

TSX 12,899.58 ▼ 16.14	DOW 12,307.49 ▲ 29.08	NASDAQ 2437.36 ▲ 9.67	DOLLAR 87.05¢ ▲ 0.03¢	OIL \$62.03 ▼ \$0.46	GOLD \$626.10 ▼ \$5.80	PRIME 6.00 OCT. 17
------------------------------------	------------------------------------	------------------------------------	------------------------------------	-----------------------------------	-------------------------------------	---------------------------------

BUSINESS

THE GAZETTE | MONTREAL | SATURDAY, DECEMBER 9, 2006 | BUSINESS EDITOR: BRYAN DEMCHINSKY | 514 987 2486 | bdemchin@thegazette.canwest.com

Diversity: once required, it's now an advantage



JAY BRYAN
on the workplace

"Fishing in a bigger pond can help managers attract a better workforce."

"Employment diversity" used to mean that corporate managers felt obligated to keep government regulators happy by boosting the number of their workers from traditionally underrepresented groups like visible minorities, women, aboriginals and people with disabilities.

In recent years, there's been a big change in this attitude. As companies made progress in hiring from such groups, many discovered that diversity is actually a key competitive advantage.

Today, the push for employment diversity is mostly driven by corporate managers who know that in an era of skills shortages, fishing in a bigger pond can help them attract a much better workforce.

Here's the next job: they must learn how to do this.

A new survey by the Conference Board of Canada suggests that while companies seem more motivated to open up, a dismaying number don't get how to do so effectively.

"Vision without execution is hallucination," says Conference Board vice-president Prem Benimadhu in a tart comment on this contradiction: "Being aware of something is good. But not executing is very bad."

Here's the contradiction:

Of the 120 organizations, mostly large, that responded to the Conference Board survey, a majority said they considered workplace diversity to be a priority.

On the other hand, fully 42 per cent said they had no strategic plan to accomplish this, fewer than half provide diversity training to managers and workers and more than four out of five said they considered their organizations average or below average in preparing leaders to manage a diverse workforce.

If you were cynical, you could suggest that while this is one of many things it might be nice to address, diversity is one of those "soft" virtues that won't help the bottom line.

But no, that's not really what this survey suggests.

Please see BRYAN, Page C4



Trần Triều Quân in his Quebec City office. His philosophy is to be happy by making other people happy.

FRANCIS VACHON THE GAZETTE

PROFITTING FROM THE MARTIAL SPIRIT

WORKING WITH FIRST NATIONS COMMUNITIES, **Trần Triều Quân** has used the discipline of tae kwon do to prosper in business and do good in the social realm

MARK CARDWELL
SPECIAL TO THE GAZETTE

QUEBEC – Chinese philosopher Confucius said that the superior man is modest in speech but excessive in actions. It's hard, then, not to admire Trần Triều Quân, a soft-spoken Quebec City businessman, survivor of Vietnam's prison system and a world-class tae kwon do expert.

"(Tae kwon do) philosophy is for people to be champions of justice and freedom (to help) build a better and peaceful world," said Trần, the senior partner in Norbati, a consulting firm that provides professional advice and technical expertise for public, industrial and commercial construction projects.

An eighth-dan black belt in tae kwon do, he is the world's highest-ranked master in the sport and president of the 450,000-member International Taekwondo Federation.

"What motivates me," said Trần, a Canadian citizen who immigrated from Vietnam in 1971 to study engineering at Université Laval, "is to be happy by making other people happy."

That outlook, together with his Buddhist beliefs, and the discipline and values he has learned from a lifetime of martial arts training, help guide him in his personal and business dealings. They also help him to cope with adversity. In particular, he said, they helped him get through an international incident that made him famous locally a decade ago.

Please see TRAN, Page C4

Canada's banks rake in the billions as profits set record

Scotiabank reports \$3.6B in earnings as Canada's Big 6 net \$19B in 2006

DAVID FRIEND
CANADIAN PRESS

TORONTO – Canada's six biggest banks have set a new benchmark for profitability, smashing their previous full-year earnings record with total net income of \$19 billion for 2006.

