



December 3, 2022 - No. 53

Direction Legault Government Has Set for Quebec Economy Processing Critical Minerals in Bécancour Region

– Pierre Chénier –



• U.S. Uses Canada to Secure Reliable Access to Critical Minerals

Direction Legault Government Has Set for Quebec Economy Processing Critical Minerals in Bécancour Region

– Pierre Chénier –

Bécancour on the St. Lawrence River in Central Quebec provides world-class industrial and port infrastructure to support the establishment of heavy industries. It is targeted by the Legault government as essential infrastructure for the further integration of Quebec into the U.S. economy and war machine.

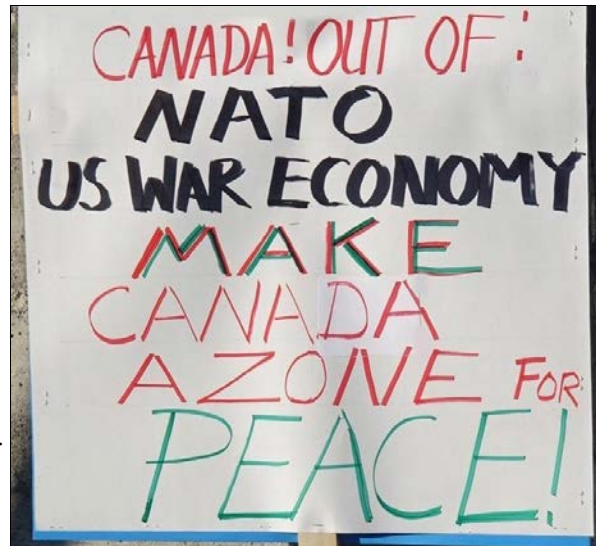
The U.S. government is making no secret of the fact that it is working to secure a "Made in America Supply Chain for Critical Minerals," including rare earth elements, lithium, and cobalt which, among others, are needed to ensure the U.S. is combat-ready. No amount of declarations that the aim is beneficial to the people of Quebec and Canada by ensuring green energy transition and developing civilian electric vehicles as a key example of this transition, can hide the fact that the infrastructure that is being built serves the war machine and the U.S. striving for world

domination. This goes against the striving of the people in Quebec and Canada to build an economy that looks after the well-being of the people and promotes trade on the basis of mutual benefit.



Port at Bécancour, Quebec

Recent developments have highlighted the aggressive military aims that are behind the building of these plants and infrastructure. Major emphasis is being placed on having Canada break its relations with China so that the U.S. military can take over various mining deposits in Canada through public funding recently announced by the Biden administration. Public funds in the U.S. were given to the military and now the military is using them to help U.S. companies take over various mining initiatives in Canada and to place Canada and its resources, territory and workers under their control. This is all done in the name of national security and countering Chinese influence on Canada. The people of Quebec and Canada are kept in the dark and presented with *faits accomplis*.



At the beginning of November, the Canadian government ordered three Chinese firms to divest from a trio of Canadian-based mining companies under the hoax of safeguarding Canada's national security. These are attempts led by the intelligence agencies to whip up hysteria against China in order to establish uncontested U.S. control over Canada's critical minerals and supply chains through infrastructure such as ports, highways, railways, etc.

Quebec Premier François Legault's "energy transition" involves what his government calls a "global battery cluster" in the industrial and port area of Bécancour.

