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Chair: Mr. Joël Lightbound



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• (1535)

[Translation]

The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)): I call this meeting to order.

Welcome to the second meeting of the House of Commons Standing Committee on Industry and Technology.

Pursuant to Standing Order 106(4), the committee is meeting at the request of four members of the committee to discuss their request to undertake a study on critical minerals.

Today's meeting is taking place in a hybrid format, pursuant to the House Order of November 25, 2021. Members may attend in person or by using the Zoom application.

I would like to take this opportunity to remind all participants of this meeting that screenshots or taking photos of your screen is not permitted.

Given the ongoing pandemic situation and in light of the recommendations from public health authorities, as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe, the following is recommended for all those attending the meeting in person. Anyone with symptoms should participate by Zoom and not attend the meeting in person. Everyone must maintain physical distancing of two metres, whether seated or standing. Everyone must wear a non-medical mask when circulating in the room. It is recommended in the strongest possible terms that members wear their masks at all times, including when seated. Everyone present must maintain proper hand hygiene by using the hand sanitizer at the room entrance. Committee rooms are cleaned before and after each meeting. To assist with this, everyone is encouraged to clean surfaces such as the desk, chair and microphone with the disinfectant wipes provided.

As the Chair, I will be enforcing these measures to the best of my ability. I will have to do so remotely, with the help of the clerk, but I believe that we are all participating remotely today.

As for the speakers' list, please just raise your hand in the Zoom application. I feel that we are all used to that now.

[English]

I'll also give a small reminder to everyone to try to connect a little in advance of meetings going forward, just in case we have IT issues like we're having right now. That gives us time to solve them before the committee starts, so that we can be mindful of everybody's time.

The meeting has begun, and I'll open the floor, given that we received the Standing Order 106(4) request for the committee to meet.

I recognize Mr. Ed Fast.

Hon. Ed Fast (Abbotsford, CPC): Mr. Chair, thank you for accommodating our request for this meeting.

My Conservative colleagues and I are strong believers in freer and fairer trade, and that includes the flow of investment into and out of Canada. I suspect we wouldn't have any disagreement on that here at committee.

By the way, Chair, do we need to read the motion into the record, or is it taken that it's already been done?

The Chair: Wait just a moment. I want to verify. As I told you last committee, this is my first time chairing, so I might be relying on the clerk more than I want to.

I'm hearing that it's fine. It doesn't need to be read into the record, Mr. Fast.

Hon. Ed Fast: I'm glad to hear that.

As you know, Canada is a significant beneficiary of investment, and it generally welcomes inbound investment from elsewhere around the world. However, from time to time proposed foreign investments may not represent a net benefit to Canada. That's why the Investment Canada Act provides for certain foreign investments to be reviewed to determine whether they are of net benefit to Canada, and whether or not they represent a national security risk to our country.

It goes without saying that acquisitions by hostile foreign regimes and those countries that don't follow international trade and investment rules should be subject to careful scrutiny before being approved by our government. Under the former Harper government, some of you will recollect, we implemented a set of criteria that would be applied to investments from foreign state-owned enterprises. That was the case following CNOOC's purchase of an interest in the oil sands back, I believe, in 2011-12.

Sadly, more recently our current government failed to undertake a national security review of the sale of Neo Lithium to Chinese state-owned company Zijin Mining Group, and that's why I've tabled this motion that is before you today.

It goes without saying, but bears restating, that critical minerals such as lithium are a strategic asset not only for Canada but for the world, and they will play a critical role in driving our future prosperity and meeting our environmental objectives. These minerals are used in the production of things like semiconductors, electric vehicles and batteries, and many other industrial and health-related products. They play an important role in helping us meet our climate change objectives. Although we have yet to tap Canada's potential in terms of these minerals, we know that a number of regions of Canada, including parts of Ontario and Quebec, have significant deposits of these minerals. The reason I know that is that I've chatted with the Mining Association of Canada, and I encourage all of you to do so, regarding the potential that critical minerals represent both for our economy and for the global economy.

Recently we've seen what shortages of these minerals can do to supply chains. Shortages of semiconductors have had a negative impact on Canada's manufacturing sector and on the Canadian and global economy as a whole. It's therefore imperative that Canada take the issue of critical minerals and the domestic and global supply chain of these minerals seriously. Canada risks falling behind in developing and protecting its own leaders in this industry. Allowing the foreign takeover of companies like Neo Lithium without due diligence or proper scrutiny will further weaken our strategic interest in ensuring an adequate global supply of lithium and other critical minerals.

Mr. Chair, we are seeking clarification on why this Neo Lithium transaction has not been the subject of a national security review. I know there are some who say that there's nothing to see here. Neo Lithium's ore body and mining operations are in Argentina, not Canada, so what's the big deal? What they forget is that critical minerals are a strategic global asset—and I emphasize “global”—and that it doesn't matter where the mines are located. What matters is who controls the asset. It is incumbent upon free-trading, rule-following countries and allies to ensure that the critical minerals industry isn't monopolized by any one country, especially if those interests are sometimes hostile towards ours.

I need just a couple of minutes, Mr. Chair, and I'll be finished.

• (1540)

The Chair: Mr. Fast, before you continue, can you raise your mike a little bit? I have a report from translation that it's creating a popping sound.

Hon. Ed Fast: Does that work? All right.