That was up from \$12 billion last year and trounced the former record of \$13.3 billion set in 2004 by the Royal Bank, the TD Bank, the Bank of Nova Scotia, the Bank of Montreal, the Canadian Imperial Bank of Commerce and the National Bank.

However, bank CEOs and analysts are approaching 2007 with a cautious outlook, with some scaling back estimates while others say the good news can last only so long.

The cautious optimism comes the week after the Royal posted the highest annual earnings ever reported by a Canadian bank, \$4.73 billion in the banking year ended Oct. 31, up from \$3.4 billion in the prior year.

But at the same time, Canada's largest bank estimated 2007

earnings-per-share growth of "at least 10 per cent," down from a growth target of more than 20 per cent it had set for 2006.

Scotiabank president and CEO Rick Waugh expressed similar caution yesterday during a conference call with investors after the bank reported a 2006 profit of \$3.5 billion and boosted its dividend.

"While we don't see any significant problems ahead, we do expect the environment may get somewhat tougher next year, so

we will rely on our long-standing risk-management strengths, which will be critical," he said.

CIBC seemed to be playing it safe by not making a profit forecast for the new year. It reported an annual profit jump of \$2.6 billion from the previous year's loss of \$32 million, which included a \$2.53-billion Enron-related charge.

Tom Kersting, an analyst at Edward Jones in St. Louis, said industry caution stems from a good operating environment this

year, with solid growth in mortgages, credit cards and other consumer lending.

"It's difficult to see things getting a whole lot better," Kersting said. "It's easier to see things getting just a little bit worse."

Potential threats, notably a slowing economy, could rear their head in the new year. That could cause a rise in loan losses and slower earnings growth, Kersting suggested.

Please see BANKS, Page C2

TRÂN Time in Vietnamese jail taught appreciation for human rights

CONTINUED FROM C1

At the time, Trân owned a private consulting firm that did business almost solely in Vietnam. He represented more than a dozen large Western companies – including the U.S. engineering and construction behemoth **Morrison, Knudsen** – in the communist country and, as a sideline, acted as a middleman in deals involving consumer goods.

In early 1994, a million-dollar deal he brokered between the Vietnamese government and a Toronto-based subsidiary of a U.S. cotton company went awry. “We had done nothing wrong, so I went (to Hanoi) to straighten things out,” Trân recalled.

He was arrested upon his arrival at the airport.

“It was only when I got there that I learned the money had disappeared and that several Vietnamese had already been put in jail.”

Despite official diplomatic protests, and a personal appeal from Prime Minister Jean Chrétien during a trade mission to Southeast Asia in the fall of 1994, Trân spent 2½ years in a Hanoi jail without being charged or brought to trial. He was also unable to communicate with his wife and three young children in Quebec City.

He was eventually released in May 1997 because, he said, the Vietnamese government “grew tired” of the diplomatic fallout from his case, which remained in the news in Canada thanks to the efforts of a coalition of friends and the support of several business organizations, including the Canadian Chamber of Commerce.

Trân “has made many friends here over the years,” said Janel Gauthier, a Quebec City psychologist, Université Laval professor and tae kwon do expert who helped to organize efforts aimed at freeing his diminutive master. “He is someone with tremendous leadership abilities and loads of charisma.”

For his part, Trân said, surviving in a Vietnamese jail was a humbling experience that helped him to grow as a person.

“You learn a lot through bad times,” he said. “For example, I am now very sensitive and committed to human rights and justice.”

In 1998, Trân was asked by the United Nations to be an ambassador in the From Witness to Advocate program, which requires participants to talk to Canadians about victims of human rights abuses. Since then, he has been involved in dozens of human rights-related events at schools and other institutions across Quebec and frequently gets involved in letter-writing campaigns to free political prisoners.

The same year, Trân started to rebuild his professional life from scratch.

Reluctant to keep doing business in Vietnam, where he learned that jealous competitors had worked to keep him behind bars in order to steal his clients, Trân decided to close his old company and start Norbati.

Norbati is one of only a few firms in eastern Canada that combines services in building construction, public safety and fire protection. One of its specialties is designing equipment that controls smoke and helps people escape fires in high-rise buildings.

