



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Industry and Technology

EVIDENCE

NUMBER 051

Monday, December 12, 2022

Chair: Mr. Joël Lightbound



Standing Committee on Industry and Technology

Monday, December 12, 2022

• (1105)

[*Translation*]

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

Good morning everyone. Welcome to meeting number 51 of the House of Commons Standing Committee on Industry and Technology.

[*English*]

Pursuant to Standing Order 106(4), this is a meeting requested by four members of the committee to discuss a contract for a telecommunications system for the RCMP.

Today's meeting is taking place in a hybrid format pursuant to the House order of Thursday, June 23, 2022.

[*Translation*]

I would invite all members in the room to please let me know if they wish to speak. Those who are participating via Zoom may use the raised hand function to be recognized.

Without further ado, we will open up discussion for this special meeting, held pursuant to Standing Order 106(4).

[*English*]

Mr. Perkins, you have the floor.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair.

Thank you, everyone, for indulging me. I'll say a few words and then propose the study motion, which we can circulate now.

Section 2, the purpose section of the Investment Canada Act, states:

the purposes of this Act are to provide for the review of significant investments in Canada by non-Canadians in a manner that encourages investment, economic growth and employment opportunities in Canada and to provide for the review of investments in Canada by non-Canadians that could be injurious to national security.

Further, the same act, in section 25.2, states, “If the Minister has reasonable grounds to believe that an investment by a non-Canadian”—minister meaning the Minister of Industry—“could be injurious to national security, the Minister may, within the prescribed period, send to the non-Canadian a notice that an order for the review of the investment may be made” under that subsection.

The act further defines a “state-owned enterprise” as “an entity that is controlled or influenced, directly or indirectly, by a government or agency”.

How does this relate to contracting by the Royal Canadian Mounted Police to Sinclair Technologies of Aurora, Ontario, to provide the RCMP with radio frequency filters, winning the bid as the low-cost bidder by about \$60,000 over a Quebec company? That's because Sinclair Technologies, formerly a Canadian-owned company, became a wholly owned subsidiary of Norsat International in 2011.

Norsat International was also a Canadian company and was founded and based in Richmond, B.C., but Norsat was acquired by Hytera Communications company in 2017. Hytera is headquartered in Shenzhen, China, and is partially owned by a People's Republic of China investment holding company. It is a major supplier of China's public security ministry.

The acquisition of Sinclair's parent company, Norsat, by a company based in China with partial state ownership was not subject to a full and formal national security review by the Minister of Innovation, Science and Technology under his authority granted by the Investment Canada Act.

The same year that Norsat was acquired by Hytera, the Chinese National People's Congress passed the National Intelligence Law of 2017. That law compels all Chinese nationals at home and abroad to collaborate with agents of the Chinese state on request to further the Chinese state's interests. Specifically, that law passed in 2017, and, in article 7, it states that all organizations and citizens shall support, assist and co-operate with national intelligence efforts in accordance with the law and shall protect national intelligence work secrets they are aware of.

Further, in article 10 in that National Intelligence Law, it states that, as necessary for their work, national intelligence work institutions are to use the necessary means, tactics and channels to carry out intelligence efforts domestically and abroad. That means that all Chinese-headquartered businesses are an extension of the Communist Party of China's intelligence and espionage network, as required by their domestic law.

In February of this year, the United States Department of Justice filed 21 charges against Hytera for stealing mobile radio telecommunications technology from Motorola. In November, President Joe Biden signed legislation to prevent Hytera and other Chinese companies such as Huawei Technologies, which have been deemed security threats, from receiving new equipment licences from U.S. regulators.

The U.S. public safety and homeland security bureau published a list of communications equipment and services that are deemed to pose unacceptable risks to the national security of the United States or to the security and safety of United States' persons. The U.S. FCC listed video surveillance and telecommunications equipment produced by Hytera Communications Corporation and used for the purpose of public safety, the security of government facilities, physical security surveillance of critical infrastructure and other national security purposes, including telecommunications or video surveillance services provided by such entity. Using such equipment from Hytera is banned in the United States.

That's all public information. It took me about five minutes to figure this stuff out and find it, yet the Liberal government did not use its authority under the Investment Canada Act to ban Hytera and its subsidiaries from bidding and receiving government contracts, nor have the Liberals conducted a full and formal national security review of Hytera's ownership of these Canadian assets.

To summarize, the RCMP awarded, to a company owned by Chinese government state interests, over a Quebec-based and owned company with Canadian technology, a contract to supply sensitive hardware for the communications systems of the RCMP, a company whose parent company has been blacklisted and charged with espionage and stealing secrets in the United States.

The Liberal Minister of Industry never conducted a formal national security review of the takeover of the parent company of Sinclair and Norsat by the Chinese-based company, Hytera. Let's remember that the Investment Canada Act defines a state-owned enterprise as "an entity that is controlled or influenced, directly or indirectly, by a government or agency".

