



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Finance**

---

FINA • NUMBER 068 • 2nd SESSION • 41st PARLIAMENT

---

**EVIDENCE**

**Tuesday, February 24, 2015**

—  
**Chair**

**Mr. James Rajotte**



## Standing Committee on Finance

Tuesday, February 24, 2015

•(0845)

[English]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** I call this meeting to order.

This is meeting number 68 of the Standing Committee on Finance, orders of the day pursuant to Standing Order 108(2), study of the Canadian Renminbi Trading Centre.

We're very pleased to have three witnesses presenting here this morning. First of all, from the Canadian Council of Chief Executives, we have Mr. Brian Kingston. Welcome.

[Translation]

We also have Eric Lemieux, Director General of Finance Montréal.

Welcome to the committee.

[English]

From Toronto by video conference we have the Toronto Financial Services Alliance, the president and CEO, Ms. Janet Ecker. Welcome. Thank you so much for being with us.

I want to thank all of you for being here. You'll each have five minutes for your opening statement, and then we'll have questions from members.

We'll begin with Mr. Kingston, please.

**Mr. Brian Kingston (Senior Associate, Canadian Council of Chief Executives):** Good morning, Mr. Chairman, committee members. Thank you for the invitation to appear before you to discuss the Canadian Renminbi Trading Centre, or RMB hub.

The Canadian Council of Chief Executives represents 150 chief executives and leading entrepreneurs in all sectors and regions of the economy. Our members collectively lead companies that administer \$6 trillion in assets; have annual revenues in excess of \$850 billion; and are responsible for the majority of Canada's private sector exports, investment, and training.

The CCCE strongly supported Canada's efforts to secure an RMB hub, as we believe it will deliver significant benefits to Canadian businesses, financial institutions, and the economy. I'm going to begin today by discussing some of the benefits of the RMB hub and then conclude with recommendations on what Canada needs to do to ensure the hub is a success.

To start with the benefits, the most significant benefit to Canada of the RMB hub is its potential to facilitate trade. Canada and China

have a large and growing trade relationship. China is Canada's second largest national trading partner, while Canada is China's 13th largest trading partner. Despite historically resource-intensive trade between Canada and China, trade is diversifying with services trade trending upward, increasing more than 50% from 2007 to 2012. There is also a shift toward trade in value-added goods like manufacturing exports. But there is room for significant growth in our trade relationship, as Canada remains a much smaller partner to China than other countries with similar complementary sectors. For example, China's imports from Canada only represent 1.3% of total imports, which is low when compared with those from Switzerland or Germany where imports are 1.5% and 5.1% respectively.

A number of sectors hold great potential for increased trade. Canada only provides 0.2% of China's total petroleum and gas compared with Saudi Arabia at 19%, Angola at 14%, and Russia at 9%. Similarly, China has significant export capacity in industries such as machinery and equipment, manufacturing and electrical machinery, but only supplies 10% and 16% of imports to Canada compared with the U.S., which provides 56% and 46% respectively.

The RMB hub has the potential to improve Canada's trade with China by reducing foreign exchange costs for importers and exporters, facilitating both trade and investment. Dealing in RMB also gives Canadian businesses a competitive advantage when selling to Chinese trading partners that prefer RMB-denominated transactions. According to estimates from the Canadian Chamber of Commerce, whom you heard from last week, denominating exports in RMB has the potential to grow Canadian exports to China by an additional \$21 billion to \$32 billion over the next 10 years.

In addition to benefiting both importers and exporters, the RMB hub creates new opportunities for Canadian financial institutions. Along with the Mexican peso, the RMB has witnessed the most significant rise in market share among major emerging market currencies. The RMB is expected to become one of the three most traded currencies in the world in 2015. This will take China's financial integration with global markets to a new level. Securing the first RMB hub in the Americas gives Canadian financial institutions a distinct first mover advantage and the provision of RMB-denominated financial services to Canadian businesses and firms in the western hemisphere that have commercial ties with China. Such services can include corporate RMB accounts, lines of credit, and facilities to transact foreign exchange and make payments in RMB.

Now moving on to what needs to be done to ensure the success of the RMB hub. As you heard last week from the ICBC, Canada has a relatively short window of three or four years to take advantage of its RMB trading hub before China is expected to liberalize its capital account, reducing the competitive advantage that the hub creates. To make the most of this opportunity, Canada must establish a long-term vision for deeper Canada-China engagement that includes the following two actions. One, it must create a strategic partnership with China. The lack of a more developed and on-going China strategy in Canada is a major gap in our economic portfolio, especially considering that China is Canada's second largest trading partner after the U.S. Without such an agreement we risk falling behind our competitor nations. Two, it must launch free trade negotiations with China. Canada must take the next step in our trade relationship by launching bilateral free trade negotiations. Eliminating trade and investment barriers will give Canadian businesses a competitive advantage.

In conclusion, the CCCE congratulates the government on securing an RMB hub in Canada. Canada has the opportunity to be a market leader but we must act quickly.

I'd be happy to answer any questions. Thank you.

●(0850)

**The Chair:** Thank you very much, Mr. Kingston, for your presentation.

[*Translation*]

Mr. Lemieux, please go ahead.

**Mr. Eric Lemieux (Director General, Finance Montréal):** Thank you, Mr. Chair.

Thank you very much for inviting me to participate in this committee.

As a representative of Montreal's financial services industry, let me share our views on the implementation of a renminbi trade centre in Canada. Overall, we are very positive about establishing a renminbi trade centre in Canada. Canada and China have long-standing relationships. Those historic ties are deep and represent a very good foundation on which we can continue to build, notably in the financial services industry.

The internationalization of the renminbi represents an opportunity to write a new chapter in the bilateral relationship between Canada

and China. In our view, there are two main areas that will be impacted by this major development.

First, Canadian companies will be able to trade directly in renminbi with their Chinese business partners. This should increase commerce between our two countries and increase the competitive advantage of Canadian companies versus those of other countries due to lower foreign-exchange costs.

Second, Canada's financial services industry, including that of Montreal and the province of Quebec, will be able to create and distribute financial products in renminbi. This will generate a new line of business for financial institutions, provide new investment opportunities for institutional and retail clients, and further increase the profile of recognition of the expertise found within Canada's financial services industry.

The Canadian renminbi trading centre will also benefit China, whose economy is shifting from being oriented to the production of manufactured goods towards favouring national consumption and global investment in strategic industries. With a renminbi trading base in Canada, China will have direct access to North and South American financial markets that operate within the same time zones. The Chinese will also benefit from a solid financial system in Canada with its world-class expertise, proven legal framework protecting investors and consumers, and a favourable fiscal regime.

I would like to add that increasing financial relationships between Canada and China isn't just a bet on growth. It's also an investment in change. Change in the way we do business together. Change in the vehicles allowing access to Chinese markets. Change in the behaviour of Chinese and Canadian finance professionals as they become more accustomed to the practices of one another. To summarize, it's an investment in a more collaborative future between our countries and financial communities.

Finance Montréal supports Toronto and Vancouver in their will to act as the main Canadian hubs of renminbi trade. As Canada's biggest financial centre with most of the foreign exchange operations, Toronto has the capacity and the know-how to handle a significant share of the renminbi transactions and their clearing activities in Canada.

Vancouver, for its part, as the Pacific gateway to Asia, is also very well-positioned. It has a substantial Chinese-speaking population and British Columbia has an incentive program that exempts foreign exchange trading from provincial taxes. B.C. also took the lead in the renminbi market in November 2013, becoming the first provincial government to launch a "dim sum", or renminbi-denominated bond, worth nearly \$425 million.

Now, what specific role can Montreal play in establishing and operating an offshore renminbi market in Canada?

In Quebec, there are about 150,000 jobs in the financial services industry, out of which 100,000 are located in Montreal. The GDP of the financial services industry amounts to 6.2% of the province's total economic output. Montreal is ranked 18th in the world in the Global Financial Centres Index. In 2008, Montreal was 31st in this global ranking. So the local industry has performed well since the crisis and the volume of international business has increased in Montreal over the last few years.

Montreal wants to play an active role in putting in place and operating a renminbi trading centre in Canada. On top of creating and distributing financial products in renminbi, Montreal's financial community will play a specific role in the renminbi market: on the derivatives side. As the Montréal Exchange is the derivatives trading hub for Canadian securities, renminbi derivatives created by financial institutions will be traded in Montreal. Our city is specialized in this cutting-edge area of financial services.

• (0855)

Renminbi futures or currency swaps will diversify the offer of products traded on the Montréal Exchange, while increasing its international appeal.

Montreal has a special relationship with the city of Shanghai, which has been its sister city for nearly 35 years now. One example of the close collaboration between Montreal and Shanghai is a partnership signed in 2013 between Finance Montréal and the Shanghai Financial Association. This deal will increase exchanges of students and professionals of our financial services industries, particularly in the derivatives trading sector.

In 2013 and 2014, representatives of Finance Montréal visited the newly created Shanghai free trade zone, which was designed to facilitate the international trade of goods and services. It was also conceived to increase investment and financial liberalization, including full convertibility of the renminbi, which will further open up the banking sector.

These personal ties and direct contacts between Montreal's and Shanghai's financial communities could be leveraged and further increased by the new renminbi trading centre in Canada. We also see an increasing interest from Chinese banks in opening up branches in Montreal, such as the Bank of China, which opened its first office in 2013. Industrial Bank of China has also announced its intentions to open its first branch in Montreal in 2015.

