

# Industrial Espionage in Brazil: Exposing the Underbelly of Canadian Support for Mining Companies

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News that the Communications Security Establishment Canada (CSEC) has been spying on Brazil's Mines Ministry starts to expose the extent to which the Canadian government is willing to go in the corporate interest. The scandal in Brazil is consistent with what Canadian authorities have been doing at home and through the diplomatic corps around the world, but goes a step further. It demonstrates that, beyond political and commercial support, the Canadian government is willing to even jeopardize important trade relationships to give the Canadian industry an upper hand.

[Glenn Greenwald's ongoing reporting](#) for The Guardian and leaked information from former United States National Security Administration (NSA) contractor Edward Snowden - currently exiled in Russia - has revealed that CSEC's spying goes way beyond tracking terrorism and well into industrial espionage. [Another Guardian report today](#) shows that the agency was consulting regularly with Canadian mining and energy companies.

[The Canadian Embassy estimates](#) that some fifty Canadian mining firms are invested in Brazil, including companies such as Teck, Kinross Gold, IAMGold, Yamana Gold, Eldorado Gold, Belo Sun and others. Total Canadian foreign direct investment in Brazil is \$9.8 billion, dwarfed by Brazilian investment in Canada at \$15.8 billion, much of that also in the mining sector since Vale bought out INCO. In fact, the depth of the government's commitment to the Canadian mining sector globally makes a strange contrast with its willingness to sell off Canadian mineral assets and even flagship companies like INCO, Falconbridge, and Alcan, without even putting any real conditions on the sales.

In its above-board diplomatic activities to promote Canadian corporations, the Harper administration has made frequent diplomatic visits to Brazil, the rising regional superpower, over the past couple of years. Notably, in January, 2012, [Minister of International Trade Ed Fast announced the Canada-Brazil CEO Forum](#) where corporate executives such as Brazil's mining giant Vale and Canada's Kinross Gold Corporation come together with well-connected former politicians, like former Liberal Deputy Prime Minister John Manley, now head of the Canadian Council of Chief Executives.

As to what information CSEC might have been searching for from Brazil's Mines Ministry, it's hard to know for sure. But it's worth highlighting that since 2008, Brazil's mining code has been up for debate with a new bill presented for debate in June of this year, [including a proposed doubling of mining royalties to 4%](#). While still not high, this could be enough to incite panic in a typically tax and royalty adverse industry, which most recently launched

exaggerated threats of a capital strike in response to Mexico's proposed 7.5% royalty rate.

Overall, this is unsurprising news, given our increasing awareness of the [ever more open and unconditional Canadian diplomatic support for the Canadian mining industry](#). From Greece to Mexico and from Ecuador to the Philippines, [we now have a running list of some 12 instances](#) in which Canadian Ambassadors have stepped up to uncritically defend the interests of Canadian mining companies faced with community opposition and decisions they didn't like from public administrators.

Nonetheless, Prime Minister Harper and government officials are refusing to comment on the accusations of industrial espionage in Brazil under the absurd pretext that it has something to do with national security. Even more bizarrely, Ray Boisvert, former deputy director of the Canadian Security Intelligence Service, has even tried to claim that the the leaked documents are part of some kind of pretend "war game scenario."

But the revelations are both credible and disturbing in light of what we know about our secret services' domestic operations. Last year, independent reporter [Tim Groves revealed](#) how the Canadian government and its domestic intelligence service have been regularly briefing energy corporations since 2005, including providing access to select classified reports. The secret briefings aggravated already existing concerns that the RCMP and others have been spying on environmentalists and First Nations.

As communities, workers and civil society organizations throughout the hemisphere face increasing threats to their advocacy on behalf of health communities, good work and the environment, it's shameful to learn to what length the Canadian government is willing to go to serve such narrow interests.

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