Clearly Norsat and, by extension, Sinclair meet that definition. Let's also remember that the act gives the minister the power, and I would argue the responsibility, to seek a formal, full, national security review of the takeover of a Canadian company by a state-owned enterprise, and in particular companies based in the telecommunications industry in Canada.

Again, the act says:

If the Minister has reasonable grounds to believe that an investment by a non-Canadian could be injurious to national security, the Minister may, within the prescribed period, send to the non-Canadian a notice that an order for the review of the investment may be made under subsection 25.3(1).

The minister did not do that.

Why did the government not do a full security review and reject the takeover of a Canadian telecommunications company by a state-owned enterprise of the Government of China?

This committee and the public need to know. Why has the Government of Canada not told every government department, every Crown corporation, board or agency of government that all acquisi-

tions of Canadian companies by Chinese state-owned enterprises are subject to full national security reviews under the Investment Canada Act, particularly since the Government of China requires Chinese-based companies, under their law, to see corporations as an extension of the Chinese state, and that as such, to quote again from that law, "national intelligence work institutions are to use the necessary means, tactics, and channels to carry out intelligence efforts, domestically and abroad."

Why are all bids by such entities for Canadian government needs not flagged for full security review under the Investment Canada Act before awarding? Why has the Minister of Industry been so lax in overseeing the Investment Canada Act and not doing a full national security review of Canadian assets, and supplying Canadian governments with services from state-owned enterprises from non-democratic countries?

Remember, state-owned enterprises from China are heavily subsidized by their government, enabling them to bid at below cost for government projects, which for-profit Canadian companies cannot do. That is how they are winning bids in Canada. Hytera loses money every year, so a firm that is owned by an undemocratic government that loses money most years, by bidding below cost for work, obviously must have other motivations and purposes.

The committee needs to examine the failure of the government to do its duty under the Investment Canada Act and to protect Canadians and Canadian businesses from the injurious national security harm that these entities pose to Canada. Canada's security is a serious and urgent concern when it comes to the established pattern of the government issuing sensitive contracts to Chinese state-owned enterprises, as it did in 2021, when the Liberal Global Affairs minister awarded another Chinese state-owned enterprise a contract for providing sensitive security equipment to all of Canada's missions abroad.

This follows the Liberal government's issues around China's access to Canada's sensitive biological lab work in Winnipeg, and its exclusive contract at the beginning of the COVID pandemic to acquire only COVID vaccines from the Chinese government company called CanSino, which this committee has done some study on.

● (1110)

This committee needs to understand why the minister and this government did not exercise their responsibilities under the Investment Canada Act in consideration of a state-owned enterprise and a sensitive Canadian telecommunications company. The committee needs to examine why the RCMP, our senior law enforcement agency in Canada, was not advised by the Minister of Industry, the Minister of Public Safety and the Minister of Procurement to not utilize these Communist Party of China-controlled companies for their needs.

This is an urgent matter. It's why I have brought forward the motion, which we have just distributed, for immediate hearings on the RCMP contracting with a company that is compelled under China's National Intelligence Law to use every tool they can to spy on foreign nationals and acquire information, data and technology for the People's Republic of China government. That the Minister of Industry has not utilized his power and responsibility under the Investment Canada Act to prevent Canadians from injurious harm bears examination.

With that, Mr. Chair, I have a really long motion, but if you will, I'll read the motion, as follows:

That the Committee, pursuant to Standing Order 108(2), undertake a study concerning the contract awarded to Sinclair Technologies, which is owned by Norsat International, a subsidiary of Chinese telecommunications firm Hytera, a partly state-owned enterprise by the Communist Party Government of the People's Republic of China, to build and maintain a radio frequency filtering system for the Royal Canadian Mounted Police. Whereas, China's people's National Congress passed the National Intelligence Law in 2017 to compel all Chinese nationals, at home and abroad, to collaborate with agents of the Chinese state on request, to further Chinese state interests by purloining confidential data and engaging in compromise of infrastructure around the world; and Whereas a Quebec firm with Canadian technology was not selected in the bidding process by the RCMP; and whereas the acquisition of Norsat by Hytera in 2017 did not undergo a national security review and section 2 of the Canada Investment Act requiring the protection of Canada's national security was ignored by the Government; and whereas the Canada Investment Act further defines a State-owned enterprise as an entity that is controlled or influenced, directly or indirectly, by a government or agency; and whereas,

(a) the Committee hold the necessary number of meetings to examine in detail how the Canada Investment Act process failed national security, that this study is prioritized by the committee and the first meeting takes place on Tuesday December 13 and Wednesday December 14, 2022