The Canadian renminbi trading centre could accelerate the penetration of the Montreal market by Chinese financial institutions, a development which we support. All these elements bode well for the financial relationship between China and Canada and also for Montreal, as part of Canada's financial community.

It is now up to us as a nation to seize the opportunities that will arise from this renminbi trading centre and thus further develop a win-win partnership with our Chinese counterparts.

Thank you.

**The Chair:** Thank you for your presentation.

[English]

Next, we will go to Janet Ecker in Toronto, please.

**Ms. Janet Ecker (President and Chief Executive Officer, Toronto Financial Services Alliance):** Thank you very much, Mr. Chair and committee, for this opportunity.

I'm Janet Ecker, president and CEO of the Toronto Financial Services Alliance. With me is Sheryl Kennedy, who is the CEO of Promontory Financial Group Canada and a former deputy governor of the Bank of Canada. Sheryl and her firm were advisers to the TFSA in its leadership role on the RMB initiative.

We are a unique public-private partnership dedicated to growing Toronto region as a top 10 international financial centre. We're a collaboration involving three levels of government, the financial industry, and academia, and we work to grow the sector, to strengthen our global reputation, and to enhance our competitiveness as an international centre.

It was a logical step for us to seek an agreement with China to designate Canada as an RMB trading hub. Let me explain.

As members know, Canada's economy is becoming more globally oriented. International trade and investments contribute more to the country's bottom line, with China now our second-largest trading partner, after the U.S. Bank of Canada governors and the Canadian government are encouraging our businesses to reach out around the world.

Our financial industry is part of that story. After surviving the global crisis relatively unscathed, financial firms used this strength to grow their global footprint, thus benefiting our economy.

For example, financial services trade continues to expand. Since 2000, global exports have tripled, while Canadian exports have nearly quadrupled. The financial services share of total Canadian services exports rose steadily, almost doubling from 5.9% a decade ago to 11% in 2013. Canada's outward financial services foreign direct investment has more than tripled since 1999. In 2013, the sector accounted for 53% of Canada's total FDI stock abroad, up from 44% a decade earlier. One third of Canadian banks' revenue is generated from outside Canada. Canadian insurance firms such as Manulife and Sun Life rank among the top 20 in the world and are active in Asian markets and beyond. Canada's large pension funds rank number three in the world in terms of assets and are well regarded global investors, particularly in infrastructure projects, a pressing need in Asian and other markets.

We also recognize that China was seeking to internationalize its currency and had already designated a number of trading hubs in such places as Hong Kong, Singapore, and London. A centre for the Americas only made sense.

To achieve it, however, would take the collaborative efforts of the financial industry and government. As is typical of TFSA initiatives, we reached out to our industry and government partners to create a working group to drive this initiative. Its members include representatives of a cross-section of domestic and international institutions active in Canada, as well as the federal and Ontario governments and the Bank of Canada as observers.

We were also very pleased that a broad spectrum of business and other organizations supported the initiative. The Canadian Chamber of Commerce, the Canadian Manufacturers & Exporters, the Canada China Business Council, the Canadian Council of Chief Executives, Toronto, Finance Montréal, AdvantageBC, the B.C. government, the Asia Pacific Foundation, and Export Development Canada have all lent their support. It is particularly worth drawing the committee's attention to the fact that AdvantageBC, TFSA, and Finance Montréal are working collaboratively on this initiative, underlining both the national reach of the industry, despite the fact that it is headquartered in Toronto region, and the fact that the benefits of this agreement will accrue across the country.

As the committee knows, in November Prime Minister Harper signed the agreement with China to designate Canada as an RMB trading hub for the Americas. I had the privilege of attending the announcement in Beijing and would like to congratulate the government on this successful initiative.

The committee knows that there are three measures that were part of the agreement: designating the Industrial and Commercial Bank of China as the clearing bank, setting up the reciprocal currency swap line, and also establishing a renminbi qualified foreign institutional investor quota to Canadian financial institutions

What does this mean for the economy and Canadian business? The measures announced will allow direct exchange and trade operations between our two countries. As a result, Canadian firms doing business with China will no longer be required to settle their transactions through an intermediate currency such as the U.S. dollar, thereby mitigating currency risks and reducing transaction costs. An HSBC survey showed 55% of Chinese businesses said they would offer discounts to their trading partners for RMB-denominated transactions.

● (0900)

On the broader economic impacts, TFSA sponsored the Canadian Chamber of Commerce report that cited direct trade benefits alone of an RMB trading hub at over \$32 billion over the next 10 years. In addition, Canadian financial institutions will benefit by being able to provide a broad range of services and products throughout the Americas: trade finance, contract bonding, chequing accounts, short-term liquidity, long-term financing, and investment products.

The bottom line is that this agreement will continue to raise our stature as a global financial centre with a major financial industry in this country, facilitate increased investment in trade, and strengthen Canada's broader economic relationship with China. As we seek to

broaden our base of trading partners, building the reach and expertise of our financial sector and emerging economies around the world is critical. This is another important step in that direction. We now need to take advantage of this opportunity.

Thank you very much.

● (0905)

**The Chair:** Thank you very much for your presentation.

We will now go to members' questions.

We'll start with Mr. Cullen, for seven minutes.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Thank you, Chair.

Thank you to our guests for being here. I don't have a great number of questions. Some of the testimony we've heard this morning has been supportive, as Mr. Kingston and others have said, of testimony we've heard before. Some of the paths we've already been down before, so I won't repeat those.

Mr. Kingston, I think you talked about the "first mover" advantage. Can you elaborate a bit more on that? What distinctly needs to happen, or what may happen in the next three to four years, before other North or South American competitors bring a hub into their jurisdictions?

**Mr. Brian Kingston:** Yes, the first mover advantage is critical. It will really be important first for financial institutions. Canada, being the only country in the Americas to have this designation, has a very short window before China liberalizes its capital account to offer these services, not only to Canadian companies but to companies in the Americas that deal with China.

The second piece of this is taking advantage of the lower transaction costs and increasing trade with China. For companies particularly in resources where margins can be particularly thin, having this lower transaction cost means there's actually a chance to beat out competitor countries and win contracts in China.

**Mr. Nathan Cullen:** I know it's speculative, and you're not in the industry yourself, but if, for example, there are two LNG proposals happening, is there a lower transaction cost if you're able to trade in RMB coming through Canada than the States?

**Mr. Brian Kingston:** Yes, there would be lower transaction costs there. Other examples—

**Mr. Nathan Cullen:** Let me stop you on that one. We also heard from another witness that American or South American companies may come through Canada's trading hub in order to make deals happen in their home countries. I want to distinguish where the advantage is and isn't. Let's just take LNG as an example, because it's a live issue in the province that I and Mr. Saxton and others come from.

If an American firm wants to set up an LNG deal with China in America, can they not use a hub through Canada to lower those transaction costs, the same way a Canadian firm would try to access a deal here in Canada directly?

**Mr. Brian Kingston:** I don't know the specifics of how that deal would work, but I would think an American company could use a Canadian financial institution to negotiate that deal.

**Mr. Nathan Cullen:** Right.

Is that perhaps where the benefit actually is for Canada? It wouldn't necessarily be on any difference in terms of a new specific resource development that may or may not happen, but it would help the financial service sector of Canada if they have that first mover advantage in terms of completing the deal. I'm looking for where the benefit is and where deals would happen that would not otherwise have happened because of this hub, in terms of Canada versus our competitors. Is it mostly on the financial services side of things where Canada has that first mover advantage? Is that fair to say?

Mr. Lemieux, we'll start with you, and then perhaps Ms. Ecker.

[*Translation*]

**Mr. Eric Lemieux:** I'm going to answer in French.

**Mr. Nathan Cullen:** Yes, of course.

**Mr. Eric Lemieux:** As I see it, there are two advantages. The first, as you mentioned, is to position Canada to perform renminbi exchange and clearing transactions, not only for Canada, but also for the U.S. and South America. That is a possibility. It's an advantage for us because people would benefit from going through our financial institutions. It benefits our financial institutions.

Second, let's look at those who can benefit from renminbi. I assume you're from Alberta, oil country.

**Mr. Nathan Cullen:** I'm from British Columbia.

**Mr. Eric Lemieux:** Let's take Bombardier, in Montreal, for example. It makes airplanes. The fact that it's in Canada, close to the financial institutions it deals with, means it doesn't have to go through the U.S. dollar. Similarly, that proximity allows businesses who already deal with Canadian financial institutions to benefit more quickly than other companies that will eventually have to do business elsewhere.

But you are right. As I see it, it's not a long-term benefit. Other companies could also benefit and have the opportunity to do business with—

• (0910)

[*English*]

**Mr. Nathan Cullen:** Ms. Ecker, I have only a short amount of time. If you have a brief response, that would be helpful.

**Ms. Janet Ecker:** Anything we can do that makes business deals easier, faster, and less costly is a good thing. I think the win-win about this particular agreement is in the ability to have the direct exchange between the two currencies. It's a win for financial institutions in terms of being able to conduct more business, but it's also a win for Canadian businesses in terms of making it easier for them to do business with Chinese businesses.

