

**PM Martin's speech at the Canada-Arab Business Council dinner
November 21,2005 - 19h43 - Gatineau, QC - 19 minutes**

PAUL MARTIN (Prime Minister): (applause) Thank you very much, Dwayne. Thank you very much. Ministers, Members of Parliament, Senators, Ambassadors, Dean of the Ambassadorial Corps, members of the Canadian business community, ladies and gentlemen. First of all, Dwayne...let me thank you for your introduction. As Dwayne indicated to you we knew each other when he was a member of the Saskatchewan government, I must say a member of a different political party. I was, I am delighted to see how good you look, how much better you look now than you did then. I'm also delighted to see so many old friends in this, in this audience. I've got to tell you a story, One day, many years ago, when I was in business, I was going, I had to go the Middle East. I called up my old friend Shawky Fahel who is here and I said, now look Shawky, what am I going to get into? and he gave me a whole set of advice. He called me about a month ago and he said, Now look, you're going to be speaking to the Canadian-Arab Business Council, do you want some advice? And I said, yes and I forgot to call him and he called me this afternoon and he said, If your speech is a mess it's not my fault! (laughter) So for heaven's sakes, applaud loudly at the end, would you, or I'll be in trouble!

(laughter) It is a great pleasure for me to be here tonight for many reasons but not the least of which is that I believe, that as many of you do, that we are in a moment in our history of huge opportunity in terms of Canada's engagement in the international marketplace. And what I would like to do is to take a bit of time tonight to describe why I think that is and why I believe that you and the Canadian-Arab Business Council have such a pivotal role to play in that engagement. As a country, as Dwayne has just outlined, we have made enormous progress in the last decade. What I'd like to do is describe three areas where this is the case, and then one area where we have not made the progress that we should, and this is where Canada needs you. It needs the Canadian business community, it needs the Canadian-Arab Business Council, and ambassadors, it needs you. First, as you know, as Dwayne has just outlined, in 1993 our government inherited a \$40-billion deficit. Between compound interest rates and the need to continually borrow to pay the bills, the cost to the taxpayers was a massive escalation in both deficit and debt. Today, 10 years later, we have what is generally acknowledged to be the best balance sheet of any country in the industrial world. (applause) We're the only country in the G7 that is not in deficit and we have balanced the budget every single year for eight years. Au cours de la dernière décennie, nous avons remboursé plus de \$61 milliards de la dette, la ramenant de 70 pour cent du PIB à 38 pour cent. En maintenant les budgets équilibrés et en continuant à rembourser la dette alors que l'économie croît, nous allons réduire ce pourcentage à 20 pour cent d'ici 10 ans. Yeah, you can clap! (applause) In the last five years we have cut some 100 billion dollars in taxes, the largest cumulative tax cut in Canadian history, and in our recent economic update we promised to cut taxes by a further \$30 billion over the next five years. And we've also made the commitment to get our Canadian corporate taxes, which are so important to all of you, below U.S. levels