(b) the Committee invite

(i) the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry,

(ii) the Honourable Marco Mendicino, Minister of Public Safety,

(iii) the Honourable Helena Jacek, Minister of Public Services and Procurement,

(iv) the Honourable Carla Qualtrough, former Minister of Public Services and Procurement and Accessibility,

(v) Royal Canadian Mounted Police Commissioner Brenda Lucki,

(vi) Royal Canadian Mounted Police Assistant Commissioner Rhonda Blackmore,

(vii) Jody Thomas, National Security and Intelligence Advisor to the Prime Minister,

(viii) senior officials of the Communications Security Establishment,

(ix) senior officials of the Canadian Security Intelligence Service, and

(x) Aimee Chan, President and Chief Executive Officer, Sinclair Technologies;

(c) the Committee order the production of all relevant briefing notes, memorandums and documents which are in the possession of the Department of Industry, the Department of Public Works and Government Services, the Department of

Public Safety and Emergency Preparedness, the Royal Canadian Mounted Police, the Communications Security Establishment and the Canadian Security Intelligence Service, provided that

(i) these documents shall be deposited with the Office of the Law Clerk and Parliamentary Counsel, in both official languages, within four weeks of the adoption of this Order,

(ii) a copy of these documents shall also be deposited with the Office of the Law Clerk and Parliamentary Counsel, in both official languages, within four weeks of the adoption of this Order, with any proposed redaction of information which, in the government's opinion, could reasonably be expected to compromise national security,

● (1115)

(iii) the Office of the Law Clerk and Parliamentary Counsel shall promptly thereafter notify the Chair whether it is satisfied the requested documents were produced as ordered, and, if not, the Chair shall be instructed to present forthwith, on behalf of the Committee, a report to the House outlining the material facts of the situation,

(iv) the Office of the Law Clerk and Parliamentary Counsel shall provide the documents, as redacted pursuant to subparagraph (ii), to the Clerk of the Committee who shall distribute them to the members of the Committee and publish them on the Committee's website forthwith,

(v) the Office of the Law Clerk and Parliamentary Counsel shall discuss with the Committee, at an in camera meeting, within two weeks of the redacted documents being distributed pursuant to subparagraph (iv), whether they agree with the redactions proposed by the government pursuant to subparagraph (ii), and

(vi) the Committee may, after hearing from the Office of the Law Clerk and Parliamentary Counsel, pursuant to subparagraph (v), accept the proposed redactions, or reject some or all the proposed redactions and request the production of those unredacted documents in the manner to be determined by the Committee.

● (1120)

The Chair: Thank you, Mr. Perkins.

Ms. Dancho.

Ms. Raquel Dancho (Kildonan—St. Paul, CPC): Thank you, Mr. Chair.

It is a pleasure to be with this committee today. I am the vice-chair of the public safety and national security committee and I applaud my colleagues for bringing forward this comprehensive 106(4) motion on this critical issue, which I think—

Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.): I'm sorry, Chair, but on a point of order, I have been made aware that a committee member is having technical issues trying to log on, so perhaps we could give him some time.

The Chair: Yes. I will just verify with the clerk.

Mr. Rick Perkins: I can repeat it.

The Chair: Good grace, no.

One moment, Ms. Dancho. We'll come back to you.

Ms. Raquel Dancho: Thank you very much, Mr. Chair.

As I was saying, I'm the vice-chair of the public safety and national security committee, and it's a real pleasure to be with industry today. I appreciate and applaud my colleagues for bringing forward this very comprehensive motion to investigate a very critical issue, which I think many Canadians are paying attention to. The Prime Minister, of course, has weighed in on this as has the Minister of Public Safety.

I would like to hear more from Minister Champagne, given that he is the industry minister lead, of course, and I think it does impact a number of different areas of government, national security and, of course, industry. We can also look at the impact this will have on setting a precedent should we allow these types of contracts to continue.

Now, the government has said that it is pausing this contract, but I do have concerns given that the company that received the contract is ultimately owned in part by the company Hytera, as mentioned by my colleague, which is based in the People's Republic of China. We know that some of that technology in this contract is already being implemented in Ontario and Saskatchewan. I have not heard from Minister Champagne or the Prime Minister or the Minister of Public Safety whether this pause of the contract will mean that this government will be insisting on the removal of that technology that's already in place, again, for surveillance purposes, for RCMP. It's quite shocking when you consider that the parent company, which is in part owned by the People's Republic of China, is now sort of responsible for the surveillance technology of our RCMP.

I would have thought that would be one of the first things they would have committed to. If there were any threat to our national security, in setting a precedent in this surveillance industry that we have in Canada, whether it's for national security or within our telecoms utilized by, for example, the Department of National Defence, you would think they would set a clear standard that this is unacceptable and it would be removed immediately.

We did see, with the Liberal government, they took about five years to commit to removing the Huawei technology, and, because it took so long, it will cost hundreds of millions of additional dollars that will be passed down to the consumer. Huawei and the 5G technology we saw have so infiltrated our telecommunications systems that it will be very hard work to remove that.