I think, as the HSBC survey that I cited indicated, Chinese businesses were prepared to have discounts or longer trading relationships, better deals, if they could do it in sort of direct Canadian to renminbi and back again. It's something that just makes it easier, simpler, less costly, less risky, and promotes stronger business relationships. So it's a win-win for both financial institutions and Canadian business.

**Mr. Nathan Cullen:** Thank you very much.

I have one last question to Mr. Kingston. I know this isn't your association particularly, but we can imagine larger firms that already have international relations taking advantage of this.

One of the things I've been struggling with, being a former small business person myself, is where the mom-and-pop shops fit into this equation. I know they're not active members in your group, but trying to imagine deals that would not otherwise have happened for some of the smaller value-added businesses in Canada, how accessible is this going to be? These seem like relatively high-end commercial transactions.

**The Chair:** Just a brief response, please.

**Mr. Brian Kingston:** I think the advantages for SMEs could be significant just because of that transaction cost decline that will occur here. As you know, the large companies already have big operations and are active in China. But I think SMEs looking to export to China can use this as a way to do so now, because it will actually make them more competitive in the market.

**The Chair:** Okay, thank you.

Thank you, Mr. Cullen.

We'll go to Mr. Saxton, please.

**Mr. Andrew Saxton (North Vancouver, CPC):** Thank you, Chair.

And thank you to our witnesses, for being here today.

My first question is for Brian Kingston.

Mr. Kingston, how will the establishment of an RMB trading hub in Canada facilitate the expansion of trade with China?

**Mr. Brian Kingston:** China, as I noted, is our second largest trading partner, but I highlighted a few sectors where Canada could be doing more. Other countries are trading much more with China than we are. This hub gives us an advantage, because we can now compete with competitor countries in China, and with lower transaction costs we may actually be able to beat out competitor companies to win more deals and therefore increase trade. So that would be the main way.

**Mr. Andrew Saxton:** Okay, thank you.

Do you know how much two-way trade has expanded with those locations that already have an RMB trading hub, like Singapore and Hong Kong, etc.?

**Mr. Brian Kingston:** Yes, I do. An example is Australia. I can't give you the trade figure. I can give you the RMB transaction increase; since their hub, it's increased by 248%. I don't know how that's translated into actual trade flows, but it's a significant increase in the currency trade.

**Mr. Andrew Saxton:** When did they get they get their trading hub, do you know?

**Mr. Brian Kingston:** I'll have to double-check on that. I'm not sure.

**Mr. Andrew Saxton:** That's two and a half times or basically a 250% expansion as a result. So we can hopefully expect something similar to happen here as well.

My next question is for Janet Ecker.

Mrs. Ecker, how does the establishment of an RMB trading hub in Canada benefit Canada's financial sector?

**Ms. Janet Ecker:** Well, it allows them to do better deals with their clients, Canadian companies, for example, with Chinese businesses. It allows them to start offering more services and products, ultimately perhaps even for the retail market—RMB-denominated financial products, for example. It basically allows them to do more business and better support their clients in internationally reaching out and doing business with China.

I would like to just make one other point about the SME issue. If you couple this currency ability now available with the agreement with things like the Alibaba company with its focus on bringing the Chinese market to SME countries around the world—for example, they have 100 million consumers a day on their purchasing platform—and if you are able to link that up with a medium-sized Canadian firm, the opportunities open up for that SME without having to have the kind of infrastructure that a normal multinational conglomerate might need. It's quite exciting if we can actually take advantage of those sorts of opportunities. And this is the foundation that allows that to happen.

• (0915)

**Mr. Andrew Saxton:** Thank you.

Do you know what Canadian financial institutions are doing to ready themselves for this particular change? Have they hired new people? Have they set up a new office? What sorts of preparations are Canadian financial institutions making?

**Ms. Janet Ecker:** They are looking at the kinds of businesses they want to support. As you know, some of them have more global

operations than others do. They're looking at what kinds of services and products they want to provide. They're looking at the kinds of teams they'll need to do this. That work is going on.

The other thing is that they are working with their clients, and we're all encouraging opportunities for businesses to take a look at the potential here, whatever kind of company they are.

Right now I would describe it very much as doing assessment, educating clients on how to deal with it, and building the capacity to take off with these services. It will take a while to build. The first major step—and I suspect ICBC mentioned this earlier—is that they'll be launching their clearing bank facility on March 23. That will be a major milestone for us. I think you'll see, as has happened in other jurisdictions when they got the hub designation, a fairly quick uptake of RMB business.

**Mr. Andrew Saxton:** Will this give Canadian businesses an advantage over U.S. businesses?

**Ms. Janet Ecker:** I think it could, because it just makes it easier to deal with Chinese business. You're taking away some of the currency risk. You're taking away some of the time. You're taking away some of the complexity. Obviously a company will have to take steps to do this the first time, but once it gets into the role of doing this, it will save time, money, complication, and currency risks.

It will give us a bit of an edge, and as I think Mr. Kingston mentioned, for some industries with very tight margins, any percent they can shave off a cost or any risk they can minimize gives Canadian business an advantage.

**Mr. Andrew Saxton:** Thank you very much.

Finally, Mr. Lemieux, can you explain how Montreal is going to promote itself as a centre for derivative trading in RMB?

[Translation]

**Mr. Eric Lemieux:** The city of Montreal already has an exchange that includes derivatives. We intend to examine how certain derivative products could incorporate the renminbi. We have a number of teams who are going to look at how those products could be created. We also plan to support any initiative out of Toronto or Vancouver involving the use of renminbi derivatives. As you know, the exchanges have been designated, and Montreal's is going to specialize in derivative products.

[English]

**Mr. Andrew Saxton:** Thank you very much, Mr. Lemieux.

I also want to compliment you on your presentation. I thought it was extremely well balanced, and I appreciate that.

**The Chair:** We'll go to Mr. Brison, please.

**Hon. Scott Brison (Kings—Hants, Lib.):** Thanks to each of you for joining us today.



I'll start off with Janet Ecker.

Hello, Janet. It's good to see you again. The Toronto financial services industry is doing a good job of promoting not only Toronto but Canada.

We're told the Canadian pension funds will be able to and will increase their levels of investment in China as a result of having the renminbi hub in Canada. What do you think the impact will be on Chinese investment in Canada?

**Ms. Janet Ecker:** I think it's going to be a little easier for them to do business deals with Canadian business. As you know, China is very interested in various industries here in Canada. They're interested in our agricultural products because, of course, of their growing consumer markets. They're interested in our technology in a number of areas: food safety, pollution control, etc., so there are a lot of areas in which I think the Chinese are interested in partnering with Canada, investing in Canadian business, and selling Canadian products. The renminbi deal will make it a little bit easier for all of that to happen.

**Hon. Scott Brison:** I have a *Wall Street Journal* article in front of me that speaks of the China Investment Corporation, CIC.

CIC has a fund of almost \$900 billion Canadian. In 2009, I met Gao Xiqing, who was their chief investment officer at that time, and he told me they chose Toronto over New York because Canada was more open to Chinese investment than the Americans.

The *Wall Street Journal* article is headlined "CIC May Move North American Headquarters to New York from Toronto". The article refers to concerns that the Canadian government "might be rolling up the welcome mat it once laid out for Asian" investment. It referred specifically to tighter rules around state-owned enterprise investment and ambiguity for Chinese investment in Canada post CNOOC-Nexen.

Mr. Kingston, you referred to some areas where the government could do a better job of potentially promoting Canadian investment opportunities in China. Would making our rules around foreign investment clearer and less ambiguous be one of the areas we should tackle?

• (0920)

**Mr. Brian Kingston:** I'll start by saying that FIPA was a very good and very welcomed agreement to help clarify investment and the rules around investment. That makes Canada stand out for Chinese investors as safe and reliable.

**Hon. Scott Brison:** But do you not acknowledge that post CNOOC-Nexen, the environment for Chinese investment in Canada has changed?

**Mr. Brian Kingston:** We have commented on that previously, and we have raised some concerns with the way that was communicated. It did create uncertainty for Chinese investors; hence the reason we've recommended that Canada take a couple of extra steps—as I said, a strategic partnership and an FTA—to ensure that we build this relationship.

**Hon. Scott Brison:** Ms. Ecker, would you also agree that we ought to clarify our foreign investment policy for Chinese investment?

**Ms. Janet Ecker:** I certainly think that clarity and transparency are very, very helpful.

As you know, it's a complex area. We do have national interests, which I think, quite rightly, that any government would look to protect. However, doing it within a framework of a Canada-China strategic partnership or furthering free trade agreements I think is probably the right way to go. We can set some rules so that everyone knows how we would approach this.

**Hon. Scott Brison:** Given that 80% of mining financing in the world over the last 10 years was transacted in Toronto—Toronto is a hub for natural resource financing globally—and also recognizing the need for significant investment in building infrastructure around projects like Ring of Fire, or Plan Nord in Quebec, should this be an area of focus for Chinese investment in Canada, helping to build the infrastructure we need for the future as commodity markets improve and we develop those natural resource opportunities?

**Ms. Janet Ecker:** Where there are investors in infrastructure projects in Canada, I think we should be encouraging that across the board. As you know, whether it's municipal, provincial, or federal, we have great infrastructure needs across the country.

Our infrastructure investors are domestic infrastructure investors, if you will, and our governments don't have enough resource to do it all on their own. If there is a way to welcome Chinese investment in such projects, I think we should do that. Again, we need good clear rules so that everyone knows how the game should be played, but I think that investment is very helpful.