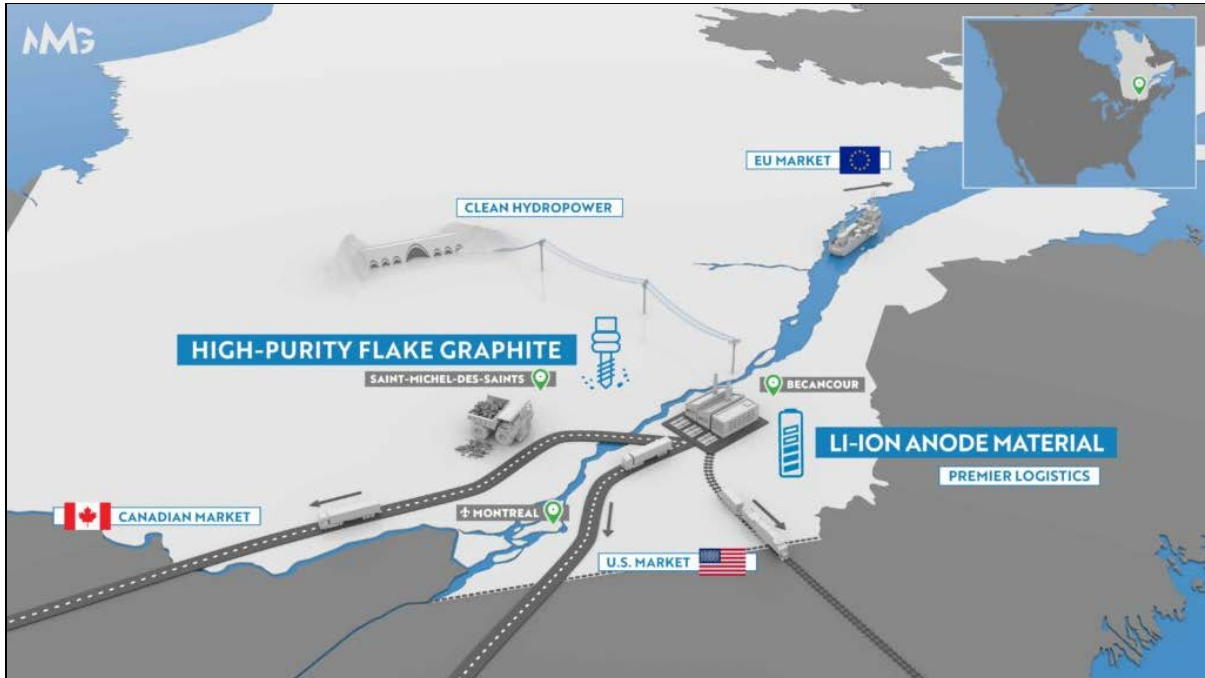
In 2022, numerous mining and manufacturing monopolies involved in the production of rechargeable lithium-ion batteries have indicated their intention to locate in the Bécancour region to process lithium, nickel and graphite. These are minerals that the U.S. says are critical to its national

security and combat capability. Lithium in particular is used in making missiles and in the portable equipment that soldiers carry. Claiming to support a green economy, the mining and manufacturing monopolies are demanding hydroelectricity rates that are favourable to their narrow private interests.

In June, the Brazilian mining oligopoly Vale announced plans to set up a plant in Bécancour. The plant will process, annually, 25,000 tonnes of nickel sulphide into nickel sulphate, the chemical compound used in the production of nickel-based lithium-ion batteries. The nickel would come from Vale's mining operations in Voisey's Bay, Labrador or Sudbury, Ontario. On November 23, Vale and General Motors announced they had signed a deal to supply nickel sulphate from a proposed Vale plant in Bécancour.

The Bécancour industrial park is also home to two other major projects, one by the German firm BASF and the other an alliance of the South Korean steel company POSCO and the American car manufacturer General Motors, to manufacture materials for cathodes -- the main component of lithium-ion batteries. Nickel is used in the manufacture of these cathodes, which explains Vale's interest in Bécancour.

The graphite used to manufacture the anode components of lithium-ion batteries is currently mined 120 kilometres north of Montreal at the Nouveau Monde Graphite (NMG) open-pit mine. This mining project was approved by the Quebec government without all the environmental studies requested by the Bureau d'audiences publiques sur l'environnement (BAPE) having been completed. The owners of NMG include the British group Pallinghurst and Investissement Québec. They have been joined by Japanese companies Mitsui and Panasonic, which announced on October 20 that they were investing U.S.\$25 million, with Pallinghurst and Investissement Québec each contributing U.S.\$12.5 million.



Graphic produced by Nouveau Monde Graphite showing Bécancour as hub for Lithium battery production and its access to markets.

The high-purity graphite extracted there could also be used for weapons production. It will be processed in a refining plant to be built in Bécancour as part of "brand new integrated anode production in Canada." Already in April, the federal and Ontario governments announced hundreds of millions of dollars in handouts to European company Stellantis and LG Energy Solution of South Korea "to build a \$5 billion electric vehicle battery plant in Windsor."