I also want to note that when a Canadian mining company is sold to a foreign entity, it's not only its mining assets that are sold. It's also Canadian mining technology, Canadian intellectual property and Canadian mining expertise that we lose in those transactions. As former trade minister, I remember well that in 2011-12 or somewhere in that time span, China began hoarding rare earth and shook up significant elements of the global economy in the process. The global community finally had to take China to the World Trade Organization to enforce China's obligation to follow the rules of free

trade and allow these vital assets to be released to the rest of the world.

What has changed today is that in recent years, the World Trade Organization's ability to enforce its rules has diminished significantly. It is questionable whether the organization is even capable of preventing the hoarding and manipulation of critical minerals and rare earths anymore. That's why it's critical that like-minded nations—like Canada, like the U.S., like Australia—pay careful attention to who is positioning themselves to monopolize these assets to the detriment of the larger global economy.

A national security review should be standard practice whenever a Canadian miner like Neo Lithium is sold to a foreign entity. Our credibility with our most trusted allies is at stake. Our reputation as the world's leading mining nation is at stake. Our future prosperity is at stake.

What happened, Mr. Chair? What happened here? Why wasn't a national security review undertaken by our Liberal government? I want to know. We Conservatives want to know. Canadians want to know. Let's get to the bottom of this. In the process, I expect that we'll discover existing weaknesses in Canada's foreign investment review process that should be addressed by the government.

Colleagues, I urge all of you to support this motion and to direct our committee clerk to schedule meetings and begin to reach out to potential witnesses.

Thank you, Mr. Chair, for the opportunity to speak to this motion.

• (1545)

The Chair: Thank you, Mr. Fast.

Go ahead, Mr. Fillmore.

Mr. Andy Fillmore (Halifax, Lib.): Thank you so much, Mr. Chair.

Thank you, Mr. Fast, for your thoughtful and really well-considered position on this.

As do you, I think everyone on the committee shares the interest in Canada's participation in the transition to battery technology and everything that means. In fact, Mr. Lemire has some mines in his riding that will become very important in this transition. In my own riding, there is a significant battery research operation led by Dr. Jeff Dahn, who has been awarded the Governor General's award for his work on batteries. I think we all share this desire for us to participate in this transition.

After learning a little bit more about lithium, I now feel that the position taken by the Conservatives, while well intentioned to protect Canada's interests, was a little hasty, seeing as we now know some of the details about the mine itself. For example, it's a mine of lithium carbonate, not lithium hydroxide. What's the difference? We don't see the difference written in the media anywhere, but lithium hydroxide is what we use in batteries and what's relevant to semiconductors and the automobile industry and so forth. The mine in question is actually a lithium carbonate mine, which is irrelevant to that kind of manufacturing, to batteries, to autos and to semiconductors.

This is combined with the fact that this really is not a Canadian company; it's an Argentinian company. Its directors are in the U.K. I believe it may have had three Canadian employees on paper, but really the only intention, the only reason it had any Canadian toe-hold whatsoever was to have a presence on the TSX in the hopes of raising money.

I think far from there not having been a review, as has been reported, the department actually did do a review, and these are the things they found: that, in fact, it's not lithium relevant to Canada's national security interests, and it's not really a Canadian company.

My thinking here, then, is this: Wouldn't it be a much better use of this good intention that we all share—including you, Mr. Fast, with your motion—and a much better use of our committee's time to instead focus on the critical minerals study that I tabled the notice of motion for back in December? I'm not mentioning that it was me because I want any credit for it, but my point is that it's already tabled. The committee showed great support for that, and I think the subcommittee was just waiting to schedule it.

My invitation to my colleagues of all parties on the committee is that now that we know that this particular transaction is irrelevant to national security interests and, in fact, to Canada's battery future in any way, and that it's not really a Canadian company, why don't we focus on doing the right thing for the mines in Mr. Lemire's riding, the right thing for the researchers in my riding and the right thing for Canadians overall, and instead do the full study of critical minerals as has been tabled with the committee?

Thank you, Mr. Chair.

• (1550)

[*Translation*]

The Chair: Thank you, Mr. Fillmore.

Mr. Masse, the floor is yours.

[*English*]

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair.

Thank you to my colleagues gathered here today. I supported this motion to come to committee for a number of different reasons. There's the issue in itself, which I'll speak to in a moment, but there is the use of this committee's time too.

As members of the committee know, a week ago, I tabled a motion for this committee to meet to have emergency meetings to examine hero pay and to have testimony in front of us with regard to grocery store workers. One of the reasons I did so is that this has

been an ongoing problem with Parliament since the last unnecessary election: Committee business ground to a halt. We came from a session of Parliament where we had ample time to form committees and get to work during this time. We did not do any of that. In fact, there were delays and committees were not formed, and at this committee we still do not have an official business plan for the upcoming session.

The suggestion that we can't do work in between is erroneous and not representative of the history of this committee, which I have been on for 15 of my approximately 20 years in Parliament. We've often convened emergency meetings during non-sitting days, on a regular basis, whether it be for studying gas prices, the Nortel takeover or a series of different things with regard to telecommunications.