Trân was a fire-safety expert who spent 15 years with Quebec’s labour ministry before retiring to start his ill-fated company in Vietnam.

His new company has been involved in several big construction and renovation projects across Quebec. They include the continuing \$15-million facelift of the Château Frontenac, the construction of a \$5-million museum and adjoining observation tower in Shawinigan, and a \$4-million project to build a new headquarters for Hydro-Québec at the LG4 James Bay hydroelectric dam.



FRANCIS VACHON THE GAZETTE

Trân in his tae kwon do outfit. He’s an eighth-dan black belt.

The company is also involved in building projects in southeast Asia as a partner of Canadian engineering-construction giant **SNC-Lavalin**. It is working with Lavalin on a residential housing complex for the elderly in Laos.

The company is not planning, however, to do any work in Vietnam, Trân said. “I’m not bitter,” he said. “I just don’t want to take any unnecessary chances.”

Norbati has also been involved in two construction projects on the Innu reserve of Betsiamites, a half-hour’s drive west of Baie Comeau.

Those projects – the building of a public school and a community centre – are notable because Trân was instrumental in opening a tae kwon do school on the reserve five years ago.

The school – or dojang – is one of two Trân has founded on aboriginal reserves on Quebec’s

“You learn a lot through bad times.”

TRÂN TRIÊU QUẢN

rugged North Shore (the other is in Sept Îles). It is also one of more than 60 he has started across the province since opening his first – also Quebec’s first – on the Université Laval campus in 1972.

Since then, Trân has trained several Canadian tae kwon do champions, some of whom work part-time in his office, “to make some money and be able to train with me,” he said.

Notably, Trân beat out Quebec Nordiques head coach Michel (le Tigre) Bergeron to earn the province’s Coach of the Year Award in 1984.

According to Trân, Canada’s aboriginals are particularly receptive to the Korean martial art, which teaches fitness, self-defence and a Confucian-based value system that emphasizes personal improvement, respect for others and social harmony.

“One of the biggest problems in native communities is the negative streams of thought that flow there,” said Trân, who no longer teaches but continues to train three times a week, often with his wife and children, all but one of whom are black belts. “Tae kwon do creates positive streams.”

The chief of the Betsiamites reserve agrees.

“(The Betsiamites dojang) has done nothing but good,” Chief

Raphaël Picard said. “We have a lot of problems in our community and our youth are confronted with many big challenges. Tae kwon do is an instrument of personal affirmation and offers a way to integrate society.”

Picard also praised Norbati’s role as the manager in the reserve’s major infrastructure projects, including the multimillion-dollar development of an industrial park that is now entering its first phase.

“Trân and his people are excellent in the planning and development of a project, and they have good business vision,” he said. “And when we talk to them, they are sensitive to our particular situation and needs. That’s very important for us.”

Elected to replace International Taekwondo Federation founder General Choi Hong Hi, who died in 2002, Trân, who is now referred to at dojangs around the world simply as “Master,” has visited about 60 countries in the past three years.

“Running an international martial-arts organization is a very big responsibility,” he said, adding that he has worked more than 70 hours a week since his election in Warsaw in 2003.

“I’ve got two full-time jobs. Fortunately, when you believe deeply in something, time and priority management is not a problem.”

He’s happy that his four-year presidency will end in June, when Quebec City plays host to its annual congress and tournament – attracting more than 1,000 delegates and athletes from around the world.

Trân said he has tried to make the international body more democratic and business-like.

“In the dojang, the master is like a king, and the international organization reflects that in that it is very conservative,” he said. “I’ve tried to change that by allowing (national members) more participation in the decision-making process.”

Trân added that he has also tried to bring “business thinking” to the federation. One of his most important messages, he said, is about a basic tenet of tae kwon do: leadership.

“Respect is earned,” Trân said. “When you’re a leader, you need to look in the mirror so you can set the best example.”

He added that, as Confucius said, the best reflections come to those who know themselves and learn to live in harmony with their families and neighbours.

