



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **Standing Committee on Foreign Affairs and International Development**

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FAAE • NUMBER 141 • 1st SESSION • 42nd PARLIAMENT

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**EVIDENCE**

**Tuesday, May 14, 2019**

—  
**Chair**

**Mr. Michael Levitt**



## Standing Committee on Foreign Affairs and International Development

Tuesday, May 14, 2019

•(1010)

[English]

**The Chair (Mr. Michael Levitt (York Centre, Lib.)):** We are in public.

I'm going to pass the floor to MP Caron for his motion.

[Translation]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Thank you.

The motion is as follows:

That, pursuant to Standing Order 108(2), the Standing Committee on Foreign Affairs and International Development undertake a study of the implications of the OECD monitoring of the SNC-Lavalin affair on the perception of Canada abroad, in order to determine whether this monitoring exercise could have an impact on Canada's reputation and whether, in the long term, Canada's diplomatic relations with its partners may be affected; and, that the Committee report its findings to the House.

I'll justify the motion.

In the wake of the SNC-Lavalin affair, the OECD Working Group on Bribery has stated that it plans to actively monitor Canada's implementation of the OECD anti-bribery provisions in this case. The case is ongoing, given that the OECD will continue to monitor the situation whether SNC-Lavalin faces legal action or whether a remediation agreement is reached between the two parties.

In my opinion, this is a troubling situation that should be monitored by the Standing Committee on Foreign Affairs and International Development, simply because the situation is a first for the OECD Working Group on Bribery. The chair, Drago Kos, has already been interviewed a number of times by the Canadian media on the issue. While the outcome of the monitoring is unknown, the fact remains that it will affect the perception of Canada abroad.

The committee should hold at least one meeting on the subject to learn about the OECD's view of the issue, particularly the view of the OECD Working Group on Bribery, and to prepare the government for the potential implications of this type of public monitoring by an organization of which Canada is a founding member.

I wouldn't characterize the Canadian government's response as inappropriate, but it was quite weak. The Parliamentary Secretary to the Minister of Foreign Affairs simply said that Canada was one of the founding countries of the OECD Working Group on Bribery, but he didn't necessarily speak about the ramifications of the monitoring.

As a committee, we must forge ahead and complete this work by the end of the session and before the upcoming election. The OECD group will continue its work after the upcoming election campaign. We must prepare the next Parliament for this situation, which isn't necessarily good for Canada.

We should vote in favour of the motion so that the committee can undertake a study of the implications of this monitoring by the OECD Working Group on Bribery.

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

Mr. Blaney, you have the floor.

**Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC):** Thank you, Mr. Chair.

Mr. Caron has introduced an extremely worthwhile motion. I have here an excerpt from a Chilean newspaper, *La Tercera*. A headline in the newspaper states “*Trudeau intenta defenderse en el caso que derribó su imagen en Canadá.*”

I speak basic Spanish. However, I can see that, even in Chile, people are concerned that Mr. Trudeau's actions will destroy Canada's reputation. The country is at the far end of the southern hemisphere, and Canada is in the news, but not for the right reasons.

People often said that Canada was back. However, this time, the issue concerns everything that we don't want for Canada. In the SNC-Lavalin affair, the reputation of the engineering firm was at stake. Now the issue is more serious. Canada's reputation is at stake.

I support this motion because we must study the issue here in the committee to ensure that the Canadian government takes action to prevent damage to Canada's reputation.

•(1015)

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

[English]

Mr. Abouttaif.

**Mr. Ziad Abouttaif (Edmonton Manning, CPC):** I would like to tackle this from my past experience and background of international business.

It's very disturbing to know that the World Bank has blacklisted 117 Canadian companies, 115 of which have an affiliation with SNC-Lavalin. That means those companies are blacklisted from bidding on global projects. Again, based on my past experience and background, I find this to be extremely difficult and disturbing, because any Canadian company in the future that wants to bid on any global project, whether small or big, is going to be faced with this bad reputation of Canadian companies. That is not what Canada represents.

A study like this coming from Canada, coming from this committee is very critical. It is beyond partisanship. It's beyond anything that is going to go against any government. This is very important. I think the reputation of the whole country's business community is at stake, as is the reputation of our country. We must do whatever we can to show that we want to be more aware and that we make sure that we solve this problem now.