This does not interfere with our upcoming agenda. The motion was put in such a way that, if it would have some type of residue in an upcoming Parliament, it would be minimal. The reason I wanted the pandemic pay or hero pay motion was due to the testimony of the executives who came before our previous Parliament. Some members of this committee were here for that. We could have met about that, and we've chosen not to. When this initiative came forward, I supported it because next week we do have time available for us. There are not many other committees working. Some are, and they're showing initiative on their own as well. We have set up Parliament to be very proactive through virtual meetings to be able to do that.

I believe that there may be some interesting points with regard to combining this with a larger study. The issue with regard to lithium batteries is very pertinent not only to the country but also for the world. I come from the auto sector, where I've long pushed for a national auto strategy, and this issue includes having more than just a rip-and-ship philosophy with regard to our national resources. We've been outmanoeuvred quite successfully by Mexico, the United States, China and others with regard to EV technology and battery development, as well as a modern national auto strategy. Despite the fact that we've signed on with the United States for emissions with regard to the vehicles, we have not actually produced the battery plants, the sustainable jobs or the revolutionary and necessary technology that equates to value-added jobs in our country. I'm interested in pursuing this for the next week to produce a report or a study, as opposed to going into circles or not meeting for another week and a half.

Again, the election was months ago, and prior to that the committee did not meet as much leading into the election. What have we done during the pandemic and what have we done to actually look at the time that we have available for us? Again, we went through an unnecessary election that resulted in a similar Parliament, which has stalled the work of this committee and stalled success for Canadians to compete and to get things done.

What's being proposed is a defined study of six meetings that will at least provide a glimmer or shed some light on the issue in general. If this committee wishes to roll that into a further study, I am co-operative, and so is the NDP, in terms of doing that.

In the meantime, since I couldn't get my emergency meeting passed with regard to having executives come back here for the grocery stores and hero pay, or whatever you may want to call it, I'm willing to meet next week, because I still think it's better than not meeting, especially given the agenda we have and the issues facing Canadians.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Masse.

I have Mr. Erskine-Smith.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks, Joël.

To Brian's point, I would have liked to hit the ground running in December, and I share that frustration to some extent, but in terms of the motion before us, I think this motion is a waste of our time if we're spending six meetings looking at Neo Lithium.

Just to share the view that I want to make sure that this is a productive committee and I want to get the work done, if we could... Just so I'm clear on what Brian is saying, is the idea that we meet next week and look at amending this motion in relation to a broader study around critical minerals? I'm certainly open to that idea, but if it's a matter of "let's just get to work so we might as well study this", I pause, because I don't think that's a productive use of our time.

By the way, people can ask the minister about Neo Lithium when he attends, because I think we should have the minister in to talk about his mandate letter and more. People can ask about Neo Lithium in the course of a critical minerals study that is broader. That, to me, would be a way we could lean in and make a difference as a committee on the subject of critical minerals, if that's where we want to go.

Also, Brian, I had not seen your... I'm not sure. It wasn't on the 106(4), so I hadn't seen it come around, I guess, in quite the same way, but if there's an opportunity to revisit that important issue around wage fixing, I would certainly welcome the opportunity. Just so I'm clear, Brian, on the particulars of this motion, is the idea that we get to work next week—that's your goal—but you're comfortable with the idea of it being a broader look at critical minerals so that we don't have to spin our wheels around this one particular company?

• (1555)

Mr. Brian Masse: Mr. Chair, can I answer? I don't want to pre-sume.

The Chair: Yes, Mr. Masse, I'll leave it up to you to answer. Then I will go to Madam Gray.

Mr. Brian Masse: Thank you.

I appreciate your previous work on both of those issues, the new technology and the grocery store stuff.

Yes, I submitted it before. I don't know if all members saw it. It was well put across, and it was also out in the media. At any rate, I'm open to making this a constructive process forward, and I don't like the fact that...

You know, we have this time available for us. We have a week in between, and I'd like to do something with it. This is what was presented to me as another alternative. The committee didn't take up mine, which is fine. That's okay. There are lots of things happening. I understand that it wasn't seen as a priority. This initiative was presented to me. I'd rather meet next week. If it means six meetings, then time... We can actually have another planning meeting, or we organize other studies, and then we get witnesses. We have some blank space.

I know you mentioned before about having Mr. Scott here at this committee, and others, but we're not there yet, where we have that plan. I think if we do something, or we even follow through with this—it could be something value-added, to Mr. Fillmore's suggestion, later on—we won't have wasted time or energy. Some of the witnesses could cross over. I just see it as better than not meeting, in many respects. I think it's worthy on its own to take a look at.

To conclude, it's a better position for this committee and for work that might actually extend into something later on that I'm open to. I'm not closing doors to any of that, but I'd certainly like to get going. This is an issue that's taken flight, not just in Canada but in the United States and across the world, with regard to the use of lithium and the resources around it. On top of that, there's the auto sector, where I come from.

Again, lastly, at least we will get some good testimony. We will hear some discussion points that might be of interest to the public. It might open up some more conversations. The issue could actually unravel some other things that are necessary. I see that as much more valuable than just waiting around another week for Parliament to open up and trying to figure out our business at that time.

We have an idea. We have a plan in front of us. To me, I'll support that.

The Chair: Thank you, Mr. Masse.

I see Madam Gray.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you very much, Mr. Chair.

This is an important study and one that should be a priority for this committee. I'll start off by saying a member previously made a comment regarding lithium carbonate. It should be noted that this can also be chemically converted to lithium hydroxide and there is high demand for this. There are articles online stating that the demand is increasing due to its use in batteries, so that comment wasn't relevant to this conversation.