I have those same concerns with what's happening here. As my colleague mentioned, earlier this year, I believe on February 22, the U.S. Department of Justice unsealed a federal indictment showing that there were 21 charges of conspiracy to commit theft of trade secrets against Hytera.

We see that in the United States they're being very aggressive and transparent with the threat from Hytera, which again is sort of the parent of the parent company that owns Sinclair. We see the Americans taking very strong action on this, yet we have not seen the Prime Minister or the Ministry of Industry or the Minister of Public Safety make a very clear statement that this surveillance technology that is being provided by this ultimately Chinese-owned company, so to speak, will be removed in Ontario and Saskatchewan.

I'd like to hear that and I'd like the Minister of Public Safety and the Ministry of Industry to come to this committee and make that commitment.

Further to that, Mr. Chair, I am concerned that there may be other contracts like this and that has not been made clear. This was found because of very solid journalism in this country. That's great, but are there more? You would think if there's one, there are likely oth-

ers. We know that recently the Minister of Foreign Affairs put forward her Indo-Pacific strategy, and that falls under the Canada-China committee, which I also sit on.

There was certainly appreciation for the tougher stance that was communicated in that Indo-Pacific strategy, but what I would say is that the government on one side is saying that procurement is independent. They're blaming the independent system of procurement of this government. They're saying it's independent and they don't agree with it, but it is independent. They're sort of blaming others for what has happened under their watch, but what I would say is that every independent agency of government certainly has to follow the ethos, the values set forward by the Prime Minister and his cabinet.

I would argue that perhaps if the Indo-Pacific strategy for which the Conservatives have been calling for quite some time had been brought forward sooner, the procurement agency would have had a better idea of the threat analysis of China and companies that are partly Chinese-owned that provide surveillance technology and other technologies. Perhaps they would have had that lens to apply to this contract.

• (1125)

I don't believe that it is an appropriate assessment by the Prime Minister to sort of kick this over to the independent procurement agency and say it's all on them. If they had brought forward the Indo-Pacific strategy, which makes quite a bit more clear the threat analysis of China, perhaps the independent procurement agency would have had a more clear picture in order to enter any contracts with companies like this with eyes wide open.

I know there is some discussion around whether this falls under public safety, whether this falls under foreign affairs, whether this falls under the China committee or whether this falls under industry. Certainly, Minister Champagne is bringing forward bills like Bill C-27, which is in part related to the Minister of Public Safety's Bill C-26. Bill C-26 ultimately is a bill to deal with telecommunications in this country and other companies that are providing national security critical infrastructure types of services.

I would say that both committees and both ministers play a role. Given that Bill C-26 and Bill C-27 are closely related in some ways, and given what I know about the industry committee, I think it would make sense and would not be out of scope to have the ministers come forward to this committee.

I hope that members consider that, given that this may be an industry-wide problem, even beyond telecommunications and surveillance. This could be in data management. We can see health services and the privacy information therein. There are countless industries across Canada that may very well have contracts owned in part or in full that are connected to the People's Republic of China.

This is a national security concern. My point is that it also impacts a number of industries, and that's why we're seeing similar bills under Minister Mendicino and Minister Champagne.

I do feel that it is appropriate to set the standard for industry at the industry committee that these types of contracts will not be tolerated any longer. Certainly, we must bring to the attention of the Minister of Procurement and other ministers impacted by this, that, given the very clear message—or, I would say, clearer message—set forth in the Indo-Pacific strategy, there needs to be a whole-of-government approach to reviewing all contracts provided.

The last thing I will mention is that it is not just government contracts that are of concern. There are other private contracts that are of concern in multiple different industries, or there may be. If there's one that got through the procurement vetting process with the Government of Canada, it is very likely that there are a number of private entities that have contracts that would impact our national security and that really go across a number of industries.

I appreciate the very comprehensive 106(4) motion put forward. It certainly is exhaustive, and I think that's important because we want to make sure we don't have any cracks. It is very critical that we ensure that the veil is lifted on this so to speak. By passing this 106(4), the industry committee sends a very clear message to all industries that may have contracts with the People's Republic of China—which may impact data security, surveillance and the like—to take note. The industry committee taking a leadership role in that, I think, sends a very strong message across industries that are critical to our national security.

I hope that the committee considers that. I hope it considers taking that leadership position and certainly leads by example at this committee and sets a very clear tone, so that any industry impacted by national security concerns shall be made aware.

Those would be my remarks. Thank you, Mr. Chair.

• (1130)

The Chair: Thank you very much.

We will now turn to Mr. Erskine-Smith.

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

I really appreciated the public safety critic's intervention. I have appreciated her advocacy from afar, but we haven't had an opportunity to work together.

