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SNC Lavalin Scandal: Political Altruism Understood

The SNC Lavalin affair was a high-profile political scandal that not only brought the ethical behaviour of the Prime Minister's Office (PMO) into question but also, loopholes in Canada's Judicial System, which seem to undermine its very purpose. For some critics, the details of these events posed a serious threat to the Rule of Law in Canada and their' confidence in the system while for others, it did very little to shake their' devotion for the Trudeau government. This case also brought Canada's constitutional conventions into question and the ways in which these customs can be maneuvered by political actors who are very perceptive to the power of these traditions. However, the judicial branch of government in Canada is not a simple institution so, unless its intricacies are fully understood, it is easy to misunderstand the significance of political trials, particularly ones entrenched with so many underlying details, such as in the case of the SNC Lavalin scandal. In this essay, I will be revisiting key details of this scandal from a Marxist perspective in the hope of connecting a more purposeful explanation to this extraordinary chain of political events.

In the case of the SNC scandal, it is essential to first understand the theory of Marxism, which helps to first lay out the "the bigger picture" of our' political landscape. This may help us to better understand both the groundwork of this company and the depth of its roots. In the *Manifesto of the Communist Party*, Marx and Engels map out the history of "class struggles", sequentially taking the reader from the era of the feudal system all the way through to the emergence of modern industry and the establishment of the world-market. Parallel to this he explains how the "bourgeoisie" society has both powered and steered these revolutions by "subjecting [the proletariat] to their conditions of appropriation", oppressing every class "beneath" them while doing so (Marx and Engels 1848). In a nutshell, Marxism asserts that "the capitalist mode of production and the modern sovereign states system are not natural or inevitable events. Rather, they are interdependent products of particular historical conditions and social relations" (McGlinchey et. al 2017). I will be interpreting this scandal on the assumption

that most actors involved were highly astute to the theory of Marxism and therefore, the probability of the outcome since “the work of Marxists is to map and retrace those conditions and social relations and to figure out how the capitalist mode of production and sovereign states system emerged” (McGlinchey et. al 2017).

SNC Lavalin Group Inc. began as a consulting engineering office in 1911, founded by Arthur Surveyor, who had European roots and a Swiss education in engineering. It is now one of the largest construction companies by revenue in Canada, “employing over 50,000 employees world-wide with operations in over 160 countries (Wikipedia 2020). If we imagine this company as one of the by-products of capitalism and the world-market in the 20th century, we can now presume its exponential growth has occurred largely for the purpose of maintaining the bourgeoisie class and their’ constant need to “revolution[ize] the instruments of production, and thereby the relations of production, and with them the whole relations of society” as asserted by Marx and Engels in 1848. Because of the number of jobs SNC provides for Canadians in combination with the revenue it amasses, the Canadian government is somewhat tied to SNC Lavalin and the choices it makes. Its influencing capabilities and lobbying power in Ottawa are so high in fact, that its CEO was placed among the 50 “Top People Influencing Canadian Foreign Policy” according to one article in the *Financial Post* (Engler 2019).

Although the PMO’s involvement in the scandal erupted on media platforms in 2019, the roots of this affair began developing several years earlier when SNC-Lavalin was charged by the RCMP in 2015 following a long investigation into the “shady dealings” involving several SNC employees who allegedly paid 50 million in bribes to the Libyan government between 2001 and 2011. The company was also charged with “defrauding Libyan organizations of about \$130 million” according to a report in 2019 (Watson 2019). However, according to one article in the *Financial Post Magazine*, this was not the first time SNC-Lavalin had been called out for business misconduct. SNC Lavalin was approved for a second 10-year contract under the Harper government in 2013 despite thousands of dollars in illegal donations to the Liberal Party of Canada between 2004 and 2011 in addition to more corruption charges (revealed to the public in 2013) regarding questionable business dealings in India, Bangladesh, Libya, and Quebec. It is

also, important to note that SNC has bid and won contracts which earned them their involvement in the privatization of logistical support for both the Canadian armed forces and the US military, supplying ammunition for the occupation of Iraq in 2004 (Bell 2019).