When I was last on this committee, one of the final studies we completed was on the Investment Canada Act. This recent purchase of Neo Lithium by a foreign state-owned enterprise and the federal government's failure to do a security review should prompt a study. We need to hear from the ministers responsible as well as CSIS and department officials.

I recall that during the Investment Canada Act study we had Tim Hahlweg from CSIS, and I questioned him regarding the risks associated with Canadian data going to a foreign state-owned enterprise. He also touched on what he called “potential risks...to...control over strategic sectors”. I think we can all agree that, with the increased production of green technology, Canada's mining sector, including its procurement of lithium, is a strategic sector. A national security review would have considered various things in this regard, including how this would affect Canadian intellectual property. The government failed to conduct this review.

If we also consider principles of reciprocity, which were brought up by Professor Charles Burton in this study, the question of why the Liberal government allowed a foreign state-owned enterprise to purchase a Canadian natural resource company without a diligent review needs to be raised.

During the previous study it became very evident that the current thresholds in the Investment Canada Act were not adequate. This also flows into the recommendations made by the committee to the government early in 2021, which called on the government to have automatic reviews of all purchases of Canadian companies by state-owned enterprises to protect strategic sectors such as natural resources and to block any transaction that would undermine our national security by transferring sensitive assets. Despite these recommendations being made to the government nearly a year ago, the sale of Neo Lithium appears to show that the government ignored all of these recommendations, which this same committee agreed on.

The intellectual property concern has been reiterated recently, in this specific case by experts like Wesley Wark from the Centre for International Governance Innovation, and to frame this in the context of our North American supply chain. Jeff Kucharski, an energy policy professor at Royal Roads University and fellow at the Macdonald-Laurier Institute, wrote in the Toronto Star recently calling the government's lack of national security review “bizarre” with it undermining the ability to strengthen Canadian supply chains for critical minerals.

We heard many other examples in the last study, and I believe, based on those concerns then and the concerns that we're hearing now, this should be studied promptly. I'm hoping that all members of the committee will support this motion.

Thank you, Mr. Chair.

• (1600)

The Chair: Thank you very much, Madam Gray.

I see Michael Kram.

Mr. Michael Kram (Regina—Wascana, CPC): Thank you very much, Mr. Chair.

I'm very pleased to be able to speak in favour of the motion to carry out this very important study.

Lithium is a key input to the manufacturing of batteries for electric vehicles, and global demand for lithium and batteries is expected to grow dramatically over the next couple of decades. Therefore, Canada needs a reliable supply of lithium so that our manufacturers

can produce the large-capacity batteries needed for electric vehicles built here in Canada.

In the not-too-distant future Canadian auto workers working on the assembly line will require a steady supply of large-capacity batteries in the same way they require a steady supply of bucket seats, transmissions, tires and all the other parts that make up a car. It should be apparent that large-scale lithium-ion battery factories will not be built in Canada without lithium.

Officials from the Liberal government, including the industry minister, need to appear before this committee. They need to explain why the Chinese government, which already controls a quarter of the global supply of lithium batteries, was allowed to buy a Canadian lithium producer through one of its state-owned enterprises without a national security review.

Thank you very much, Mr. Chair, and I encourage all members of the committee to vote in favour of this motion.

The Chair: Thank you, Mr. Kram.

Next is Mr. Erskine-Smith.

Mr. Nathaniel Erskine-Smith: Thank you.

There are a few different things, I suppose.

Brian, I understand the goal here. I understood that we were going to have a subcommittee meeting on Tuesday of next week, and then we were going to hit the ground running the following week. If it's a matter of seizing an additional week and a half or so, I'm okay with that, but I just.... If we look at this study in particular, what I would look to get out of this is that we'd have the minister and/or his officials attend before us, and I would put one question to them, which is “What was the advice of the preliminary analysis of the department?” If the preliminary analysis was “don't do a full review and here's why”, then I'm not that interested in spending six meetings looking into it.

Now, if the preliminary analysis was “do a full review” and the government did not, decline, to do that full review, then I think it's worth enquiring. I'm a bit worried that we're skewing our entire agenda here without knowing the answer to that preliminary question, and we're allocating six meetings. I would like the minister to talk about his mandate letter, not only critical minerals, and to discuss the net-zero accelerator and to discuss the digital privacy legislation that is likely to come to us this spring if we can retable it from the last session.

There are a number of things that I would like to ask the minister about, and I would encourage colleagues who are interested specifically in Neo Lithium to put their questions to the minister. I think we should have him before us sooner rather than later.

We should have Ian Scott for a meeting. My idea was to have the minister and Ian Scott for preliminary meetings to hold time as we invite other witnesses for a longer-term study. That was my hope.

If we want to get into how we can use this committee most effectively and do some work next week, I'm open to that idea. I don't see a six-meeting study for Neo Lithium specifically when the likely answer back from officials is that "our recommendation was not to do a full review based on the facts as we know them". I can't imagine that we're establishing a schedule of six meetings today, right now, over what we know. I would just encourage us to be a little more strategic about it. Yes, let's use our time, and if we want to get going next week, let's do it, but let's get going in a little more of a thoughtful way. That would be the approach I would suggest.