I read the media reports and shared concerns. I saw that the government acted quite quickly to suspend the contract, so I was a bit surprised when we got the 106(4) letter because I was wondering how it was an industry consideration.

When I look at the motion, there's only one witness on that list who is relevant to this committee, and that's the industry minister. At the end of the day, as I understand the connection to the industry committee here, it's a 2017 transaction pursuant to the Investment Canada Act, and that would be what we would look at here.

Colleagues ought to know if they are unfamiliar with the industry committee that we have studied the Investment Canada Act, not only in general in a previous Parliament—and we tabled the report

February 2021—but also specifically in relation to a transaction where a mining company was acquired by a company that had a large ownership by a state-owned enterprise in China, so we have looked at this specific issue in relation to the Investment Canada Act on more than one occasion.

I guess I'm struggling with how this is really an industry consideration, given that the public safety critic is here because it's a public safety issue. I don't mind studying this issue as a general principle, but I hope to visit the public safety committee to study the issue and not have the public safety critic visit the industry committee to study it.

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

Mr. Williams, go ahead.

Mr. Ryan Williams (Bay of Quinte, CPC): Thank you, Mr. Chair. It's a pleasure to be here today to speak to this topic.

First, I want to point out that committees are masters of their own proceedings, which I think is a really important point when we get into this. This is an Investment Canada Act issue. It is certainly an industry issue, specifically and mostly because there have been different times, as the previous member mentioned, when we have dealt with certain of these issues—the Neo Lithium issue, and other companies—and we just have not got it right.

Especially right now, with the government launching a new Indo-Pacific strategy, certainly, we have all heard reports of alleged Chinese police stations. We can go as far back as we want to. I have an office in an old Nortel building in Belleville. It used to be really big. I know that DND has one in Kanata. There's always talk about having to clean and the amount of bugs that have been in those buildings.

We've had interference for a long time, and whether this government is now making it known that it is more serious, or whether we're changing the strategy, certainly, when it comes to the Investment Canada Act and protecting our security, whether that be critical minerals or telecommunications as a whole, I think that all the members of this committee should warrant that at this point this needs to be studied. It is important to study this issue, not only because this was not from government or something that came out forthright that was discovered. It was from the press.

My colleague brought up the question of whether this was the only instance in which this is occurring. Certainly there was, in 2017, a government review of the approved sale of Vancouver-based Norsat International to Hytera. At that time, in 2017, MPs questioned that. We're now in 2022, almost 2023, almost six years later, and the same issues are there. To say that we have studied this....

Certainly, for two meetings, for two days, given the importance of the implications of this finding, given the importance of strengthening the Investment Canada Act, given the importance of protecting our information, our companies and our sovereignty in this country, it is certainly the right time for the industry committee to have those questions asked.

The government has already suspended the contract. There has already been action. Therefore, there should be full agreement that we can look into how this happened and how it cannot happen again, for a few reasons. The first is the importance of what is happening, and the significance of that to our nation. The second is the future of this committee, of company procurement, and making sure we strengthen the Investment Canada Act to make sure this doesn't happen again.

This is beyond the “fool me once, shame on you; fool me twice”. This is happening three or four times. We certainly need to get to the bottom of it.

I don't see why, for two days, to bring the relevant witnesses to this committee and to have a report that goes to Parliament, at a time when we're trying to improve all the other bills.... My colleague mentioned C-27. Certainly, the government has talked about improving the Investment Canada Act. At a time when the Indo-Pacific strategy has been brought forward, although late, by the government, it certainly is the right time, in my mind, to spend two days.

Let's investigate what has happened. The company that lost out on that one bid is from Quebec. Why did a Canadian company lose out on that bid in the first place? As my colleague has mentioned, how much is it going to take to unravel what we've already implemented? Is the contract still in place? What is there? How do we go out and see that a new RFP is put forth that may benefit Quebec at the end of the day?

I think there are a lot of good reasons to go at this. Thank you very much, Mr. Chair.

• (1135)

The Chair: Thank you very much.

I recognize Mr. Vis, then Mr. Gaheer and then Mr. Généreux.

Mr. Vis, go ahead.

Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC): A few things are coalescing in terms of why we are before committee right now.

In the last two weeks, the Government of Canada came to Vancouver, to my home province, and it outlined that China's assertive pursuit of its economic and security interests, advancement of unilateral claims, foreign interference and increasingly coercive treat-

ment of other countries and economies have significant implications in Canada. That is the position of the Government of Canada.

On December 7, the Minister of Industry outlined, in his departmental explainer, how we need to amend the Investment Canada Act to extend authority to the minister to do national security reviews with respect to investment. Since December 1, the Government of Canada has come forward and said, one, the threat of China in Canada is very real and very concrete; and, two, the Investment Canada Act is not strong enough to protect Canadian sovereignty and more needs to be done to ensure that our sovereignty is protected, by expanding both the powers of the minister and our ability to conduct reviews. I will add a third point: The Government of the United States has already acted in a similar fashion against the company we have been discussing today.