**Hon. Scott Brison:** In terms of an overall China strategy—and I've spoken to John Manley about this, and he has great experience in the area—Chancellor Merkel has been to China four times in the last year to meet with the new leadership. In the past, we've also had Team Canada missions which were very active, in fact taking 350 CEOs at a time to China.

Should we be doing more of that high-level trade promotion in China, and should we participate to a greater extent in fora like the "Summer Davos", for instance? Should government play a larger role?

• (0925)

**The Chair:** Give just a brief response, please.

**Mr. Brian Kingston:** I'll answer very quickly. First, the global markets action plan was a good step forward in trying to make a strategy for Canada on launching trade missions and engaging with important partners, but as I've said, a strategic partnership would be a great next step. Australia, for example, has one, and it has an annual PM-level meeting plus two cabinet-level meetings every single year. If we had that sort of formal mechanism in place, that would be really helpful for the overall relationship.

**The Chair:** Thank you.

Thank you, Mr. Brison.

Ms. Bateman, please.

**Ms. Joyce Bateman (Winnipeg South Centre, CPC):** Thank you very much, Mr. Chair.

Thank you to all our witnesses this morning.

I'm going to start with Mr. Kingston. We've had a number of witnesses who have indicated the positive nature of this opportunity. We had one witness who perhaps led us to believe that only government can do something to frame this properly. I just want to find out, Mr. Kingston, what are you doing for your organization? You are one of the leaders at the Canadian Council of Chief Executives. How are you preparing your membership to embrace this opportunity?

**Mr. Brian Kingston:** I'll start by saying that because we represent large corporations, many of them are already in China and they have very complex operations, so they don't necessarily need our advice on how to operate in China. When we saw this initiative coming along, we raised it with the government and indicated our support. We thought this was really important, and that was communicated to our members as well, just to make sure that if they weren't aware for whatever reason, they now are aware of the opportunities this creates.

**Ms. Joyce Bateman:** Do you have some SMEs also in your membership, or do you not?

**Mr. Brian Kingston:** No, we don't. We represent large companies. Many of them have supply chains that will have many SMEs as a part of that, but we only represent large—

**Ms. Joyce Bateman:** Do they want you to support those supply chains? Because if there is a weak link in any chain—

**Mr. Brian Kingston:** We don't deal directly with their supply chain companies. We do research on the size of their supply chains and how that fits into the overall Canadian economy.

**Ms. Joyce Bateman:** Fair enough.

[Translation]

I would like to put the same question to Mr. Lemieux.

I completely agree with my colleague Mr. Saxton that your presentation was very well balanced. However, I'm curious and I would like to know whether you have a pedagogical approach to the implementation of the Canadian Renminbi Trading Centre.

**Mr. Eric Lemieux:** We work on several levels.

First, we talk to Montreal and Quebec companies about the benefits of trading in RMB.

Second, we work with financial institutions to ensure that they can use the opportunity to provide RMB-denominated products. They are currently looking into that with colleagues from Toronto, among others, and giving thought to various types of products and ways to make them available.

Third, as I already mentioned, we are trying to determine whether developing derivatives could be more of a long-term opportunity.

Finally, we work with portfolio managers to see whether they could potentially provide RMB-denominated products to Chinese clients, be they institutions or individuals. A number of portfolio managers in Montreal are already managing money for a Chinese pension fund. In that context, we are looking into potentially complementing the product range.

We work with companies, financial institutions and portfolio managers. We will eventually also be working with types of derivatives.

**Ms. Joyce Bateman:** So there are financial and cultural links with Canada and Quebec.

**Mr. Eric Lemieux:** Yes, indeed. We have concluded an agreement with the Shanghai Financial Association. As I said earlier, Shanghai and Montreal have been sister cities for 35 years. The Shanghai group of financial institutions is equivalent to TFSA or Finance Montréal.

We are trying to figure out how we can benefit by using the RMB. Shanghai will play a very important role in the Chinese plan. The free trade pilot area where their people take advantage of the RMB's mobility is somewhat similar to Hong Kong's current system. That's something to keep an eye on. We absolutely want to put ourselves in a position to reap any potential benefits.

Canada is doubly interested because it is becoming a hub for RMB trades. I think it's very worthwhile for us to monitor what will happen in the Shanghai pilot area.

• (0930)

**Ms. Joyce Bateman:** Okay. Thank you, Mr. Lemieux.

[English]

Ms. Ecker, I'm very curious as to how you're embracing this opportunity for your membership. It's the same question for you if we may.

**Ms. Janet Ecker:** First of all, regarding one of your comments that you made earlier, it needs to be—and it has been very much—both a government and an industry partnership to get this going and make it work. It does require both sides of the equation, if you will.

We have been working with the Canadian Chamber of Commerce, for example, and the Canada China Business Council to reach out to business. Obviously, there's a learning curve for a company if they wish to take advantage of this opportunity.

There are things like AdvantageBC, for example, that has been running workshops for company treasury functions. There are people who do the financing for the companies to say here's how you go about doing it.

We've been working with some of our financial institutions that are doing sessions with their clients to say here's what it's all about, here's how you do it. There will be a number of other initiatives, meetings, workshops, etc., over the course of the year that are designed to basically promote how to use this, how to take advantage of this, and how to move forward.

As Mr. Lemieux mentioned, one of the exciting things about this is the collaboration between AdvantageBC, TFSA, and Mr. Lemieux's group. We are looking at how we can collaborate on this to make sure that Canadian business has an opportunity, whether it's financial companies or other businesses, to grow with this.

**The Chair:** Thank you.

[*Translation*]

Mr. Dionne Labelle, go ahead.

**Mr. Pierre Dionne Labelle (Rivière-du-Nord, NDP):** Thank you, Mr. Chair.

Good morning, ladies and gentlemen.

My first question is for Mr. Lemieux, who works in the Quebec financial sector.

You said that 100,000 people work for financial institutions or in financial services in the Montreal region. Do you think that setting up the hub will affect employment in the financial sector or will it not have a significant impact?

**Mr. Eric Lemieux:** I hope this development will help increase the number of jobs, but I think we have to be realistic and say that, ultimately, this will more likely enable companies to provide more business opportunities and increase their volume. But I don't think the number of jobs will double as a result.

**Mr. Pierre Dionne Labelle:** I would like to talk about the opportunity to create derivatives. When I hear the term "derivatives", I understand it as "commercial paper". I remember that the Caisse de dépôt et placement du Québec lost \$40 billion with commercial paper. Are any derivatives from mainland China currently being traded on markets outside Canada or even in Canada? I'm thinking of Hong Kong or Singapore. Do you know what those products are?

**Mr. Eric Lemieux:** If a derivative was created, it would be a derivative for Canada or to help Canadians who are trading in RMB. In that context, certain things must be known.

A derivative or an option is also a means of protection. It's a way to manage risk. Bad things do happen when derivatives are used inappropriately, but a derivative or an option is ultimately a protection tool. People use it to protect themselves from a rate or from something else. The derivatives I am talking about could be

useful to this new market that is opening up between Canada and China. So those would be Canadian derivatives in Chinese currency.

**Mr. Pierre Dionne Labelle:** What is available elsewhere?

**Mr. Eric Lemieux:** To my knowledge, mainland China still doesn't use derivatives. As for Hong Kong, it is similar to what we have in terms of products.

● (0935)

**Mr. Pierre Dionne Labelle:** Do you know what the current ratings of those derivatives are?

**Mr. Eric Lemieux:** No.

**Mr. Pierre Dionne Labelle:** You don't know what they are. I remember that our investments were rated AAA, and we lost a lot with those products.

I'd like to come back....

**Mr. Eric Lemieux:** Mr. Dionne Labelle, that's not a derivative.

**Mr. Pierre Dionne Labelle:** I thought commercial paper and derivatives were the same thing.

Mr. Kingston, you and your associates feel that free trade with mainland China should be established. What else is needed to implement a Canada-China free trade agreement that would be in line with trade rules, as well as social and economic rules? What's missing in that area?

[*English*]

**Mr. Brian Kingston:** What's missing in going ahead with the free trade agreement?

[*Translation*]

**Mr. Pierre Dionne Labelle:** That's what I am asking you.

[*English*]

**Mr. Brian Kingston:** Well, I think the first step would be that we've already done a complementarity study, which scoped out how that would work. The next step would be that we would have some sort of a strategic dialogue, as I've said, so that would be engagement at the highest level between our two governments. Going from there, we would actually launch negotiations. That's typically been the format for this, or the path that Canada has taken. The objective there would be to get rid of tariff and investment barriers that exist right now and are problematic for trade.

[*Translation*]

**Mr. Pierre Dionne Labelle:** I have no further questions, Mr. Chair.

**The Chair:** Thank you.

Mr. Côté, you're up. You have three minutes.

**Mr. Raymond Côté (Beauport—Limoulu, NDP):** Thank you, Mr. Chair.

Ladies and gentlemen, thank you very much for joining us today.

Mr. Kingston, I read the message from your President and CEO, John Manley, in the 2014 report. I thought his observations were very insightful. He talked about a problem with the quality of education. In other words, Canada has dropped off in terms of various indicators used in global studies. I share that concern.