• (1605)

The Chair: Thank you, Mr. Erskine-Smith.

As a point of information, I have asked the clerk to reserve next Tuesday during our usual meeting spot so that we could have a subcommittee meeting to plan the agenda as we resume Parliament. I wanted to see what the consensus was and how the debate evolved today first, but just as a point of information, that has been reserved if the subcommittee wants to meet.

I have Mr. Fillmore.

Mr. Andy Fillmore: Thank you, Mr. Chair. I appreciate the comments that all members are bringing forward.

Just on the point of whether or not this transaction was reviewed, I want to share with the committee the baseline information. A spokesperson from the federal ministry of Innovation, Science and Economic Development—and this was also published in the *Globe*, so it's public knowledge—wrote, "Investments in critical minerals are systematically and thoroughly scrutinized by the Investment Review Division [of the department] in concert with the responsible government departments and Canada's security and intelligence community," and through consultations with foreign allies, wherever appropriate.

She added that every foreign takeover of a Canadian firm is reviewed on its merits. She said that considerations can include such factors as the nature of the mineral deposits involved, since some forms of critical minerals are of greater or lesser strategic value to Canada; the ability of Canadian supply chains to exploit the asset; and the nature of the Canadian business and whether it has operations in Canada or, for example, is principally domiciled here for regulatory or other reasons with few, if any, local staff or assets.

As I mentioned before and as has now become common knowledge about Neo Lithium, it only had this very tenuous toehold in Canada to participate in the TSX in hopes of raising funding for their increasingly dubious-appearing operation in Argentina.

I just want to reveal the fact that this has been reviewed. We shouldn't repeat the mythology that no review was undertaken. It was indeed reviewed.

On the question that Ms. Gray raised regarding carbonate versus hydroxide, I could probably make a passable hat using my socks, but I'd much rather wear a hat. The process involved with....

I'll just read this:

As it turns out, lithium hydroxide...is better suited in the production of the batteries...when compared to its alternative, lithium carbonate. Although lithium

carbonate can be converted into lithium hydroxide, it comes at an additional cost and additional steps.

As I understand it, there are additional significant environmental implications as well, which, of course, undermine the whole point of switching to batteries at all. Let's not shift course from the understanding that the minerals in this mine are not of strategic relevance to Canada, Canadian industry or security. I think we can take that as truth for now.

I agree with my colleague Mr. Erskine-Smith. I want to get back to work here. I want to get back to work quickly. We have a subcommittee meeting scheduled for next week. That is going to help organize our work flow. We have a number of motions already tabled that are important, relevant studies. I don't think there's anybody on this committee who doesn't want to be productive, and we all want to support each other.

I must say the tone of December was fabulous. It was collaborative and constructive. I'm afraid what's happened now is that this hasty position taken on Neo Lithium, which we have now given lie to, is tending to mitigate the constructive tone of our committee. I very much would love for us all to get back to that, to let the subcommittee do its work and to get some studies in the pipeline.

Thank you.

• (1610)

The Chair: Thank you, Mr. Fillmore.

Mr. Fast.

Hon. Ed Fast: Thank you very much. I have just three quick points.

First of all, to Mr. Fillmore's comments, to review this decision by committee was not a hasty decision. Parliament should have been sitting some time ago. We have another week coming up that is empty of meetings for our committee, so it makes sense for us to do some useful work there. I would highlight and restate that this is a Canadian mining company. The notion that this has a tenuous connection to Canada and that somehow this is dubious is just false.

Mr. Fillmore, I want to assure you that we are fully committed to working collaboratively with the chair, with you and with your colleagues all around the table. The fact that we brought forward this proposed study should not in any way be taken as somehow disrupting that collaboration and collegiality around the table. I think you would admit that.

I would direct your attention, members and colleagues, to the website itself. We're not experts in lithium. I doubt that the minister is an expert in lithium, although my Liberal friends are asserting that somehow this lithium—nothing to see here—has no impact at all on our battery and EV ecosystem.

Here's what the Neo Lithium website actually says:

We are on the cusp of a global energy transformation on the back of the lithium-ion battery technology. In the near future, the lithium industry will face the challenge to increase production to meet the demand required for the electrification of transportation. Neo Lithium's 3Q Project is the pre-eminent lithium brine asset in the world to meet this demand.

Folks, let's not be under the illusion that our Chinese friends are interested in this company because somehow they like lithium carbonate and it's a product that has no significant role to play in the global economy. Nothing could be further from the truth.

I have a final comment.

Mr. Erskine-Smith, our role as a committee is not simply to hear the minister's explanation and then rubber-stamp it. We, as committee members, have a role to play, and it is oversight—to scrutinize the decisions and the actions of government. That's what we're doing with these proposed meetings. We want to scrutinize this decision because, I believe, it's a very important one. The facts that we are now disputing here can easily be clarified if we hold a number of meetings to discuss this. It's a reasonable request from a reasonable opposition.

I would ask all of you to support us in moving ahead with this. Let's make the coming week productive.

[*Translation*]

The Chair: Thank you, Mr. Fast.

The next speaker was supposed to be Sébastien Lemire, but he put his hand down. So the floor now goes to the next speaker on the list.

Mr. Erskine-Smith, the floor is yours.

