Menzies, before you speak on that...we can do this in two ways.

I don't know if there will be any debate on this. It was debated quite widely last time. We can go straight to a vote, in which case I would leave the witnesses here and maybe have a little bit more questioning. Or I can dismiss the witnesses, thank them, and then go on to the motion.

Can we go straight to a vote?

Mr. Julian, do you have a comment?

**Mr. Peter Julian:** I think to be polite to our witnesses we should thank them for their presence here today.

**The Chair:** Okay, then we may not be going straight to a vote.

Thank you very much, gentlemen. This was certainly a very interesting meeting. The information you brought to us is extremely helpful. Thank you very much for that, for your time, and for the great presentations and good answers.

**Hon. Dwain Lingenfelter:** Thank you for your attention.

We look forward to some meaningful things, and we'll watch for your proposals in the House.

**The Chair:** Thank you.

Mr. Menzies, go ahead and speak to the motion.

**Mr. Ted Menzies:** I think it has all been said. We've had ample opportunity to talk to our respective caucuses.

Looking at the clock, I would like to suggest, as you have, Mr. Chair, that we've had ample opportunity to formulate our opinions.

It's a very simple motion, and as I said before, it's one that should have been dealt with earlier. Perhaps it was my oversight that I didn't suggest it earlier on.

It provides an opportunity, which was provided to all the opposition members in a prior Parliament, that if they were not comfortable with the positions of a specific report they could add their opinions to it.

As it's that simple, I would like you to call the vote on this, Mr. Chair, and move forward so we can have our steering committee meeting immediately after this.

**The Chair:** We will.

Mr. Julian, I see your hand.

Is it the mood of the committee to go to a vote right after Mr. Julian has a very short say? Is that the mood?

**Some hon. members:** Agreed.

**The Chair:** Okay.

Mr. Julian, you go ahead with a comment on this.

For the 12 years I've been here, as you all well know, this has been allowed with every committee I've been on. It's a routine type of thing, and the exception has been this committee.

Mr. Julian, if you could go ahead and make a short comment, and Monsieur Cardin as well, then we'll go to a vote.

**Mr. Peter Julian:** My comment is actually a question, Mr. Chair.

I'd like to ask my Liberal colleagues and Bloc colleagues—because they may have had a chance to consult—about their feelings on the matter.

● (1300)

**The Chair:** You know...

Monsieur Cardin, go ahead.

[*Translation*]

**Mr. Serge Cardin:** Thank you, Mr. Chairman. With respect, I must admit that I have looked into this. You say that all of the committees have adopted a similar motion. I asked around and I was told the opposite, that is, that all committees use indirectly what is currently available, namely standing order 108(1a), which was amended and which allows us to append dissenting or different opinions.

We can do it, it is possible. But if we do it systematically, it means that the committee cannot use some discretionary powers and must choose to proceed in that way in some cases but not in others. Now, it will be done systematically: anyone at any time can draft a dissenting opinion. According to what I have been told, all of the committees are operating as they have done in the past. We, the Bloc Québécois, have not changed our mind. We favour the status quo. It is up to the committees, when they produce a report, to decide how they will include any dissenting opinions that may have been expressed; they can even go as far as to limit the length of the text.

[*English*]

**The Chair:** Monsieur Cardin, of course, the motion does say that the conditions would be attached by the committee each time. So that's there.

What I said is that up until this last year, this has been routine at all committees. I don't know of a single committee that hasn't passed a motion like this, up until the last year. Certainly things have changed for some reason in this past year and some committees don't have this now.

I would like to go to a vote on this then. I think we've had the discussion on it. Let's go to a vote and let things fall as they may.

(Motion agreed to)

**The Chair:** Thank you very much.

As you understand, the committee will have to set the conditions for each report. That's something that has been done in the past as well.

Thank you very much, everyone, for your cooperation on that.

We'll go to the steering committee after this, but this meeting is adjourned.





**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliament of Canada Web Site at the following address:  
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**