We are carrying out a study on the Canadian Renminbi Trading Centre. The fact is that the centre is universally supported. I am very happy to hear your testimony and your observations on the topic. Even so, we may wonder whether our companies and Canada are ready to meet the challenges involved. Last week, witnesses told us that our window of opportunity to use the Canadian Renminbi Trading Centre's competitive advantage was limited. I see that you agree with that.

Can you tell us about other areas of concern? What can the federal government do to ensure that we take full advantage of this business opportunity?

[English]

**Mr. Brian Kingston:** As I said earlier, large companies are ready for this. They're ready for the RMB hub and they're already very active in China. But to make sure that we really do take advantage of it, and that SMEs are aware of it and taking advantage of it, I do think that there is a role for government to play with associations such as the TFSA and the CCCE and other groups you've heard from, just to make sure that this is really being promoted and that the message is getting out there that this really is a short window. It's great that we have it, but if we don't use it quickly, we won't see any benefit from it. We definitely do need to act to promote it.

[Translation]

**Mr. Raymond Côté:** Do the other two witnesses have anything to add concerning my question for Mr. Kingston?

[English]

**The Chair:** Just a brief response, please.

[Translation]

Mr. Côté, another witness would like to answer.

[English]

**Ms. Janet Ecker:** Mr. Côté, I think that for some businesses this is unfamiliar. They haven't done it before, so we have a bit of.... I don't know whether inertia is the right word, but we have a bit of a hump to get everybody over so that they are familiar with it. I think you'll see, once that happens, much more ease in doing business in renminbi. I think we've all flagged that the education of business and learning how to do it, if I can simplify it like that, are immediate priorities for all of us.

● (0940)

[Translation]

**The Chair:** Thank you, Mr. Côté.

[English]

Mr. Cannan, please, for your round.

**Hon. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair.

Thanks to our witnesses.

I've been on the international trade committee since 2006, and I'm a new member on the finance committee, so I understand the importance of Canada's economic future in regard to our ability to be successful global traders. We rely on those one-in-five jobs, the 20% of our GDP, and the expanding of our markets. Minister Fast has been working out 38 new markets in trying to expand and to diversify outside the United States, even though the United States will continue to be our number one ally. This initiative with China and the RMB trading hub is definitely of great importance, as they are the world's number two trade economy right now.

I want to clarify one point before I go to Mr. Kingston for a question. Mr. Brison alluded to an article in *The Wall Street Journal* that stated the CIC may move its North American headquarters to New York from Toronto. I just wanted to say that it was an article from December 2013. Since then, the government has provided, as you mentioned, certainty with the FIPA and the predictability and the confidence that businesses require to have both bilateral trade and investment both ways.

Mr. Kingston, in your opening comments, you mentioned the need for "a strategic partnership". Could you elaborate on what would be envisioned there from the perspective of the Canadian Council of Chief Executives?

**Mr. Brian Kingston:** I'll go back to the example of Australia, which set up such a partnership with China that includes an annual meeting at the PM level and then cabinet engagement. As you know, it eventually led to, or has been a factor in, Australia concluding a free trade agreement with China.

That's what I would see it doing. It would guarantee at the very minimum an annual leaders level meeting, and then going from there potentially into launching FTA negotiations.

**Hon. Ron Cannan:** Thank you, and I appreciate the comments about fair trade being a contribution made by your colleague, Ms. Campbell.

Mr. Lemieux, I appreciate your contribution this morning as well. You mentioned in your opening comments that this new chapter between China and Canada should increase commerce between the two countries. I'm just wondering if your organization has done any estimate as far as what impact this RMB trading hub would have on job creation, economic growth, etc.

[Translation]

**Mr. Eric Lemieux:** I want to stress the fact that government support is crucial if we want to increase trade with China. The Prime Minister's trade mission was mentioned earlier. I myself accompanied the Premier of Quebec, Mr. Couillard, when he led an economic mission to China too. Government support is key to further developing our relationship with China. Considering the way that country operates, it's very important to know that we have your support.

As for the question about how many jobs could be created, it's difficult for me to provide an exact answer. What I do know, however, is that, as my colleague pointed out, increasing our trade with China is extremely important.

China has transformed itself. It used to be a manufacturer and the world's factory, but it is now becoming a country of consumers. It needs raw materials and commodities. It is buying more and more. The country's middle class now consists of more than 200 million people, perhaps even more than 300 million. That's the population of the United States.

This is an important opportunity for us. If there is a place for our Canadian companies to grow, it is China. You will understand that it's difficult for me to quantify this, but China represents a wonderful opportunity for Canadian companies over the next 10, 15 and 20 years. We should pay close attention to this, while keeping in mind that business is done differently in China. That is why we need governments to provide us with significant support. I think the RMB's implementation is greasing the gears and helping us contribute to both countries' economic growth.

[English]

**Hon. Ron Cannan:** Turning to our friends in Toronto, Ms. Ecker and Ms. Kennedy, thank you for being in this morning, and the Toronto Financial Services Alliance, otherwise known as the great acronym of TFSA, which is something that's obviously a very memorable legacy for our former finance minister, bless his soul, Mr. Flaherty.

Coming from British Columbia—as Mr. Cullen and Mr. Saxton do—and the age of the Pacific gateway, we heard from a representative from British Columbia last week when we heard from the former finance minister on Thursday about AdvantageBC.

Can you perhaps expand a little bit on how this relationship with TFSA and AdvantageBC will work?

• (0945)

**Ms. Janet Ecker:** One of the things that is exciting for Canada is that we have four cities that are considered international financial centres on a global financial centres index that ranks and does this kind of thing: Vancouver, Calgary, Toronto, and Montreal. It's clearly showing the national reach of this industry.

You see from Mr. Lemieux's comments that derivative functionality is certainly happening in Montreal, energy deals are certainly happening in Calgary, and there is a lot of trade financing happening in Vancouver. The infrastructure for the industry in financing for a whole range of products is headquartered here in Toronto. There will definitely be an across-the-country benefit to this.

We're trying to make sure that among the financial regions, if you will, we are coordinating what we're doing. We're keeping each other in the loop in terms of what we're doing. We're sharing information. There's research and survey information we still have to get to meet the terms of the agreements.

We're making sure that we're sharing the information that we're getting. We're also looking at what kind of education needs to occur, as I mentioned earlier, for businesses to potentially do renminbi business. We have a bit of a steering committee between B.C. and Ontario, between AdvantageBC and TFSA. We actually just had a call yesterday to compare notes on what we're hearing, what we're seeing, and what we're doing.

So it's mostly collaboration, cooperation, and sharing of research and information.

**The Chair:** Thank you.

Thank you, Mr. Cannan.

[Translation]

Mr. Côté, over to you.

**Mr. Raymond Côté:** Thank you, Mr. Chair.

Ms. Ecker, I went over last week's testimony, where William Zhu said that Canada was a mid-sized country in terms of trade volume. Concerning the trade of commercial products and investments, he said he was worried our market would probably not be large enough to be attractive. He also said that Canada would be well advised to turn toward the rest of the Americas, especially the United States, to take advantage of that business opportunity.

What you think about that? Has a plan been developed? If not, have you and the members of your alliance implemented measures to encourage players from outside Canada to support this platform?

[English]

**Ms. Janet Ecker:** Ms. Kennedy is going to answer this question, Mr. Côté.

**Ms. Sheryl Kennedy (Chief Executive Officer, Promontory Financial Group Canada, Toronto Financial Services Alliance):** From the beginning, the financial services industry has been very interested in not looking just at the Canada market but at the Americas market. Canada is the first renminbi hub in the western hemisphere time zone. Canadian financial institutions have large operations in the United States and Central Latin America and so are very much interested in how they can serve their clients throughout the Americas and not limit the development here just with Canadian customers. It has been very much an interest to be a hub for the Americas. Of concern in our relationships and arrangements with the Chinese is that it not be limited to just customers here in Canada but to have the ability to provide financial services throughout the Americas. That clearly will mean more business, more volume, and more partnership between Canadian firms—not just the financial institutions—and their other relationships throughout the Americas.

• (0950)

[Translation]

**Mr. Raymond Côté:** Mr. Lemieux, do you want to add anything in relation to the question I asked Ms. Ecker?

**Mr. Eric Lemieux:** Strategically, the United States may have less interest than us in offering this. We agree on that point.

**Mr. Raymond Côté:** Yes, absolutely.

**Mr. Eric Lemieux:** With the U.S. dollar currently dominating world trade, why would they add another currency? There's also the euro. The RMB is ranked fifth or sixth, but the percentage is very small.

I think that, as the RMB's advantages become apparent, U.S. companies will start using it and will go through Canada to do so. So we shouldn't be surprised if New York or another U.S. financial centre eventually took steps to become an RMB trading centre. Therefore, it is in Canada's best interest to establish its position and exercise its role fully.

This is a definite advantage for our companies and our financial position. I would use this situation to support companies in this area in the United States and even in South America, in countries such as Mexico, Argentina and Chile.

**Mr. Raymond Côté:** Is the platform's existence sufficient? If not, should we do more to reassure our Chinese partners by making them feel confident about concluding this agreement with Canada? Should more be done on that front?

**Mr. Eric Lemieux:** I know Mr. Zhu. I've heard him say that China is Canada's second-largest economic partner, but that Canada is a small market for China.