Banking on China

NOW OPEN TO FOREIGN COMPETITORS

\$4 trillion in wealth is at stake, but history shows clients stay with home-grown banks

ELAINE KURTENBACH
ASSOCIATED PRESS

SHANGHAI – China’s banking industry officially opens to full foreign competition on Monday, a landmark for the country’s financial sector and a day of reckoning for the country’s mostly state-owned banks.

The world’s biggest banks – Citigroup Inc., HSBC PLC and Bank of America, among them – have spent billions of dollars and devoted huge resources to positioning themselves for this moment.

The change, agreed to under conditions set when China joined the World Trade Organization in 2001, is the closest China, whose financial markets remain tightly regulated in many areas, has come so far to a “Big Bang” along the lines of the unprecedented 1986 overhaul of London’s financial world.

But as avid as global banks may be to tap China’s \$4-trillion pool of household and commercial wealth and its fast-growing

market for financial services, they are unlikely to win a major share of the industry anytime soon, analysts say.

“It is really difficult for foreign banks organically to grow, particularly in as large and idiosyncratic a market as China,” said Michael Pettis, a professor of finance at Peking University’s Guanghua School of Management.

The rules that take effect Monday will give foreign banks access to the local currency retail banking business, in theory lifting all geographic and client restrictions on operations. Previously, foreign banks were allowed to offer such services, on a limited scale, only in 20 major cities.

Preparing for those changes, foreign lenders have sought multibillion-dollar stakes in local banks, expanded their branch networks and aggressively targeted wealthy clients with private, foreign currency banking services.

By the end of June, there were

71 foreign banks in mainland China with 183 branches, the most recent figures available.

Much of the foreign banking business is centred in Shanghai, site of 55 per cent of total foreign banking business volume and 30 per cent of all outlets, according to government figures.

With a new branch in Shanghai, the **Bank of Nova Scotia** will soon have six branches in China.

And the Royal Bank recently announced a joint venture with **China Minsheng Banking Corp. Ltd.** to launch a fund-management company based in Shanghai.

In Shanghai, the Chinese mainland’s main international commercial centre, foreign banks held 13 per cent of all banking assets by the end of 2005. But nationwide, they account for an aggregate market share of less than two per cent.

History suggests they are unlikely to grab a significantly bigger share of the market any time soon, despite their overall stronger asset bases and better services, Pettis said.

In countries as varied as Russia, Brazil and the United States, market opening has not resulted in an exodus of customers from local banks to foreign ones.

“It’s just never happened,” he said.

BRYAN ‘As soon as you hit 55, people ask: when are you retiring?’

CONTINUED FROM C1

When managers were asked why it might be worthwhile to invest in diversity, they focused overwhelmingly on solid business advantages.

The top reason, chosen by 58 per cent, was to access a broader talent pool. Second, chosen by 55 per cent, was to be an employer of choice. Only then came corporate social responsibility, chosen by 42 per cent.

So the disconnect might be that while managers understand that this is important, it’s not urgent right now, Benimadhu suggests. That’s understandable, given the increasing stresses placed on managers in an era of global competitive challenges.

But it’s a mistake. There are signs that Canada has already fallen behind in its ability to benefit from the diverse talents of its population.

That’s sad, because diversity

training isn’t all that daunting. It can be as simple as teaching managers that it’s okay for a candidate to avoid looking an interviewer in the eye. Such behaviour is regarded as impolite and aggressive in many countries.

One hard indicator of Canada’s insufficient progress is that earnings of immigrants to this country have been falling farther and farther behind those of native-born Canadians, a trend that is more than 20 years old.

This isn’t hard to understand, Benimadhu says. Canada attracts large numbers of highly trained professionals, for example, but wastes many in low-wage jobs because of unreasonable obstacles to having academic degrees recognized or professional qualifications accepted by licensing bodies.

There are other countries that do far better, like Australia, which has done the necessary research to evaluate the quality of

credentials from countries like India and Pakistan and Iran. As a result, an engineer who arrives in Australia from a world-class school like the Indian Institute of Technology is immediately able to work.