[*English*]

Mr. Nathaniel Erskine-Smith: It's true that I'm not always reasonable, Ed, to be fair, but on this, I think my view would be that we can use this time to do the subcommittee work that would have taken place on Tuesday if we want to be a little faster with our schedule.

I wonder if we can find a compromise here. With six meetings for a single company, I feel as though I'm going to be wasting my time, when we could ask questions of this company or we could ask questions about this company. We could bring the same officials you want to bring in. We can bring the minister in and ask officials about this particular instance. I don't know why we wouldn't cast a broader net to say let's look at the critical minerals sector more broadly, let's look at the strategy, let's look at the Investment Canada Act, let's look at sustainable battery innovation, and let's look more broadly at how the government should be proceeding on this issue.

That would be what I would be more comfortable with. You would attain what you want to attain, I think. It would be in a context in which we could present recommendations that would, hopefully, be impactful. There would still be the accountability function—don't get me wrong—but we would be looking at a much broader issue, on which I think we could play a role in assisting going forward.

Six meetings seems like too many meetings for such a narrow issue with respect to one particular company. I don't know if you

would be open to an amendment that casts this more widely, so we could look at the critical minerals sector more widely, including in terms of the Investment Canada Act. You'd still be able to ask whatever questions you like to the witnesses, but I think we'd be able to get more substantive work done.

● (1615)

The Chair: Thank you, Mr. Erskine-Smith.

I see Mr. Dong.

Mr. Han Dong (Don Valley North, Lib.): Thank you, Chair.

I've been listening carefully to my colleagues. This is relatively new to me, the emergency meeting motion, and I also learned from my NDP colleague, MP Masse, that he had intended to introduce a subject of study for an emergency meeting, and that's news to me—

Mr. Brian Masse: I have a point of order, Mr. Chair.

Mr. Han Dong: I'm sorry, Brian. I don't mean any disrespect—

The Chair: Just a moment, Mr. Dong. There is a point of order.

Go ahead, Mr. Masse.

Mr. Brian Masse: Yes, I want to confirm with the clerk that my emergency motion was actually distributed last week, just so Mr. Dong is clear. I didn't propose to present something in future. I actually did propose it, and it was distributed among all members. I just want to confirm that.

Thank you, Mr. Chair.

Mr. Han Dong: Yes, that confirmation will be helpful too. I apologize if I was notified and I somehow missed it. I do apologize for that.

In terms of the committee's schedule or calendar, I have not heard any official opposition from the last meeting or between the last meeting and today, but I remember that the game plan was that the subcommittee would come back with a proposal on what the upcoming study schedule would be. Now, we are here at an emergency meeting, discussing the possibility of doing this emergency study.

I have to be honest. Between the two studies, the one from my NDP colleague and the one from my Conservative colleague, I'm more interested in the one presented by my NDP colleague, because it's quite relevant. In terms of urgency and what could directly impact Canadians, my constituents included, I think that study is much more relevant. If we're going to have an emergency meeting next week to do an emergency study, we of course have to go through the process of voting, but my preference would be for doing the one that impacts my constituents more directly.

I'm happy to have another meeting next week, and to meet, but I just want to point out the fact that at the last meeting we agreed to a game plan to have the subcommittee look at the schedule.

My last point is that I was hearing from a Conservative colleague that there were some assumptions made, that if the government somehow, through our recommendation of a study, blocked the sale of this company or, going back, if they blocked it, it would guarantee that their product would be used in Canada. I think that's a big assumption, because at the end of the day these products are mined in another country by a decision made by executives, not necessarily by Canadians. I think we have to be very careful with drawing the assumption that just because we've blocked the sale we can guarantee that these products can be used in the Canadian market.

That's all. Thank you.

● (1620)

The Chair: Thank you, Mr. Dong.

I see Monsieur Lemire.

[*Translation*]

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

In light of what we have just heard, allow me to propose an amendment.

First of all, Mr. Chair, I acknowledge that you have requested a meeting next Tuesday, with the goal of establishing the agenda and studying the 20 or so motions that committee members have introduced. This will allow us to come up with a solid program for the committee's work, which, I have to say, has perhaps been missing in our preparations to this point.

With that said, I would like to make an amendment to the motion introduced by the Conservatives, which is the subject of our discussion today.

Instead of six meetings, I propose that we have two and that they take place next week. That will give a total of three meetings, if we consider the one to discuss the organization and that will perhaps happen at the subcommittee. That is your decision, Mr. Chair.

I propose that we have two meetings next week to study the Neo Lithium deal and that we invite Minister Champagne for one of them. The minister can be accompanied by his officials, including the deputy minister, for example. While I am not part of the government, of course, I believe that it is the minister who will have to answer our questions.

At the second meeting, it might be helpful to have the Minister of Public Safety with us. Actually, I would like to ask Ed Fast, who has proposed the motion, why he would like to invite the Minister of Public Safety. I have heard no explanation about that and I would like to hear one. In addition, other witnesses must be invited for this study, like Professor Wesley Wark, as a specific example.

So I propose that we have two meetings next week about the sale of Neo Lithium.

The Chair: Thank you very much, Mr. Lemire.

An amendment has been moved and we will debate it now.

The mover of the motion, Mr. Fast, has the floor.

[*English*]

Hon. Ed Fast: Thank you very much, and thank you to Mr. Lemire for his willingness to study this. I think he understands the importance of making sure that Canada's critical assets are protected and used in a way that benefits Canadians.