**Mr. Raymond Côté:** Exactly.

**Mr. Eric Lemieux:** I think we are strategic. That's what I wanted to show by saying that our country has an excellent regulatory system. We came through the 2008 financial crisis. So we have significant advantages that put us in a good position to play a major role in this area. That much has been recognized.

During our discussions, my Shanghai counterpart showed a lot of interest in our regulations and the way we weathered the 2008 economic crisis. The U.S. wasn't as successful.

I think that sound regulations and an economic relationship or even friendship with China, which we have had for a number of years, put us in a good position to play an important role.

**Mr. Raymond Côté:** Mr. Chair is letting me know that I have only one minute left.

Mr. Kingston, I will turn to you again.

Let's be honest here. Relations between Canada and China, between the Canadian and Chinese governments, have had their ups and downs. There was a low point in the mid-2000s. Witnesses who have appeared before us emphasized concerns about that. Just 5% of Canadian companies are involved and have business relationships with China. That's very low compared with U.S. companies. If memory serves, their figure is 17% or 18%.

Do you think the low point we experienced in the mid-2000s hurt us and resulted in a significant lag, and that it would somewhat explain our current situation?

[English]

**The Chair:** Just a brief response, please.

**Mr. Brian Kingston:** Yes, there's no doubt that the relationship has had ups and downs, but overall I'd say it's been on a positive trajectory. As I mentioned, we've had the FIPA, which is an absolutely great signal, and then we've had the complementarity study. I think we are on the right track with China. It is our second largest trading partner. Although that 5% figure is alarming, as you've pointed out, I think we're on the right trajectory. The RMB hub will only help.

[Translation]

**The Chair:** Thank you, Mr. Côté.

[English]

Mr. Van Kesteren, please.

**Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC):** Thank you, Chair.

Thank you all for being here.

Mr. Lemieux, can you tell me what the estimated value of derivatives traded in the world is today?

**Mr. Eric Lemieux:** I'm sorry, I don't have the information.

**Mr. Dave Van Kesteren:** Do you have any idea?

**Mr. Eric Lemieux:** No.

• (0955)

**Mr. Dave Van Kesteren:** Does anybody know? From my reading, I read it's somewhere in the \$200 trillion to \$700 trillion range or something like that. Does that sound accurate?

**Mr. Eric Lemieux:** Yes, it may be possible.

**Mr. Dave Van Kesteren:** I remember that when I read that figure, I thought I'd just try to understand derivatives, so I started reading. After about an hour I was more confused than when I started.

I'm hearing great things about the financial market, about how that's going to impact us, and how that's going to be beneficial.

I think I'm the average Canadian. I said at the last meeting I do a little farming, I sell a few cars.... My term of accounting is I take in  $x$ , I hand out  $y$ , and I hope there's a little bit of  $z$  left. Most people understand that.

This is all very complicated—at least it is to me.

Before I get to the question I want to ask, Mr. Brison talked about trade missions in the past. I remember those days. I remember when Mr. Chrétien led Canadian companies by the hordes into China. The result was that we lost a lot of manufacturing. What took place, in essence, was the manufacturers found that they could manufacture their goods much cheaper in China. Frankly, they handed us our butts when it came to that agreement. That's my own personal opinion.

What's to say that we're not going to have the same situation happen to us again with these extremely complicated financial transactions? What kinds of guarantees do you have that this is not going to happen again?

Anybody—Mr. Lemieux, Mr. Kingston?

**Mr. Brian Kingston:** I'd be happy to start.

**Mr. Dave Van Kesteren:** Be very brief because I have another part to the question, too.

**Mr. Brian Kingston:** Just to respond, you pointed out that manufacturing has declined in the Canadian economy.

**Mr. Dave Van Kesteren:** By about 28%, or 18%, or something like that over the last 20 years.

**Mr. Brian Kingston:** Yes, it's been significant, but what's been a really positive story has been the rise of the services economy. It makes up a huge portion of our economy. We've seen a 50% increase in services trade with China, from 2007 to 2012, and Canadian companies actually establishing foreign affiliates in China. I think there's a flip side to that story, and this RMB hub will be really good for financial services and also trade.

**Mr. Dave Van Kesteren:** You're saying we're going to do well in the financial sector.

Mr. Lemieux, I think you talked about Bombardier. I guess I'm looking for an example of that kind of thing. We do manufacture some things really well. We're world-class leaders in high-tech and in agriculture. I'm always flabbergasted at some of the innovation that comes from our agricultural sector. In mining, we're tops. There's nobody better.

Are there examples? Can you see where the Chinese are buying our products? I'm not talking about these other things that I'm not even going to try to understand. Substantial things that mom and pop I think was what Mr. Cullen talked about earlier...those sorts of things that the guy or gal who's producing this commodity or this product, tangible product, is going to say, after this agreement is made, "Geez, things are a whole lot better." Can you give an example of that?

[Translation]

**Mr. Eric Lemieux:** I can give you one example.

As I already mentioned, I had an opportunity to accompany Premier Couillard on an economic mission with a number of entrepreneurs. I have a very simple and concrete example for you.

A company based in Drummondville, a small city in Quebec, manufactures tools used to verify and increase fibre-optic capacity. So we are talking about physical equipment. Since 2008, that company has obtained many contracts to sell its equipment in China. In a case like that, using the RMB would avoid having to go through

a change in currency from Canadian to U.S. and then from U.S. to Chinese.

According to estimates, that would help business owners gain 1% and be protected in terms exchange rate, which would be simpler to do. That's an example of a specialized product that has helped China support its growth. A number of companies were in the same situation.

• (1000)

[English]

**Mr. Dave Van Kesteren:** That's encouraging, several. Can you give me some more? We're looking for really substantial improvements in the market in some places.

Anybody? Mr. Kingston?

**Ms. Janet Ecker:** Mr. Chair, if I may, if you look at the Prime Minister's trip last year, he signed some \$2-billion worth of different trade agreements in aviation, nuclear technology, blueberries, actually, as well as our particular agreement.

Premier Wynne was over in China in October and she signed about a billion dollars' worth of deals in clean technologies such as in food safety, pollution control, those kinds of things. The Chinese are quite keen to learn from the expertise that Ontario brings to that. I think you're seeing a number of examples where we do have expertise or products and services that are of use to Chinese consumers. For example, when I was in China last year I noted that Ontario icewine is very popular with young Chinese women.

So I think there's a long list and I think with the renminbi deal that list is only going to get longer. It's not just about complicated financial transactions. Those are a part of it, those are important, but the exciting potential of this is that it's across the economy if we can take advantage of it. We have to step up to the plate, all of us, to make it happen.

**The Chair:** Thank you very much, Ms. Ecker.

Thank you, Mr. Van Kesteren.

We'll go to Mr. Adler for the final round.

**Mr. Mark Adler (York Centre, CPC):** Thank you very much, Chair.

Thank you to all the witnesses for being here this morning.

I do want to follow up on a number of things that were brought up and one in particular, talking about how we can best promote the hub. Now, just stepping back a bit, let me make a few statements and then what I want to know is...and perhaps Ms. Ecker could first answer this question.

First of all, the World Economic Forum has rated Canada's financial sector as the world's best for the seventh year in a row. We have created 1.2 million net new jobs since the end of the recession in July 2009. We will have the first balanced budget of any G-7 country, with the strongest economic fundamentals. How key are those factors in the decision by China to select Canada as an RMB hub?

**Ms. Janet Ecker:** I think that's certainly one of the major factors. They want counterparties, if I can use that phrase, in the financial industry that are safe, sound, reliable, and our Canadian financial institutions are that. Secondly, a number of our financial institutions have long-standing relationships in China. We've touched on this a few times here this morning about relationships, and when doing business in China it's not just an in-and-out quick trade mission, it has to be a long, steady working at that relationship, at both the government and the company level. I think the political environment, if you will, between Canada and China is a little stronger than, let's say, China and the United States.

I think the other thing, and it was touched on earlier, is our openness to doing business with other countries, with China. We talk about our multicultural, diverse population. This is where I think it actually provides a hard benefit in terms of the openness and the willingness to do trade agreements. I think the other thing is we are small country; we are a small economy when you measure against the world. They only way we will succeed is to be strong, competitive traders not only with China but with other emerging economies. I think the steps that the government has taken with increased trade agreements, with the global markets action plan, are again another important foundation to help us compete successfully around the world.

**Mr. Mark Adler:** Okay, thank you very much. I'm glad you mentioned the quick in-and-out trade mission kind of philosophy because that kind of thing doesn't really establish a long-term relationship, a long-term plan.

The Liberal Party has indicated that they are not in favour of the FIPA. To the NDP's credit, they came out in support of the RMB trading hub. The Liberal Party has not indicated their support of the RMB trading hub as of yet. We're still awaiting that. The Liberal foreign investment policy seems to be "come to Canada and drink Canada Dry". I'm just wondering how essential—and I just want to jump ahead a bit—was the relationship between the federal government and the RMB working group? How did that relationship work? How beneficial was it to have the two partners together like that? How key was the role of the federal government in securing the RMB hub for Canada? Could you talk a bit about that?