in order to ensure that when jobs are created in North America, they are created in Canada. The second area that I would point out, the difference over the last 10 years is that 10 years ago the relative value of our natural resource wealth was declining in step with worldwide declines. Demand was going down for the great natural resources that we have as a country. With that, crisis followed. Today, with the rise of major new consumer societies in China and India and elsewhere in the world, most of our natural resources, primarily our natural gas and oil and minerals, are back in demand, along with the technology and expertise that goes with that. We're making rapid progress in the oil sands, with investors from all over the world driving the creation of new technologies for extraction. Indeed, in an energy-short world, it is estimated that we have at least 175 billion barrels of recoverable supply, which represents more than two-thirds of Saudi Arabia's reserves. Third: Ten years ago we were in the middle of a brain drain. People were leaving Canada to find opportunities elsewhere, not just in terms of what kind of money they can make, but in terms of what they could learn, in terms of how they could challenge themselves. And today, the brain drain has been reversed. Our best and our brightest are coming home, and we're attracting researchers from all over the world to our universities, several of which boast programs which are the best of their kind in the world. And this is no fluke. In the past seven years, we have doubled federal support for basic research. The University of Western Ontario, where Joe Fontana as from, as an example, taking us from the bottom of the G7 for public sector R & D to the top. Now so far, I've been doing a lot of bragging. I've named three crucial areas where we have made great progress as a country over the past 10 years. Now we come to the fourth. Ten years ago, Canada was a major exporting nation, but with more than three-quarters of our exports bound for one market, the United States. Today, we are still a major exporting nation, but we are still sending more than three-quarters of our exports to one market, the United States. Don't get me wrong, we have done very well by our trading relationship with our neighbour to the south. Representing nearly one-third of the world's Gross Domestic Product, North America has become the largest trading block on the planet, and beyond the clear economic benefits, it is plain that trade with the United States, in spite of the difficulties that we have occasionally, reinforces a great friendship between our two countries. But that being said, there is no rational argument for Canada having all of its eggs in one basket, and there are quite a few arguments for diversifying. (applause) Indeed, gaining access to the widest range of international markets has to be a major Canadian economic objective. Now in recent years, we have seen the rise of countries such as China and India, and there have been calls for us to further develop our relationship with these economies, and I certainly share that view. We have to take advantage of every single opportunity that lies out there. But let me tell you, I believe we would be making a huge mistake if we were to leave it at that, and that is why I am so grateful to have the opportunity to have a few words with you tonight because I feel very strongly that Canada and Canadians have to recognize the very great opportunities that markets in the Arab World represent for us. (applause). Unfortunately, and I speak to government, I speak to the business

community, and I speak to the ambassadors who are here, the simple fact of the matter is we have done little more than scratch the surface of the opportunities that are open to us in the Arab World. Je crois fermement que le Canada, que les Canadiens doivent reconnaître les importantes opportunités qui représentent pour nous les marchés du monde arabe. La vérité tout simple c'est que le gouvernement et le secteur privé n'ont encore vu que la pointe de l'iceberg. Le monde arabe représente une jeune population diverse. De plus en plus rapidement, la bonne gouvernance et la règle du droit prend...prend le devant, prennent racine. Et de plus en plus, la région s'ouvre aux échanges économiques et aux investissements étrangers. The Arab World represents a young and growing population of some 300 million people. It is sophisticated, it is diverse. Good governance and the rule of law are coming into place at an accelerating pace, and more and more of the region is welcoming liberalized trade and direct foreign investment. Canadian companies are already participants in this. Indeed, they are industry leaders, and all of you who are here in this room are examples of that.

Export Development Corporation has already provided some \$4.5 billion to financial services to companies who are operating in the region since 2003. And with their continued involvement, we hope to see double-digit growth in annual exports through to 2010. But let's be honest, that's simply a linear progression. Surely to heaven, the people in this room working together, we can do a great deal better than that. In this context the Canadian-Arab Business Council has a key role to play, representing Canada's business interests as well as the values that we all share.

Votre organisation joue un rôle clé en représentant non seulement les intérêts...les intérêts économiques canadiens dans le monde arabe, mais aussi les valeurs qui nous sont chères. Canadians are already playing a substantial role in terms of education throughout the Arab World. For example, the College of the North Atlantic in Qatar and Al-Ahram Canadian University in Egypt are two institutions which were built and are run today by Canadians. Our educators are currently developing an entire network of community colleges in the United Arab Emirates. These are excellent examples of how the values that we share as a country can be strengthened at the root because I strongly believe that our engagement with the Arab World in terms of commerce, in terms of trade, and in terms of greater openness is one of the most effective means that we have in fostering good governance and the rule of law. Each reinforces the other, and this is as true in the Middle East as it is anywhere else. As all of you know, I am a very strong supporter, Canada is a very strong supporter of the course that has been set out by Mahmoud Abbas. Canada wants it to succeed. The roadmap that he and Ariel Sharon are on is our foremost hope for peace, and that's why we will do an enormous amount, everything we possibly can, to support the Palestinians' capacity to govern. We're making a variety of specific investments in the Palestinian Authority. We're helping to build the strength of their coastal defences, for example. We're working to accelerate reform of their justice system, and to provide support for the upcoming elections. But business has a key role to play in building the peace that we all want. The Palestinians are not