Although the SNC's corruption charges and lobbying with the Canadian government did receive a fair amount of media coverage at the time, the company's influence over Canadian foreign policy was kept largely hidden from the public, therefore, impacting the general understanding of the scandal's significance. It is important to realize SNC's extensive involvement in international projects because many of their contracts can be considered highly controversial, having major impacts on the history of global politics. According to one resource, these projects include Chinese nuclear centres, military camps in Afghanistan, pharmaceutical factories in Belgium and billions of dollars in contracts with the monarchy in Saudi Arabia (Engler 2019). In 2013, one investigation into a small, Ontario based division of SNC revealed 13 suspicious interactions with international government officials in which a portion of the project costs were disguised as "consultancy" or "commercial costs" when in truth, they were intended as a bribe according to one former SNC engineer, Mohammad Ismail. Even the president of SNC Lavalin himself, Jacques Lamarre, has publicly remarked that "official support" from the Canadian government plays a big role in securing trust and contracts with its international clients (Engler 2019). Although Canada has had its Corruption of Foreign Public Officials Act (CFPOA) in place since 1999, there has been a major lack of enforcement of this law by Canadian officials since that time which bodes well for companies like SNC Lavalin. The RCMP eventually took matters into its own hands in 2008, creating an Anti-Corruption Unit that led to the first and major conviction under the CFPOA in 2011 (Engler 2019).

Trudeaus involvement in the scandal did not begin until 2018, when the PM and finance minister tried passing a budget bill that included a "deferred prosecution agreement" (DPA) which was a new Criminal Code provision that would allow big businesses to pay a penalty instead of facing criminal charges, which SNC Lavalin "lobbied hard for" (Bryden 2019). Furthermore, it was revealed that the PMO tried to persuade Canada's former Minister of Justice and Attorney General, Jody Wilson-Raybould to negotiate a fine with SNC Lavalin so

that the company could avoid facing a decade-long ban on receiving federal contracts. According to one article, “SNC began to lobby the Trudeau government to change the criminal code three years ago” which helps to explain how the “deferred prosecution agreement” came into play and the substantial public lead up to these events (Engler 2019). By the time these allegations were made public, Ms. Wilson-Raybould had already been moved to a position in Veteran Affairs and Associate Minister of National Defence, which led to speculation that this move had occurred primarily because she did not comply with the advice of the PMO therefore, breaking constitutional convention. After further investigations were underway, Ms. Wilson-Raybould and Dr. Jane Philpott (former minister of Indigenous services) “were removed from the Liberal Caucus and now sit as independent MP’s” (Bezanson 2019).

Wilson-Raybould’s official statements to the House of Commons Justice Committee reinforced the weight of her convictions as she described in detail the pressure, she endured over a period of approximately four months, in attempt by the PMO to “secure a deferred prosecution agreement with SNC Lavalin”. She specifically reflected on 10 phone calls and 10 meetings involving herself and/or her staff and the PMO, the Privy Council Office and the office of the minister of finance, in which she and her staff were repeatedly informed about the significant consequences “if a DPA was not made available to SNC” (Wilson-Raybould 2019). These conversations were significant because prosecutorial independence is a well-established law in Canada, a law that prevents the Attorney General and the government in power from working in accordance with one another (Bezanson 2019). After a thorough investigation was conducted by The Conflict of Interest and Ethics Commissioner under the Conflict of Interest Act, it was declared that the Prime Minister did, in fact, violate section 9 of the Act which states that “no public office holder shall use his or her position as a public office holder to seek to influence a decision of another person so as to further the public office holder’s private interests...to improperly further another person’s private interests.” (Trudeau II Report 2019).

For Canada, the national impacts of this scandal have been significant. Not only did it result in a Liberal minority government and resignation of two cabinet minister and two advisors, it also disrupted the already fragile reconciliation between Indigenous Peoples in Canada and

the state. Jody Wilson-Raybould's position as minister of justice and attorney general was an important connection for Indigenous government relations and so the break in trust caused by this scandal is now reflected in her absence from the cabinet and therefore, decision making which now impacts Indigenous communities across Canada.