• (1005)

**Ms. Janet Ecker:** It was a critical piece of it. Both sides, as I said, both the financial industry and the government were needed to make this happen. The government wanted to make sure that the financial industry was interested, was prepared to take this forward, and had the capacity and the interest to drive it. But there was a market argument for doing this, and we had a number of our financial companies who were quite proactive and vocal behind the scenes with the federal government to say that this was a moment in time. To use the words of one of our CEOs, "This is an opportunity". Government needed the financial industry to sort of weigh in on that. They did. They also needed the rest of the business community to indicate their interest and again, as you've seen, many organizations have done that. Then it was up to the government to pick up the puck in terms of the dialogue with China and the agreements between the two central banks at the officials level. They indeed did do that.

When you look at the history of some of these hubs and how they've developed around the world, it actually happened quite

quickly here in Canada. It was less than two years, and we had the clearing bank named the day after the agreement was announced. I think that speaks to what I hope is a strengthening and growing relationship between Canada and China. It takes two to make these kinds of things happen and it was, I think, a very good partnership that we saw exhibited in this.

**Mr. Mark Adler:** Thank you.

Mr. Kingston, how many members are there in the council?

**Mr. Brian Kingston:** We have 150 members, \$6 trillion.

**Mr. Mark Adler:** And the number of employees?

**Mr. Brian Kingston:** There are 1.5 million.

**Mr. Mark Adler:** Excellent.

The RMB trading hub has received wide support among all of your members, correct?

**Mr. Brian Kingston:** Absolutely.

**Mr. Mark Adler:** Great.

How essential is it that we, as a selling feature—we talked about this and promoting it, we have about a three-to-five-year window of opportunity here—how important is it that we stay on the track to a low tax plan, to creating jobs, and having a prosperous economy as the best selling feature of an RMB hub here in Canada? How important is that?

**Mr. Brian Kingston:** It's very important. Canada needs to maintain its international attractiveness to not only attract investment but to make itself known on the international stage as key people to trade with and to incorporate into a supply chain.

**Mr. Mark Adler:** You would say we've been very successful at doing that.

**Mr. Brian Kingston:** Absolutely. The government's trade agenda, in particular, has been highly successful. The CETA, you know, is the most important trade agreement we've seen since NAFTA, and will have huge benefits for the Canadian economy. Then the recently concluded agreement with Korea will also be hugely beneficial. So, yes, the government has been extremely successful.

**The Chair:** Okay, thank you.

Thank you very much, Mr. Adler.

I'm just going to finish up. I have one question. I want to thank you all for your presentations. I think they were all very informative.

Mr. Kingston, talking about the benefit of having a currency chain rather than going through U.S. dollars, I think the point has been made very well, and you made that extremely well here today.

Mr. Lemieux, with respect to derivatives and Montreal's role, I think, as was mentioned, you had a very informative presentation.



Ms. Ecker, you talked about Canada's financial services' outward foreign direct investment. You talked about our banks, our insurance firms, and large pension funds, and I very much like that argument.

So, my question is more in terms of the Chinese being known as very good savers. It's a perception but, in fact, it's true. The question is with respect to, perhaps, fewer Chinese institutional ventures but more Chinese investors with respect to what Canada can expect as an inflow perhaps on Toronto's exchanges or Toronto companies.

What kind of an inflow can we expect as a result of the RMB trading centre?

• (1010)

**Ms. Janet Ecker:** Was that question for me, Mr. Rajotte?

**The Chair:** It's open to anyone, but let's start with you, Janet.

**Ms. Janet Ecker:** It's tough to put a number on it, but if this develops the way we would like and hope that it will, it will lead to not only the kinds of business-to-business deals we've been talking about but also opportunities for consumers to invest directly in Chinese financial products or the Chinese to invest here. We think there's a potential for that. It's a little bit down the road, but I think it's certainly one of the reasons we were interested in pursuing this. When you look at the 1.5 million Canadians of Chinese descent—and that population is growing here—there will be growing interest in Canada-China financial services products.

**The Chair:** Thank you.

Does anyone else want to address that point?

Mr. Kingston.

**Mr. Brian Kingston:** I don't have a specific figure for what it will mean in terms of inflows into Canada, but I would speculate that this will be beneficial just because it's another piece of the bilateral relationship, which is now improving after FIPA, RMB and, potentially, through further steps.

**The Chair:** Thank you.

Mr. Lemieux.

[*Translation*]

**Mr. Eric Lemieux:** I agree with my two colleagues.

It's difficult to quantify this. As I was saying, the important thing is to add another cog to the wheel in order to take advantage of great business development opportunities. I do, however, want to point out that we need significant support from the government because of the way the numbers work in this area.

**The Chair:** Okay. Thank you.

Thank you for making your presentations and answering our questions.

[*English*]

Thank you very much for being here and participating in our study.

Colleagues, I have one brief item of business today, which is approval of the budget. I understand Mr. Saxton's motion and Mr. Cullen's motion will be on Thursday.

Can I get someone to move the budget for this study we are currently doing?

(Motion agreed to)

**The Chair:** The budget is approved.

Mr. Saxton.

**Mr. Andrew Saxton:** It was our intention to deal with my motion today and Mr. Cullen's motion on Thursday.

**The Chair:** Okay, you do want to deal with your motion today?

**Mr. Andrew Saxton:** That was the point, yes. I don't know where Mr. Cullen is or why he thought it was on Thursday.

**The Chair:** We can deal with your motion today.

At this time, I will thank our witnesses. I'll excuse them. They can stay and watch the debate on the motion if they wish.

Thank you so much, gentlemen here in Ottawa and others, for being with us here.

**Hon. Ron Cannan:** I just want to thank Ms. Ecker and just let her know that B.C. has some excellent icewine that can be exported to the Chinese.

**The Chair:** Thank you. I appreciate that.

**Hon. Scott Brison:** Nova Scotia does as well.

**Ms. Joyce Bateman:** Really? You have icewine in Nova Scotia?

**Hon. Scott Brison:** It's from the Annapolis Valley.

**Ms. Joyce Bateman:** You have ice. Man, have you got ice.

**Hon. Scott Brison:** Trust me. People are whining about it.

**The Chair:** Everyone should have Mr. Saxton's motion before them.

Mr. Saxton, I'll ask you to present your motion.

**Mr. Andrew Saxton:** Thank you, Chair.

By now, most members of the committee have seen the letter from the Minister of Finance to the committee requesting that we study the issue of terrorist financing, which is a very troubling issue right now.

I recently came back from a NATO conference in Brussels, and terrorist financing was a big part of NATO's main concerns right now. Obviously, if we could make some inroads into stopping financing for terrorist organizations, that would put a major hurdle up for them and stop them from growing and expanding as they have been in recent months and years. That's why this is an issue of priority; it's an issue of priority for the Minister of Finance as well as for our government and therefore, it should also be an issue of priority for the finance committee. I think it's something that Canadians care about and are concerned about and therefore, the Minister of Finance has requested that we study the issue of terrorist financing.

My recommendation is that we begin the study after the second break week in March, which would be Tuesday, March 24. Depending on how many witnesses we're able to secure, we'll decide at a later date how many meetings are dedicated to this study. That being said, I think Mr. Adler wanted to add something.

●(1015)

**The Chair:** Mr. Adler, go ahead, please.

**Mr. Mark Adler:** Thank you, Chair.

I want to thank the Minister of Finance for requesting the finance committee to undertake this study and for Parliamentary Secretary Saxton for his remarks just now.

Certainly this is an important study that we need to undertake. We have seen in the past that certain organizations here in Canada have undertaken to raise money domestically that has been sent to terrorist organizations abroad. Clearly we need to investigate whether or not additional organizations are doing the same thing.

Certainly within my own community in York Centre, a number of my constituents have come forward to me, and have recommended for a while now that we undertake such a study to determine whether or not organizations are raising money here in Canada to send abroad for use in terrorist activities.

I fully support this motion and I would encourage the opposition members to do the same. It's an important issue for Canada, an important issue in our role to defeat terrorism on the world stage. Given the recent attacks here in Canada, both in Quebec and Ottawa, and on a daily basis we see them in Copenhagen, in Paris, in northern Iraq, and Syria. With the greatest urgency we need to conduct a thorough investigation of the potential for the domestic financing of terrorist organizations abroad.

Thank you.

**The Chair:** Thank you very much, Mr. Adler.

[Translation]

Mr. Côté, go ahead.

**Mr. Raymond Côté:** Thank you, Mr. Chair.

I am not questioning the basic significance of the study. However, I am really worried about the way the study will be used, given the Conservative government's priorities. And that's really unfortunate. Motions on other issues have been moved, especially on an issue of particular importance at this time. Canada is facing major challenges, including the changing oil prices and all the resulting consequences. That issue is especially urgent.

I am referring to concerns this situation entails for provincial governments, especially those of Alberta, Saskatchewan and Newfoundland and Labrador. Some Canadian families are faced with the immediate problem of job loss or the need to find employment opportunities more locally. It's really disappointing to see this issue being rejected.

As for the proposed topic, I would like to remind the members of this committee that a Senate committee has also examined the matter. Many of the recommendations submitted following that study were incorporated into omnibus Bill C-31. So some work has already been done on the topic.

What I'm really worried about is that we may potentially be taking up the committee's attention and resources to carry out a study that will probably deal with issues that have already been considered elsewhere and for which we may not have anything really new to propose.

I agree that it's important to identify the source of the money used to finance terrorist activities around the world. That said, we could have turned our attention to that matter before, as the Senate did. We could have done so in 2012 or 2013, as terrorist financing was already a known problem back then.