going to make it without hope, and there's no hope without the prospect of employment and a sustainable economy. For example, under Joe Fontana, the minister who is here, the Canadian government is investing in a significant expansion of housing in the Palestinian territory through the Canadian...the Canada Mortgage and Housing Corporation, but it is business (applause)...but it is business that must undertake the actual construction. From telecommunications to roads, from roads to port construction, the opportunities abound. Let me just take an aside. When Mahmoud Abbas was here, a number of us...Joe, you and I and number of us met him. We sat down and we talked about the ways in which Canada could help. We talked about the judiciary. As you may know, Canada has put together a group of the judiciary of four of the countries, including the Palestinian Authority, Egypt....Jordan, to basically...to put up the kinds of judicial structures that are going to help. But at somewhere in the middle of the discussion, Mahmoud Abbas talking...I think it was just you and I, Joe...talking to us as politicians, said, 'Understand what we need'. He said, 'You can build the structures that you talk about, and they're very, very important, but when I go home, people are going to be looking for jobs. People are going to be looking for a house over their head. People are going to be looking for a future for their children'. And it is crucial if we're going to have peace in the Middle East, or if, in fact, so many countries in the Arab World are going to join with us like this in the world of commerce, that we build the same kind of hope and economic strength that we have in Canada. None of us as Canadian politicians would go into any part of this country, as we will in an election campaign, and not talk about the strength of the economy, the strength of the education system, the strength of the health care system, and the ability of people to work. And why would we think it's going to be any different anywhere else? And that's why I believe that the Canadian-Arab Business Council is so important, why Mr. Ambassador your role and the role of the other ambassadors is here is so important, because what we've got to do is to recognize that there is a common humanity, and we've got to come together and deal not with only the things that politicians talk about, or the great elites as they write huge books, but the kinds of things that ordinary people think about and talk about and hope about for their children. (applause) And this is true throughout the region. Canada is a friend to the Arab World, and we have a stake in their increasing openness to trade and investment. We have strong relationships throughout the region, and these will be integral to opening doors. When I was in the private sector, I came to know the region well. As Prime Minister, I've visited Libya, Morocco, and the Sudan. I'm constantly in touch with President Mubarak of Egypt...well, I have been...and over the last two weeks, for instance, to give you an example, in touch with President Mubarak of Egypt, with King Abdullah of Jordan, with President Bouteflika of Algeria. President Bouteflika of Algeria was an old friend of my father's. He came up to me when I came in there and he told me that. He said, 'I knew your father well, and your father was a very wise man'. He said, 'It remains to be seen whether you are!' (Audience laughs) So I intend to go back to the region soon, and when I do I hope to go back with a great number of you. Le Canada a une belle amitié avec le monde arabe, et nous misons sur son

ouverture sur le monde. Nous avons de bonnes relations partout à travers la région, and celles-ci sont essentielles afin de créer des opportunités et de permettre de partager nos valeurs. L'avantage le plus important que nous avons, c'est vous. C'est vous...beaucoup d'entre vous. C'est la puissance, c'est la diversité, et c'est la vitalité de notre population arabe ici au Canada. Let me just close by saying one thing. As Canadians, we have many advantages as we seek to engage the Arab World, but our greatest advantage as a country has barely been tapped. It is the strength, it is the diversity, and is the vitality of the Arab community here in Canada(applause) And so through you let me speak directly to them. The Arab community in this country possesses huge assets of language, of cultural depth, of understanding, of professional expertise, and we in government are here to support you, but more importantly to say to you that we need you. We need you not only in business, but we need you in government as well. We need Canadians of Arab origin on both sides of the public and private-sector table. In recent years, as a government, we have made progress in this regard, but not nearly enough in my view. Your work and your contribution to public life have never been more important to Canada. And so let me simply say, let us work together, the Canadian-Arab community, the Canadian private sector, and the Government of Canada, for the benefit of Canada and the world. Thank you very much. (applause)



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