The Government of Canada also outlined that, with China's rapid and dramatic modernization and as it becomes more assertive, Canada must step up as a reliable partner in the Indo-Pacific region to promote security and stability. That brings us to our committee here today.

We have an opportunity, in good faith with just a few meetings, to look very closely at a decision of the Government of Canada that—and rightfully so—it recognized needed to be looked at and on which it took action. We need to know what was behind that decision and we need to make sure we do better, as a country, to stop awarding contracts to companies with ties to the People's Liberation Army or the Government of China.

We can do better, and this committee has a direct responsibility to look very closely at what took place. Announcements are not enough. This committee can lead toward concrete actions and better protection of Canadian sovereignty. I, as a British Columbian, will note that there was a reason the government came to British Columbia. It's because B.C. is the gateway to the Indo-Pacific region. I, as a British Columbian MP, will say that these concerns are very top of mind for many people, with respect to both the integrity of our institutions and our economy, and they want the industry committee to look closely at these things.

I think all committee members should work very closely together. Let's do a quick study. Let's improve the way we protect Canadian sovereignty. We have a duty.

Thank you, Mr. Chair.

• (1140)

The Chair: Thank you, Mr. Vis.

I will turn to Mr. Gaheer.

Mr. Iqwinder Gaheer: Thank you, Mr. Chair. It is great to be back at the committee.

I tend to agree with my colleague Mr. Erskine-Smith. When we got wind that this motion was coming to committee, the first question that came to mind was why was it coming to INDU? There are other committees that it could have gone to.

When we look at the text of the motion, which we received during this very meeting and not beforehand, it is clear from the motion that the focus is a 2017 transaction. Perhaps the Minister of Innovation makes sense, but why is this motion being used as a Trojan horse to bring all of these other ministers into INDU, when this could be studied in a different committee?

The ICA is being strengthened as well, so when that comes to committee, we will be able to review this very question of whether it is strong enough. That is my proposition.

The Chair: Thank you, MP Gaheer.

[*Translation*]

We will now turn to Mr. Généreux.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Thank you, Mr. Chair.

I was once the mayor of a municipality, and at that time we instituted a buy local policy. Here we have a situation with two competing companies, one Chinese and one from Quebec. For a difference of about \$60,000 between the two bids, the contract was awarded to the lowest bidder.

Given the parties involved and the importance of this contract, it is crucial that we be able to question all the ministers on the list to learn more about the process that made it possible to award a contract to a Chinese company rather than to a Quebec company, even though the price difference was negligible and there were very significant consequences for our security.

I urge all committee members to consider that if the Quebec company met the requirements to provide these services to the RCMP, that means we have the technology in Canada to do this kind of work. We certainly have to ask questions of the ministers. Why haven't we already implemented solutions in Canada to encourage Canadian procurement to promote our technologies throughout our national security sector? I think that's a very legitimate question.

There are a lot of names on the list, but, if we are professional in the way we go about this, I think we can quickly go through all of these people to get answers to our questions.

The Chair: Thank you, Mr. Généreux.

Mr. Dong.

[*English*]

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

I've been listening to arguments from both sides. I think there are valid concerns.

I've been hearing my Conservative colleagues talk about national security issues, raising questions on the procurement process. For the public who are watching this, there are standing committees that look after national security, public safety and procurement processes. It's not this committee.

I'm reading this motion for the first time on my device this morning. I respectfully would like to ask for a suspension so that we can talk it over with the different caucuses.

• (1145)

The Chair: Thank you, Mr. Dong.

Given the lengthy nature of this motion, and the fact that committee members received it only today during this committee, I am inclined to suspend for a few minutes for people to get a sense of where they stand on this.

The meeting is suspended for a few minutes.

• (1145)

(Pause)

• (1205)

The Chair: I think we might have some form of understanding in terms of how we could move forward with the motion brought today by Mr. Perkins. I'm willing to open the floor again, and I'm looking at Mr. Lemire, who had his hand up before we suspended.

[*Translation*]

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

Indeed, the whole situation surrounding this contract is quite complex and makes us all uneasy. We all understand it's important to get to the bottom of this and learning from what happened. However, we are not prepared to do this study by addressing all the items requested, for various reasons this committee has already heard.

I therefore propose a compromise, another motion that would first seek that the committee undertake the study. We would therefore keep the first sentence of the proposed motion, namely the following:

That the Committee, pursuant to Standing Order 108(2), undertake a study concerning the contract awarded to Sinclair Technologies, which is owned by Norsat International, a subsidiary of Chinese telecommunications firm Hytera, a partly state-owned enterprise by the Communist Party Government of the People's Republic of China, to build and maintain a radio frequency filtering system for the Royal Canadian Mounted Police.