It seems to me that a study is always being requested in response to events and that we are lagging behind instead of anticipating those events. As for the proposal and the insistence of Conservative Party members, I think it's really deplorable that they want to do this now.

●(1020)

**The Chair:** Thank you, Mr. Côté.

Mr. Dionne Labelle, the floor is yours.

**Mr. Pierre Dionne Labelle:** Thank you, Mr. Chair.

I thought we had agreed that the study on the impact of the renminbi hub would enable us to discuss the oil price drop and its impact on the economy. I thought that was what our friends opposite had implied. They are now putting forward a different list of priorities, whereby terrorist financing sources in Canada come before the impacts of falling oil prices on the Canadian economy.

Yet that impact is so significant that the government has pushed back the budget presentation to be able to come up with the revenues it needs to achieve its objectives. Clearly, unemployment is directly related to this. Many companies are hit hard by the situation. I would think that would be a priority for Canada.

I think our friends have stopped listening to me. I have no illusions about the outcome of today's debate, but I would just like to remind you that we made a commitment to discuss the impact of oil prices on the Canadian economy. We should study Mr. Cannan's motion before we move on to the motion Mr. Saxton put forward today.

Thank you.

**The Chair:** Thank you.

[English]

We'll go to Mr. Saxton, and then Mr. Brison.

**Mr. Andrew Saxton:** Thank you, Chair. Through you, I want to respond to my colleagues Monsieur Dionne Labelle and Monsieur Côté. They are suggesting that there are other immediate problems that are more important than terrorist financing.

I'd like to ask them what the other issues are that are more important than terrorist financing right now—through you, Mr. Chair.

**The Chair:** Well, okay, I have Mr. Brison on the list next, so why don't I go to Mr. Brison, and then we'll come back to them?

**Mr. Andrew Saxton:** Thanks.

**The Chair:** Mr. Brison.

**Hon. Scott Brison:** I certainly recognize—we all recognize—the political urgency in the government's avoidance of talking about the economy in recent weeks.

Beyond that, we will support this motion, with reservations. We recognize the importance of studying terrorist financing, and FINTRAC falls under the Department of Finance, but this study ought to be conducted by a parliamentary intelligence and security committee, the kind of committee that exists in the other Five Eyes countries. In Australia, New Zealand, the U.K., and the United States there is congressional or parliamentary oversight. These committees are better able to study terrorist financing than our finance committee, in part because members have a heightened level of security clearance and expertise to delve into the issues.

I'll give you an example of why security clearance is required and important, as we're studying FINTRAC and its efficacy around terrorist financing. FINTRAC uses very specific algorithms to identify suspicious transactions. These are highly secret. As the finance committee, we will be able to scratch the surface, but that's about it, because we don't have the same security clearance that parliamentarians or members of Congress have on their security committees in other countries. For the life of me, I don't understand why the government is resisting the same kind of parliamentary oversight of security that our international coalition partners in the Five Eyes have implemented.

Since there is no security and intelligence committee of Parliament in Canada, we can proceed as a finance committee with this study. But let's be clear: it is an imperfect situation, which will yield a study that does not provide as much information or as much clarity as one conducted by a true parliamentary intelligence and security committee, the kind we have been calling for and would put in place as a Liberal government in the future.

•(1025)

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

*Monsieur Côté, s'il vous plaît.*

[Translation]

**Mr. Raymond Côté:** Thank you, Mr. Chair.

Mr. Chair, I have to tell you that I am always shocked to see that everything boils down to a very partisan game. My colleagues opposite are looking elsewhere and are busy with their cellphones instead of listening to what the opposition has to say.

The study Mr. Saxton proposed is important, but I will turn the question back to him. Why are all opposition proposals dismissed out of hand by the Conservatives? That's particularly absurd. We negotiate in good faith, but we are refused requests that are perfectly reasonable and, most importantly, entirely in the public interest. That's the substance of the problem, be it in the Standing Committee on Finance, in other committees, or as part of House business.

I have no problem with supporting this motion, quite the contrary. However, will our work always be a one-way street? Will the government representatives be open to considering the NDP's proposals during that study? Will we always have the will of the government imposed upon us, with its choice of study topics that

don't reflect the problems business owners, families, workers and retirees deal with on a daily basis?

Canadians are aging. Fluctuations in oil prices and currency are leading to changes in the price of a number of daily necessities that have nothing to do with the higher income of retirees.

I don't understand why we are still working in a potential climate of free-for-all, when we could reach a consensus and come up with negotiated solutions much more easily.

I am asking Mr. Saxton to tell me when he will stop spitting in our face when we put forward perfectly reasonable and fundamental proposals for all Canadians, as is potentially the case with the notice in question. I hope that the study will be conducted under proper conditions and that we won't end up on a one-way street where the government's election platform would be imposed on us.

**The Chair:** Thank you.

Mr. Dionne Labelle, go ahead.

**Mr. Pierre Dionne Labelle:** Although I have reread the motion, I cannot make sense of it. I would like Mr. Saxton to explain to me what it is he wants to study. He is proposing a study of the cost, economic impact, frequency and best practices to address the issue of terrorist financing. So we will be studying the cost of terrorist financing in Canada. Will we be studying the cost of terrorist financing or the cost of the impact terrorism has in Canada? I'm having a hard time grasping the nature of the motion.

Mr. Saxton, can you tell me a bit more about the motion?

•(1030)

[English]

**The Chair:** Mr. Saxton.

**Mr. Andrew Saxton:** Thank you, Chair.

I thank Monsieur Dionne Labelle for that question.

As my colleague may recognize, in order for terrorist organizations to survive and continue, they need to be financed on a regular basis. Our concern, and the concern of many Canadians along with the international community, is that terrorist organizations are taking advantage of such organizations as charities and taking advantage of virtual currencies like Bitcoin in order to launder money and to funnel funds to their bank accounts in other countries. Obviously if we're in a position where we can stop this from happening, then that is a significant step forward in our fight against international terrorism.

These are just some of the issues that come up. I'm sure many other issues will come up as we have our witnesses describe their concerns, but this is a big topic. Financial institutions have put in place controls as well, but we have to find out whether those controls are actually working, because terrorist organizations are getting funding. They are perpetuating themselves and growing as a result of financing. We need to find out where that financing is coming from and stop it as much as we can.

**The Chair:** Thank you.

Back to Monsieur Dionne Labelle.

[Translation]

**Mr. Pierre Dionne Labelle:** I hear what you are saying, but you have not answered my question regarding the motion's wording.

The motion talks about undertaking a study of costs, but what costs are those? It talks about terrorist financing in Canada. I'm not sure what kind of a revelation you are expecting here, in the Standing Committee on Finance, but anything that has to do with the illicit financing of terrorism in Canada must be handled by a public safety committee. It's a matter of conducting a study on the economic impact of terrorism, but I think your motion is poorly drafted to begin with. In it, you say you want to assess the impact of the cost of terrorism in Canada, but the motion is poorly worded in its current form.

I don't think this kind of a study will lead to any revelations. We can look at investigation results, but the nature of those investigations is such that it's clear they will not be made public in committee proceedings. That is actually part of CSIS research efforts. I don't see what we could learn here.

**The Chair:** Thank you.

Mr. Côté, over to you.

**Mr. Raymond Côté:** Thank you, Mr. Chair.

Again, I dislike the fact that the representatives of the party in power are once more using their majority to refuse to answer essential questions.

It's clear that everyone agrees with moving this motion ahead and undertaking this study. But could you tell me how much time we will dedicate to it and what kind of a limit we will set?

[English]

**The Chair:** It's up to the committee how many meetings it wants to have. If the motion passes, what we will endeavour to do as the chair and clerk, obviously, is ask all the members for suggestions in terms of witnesses, and from there we put the study together. It's up to the committee how many meetings it wants to spend on this if it passes.

Mr. Saxton, go ahead on that point.

**Mr. Andrew Saxton:** Thanks, Chair. I just want to respond briefly to Monsieur Dionne Labelle's question regarding the cost. Obviously

there is social cost, and there is economic cost. I'll just give you one example. If terrorists are using charities as a vehicle to funnel money to their sources, charities issue tax receipts. For example, if a charity is being used by a terrorist organization and is issuing tax receipts, there is a very clear economic cost to the Canadian government, because we are actually giving a tax break to the financing of terrorist organizations. That's just one example of a potential economic cost of financing terrorist organizations.

• (1035)

**The Chair:** Thank you.

Can we go to the vote on this?

[Translation]

Mr. Côté, go ahead.

**Mr. Raymond Côté:** Mr. Chair, I think we should dedicate a maximum of four meetings to this study.

So that's my proposal.

[English]

**The Chair:** Does the committee want to identify a number of meetings now? Is that an amendment to the motion?

[Translation]

**Mr. Raymond Côté:** The original motion reads as follows:

That the Committee, at the request of the Minister of Finance, undertake a study of the costs, economic impact, frequency and best practices to address the issue of terrorist financing both here in Canada and abroad.

I move the following amendment:

That the motion be amended by adding after the words "Canada and abroad" the following: "for the duration of four (4) meetings".

[English]

**The Chair:** We'll take the vote on the amendment then.

(Amendment negated)

**The Chair:** We'll vote on the main motion.

(Motion agreed to)

**The Chair:** Thank you.

The meeting is adjourned.







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

---

### SPEAKER'S PERMISSION

---

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

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

---

### PERMISSION DU PRÉSIDENT

---

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>