However, if we look back at this scandal in reverse now, bearing in mind our election system in Canada *and* from a Marxist perspective, we can gain another, more significant interpretation of these events and what they could possibly foreshadow for Canada and its future. In Canada, we have what is called a single-member plurality system, similarly to the United Kingdom in which "the representative is elected by a plurality of votes" (Malcolmson and Myers 1953). Since it's safe to assume that the SNC scandal cost the Liberal government their majority government in an election that followed shortly after these events, it automatically raises the question as to whether, or not the Trudeau government sacrificed their own win on purpose and if so, why? One of the benefits to having a minority government in Canada, is that it allows for more party representation in the House of Commons (HOC) which I would argue is often in the best interest of any democratic society and most certainly in the best interest of the "proletariat". Assuming, that the PMO (bourgeoisie) were privy to the Rule of Law and the backlash that would follow their violations, one can only assume they were *trying* to lose a portion of public support. Furthermore, because the former attorney general was Indigenous (proletariat), the PMO (bourgeoisie) were also likely able to predict the consequences of their' actions, knowing full well that it would stir the emotions of Canadian (proletariats) who deeply value Indigenous community ties and their' representation in national law-making positions.

So now there are some questions we need to ask ourselves. Was this scandal simply meant to symbolize the government's insincere commitment to the reconciliation of Indigenous Peoples in Canada *or* was it meant to fuel the emotions of the public and boost Indigenous rights activism? Was the PMO's participation in the scandal mainly just for show? Was it possible, for Ms. Wilson-Raybould (proletariat) to predict the outcome in this affair and if not, how has this affected Indigenous government relations and their trust in the Trudeau government? These are all fair and critical questions to ask ourselves. By asking ourselves' these questions, the

proletariat stretches the bounds of its possibilities, makes room for more growth and strengthens its numbers and spirit. More concerningly, it brings a harsh awareness to the bounds of state authority and the concentration of power that has accumulated in the hands of the “bourgeoisie” since the *Manifesto of the Communist Party* was published in 1848. So far, the “*Manifesto*” has unfolded *exactly* as predicted by Marx and Engels and so, it appears the time has finally come for the “proletariat” to prevail, in a world (bourgeoisie) that seems to be almost “letting” the “proletariat” take the win.

I, myself, am from the “dangerous class”, even further below than the “lower middle class” outlined in the *Manifesto*, “the social scum, that passively rotting mass thrown off by the lowest layers of old society” Luckily, I was able to rise-up and out of my, subconscious role as a “bribed tool of reactionary intrigue” back into the realm of the “proletariats” and utterly desperate to enter the revolution of “the free development of all” (Marx and Engel 1848).

The SNC Lavalin scandal was a defining case in Canadian history because it brought to light constitutional conventions which are not consistently enforced by Canadian Courts as well as the need for a more definitive structure that redefines these guidelines as “constitutional principles” so that its impacts are more pronounced when it comes to high profile cases such as this one. Kent Roach explains how it could also be in the public interest to make sure steps are taken to ensure SNC Lavalin faces meaningful consequences that will deter the company from any future business misconduct that puts our country’s international reputation and safety at risk (2019). Perhaps most importantly, this case shows us how greatly foreign policy is influenced by corporations like SNC Lavalin and how its actions impact the relationships between both citizens and the state and the state and the international community. If convicted of corruption charges, SNC Lavalin could be prohibited from getting federal contracts for 10 years but are we (the proletariat) truly satisfied with these consequences? According to one article, SNC’s revenue generated by federal contracts only make up a small portion of its business so a possible conviction in this case will do very little to stall the company’s growth overall, aside from a slightly tarnished reputation. Moreover, when it comes to big business, how much do clients truly care about a company’s reputation and how does it really affect their decision making in

sealing all future contracts?

For many Canadians, the SNC Lavalin affair deeply marked their trust in a Liberal government and had an immeasurable impact on the federal election that followed. For other Canadians, it highlighted significant loopholes in Canada's judicial system that allow for this type of business misconduct to take place. Perhaps the most threatening consequence of this case, however, was that it disrupted the already fragile relationship between Indigenous People's and the state and the reconciliation agreements that impact domestic law in Canada and future of these groups at a time when our environment is all but begging for Indigenous guidance. For me, this case also brought awareness to the decision-making taking place within highly influential firms, that manage to remain largely out of government control while heavily impacting our national and international politics. Contradictory to that, it seems that SNC Lavalin will be the *least* affected by this case overall, which leaves me with a very unsettled feeling about the limits of national and global governance in general and its claims to authority.

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