Immigrants are just one example of a disadvantaged group. In addition to them and the four groups originally identified under employment-equity legislation, Benimadhu would add in those disadvantaged by sexual orientation, age, religion and any other characteristic that might tend to single them out.

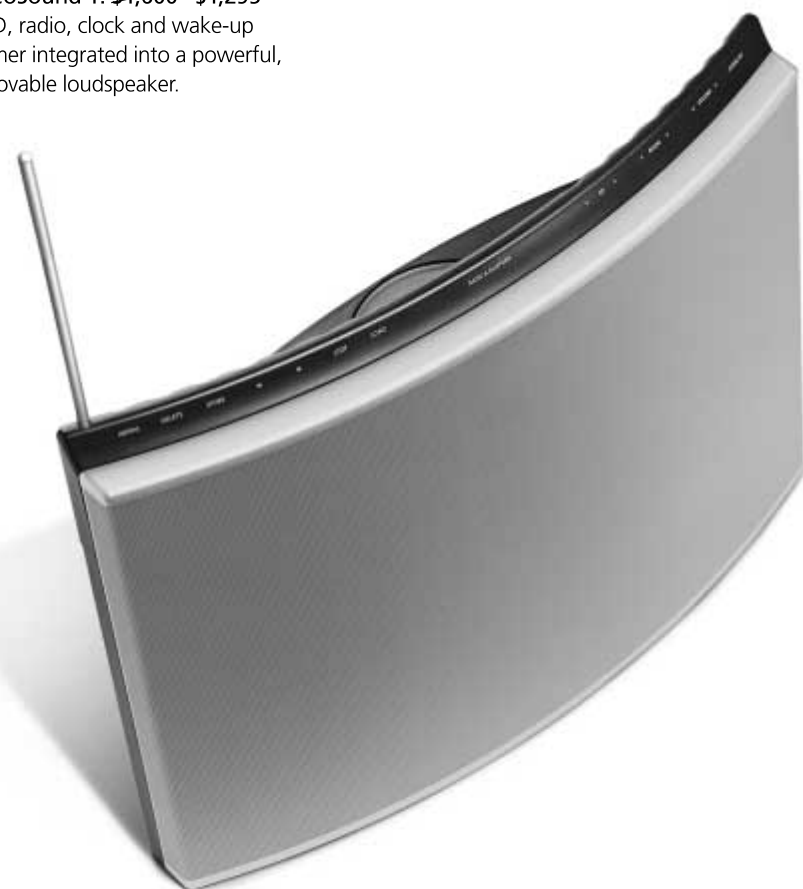
“Age is an area of tremendous discrimination,” he says. As soon as you reach 55, people start asking when you are going to retire.”

Yet these are employees who have valuable experience and, in general, are just as healthy as younger workers.

Yet another waste of Canada’s increasingly scarce skills.

It’ll blow you away even when it’s turned off.

BeoSound 1: \$4,600 \$1,295*
CD, radio, clock and wake-up timer integrated into a powerful, movable loudspeaker.



bang-olufsen.com

*Price valid until December 31, 2006.

Bang & Olufsen
6551 Saint-Denis St.
Montréal, Québec
T: 514 845 BANG

BANG & OLUFSEN

B&O

‘Slaves’ cost firm \$1M

AGENCE FRANCE-PRESSE

LOS ANGELES – A steel firm implicated in a slave-labour scandal involving 48 Thai welders forced to work in squalid conditions without pay will pay \$1 million compensation, U.S. authorities said yesterday.

The Equal Employment

Commission said it had reached a settlement with **Trans Bay Steel Inc.**, which agreed to pay compensation to workers brought to the U.S. in 2002.

The Thais were allegedly held against their will, had their passports confiscated and had their movements restricted.

Bellepro Franchise 3 Locations For Sale: Laval, West Island, South Shore



Approx 2000 Sqft, New Construction, Excellent exposure located in Mega Malls, Open 7 days, Close to Cinemas & Shopping Centre. Turn key Price \$450,000, projection 1 million in sales, Small Business Loan financing available, 5 Week training and supervision for purchaser. Call for info: Lorne Cassoff, 514-735-2488 www.activerealties.com