During his October 27-28 visit to Canada aimed at telling Canada to fall in line with U.S. attempts to further isolate China and Russia and further integrate Canada into the U.S. war machine, Secretary of State Antony Blinken, along with Foreign Minister Mélanie Joly, visited a pilot plant in Montreal for recycling lithium-ion batteries for electric vehicles. The pilot plant, Recyclage Lithion, is jointly owned by foreign private interests General Motors (GM), South Korea's IMM Global Battery Limited, and the Canadian and Quebec governments. In April, the Legault government invested \$15 million in equity in Recyclage Lithion and provided \$7.5 million in subsidies to the company.



The location of the first of these recycling plants has not yet been determined, but if GM gets its way with the Legault government on hydro rates, there is a good chance that it will set up a \$500 million plant in the Bécancour region, which fits well with the trade corridors that feed the U.S. manufacturing sector.



Rio Tinto Metallurgical complex at Sorel-Tracy.

In Sorel, less than 100 kilometres upstream from Bécancour, a plant owned by Anglo-Australian mining company Rio Tinto processes titanium ore from Havre St-Pierre to extract titanium dioxide and scandium oxide, two other strategic minerals that also have military applications. On October 11, during a visit to the plant in Sorel, Prime Minister Justin Trudeau and François-Philippe Champagne, Minister of Innovation, Science and Industry, announced federal government grants of \$222 million to Rio Tinto to proceed with "the electrification of furnaces and the replacement of coal" for the "decarbonization" of the plant. Rio Tinto has already announced that it will also proceed with refining lithium at the same plant from a number of international sources "if the conditions are right."

It goes without saying that for these narrow private interests, the issue of obtaining a favourable rate for hydroelectricity from the Quebec government will be a determining factor in their decisions

to go ahead with these projects in Bécancour and Sorel. Guy Leblanc, CEO of Investissement Québec, the subsidy provider for Quebec's Ministry of Economy and Innovation, agreed. He said, "We are in discussion with several groups. It is confirmed: the entire chain will be established in Quebec. For the first time in the history of Quebec, we will be processing our minerals on site."

Even if this processing is done on site, there is no indication that the Legault government will be able to control where these processed minerals will end up. In other words, the supply chain of critical minerals that begins with their extraction and then their processing is not under the control of the Legault government but rather of large Anglo-American, Brazilian, European, south Korean and Japanese private interests that compete with China and Russia.

It is an integral part of the further integration of Quebec and Canada into the U.S. imperialist war machine, under the guise of developing the green economy. The Bécancour industrial and port zone is being organized as part of the essential infrastructure needed for this integration.



U.S. Uses Canada to Secure Reliable Access to Critical Minerals

CBC on November 13 published an item by Alexander Panetta which reported:

"Canada has, for decades, belonged to the U.S. military industrial base and is every bit as entitled to the cash as American mining projects."

The article quotes Matthew Zolnowski, a portfolio manager for the *Defense Production Act* program, speaking to a gathering of the Canada-United States Law Institute in Washington, DC on November 10.

"It's really quite simple. It's a matter of law," said Zolnowski, "So an investment in Alberta or Quebec or Nova Scotia would be no different than if it was in Nebraska or anywhere else in the United States. As a matter of law."

According to Panetta, Zolnowski put the issue as one of preparing for war, and said that in times of war industrialized nations that lack secure and reliable access to these materials have suffered mightily: "[They] have suffered significant performance tradeoffs, which contributed to their defeat," he said.

Canadian officials say they've already provided the U.S. with a list of 70 projects that could warrant U.S. funding, writes Panetta. The key minerals are said to include lithium, cobalt and manganese.

Jeff Labonté, Assistant Deputy Minister at Natural Resources Canada, told the conference that there are 200 mines and 10,000 potential producers in the exploration phase. "We have a skill set in this area. We have capital markets, we have engineering expertise, we have companies that operate around the country and around the world," he said.

The CBC reports that Canada is also "providing billions of dollars in public funds to the sector over the coming years through federal and provincial programs."