One of the things I would point out to Mr. Lemire—and I'm asking for his response—is that if we have the minister or ministers appear before us, they will also be bringing officials who will likely occupy at least one meeting. We know that they're likely simply going to say, “Hey, there's nothing to see here. We did a review and it's done and there's no problem, no threat to Canada. This is to Canada's net benefit.”

I'm as eager to hear from industry specialists in the area and from academics.

My fear, Mr. Lemire, is that we will run out of time to get a complete and full picture of what's at risk here, what's at stake.

Would you be willing to modify your amendment for it to be a four-meeting study rather than a six-meeting study? I think it's a compromise that would allow us to address all three of those groups—the ministers and their officials, industry specialists and then some academics who have done a lot of study in the area of Canada's national security.

[*Translation*]

The Chair: We now have a subamendment.

Mr. Lemire, the floor is yours.

Mr. Sébastien Lemire: I am sticking to my proposal for two meetings and inviting the minister to the first. The officials are part of the department and I feel that, as a result, they must be present to answer our questions. That could be part of that two-hour meeting; a framework of that kind gives us the time to do it that way.

Then, at a second meeting, we could invite witnesses from the industry to find out their point of view. We can invite industry witnesses. So I will stick with my proposal for two meetings.

[*English*]

The Chair: Mr. Dong.

Mr. Han Dong: Thank you, Chair.

I want to hear from my Bloc colleague regarding MP Fillmore's broader study on critical minerals, as to whether he thinks it would be a worthwhile practice, because then we can talk about the potential of including what we were talking about today in that broader study.

The Chair: Correct me if I'm wrong, but I believe we have to dispose of the amendment that's been put on the floor first.

Mr. Masse.

● (1625)

Mr. Brian Masse: Thank you, Mr. Chair.

[*Translation*]

Mr. Sébastien Lemire: Can I answer the question I was asked, Mr. Chair?

The Chair: Go ahead, Mr. Lemire.

Then I will come back to Mr. Masse.

Mr. Sébastien Lemire: To answer your question, Mr. Dong, I feel that that is part of what will have to be dealt with at Tuesday's meeting, when we are setting up our program.

Personally, I find that Michael Kram's motion on this is particularly helpful and complete. We could have some amendments, as Mr. Fillmore had proposed, so that we can do a study on critical minerals again. In my opinion, that study should be conducted in the order that the subcommittee will determine. We will be able to give it some thought.

It is perfectly appropriate to do a real study on critical minerals, not just on Neo Lithium.

The Chair: Thank you, Mr. Lemire.

Mr. Masse, the floor is yours.

[*English*]

Mr. Brian Masse: Thank you, Mr. Chair.

In hearing what I'm hearing now, I'm going to propose this and see what the reactions are of my colleagues. It sounds like there's enough support here to get something off the ground, whether it's two meetings or four meetings. I would suggest that we pass the motion without the.... Being open to that, we'll start next week. We have a subcommittee meeting. We'll have two meetings on this for sure, and at the subcommittee meeting, we can decide how many more meetings there should be. That will allow us to move on right now. It gets us off the ground. Then, during the subcommittee, we could decide whether or not we want to add another two meetings from there.

I know that Mr. Dong mentioned my motion too. I'm always interested in having one to two meetings with regard the executives from the grocery store industry—or at least one meeting—to have them come back to explain their issues over pandemic pay. I hope we can squeeze that in somehow, and if not in this next week, in at least one meeting when we've returned to the House of Commons. I'll park that aside not to get more confusing.

Perhaps, Mr. Fast, you can respond, or Mr. Lemire, if, for example, we have a motion here that comes together and we get two meetings for next week locked in and then we also have our subcommittee meeting where we can decide whether we want to carry on with a couple of other meetings. I will just note that outside of two meetings with witnesses, we will need at least one meeting for preparation for a report or some type of reporting process back to the House of Commons. There's almost a guarantee that we have to have additional meetings, which would have been built into the six meetings, I believe. We need to keep that in mind, because we will need that time.

I'll leave that—if my colleagues perhaps want to comment on that—as a general compromise to get going on stuff, because I really want this committee, which has a history of doing a lot of really good stuff, to just get to work. It's such a big file. This file is huge for industry, and I'd hate for us to get ground out for one or two meetings.

Thank you.

The Chair: Thank you, Mr. Masse.

In looking at our colleagues on the screen, I think there's a broad agreement that members want to get this committee going.

I see Madam Lapointe.

[*Translation*]

Ms. Viviane Lapointe (Sudbury, Lib.): Good afternoon.

[*English*]

While I could not support the motion that was put forward to this committee tonight, I can support the amendment that has been made by our Bloc colleague.

Critical minerals are extremely important, especially when... I come from the riding of Sudbury, so to me the non-support of the motion does not speak to my position that lithium is not important. It is, but I also believe that critical minerals should be looked at and discussed by this committee in their broader context. It would also be important for us to look at and talk about the Investment Canada Act at this committee.

Again, I could not support the original motion, but I would be in support of the amendment that has been made around two meetings.

The Chair: Thank you, Madam Lapointe.

I see no other speakers on this amendment. Is there a consensus on the amendment proposed by Mr. Lemire?

If there is no consensus, then we'll have to go to a vote.