In addition, I propose that the committee invite the Honourable Marco Mendicino, Minister of Public Safety to appear before the committee to answer questions about this contract. This will not preclude us from adding more items at a later date, depending on what may emerge from the Standing Committee on Public Safety or other committees or even from the internal investigation report. If we want to go further at that time, we can do so.

First, I propose that we invite Minister Marco Mendicino. Then, there could be a second motion to invite—

The Chair: Mr. Lemire, let's deal with this motion first. I know you want to move another motion to have Minister Champagne appear before the committee, but for now you are proposing an amendment to the motion currently before us.

Mr. Sébastien Lemire: That's fine. That said, I think it's important to point out that that meeting should be held as soon as possible.

The Chair: Are you talking about Minister Champagne's appearance before the committee?

Mr. Sébastien Lemire: That would apply to the appearances of Minister Mendicino and Minister Champagne.

The Chair: Yes, but as I understand your proposal, at this time the committee would invite Minister Mendicino to appear as soon as possible.

Mr. Sébastien Lemire: Precisely.

The Chair: Has everyone heard the amendment being proposed by Mr. Lemire?

[*English*]

Mr. Perkins.

Mr. Rick Perkins: Thank you, Mr. Chair. I just want to make sure I have it right because I was listening to the interpretation.

Essentially, it's the first sentence of what's there now, and that we hold, as soon as possible, future meetings to have two ministers. I think they're two separate meetings, if I understand correctly, one with Minister Champagne and the other with Minister Mendicino. Is that in the one motion?

The Chair: Mr. Perkins, what I understand from the discussions we've had, and what Mr. Lemire is suggesting, is that we amend the current motion solely for Mr. Mendicino, and then it's the intention of Mr. Lemire to bring another motion to invite Mr. Champagne.

Mr. Rick Perkins: Why won't we just do it in one motion?

[*Translation*]

Mr. Sébastien Lemire: For me, the meeting that was to take place today was fundamental. By requesting this meeting under Standing Order 106(4), we postponed consideration of the estimates, although that's an important issue we need to deal with. This is where the minister has to answer questions from committee members. It is something that needs to be done, and I do not want to compromise on Minister François-Philippe Champagne's appearance and the items we need to address.

The Chair: To be clear, Mr. Lemire wants Minister Champagne to appear before the committee, as he should have done today, to talk about the subject of the motion, as well as his overall mandate.

Mr. Sébastien Lemire: I would like to have Minister Champagne come before us for at least two hours, as soon as possible, to answer any questions committee members may have for him.

The Chair: As everyone knows, members have a lot of flexibility when it comes to considering estimates.

● (1210)

[*English*]

Has this made it a little clearer, Mr. Perkins?

Mr. Rick Perkins: It has.

I guess with all the discussions around, I'm a little confused by that, because the mandate of this committee is the Investment Canada Act, and to not have the minister responsible for the Investment Canada Act answering for the decisions made under that is odd to me.

I'm more than happy to have the minister come and talk about estimates at any time, even though they're already tabled in the House, but I think that's a separate meeting from this particular issue. I find it difficult to understand the value of saying we're going to have the public safety minister, who plays a role in this but is not associated with the request to do a full national security review under the Investment Canada Act.

Certainly, from my perspective, I would prefer if the second motion said the minister was coming back to talk about estimates, which was the original intent today; that this motion continue with the two ministers in separate meetings—I thought that's what we were talking about—that it remain open after that testimony, obviously, as to whether or not the committee wants to hold further meetings on this subject; and that it happen as soon as possible. As I understand it, depending on House circumstances, there is a slot available tomorrow night.

The Chair: From what I understand, Mr. Perkins, what Mr. Lemire is proposing is not considered a friendly amendment.

Mr. Rick Perkins: I'm not sure why we're not hearing from the minister directly responsible for a study on this.

The Chair: Are you subamending the amendment by Mr. Lemire?

Mr. Rick Perkins: Yes, I would add Minister Champagne to the list so that it's the two ministers.

The Chair: Basically, it would be what Mr. Lemire has proposed but also that the committee invite in the shortest delay François-Philippe Champagne and Marco Mendicino. That's the amendment you are suggesting to Mr. Lemire's amendment.

Mr. Rick Perkins: Yes.

The Chair: We have an amendment and a subamendment.

If there is no more debate, I think that brings us to a vote on the subamendment by Mr. Perkins, which, as you've heard, is to keep the first sentence in the motion, remove everything else but change it to be that the committee invite, in the shortest delay, the Hon. François-Philippe Champagne and the Hon. Marco Mendicino.

I just want to make sure that it is correct, and that it's everyone's understanding. I think it is.

I guess we'll proceed to a vote on that subamendment. If the subamendment is defeated, then we'll go to Mr. Lemire's amendment. We'll proceed like that.

