

# SNC Lavalin the Corporate Face of “Ugly Canadian”

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*While the Justin Trudeau government’s interference in the prosecution of SNC Lavalin highlights corporate influence over politics, it is also a story about a firm at the centre of Canadian foreign policy.*

In a recent story titled “[Canada’s Corrupt](#) Foreign Policy Comes Home to Roost” I detailed some of SNC’s controversial international undertakings, corruption and government support. But, there’s a great deal more to say about the global behemoth.

“[With offices](#) and operations in over 160 countries”, the company has long been the corporate face of this country’s foreign policy. In fact, it is not much of an exaggeration to describe some Canadian diplomatic posts as PR arms for the Montréal-based firm. What’s good for SNC has been defined as good for Canada.

Even as evidence of its extensive bribery began seeping out six years ago, SNC continued to receive diplomatic support and rich government contracts. Since then the Crown Corporation Export Development Canada issued SNC or its international customers at least [\\$800-million](#) in loans; SNC and a partner were awarded part of a [contract worth](#) up to \$400 million to manage Canadian Forces bases abroad; Canada’s aid agency [profiled](#) a venture SNC co-led to curb pollution in Vietnam; [Canada’s High](#) Commissioner Gérard Latulippe and Canadian Commercial Corporation vice president Mariette Fyfe-Fortin sought “[to arrange](#) an untendered, closed-door” contract for SNC to build a \$163-million hospital complex in Trinidad and Tobago.

Ottawa’s support for SNC despite corruption allegations in [15 countries](#) is not altogether surprising since the company has proven to be a loyal foot soldier fighting for controversial foreign policy decisions under both Liberal and Conservative governments.

SNC’s nuclear division [participated](#) in a delegation to India led by International Trade Minister Stockwell Day a few months after Ottawa signed a 2008 agreement to export nuclear reactors to India, even though New Delhi refused to sign the Nuclear non-Proliferation Treaty (India developed atomic weapons with [Canadian technology](#)). Describing it as the “[biggest](#) private contractor to [the] Canadian mission” in Afghanistan, the *Ottawa Citizen* referred to SNC in 2007 as “an indispensable part of Canada’s war effort.” In Haiti SNC [participated](#) in a Francophonie Business Forum trip seven months after the US, Canada and France overthrew the country’s elected President Jean-Bertrand Aristide. Amidst the coup government’s vast political repression, the Montreal firm met foreign installed prime minister Gérard Latortue and the company received a series of Canadian government funded contracts in Haiti.

SNC certainly does not shy away from ethically dubious business. For years it manufactured

grenades for the Canadian military and others at its plant in Le Gardeur, Quebec. According to its website, SNC [opened an office](#) in Johannesburg, South Africa, in 1982 amidst the international campaign to boycott the apartheid regime. Later that decade SNC worked on the Canadian government funded Manantali Dam, which led to “[economic ruin](#), malnutrition and disease to hundreds of thousands of West African farmers.”

More recently, SNC has been part of numerous controversial mining projects in Africa. It had a major stake in a Sherritt-led consortium that initiated one of the world’s largest nickel and cobalt mines in Ambatovy Madagascar. Backed by [Canadian diplomats](#) and [Export Development Canada](#), the gigantic open pit mine tore up more than 1,300 acres of [biologically rich](#) rain forest home to a thousand species of flowering plants, fourteen species of lemurs and a hundred types of frogs.

According to West Africa Leaks, SNC dodged its [tax obligations](#) in Senegal. With no construction equipment or office of its own, SNC created a shell company in Mauritius to avoid paying tax. Senegal missed out on [\\$8.9 million](#) the Montréal firm should have paid the country because its ‘office’ was listed in tax free Mauritius. SNC has subsidiaries in low tax jurisdictions Jersey and Panama and the company was [cited](#) in the “Panama Papers” leak of offshore accounts for making a \$22 million payment to a British Virgin Islands-based firm to secure contracts in Algeria. (In a case of the tax-avoiding fox protecting the public’s hen house, former SNC president and chairman of the board, Guy Saint-Pierre, was appointed to Conservative Finance Minister Jim Flaherty’s 2007 [advisory panel](#) on Canada’s System of International Taxation.)

SNC has benefited from Ottawa’s international [push](#) for neoliberal reforms and Canada’s power within the World Bank. A strong proponent of neoliberalism, the Montréal firm has [worked](#) on and [promoted](#) privatizing water services in a number of countries. [Alongside](#) Global Affairs Canada, SNC promotes the idea that the public cannot build, operate or manage services and that the way forward is through Public-Private Partnerships (PPPs), which often go beyond a standard design-and-build-construction contract to include private sector participation in service operation, financing and decision making. SNC is represented on the Canadian Council for Public-Private Partnerships, which promotes PPPs [globally](#). The Montréal firm has also sponsored many pro-privatization forums. With Rio Tinto, Alcan, Teck Resources and the Canadian International Development Agency, SNC [funded](#) and presented at a 2012 conference at McGill University on Public-Private Partnerships for Sustainable Development: Towards a Framework for Resource Extraction Industries.

In an embarrassing comment on the PPP lobby, the year before SNC was charged with paying [\\$22.5 million](#) in bribes to gain the contract to build the McGill University Health Centre (MUHC) the [Canadian Council](#) for Public-Private Partnerships and [Thomson Reuters](#) both awarded the MUHC project a prize for best PPP.

Further proof that in the corporate world what is good for SNC is seen as good for Canada, the Canadian Institute of Chartered Accountants gave SNC its award for excellence in corporate governance in [seven of the ten](#) years before the company’s corruption received widespread attention.

In an indication of the impunity that reigns in the corporate world, the directors that oversaw SNC’s global corruption have faced little sanction. After the corruption scandal was revealed board chairman Gwyn Morgan, founder of EnCana, continued to write a regular column for the *Globe and Mail* Report on Business (currently *Financial Post*) and continues

his membership in the Order of Canada. Ditto for another long serving SNC director who is also a member of the Order of Canada. In fact, Conservative Senator Hugh Segal was subsequently made a member of the Order of Ontario. Another Order of Canada and Order of Ontario member on SNC's board, Lorna Marsden, also maintained her awards. Other long serving board members — Claude Mongeau, Pierre Lessard, Dee Marcoux, Lawrence Stevenson and David Goldman - received corporate positions and awards after overseeing SNC's corruption.

The corporate face of this country's foreign policy is not pretty. While Trudeau's SNC scandal highlights corporate influence over politics, it's also the story of the Ugly Canadian abroad.

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