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

MP Wrzesnewskyj, please.

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** This motion is asking the committee to study an ongoing investigation by an international body. It may be misunderstood as an attempt at political interference. It also seems to have some sort of nuance of predetermination of what the outcome might be. Most importantly, we don't want to have any sort of appearance of an attempt to influence an investigation by an international body, so I will not be supporting the motion.

**The Chair:** Mr. Caron.

[Translation]

**Mr. Guy Caron:** Thank you.

I want to respond to the last comment.

The goal isn't to influence the monitoring carried out by the anti-bribery working group. Since this situation is a first for the OECD, we must understand the ramifications of the investigation. The objective isn't to tell the OECD and the working group what to think. Instead, we want to know why the organization has decided to carry out the monitoring, which is quite an exceptional procedure, and the potential ramifications or implications of the outcome of the monitoring.

We believe that we need to better understand a process that we don't know about. The government and Parliament must also understand the process and prepare for the outcome of the monitoring. That's the real reason for the introduction of the motion.

[English]

**The Chair:** MP Abouttaif.

**Mr. Ziad Abouttaif:** Going back to my initial point, I think we all have to be very responsible for making sure that the situation we're put in—the country, the business community, and our reputation.... This is not something that any government or any country wants to be put in. As I said, if you try to bid on or chase projects on the world stage, you'll be faced with a blacklist of Canadian companies, or at least that reputation is there.

This is very painful and has put a lot of companies and businesses at risk when bidding on any project outside Canada. I think we have

to be very responsible here. We do represent Canadians before we represent our parties. This is very important. I'm looking at this at its face value. I hope the members on the government side will see it in the same way.

I'm sincerely talking about this in a very firm way and in a very convinced way. As I said, I've been on the world stage and I know what that means. I think we need to be the one who is coming forward to find solutions and to find the root as to why the OECD or any respected organizations out there are doing this. Why has the World Bank blacklisted 115 Canadian companies that are affiliated to SNC? It's very concerning.

This issue goes beyond partisanship. This is very important. We are here to represent all Canadians, and we need to be responsible enough and have our conscience at the best level to be able to do something and to get to the root of why this is happening.

I think Mr. Caron is on the same page with me on this.

• (1020)

**The Chair:** Thank you, MP Abouttaif.

MP Sidhu, please.

**Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.):** Mr. Chair, I would second the thoughts of Mr. Wrzesnewskyj. If the international body is monitoring the situation, if the committee steps in, I think it could be seen as interference in their work. Let the international body monitor the situation. The committee shouldn't be taking on any responsibility studying this.

**The Chair:** Thank you.

MP O'Toole, please.

**Hon. Erin O'Toole (Durham, CPC):** Mr. Chair, certainly as a proud multilateral player with the OECD, if we don't seize ourselves with the very matter that a multilateral organization is seizing themselves with, with respect to Canada, I think it diminishes our participation in that body. At a bare minimum this should be something the committee at least looks at.

It's an NDP motion supported by the Conservatives. All we would need would be one Liberal member who was willing to ask some questions and live up to the promises of transparency by default to make sure we have a bit of a gander at this. Maybe someone who may not be running again might want to at least say before he leaves that he made sure this committee continued their great work.

**The Chair:** Thank you, MP O'Toole.

MP Oliphant, please.

**Mr. Robert Oliphant (Don Valley West, Lib.):** Yes a voice without vote, my role.

Mr. Chair, thank you for this opportunity. It's great to be on this committee now as parliamentary secretary.

In the spirit of what Erin has said, exactly the same reason I would not support this is that the spirit of multilateralism is to truly respect the multilateral process. To truly respect the multilateral process is to allow the OECD to do its work, and to wait until it has done its work, to not do something independent of that, which would actually undermine it, or could potentially undermine it. That is what multilateralism is truly about.

Thank you.

**The Chair:** MP Aboultaif, and then MP O'Toole.

**Mr. Ziad Aboultaif:** I think it's on us to do something about something that belongs to us that's lying on our shoulders. As I said, we're responsible to look after our ground in Canada and to stand up for our taxpayers, our constituents, our small businesses and major businesses in Canada.

