



PROBE international

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Dear Probe International Supporter:

Canada's Export Development Corporation has quickly become Canada's #1 threat to the global environment, and it is determined to stop the attention Probe International and its supporters have been giving it.

To block our efforts to investigate and publicize the destructive export projects that EDC supports with Canadian tax dollars – such as the Guyanese gold mine which spilled cyanide-laced effluent into the country's major waterway last summer – EDC is misleading Probe International supporters, misleading members of Parliament, throwing a cloak of secrecy over the most basic details of its operations, and using public funds to thwart public knowledge of its operations. Why is it doing this? To continue dispensing patronage to its corporate friends.

Here is what we know of EDC's recently developed strategy to disarm Probe International.

EDC has begun to hide which hydro dams, mines, and other projects it bankrolls. For example, early this year, when we learned from colleagues in Switzerland and Papua New Guinea that EDC had guaranteed \$29.6 million of a syndicated loan from the Union Bank of Switzerland to investors in the Lihir gold mine project in Papua New Guinea – a project that will dump 400 million tons of waste rock and toxic tailings into the ocean – we asked EDC for details. It refused to acknowledge its guarantee, arguing – unlike in the past – that it now had to protect its clients' privacy.

When we asked it to confirm if the same Canadian companies that own the accident-prone Guyanese gold mine had applied for EDC political risk insurance for another gold mine in neighbouring Surinam – a project that is using guns to intimidate and move the people on land above the deposit – EDC gave us the same response: "It is our practice to respect clients' and potential clients' right to privacy in regards to their financial affairs."

Meanwhile, EDC's spin-doctors are busily misrepresenting last summer's mine disaster in Guyana. In a letter to Probe International supporters and members of Parliament, EDC president Mr. Paul Labbé claimed that "there was no evidence of any impact on the aquatic life in the Essequibo river" as a result of the toxic

spill, and that a Government of Guyana investigation did not find the Canadian corporation that owns the mine responsible for the spill.

This is an outright falsehood. A Guyanese Commission of Inquiry into the spill found the corporate owners responsible, saying the company “knew that the tailings pond was built as a receptacle for the storing of large quantities of a noxious substance, to wit, water with a high concentration of cyanide, and that if it were to escape, it could foreseeably cause harm to the environment . . . as well as result in financial loss to the residents and all other users of the river. . . . Therefore, in the Commission’s view they would be liable for all the foreseeable loss and damage that was a direct result of the effluent entering the Essequibo river.” Philip Hocker, president of the respected nonprofit group, Mineral Policy Center, and an advisor to the Guyanese Commission of Inquiry, called Mr. Labbé’s presentation of the Commission’s findings “simply false,” noting that the spill led to substantial fish kills.

In another case of secretive behaviour, EDC, which usually issues press releases to broadcast its deals, decided to lay low in approving a \$12.5-million loan to the Chinese government. The money will purchase a supercomputer from the Canadian engineering giant, Monenco-AGRA, to coordinate the construction of the Three Gorges dam and the forced resettlement of 1.3 million people. EDC is also refusing to disclose if it is about to make another multimillion-dollar loan to help finance a Canadian General Electric contract for the Three Gorges dam. EDC’s secrecy is possible because it is exempt from the Access to Information Act, it doesn’t have to answer to members of the public, and it doesn’t answer truthfully to members of Parliament. EDC is an affront to our democratic institutions and to good governance, and it is a threat to the environmental and economic security of millions of Third World citizens.

After our last letter to you, many of you wrote letters of concern to Prime Minister Jean Chrétien and to your MPs about EDC’s destructive activities, leading it to panic and disguise its activities. If EDC wasn’t ashamed of its activities, it would defend them and let the Canadian public assess its work. We must now keep up the pressure, expose EDC’s shameful behaviour and stop it from funding additional harmful projects. If you can, please write again to the prime minister objecting to the clandestine activities of this Crown corporation and emphasizing the need for openness and integrity in government. And if you can, please send Probe International a donation to help us in our work to stop EDC’s destructive practices.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Adams', with a stylized, flowing script.

Patricia Adams
Executive Director

P.S. If you would like copies of EDC’s misleading letter to members of Parliament and Probe International’s detailed response, mark the response coupon and send it back in the pre-stamped envelope. We’ll mail it to you right away.