

Loreena McKennitt (CM, OM, CD) and Mr. Patrick O'Rourke
Box 933
Stratford, Ontario
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VIA EMAIL

December 14, 2020

Dear Minister Bains,

Open Letter Re: Xinyi Glass Canada Investment

Xinyi Glass Canada is proposing to invest \$400 million to construct a two-line float glass production facility in Stratford, Ontario. Xinyi filed a notice as required under the Investment Canada Act. The notice was certified in May 2020.

We, like many other Stratford residents, oppose the facility on several grounds, including the lack of transparency by our City Council, and the enactment of a provincial Ministerial Zoning Order (MZO) that eliminated any public review. We understand that the public's issues with the City and the Province are outside your purview.

We are writing to you regarding an issue that does fall within your authority – national security. Since the proposal was first publicly announced in late October, residents have conducted considerable research and scrutiny. In our opinion this research discloses reasonable, indeed compelling, grounds to believe the proposed investment by Xinyi could be injurious to national security. Accordingly, we request that you issue a notice to the company under s.25.2 (1) of the Investment Canada Act.

Although Xinyi claims to be a “private company”, information obtained from public sources discloses close ties between the company and the Government of China and the Chinese Communist Party, and an intricate web of offshore ownership of Xinyi (see attached A). Further, as you know, Chinese law requires all Chinese organizations and companies to provide access, cooperation and support for Chinese intelligence gathering activities. Consistent with your April 18, 2020 policy statement, these close ties to the Chinese Government means this investment should be subject to the same enhanced scrutiny as if it was a state-owned enterprise.

According to Investment Canada Guidelines, the proposed business activity, along with the parties involved and the potential for third party influence, must be considered. As noted above, Xinyi is owned by a network of entities registered in tax havens, and has close ties to third parties. Several of the factors listed in the Guidelines are relevant to consideration of the business activity.

Xinyi's stated goal is to become the exclusive source of float glass in Canada, starting in Ontario, Quebec and the Atlantic Provinces, then moving to Western Canada. The company touts that Canada currently does not produce float glass, and the plant will eliminate the need for imports. But, there is no evidence of any shortage in Canada (or indeed the world), so Xinyi will need to replace existing suppliers. This could lead to predatory pricing or other unfair practices, and once successful, Xinyi would hold an effective monopoly on float glass supplies in Canada.

Float glass is a “critical good” and allowing a foreign owned entity to become the exclusive supplier could negatively impact the security of Canada’s critical infrastructure and impact the supply of critical goods to Canadians.

The Xinyi proposal includes establishment of a “Research and Development Centre”, to be staffed by five or six “scientists” of unstated disciplines. Xinyi acknowledges the scientists will be non-Canadian, and asserts they will conduct research related to float glass production. However, the Centre is located within the proposed office building, several hundred meters from the production facility, which seems inconsistent with the stated role of the Centre.

Stratford is a wireless city, and a centre for research and development related to autonomous vehicles. The open network could be used for surveillance of Chinese nationals, or other persons, living in Stratford. Protection of Canadian-based research on autonomous vehicles from unauthorized persons is clearly a national security matter.

The United States recently expelled a large number of scientists who were seen as a national security risk due to their links with the Chinese Government and the Communist Party of China. Further investigation of Xinyi’s proposal is warranted on this ground alone.

Xinyi previously established a facility in Malaysia, in part to avoid tariffs and other trade restrictions imposed by other nations, and to take advantage of Malaysia’s trade agreements with some of these nations. Closer examination of the proposed Stratford facility is warranted to determine if Xinyi has a similar rationale behind the Stratford proposal, and if so, how this would impact Canada’s international interests.

Quite apart from the specific factors set out in the Guidelines, there is an over-arching consideration that demands greater scrutiny of the Xinyi proposal. Float glass production is incredibly energy intensive. The glass production involves large natural gas-fired furnaces heated to 1500 degrees Celsius that will operate 24 hours per day, seven days per week, 365 days per year. Xinyi has not disclosed how much natural gas will be consumed, but has claimed its CO₂ emissions will be 500,000 tonnes per year. Citizen research using provincial data indicates that currently Stratford produces 300,000 to 400,000 tonnes annually. The addition of a Xinyi plant would more than double CO₂ emissions in the area, a very significant increase with corresponding adverse impacts on our climate – locally, provincially and nationally.

Canada has declared Climate Change to be a matter of national importance, and has recently re-affirmed its commitment to reduce the nation’s GHG emissions and to pursue alternatives to the use of fossil fuel. U.S. president elect Joe Biden’s nominee for “climate envoy”, John Kerry, has declared that Climate Change is “an urgent national security threat”. This statement is equally true for Canada – perhaps even more so given our geography. A more detailed examination of the proposed facility is needed to confirm actual GHG emissions, and whether the increase is consistent with Canada’s Climate Change policies and commitments.

In addition to our security concerns, it should also be noted that there has been little, if any, effort to honour Section 35 of the Constitution Act (the Duty to Consult) with five First Nations communities downstream from where the proposed factory is to be built.

In conclusion, we respectfully request that you issue a notice that the Xinyi proposal may be subject to review on national security grounds, and further that you refer the investment to the Governor in Council with a recommendation that a full review be conducted.

Thank you for considering this request.

Yours truly,



Ms. Loreena McKennitt CM, OM, CD



Mr. Patrick O'Rourke

Stratford resident and retired lawyer with many years' experience in constitutional, administrative and aboriginal law with the British Columbia government.

CC: Rt. Hon. Justin Trudeau, P.C., M.P.
The Honourable Carolyn Bennett
The Honourable Jonathan Wilkinson

The Honourable Erin O'Toole
The Honourable Jagmeet Singh
The Honourable Yves-François Blanchet
Ms. Anamie Paul

The Honourable John Nater

Mayor Dan Mathieson
Councillor Brad Beatty
Councillor Graham Bunting
Councillor Jo-Dee Burbach
Councillor Tom Clifford
Councillor David Gaffney
Councillor Bonnie Henderson
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