



Honourable François-Philippe Champagne
Minister of International Trade
506 Justice Building
Ottawa, ON K1A 0A6

March 8, 2018

Honourable François-Philippe Champagne,

Canadians work hard for their wages and they pay their fair share of taxes with the expectation that government will use these funds to invest in a better, more inclusive and economically viable Canada. We feel compelled to write to you regarding two disturbing examples of how our money is being shipped overseas to the benefit of international corporate outliers. We have just learned through an article in the Washington Post that Export Development Canada (EDC) provided a loan of \$41 million to the infamous Gupta brothers in South Africa to finance the purchase of a jet. The brothers have since defaulted on the loan and have taken their plane into hiding with them.

Additionally, last month, the *Toronto Star* revealed that a more significant loan – of over \$1 billion – was given to Turquoise Hill Resources to build a mine in Mongolia despite the fact that the company has been accused of using a shameless pattern of tax havens and corporate tax avoidance schemes.

How is it possible that Canadian officials could have looked on either project as being worthy of taxpayers funding?

In the case of the jet sale to the Gupta brothers, EDC provided them with access to more funds than is allotted for the entire annual funding budget for regional development agency FedNor. Even the most cursory scan of the internet would have revealed that the Gupta brothers had a troubling history of corruption and shady links to President Jacob Zuma.

And in the case of a billion dollar loan to Turquoise Hill surely EDC officials would have looked at their corporate structure and raised red flags about supporting a company unwilling to pay its fair share in Canada with a loan from a Canadian Crown corporation.



While these decisions were made before your government was elected, we feel that the government's response so far, which has consisted of deflecting blame, has not been appropriate. You are responsible for EDC, and we insist a thorough review of how it makes investment decisions abroad is warranted.

EDC's enabling legislation is up for a decennial review this year and the question of establishing a more thorough ethics screening is required. This will certainly help avoid bad bets like the Guptas but it is also needed to send a message to corporations using tax havens. As a Crown corporation, EDC should be championing good corporate citizenship and using its public oversight as a means to bring discipline and regard for the law to international business. It should not be in the business of subsidizing companies that avoid their obligations to their home countries.

We thank you for your attention to this matter, and we look forward to hearing back from you.

Sincerely,

ORIGINAL SIGNED

Charlie Angus, MP
Timmins – James Bay
NDP Ethics Critic

Brian Masse, MP
Windsor West
NDP Innovation, Science and
Economic Trade Critic

Tracey Ramsey, MP
Essex
NDP International Trade Critic

Cc Honourable Bill Morneau, Minister of Finance