I'm looking at Mr. Fast in particular. Is there a consensus or should we proceed to a vote on the amendment? Before we do, I would ask the clerk to read what it would look like.

Mr. Fast.

Hon. Ed Fast: For my part, I believe that we on the Conservative side have consensus on the amendment that Mr. Lemire put forward. Given the fact that there is going to be a steering committee meeting, there could be a discussion of perhaps extending this to at least provide room for the report to be drafted once we have all the information and testimony.

• (1630)

The Chair: Okay. Then my understanding would be that we have the steering committee on Tuesday and that we aim for two meetings. Witnesses would have to be submitted for tomorrow, as explained in your motion, Mr. Fast.

I see Mr. Généreux.

[*Translation*]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): I was looking for the voting button, but my screen doesn't have one. So I made a mistake.

In any event, I think our vote is going to be public, is it not?

The Chair: Actually, in light of what Mr. Fast has just said, I gather that we have a consensus. I do not see the use in voting on the amendment.

Now, do people want to discuss the motion as amended? Do we need to read it again?

I feel that we have all understood Mr. Lemire's proposal.

[*English*]

Mr. Han Dong: Mr. Chair, on a point of order, could you have the amendment read out to us?

The Chair: Mr. Clerk, could you, please?

The Clerk of the Committee (Mr. Michael MacPherson): I'll do my best, Chair. There was a lot of conversation going on. It seems that there was a consensus built around it.

This is what I understood as the amendment. We would replace the words "at least six meetings" with the words "at least two meetings". Then further on in the motion, it's "That the study begin with two meetings" as opposed to "That the study begin with three meetings". It's essentially just changing numbers, a minimum of two and to begin with two.

The Chair: All right. Thank you, Mr. Clerk.

There's consensus on the amendment, and I assume, then, consensus on the motion itself as presented. I think we're—

Mr. Nathaniel Erskine-Smith: There's one thing, just so I have clarity. I know Sébastien had asked, but I don't know if he got an answer, about the role that the public safety minister plays in this process. Was that answered and I missed it? I understood that he was seeking clarification with a view to maybe amending it so that we would reduce the number of witnesses to the witnesses who actually play a crucial role in this process.

If the national security agencies are providing advice but that advice is ultimately actioned by the industry minister, it may well be that the public safety minister has no role to play here. I don't know.

Mr. Fast, you can weigh in here with why he ought to be a witness.

I don't know, Sébastien, if you got an answer to your question. I don't think you did.

The Chair: Mr. Fast.

Hon. Ed Fast: No, I don't believe we had actually formally suggested that the public safety minister appear. We're interested in having the industry minister appear. I think he knows he's going to be asked to come.

I'd like to leave room for other witnesses. There are going to be officials with Minister Champagne in any event, but I want to leave as much room for industry and academic witnesses as possible so that we have a full picture of what's at stake here.

Mr. Nathaniel Erskine-Smith: The motion does read, though, "that the committee invite the Minister of Innovation, Science and Industry and the Minister of Public Safety, to appear separately, for one hour each". It makes more sense to me, especially if we're reducing it to two meetings, that we would also amend that to remove the public safety minister.

Hon. Ed Fast: I agree with you. Remember, the motion incorporated the public safety minister when we had six meetings—

Mr. Nathaniel Erskine-Smith: That's fair.

Hon. Ed Fast: —but I think I've been clear. I think the industry minister is the one we want to have appear.

Mr. Nathaniel Erskine-Smith: In that case, Joël and Mr. Clerk, I think there is consensus that we not only amend it down to two meetings but that we also remove the public safety minister.

The Chair: Yes. I'm looking around the virtual room and I see consensus.

Also, because the time frame is short and we're asking for meetings next week, and we're going to have the subcommittee first on Tuesday, and it also depends on the availability of witnesses, we're certainly going to work with the clerk to try to fit those in next week. Otherwise, if we don't have all the witnesses lined up, it's going to be the first order of business as we resume Parliament.

Madam Gray.

• (1635)

Mrs. Tracy Gray: Thank you, Mr. Chair.

It's just a comment that if we're not going to make it mandatory that the public safety minister be there, we do expect national security officials to be there for sure. There are a number of officials listed in that motion. We want to make sure they are in attendance.

The Chair: I think that's the consensus.

Mr. Clerk, I'm sorry if I'm not very formal but it seems as though the motion then doesn't need to go to a vote. I see everyone nodding in agreement for it to be passed.

The Clerk: The rule in the new virtual environment here, in the hybrid environment, is that if there is obvious consent for the main motion as amended then we would not need to go to a recorded division.

The Chair: That's perfect.

(Amendment agreed to [*See Minutes of Proceedings*])

(Motion as amended agreed to [*See Minutes of Proceedings*])

The Chair: I don't think there's any other order of business, so that would be the end of this committee.

Mr. Brian Masse: I have a point of order, Mr. Chair.

The Chair: Go ahead, Mr. Masse.

Mr. Brian Masse: It's just that you've continued a long line of compromise and consensus with regard to the committee, and you're actually ending a meeting early. This should be well noted.

The Chair: Thank you very much. Let's hope it continues that way. I look forward to the subcommittee meeting next week so that we can have a robust agenda going forward, Mr. Masse. I hear your concerns.

Thank you, all, for your collaboration.

This meeting is adjourned.

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