I will emphasize this point once more. One hundred and seventeen companies are blacklisted by the World Bank: 117 companies. By the way, what the World Bank does is they use Canadian money, the Canadian participation in development, to support these projects abroad. So imagine that 117 Canadian companies are not allowed to bid on projects where Canadian monies are used. This is shameful. We must stand up and say something and do something about it. It's not enough for the OECD to do their job. They can do their job whether we like it or not, but it's upon us to do what is right. What is right is to have a study and get to the root of why this is happening to us.

**The Chair:** MP O'Toole.

**Hon. Erin O'Toole:** I would like to address what the parliamentary secretary mentioned as he's inserting himself into the committee's work, which I didn't think was normally the case.

The OECD investigation doesn't have the power to call witnesses and doesn't have the power to do an examination that a domestic parliamentary committee does. The OECD can examine, but it doesn't have the ability we have to actually examine the issues in a coherent and detailed fashion. Our report could be something the OECD then uses for their examination because they don't have any domestic powers of calling witnesses or anything like that.

I think if we're to support their efforts, we should conduct the study.

• (1025)

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

MP Blaney.

[*Translation*]

**Hon. Steven Blaney:** I want to address the political interference argument raised by my Liberal colleague.

As Mr. Caron said, it's quite the opposite. The motion—if my colleague would take the time to read it—is to review the implications of the OECD monitoring of the Prime Minister's interference scandal on the perception of Canada abroad.

As I demonstrated earlier, and as we saw last March, Canada's reputation has taken a hit in a number of countries. I gave the example of Chile, but there have been other examples in different parts of the world. As my colleague said, this issue affects not only

our diplomatic capabilities, but also the economic influence of our companies and their reputation abroad.

The parliamentary session is coming to an end. We don't have many committee meetings left. However, by reviewing the issue, we can show that the Standing Committee on Foreign Affairs and International Development cares about Canada's reputation and the success of its companies abroad.

That's why the motion introduced by Mr. Caron, from the New Democratic Party, is very relevant in the current context. I plan to fully support it.

**The Chair:** Thank you.

[*English*]

MP Baylis.

**Mr. Frank Baylis (Pierrefonds—Dollard, Lib.):** Mr. Chair, I just want to reflect on what was said here.

The OECD produces a report. It has an annual global anti-corruption and integrity forum that produces a report every year. They do a very in-depth study on this. To Mr. O'Toole's point that they don't have the resources and we have more, I would seriously question him on that. They just produced a report, a 224-page report, laying out.... How many companies did they look at? There were 890 companies, of which 695 got deferred prosecution agreement settlements. His position that we have more resources or that we know more than they do holds no water whatsoever. Out of those 890 companies that were looked at, three of them were Canadian.

Yes, it is important that we keep Canadians' reputation clean, but for me, if there have been 890 and three of them are Canadian, I'm not so worried about it. I don't think we need to do this. I'd let the OECD do its job. I think it's doing that very well.

**The Chair:** MP Aboultaif.

**Mr. Ziad Aboultaif:** Just in response to the comment about three companies, all it took was one company to ruin 115 others. One Canadian company, SNC-Lavalin, has dragged another 115 Canadian companies with it. This is not about the number. They could be small companies, but a company the size of SNC-Lavalin that is a multinational enterprise is already damaging the reputations of 115 affiliated Canadian businesses. This is very serious. This is not something anyone should take lightly.

I emphasize the point that this is beyond partisanship. Guys, this is beyond partisanship. Regardless of how you see it, please employ your conscience on this one. This is very important.

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

Seeing no other questions, we shall call the question on this.

**An hon. member:** I would like a recorded vote, Mr. Chair.

[*Translation*]

**A voice:** I would like a recorded vote.

[*English*]

**The Chair:** Okay, from both of you—got it—a recorded vote.

(Motion negated: nays 5; yeas 4 [*See Minutes of Proceedings*])

•(1030)

We will reconvene on Thursday morning.

**The Chair:** I think that's the end of our business today.

Again, thank you to members for the unanimous passing of our Africa report.

The meeting is adjourned.

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