Just to be clear, we'll do a vote on the subamendment, and then a vote on the amendment.

Mr. Rick Perkins: The subamendment is that Minister Champagne will be added.

The Chair: Yes, in the context of that motion.

[*Translation*]

Mr. Sébastien Lemire: Could you reread the motion as it would be amended by the subamendment, Mr. Chair? I want to make sure I understand the wording properly, because adopting the subamendment could invalidate the second motion.

The Chair: Okay.

The analyst, the clerk or anyone around the table may correct me at any point, but from what I understand, the motion would read as follows:

That the Committee, pursuant to Standing Order 108(2), undertake a study concerning the contract awarded to Sinclair Technologies, which is owned by Norsat International, a subsidiary of Chinese telecommunications firm Hytera, a partly state-owned enterprise by the Communist Party Government of the People's Republic of China, to build and maintain a radio frequency filtering system for the Royal Canadian Mounted Police and that the Committee invite, as soon as possible, the Honourable Marco Mendicino, Minister of Public Safety, and the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry.

That's Mr. Perkins' subamendment.

Mr. Sébastien Lemire: Could I ask a question, to make sure I've understood properly?

• (1215)

The Chair: Of course.

Mr. Sébastien Lemire: Usually, a minister can only be invited once during a particular study. In other words, if we invite the minister at the beginning of our study, we can't invite him again at a later date.

If we happen to learn new information from other committees, the media or the investigation itself, we will not be able to invite the minister back to hear him on this issue, since he will already have come before the committee. Accordingly, it would be better for us to invite only Mr. Mendicino and to invite Mr. Champagne to appear before the committee later, if necessary.

The Chair: It is always an option to invite a minister to appear before committee again, during a study.

Mr. Sébastien Lemire: Okay.

[*English*]

Mr. Rick Perkins: They don't have to come.

[*Translation*]

The Chair: No, that's right. Sometimes, it's easier said than done, since ministers have so much on their plate.

Mr. Sébastien Lemire: In other words, ministers don't usually come before committee a second time. They appear once, but it's more difficult to have them come back. In this case, we would do better to keep that option open.

The Chair: It's not impossible. That said, I think everyone around the table agrees on that proposal, but I'll stop there.

At this time, we will proceed to a vote on the subamendment, which includes Minister Champagne's appearance before committee.

[*English*]

(Subamendment negatived: nays 6; yeas 5)

The Chair: That brings us to a vote on the amendment proposed by Mr. Lemire, which is essentially the same thing, but that the committee invite, in the shortest delay, the hon. Marco Mendicino, the Minister of Public Safety.

I suggest we proceed to a vote on this amendment.

(Amendment agreed to: yeas 11; nays 0)

[*Translation*]

The Chair: I will now call a vote on the motion as amended by the amendment.

Just by looking around the table I can tell there is consensus and we don't need to go to a recorded vote. Silence implies consent.

(Motion as amended agreed to)

The Chair: We will now hear from Mr. Lemire on the other motion he wanted to propose.

Mr. Sébastien Lemire: Thank you, Mr. Chair.

I move the following motion:

That the Committee, as soon as possible, invite the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry, to answer any questions that the members of the Committee deem relevant.

I want the minister to appear this week, or maybe next week or in early January, but absolutely before the next session starts.

The Chair: I'm sure that Mr. Champagne will be available. He works very hard.

Has everyone fully understood the motion now before the committee seeking to invite Mr. Champagne to appear?

Do we need to proceed to a recorded vote? If there is no debate and no one disagrees, I will declare the motion carried.

Mr. Sébastien Lemire: Mr. Chair, I need some clarification.

I think this is an in camera meeting. Do we need to go public to make this information available?

The Chair: This is not an in camera meeting, Mr. Lemire.

Why would you want to go to a public meeting?

• (1220)

Mr. Sébastien Lemire: Since this is a public meeting, that's fine, that answers my question. I'm sorry, my mistake, Mr. Chair. I thought this was an in camera meeting.

The Chair: No problem.

Mr. Dong.

[*English*]

Mr. Han Dong: Thank you, Mr. Chair. I just want to quickly ask a question of Sébastien.

To call the industry minister, is there any topic or parameter, or are we just inviting him to talk about everything regarding his ministry?

[*Translation*]

Mr. Sébastien Lemire: The only requirement is that we have at least two hours for the minister to answer questions on matters under his responsibility. Obviously that includes the estimates, but I think it will be useful to ask him questions on all the files pertaining to his department.

The Chair: I'm sure he will be happy to do that. In fact, he was sorry he wasn't able to join us this morning.

(Motion agreed to)

The Chair: The clerk will then invite the minister to appear before the committee as soon as possible, as stated in the motion adopted in committee today.

I want to thank you all for your cooperation and hard work.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>