

May 16, 2025

SENT VIA EMAIL

The Right Honourable Mark Carney, P.C., O.C., M.P.
Prime Minister of Canada
pm@pm.gc.ca

Dear Prime Minister Carney,

Re: Immediate Use and Strengthening of the Foreign Extraterritorial Measures Act to Prevent Offshoring of Canadian Jobs

Canadian workers are concerned that an intensifying and unjust trade war provoked by the United States will cause job loss, income security and economic hardship. As you know, some Canadian manufacturing facilities have closed and relocated production to avoid U.S. tariffs. There are investment delays and temporary layoffs plaguing the Canadian auto, steel, aluminum and forestry industries. We expect additional, sector-specific U.S. tariffs to hit Canada in the coming months.

The response from your federal government has been swift, and aggressive. Retaliatory tariffs imposed on targeted U.S. goods is a necessary policy response and fully supported by our union. However, as tariffs persist, and threats of layoff and plant closures mount, further aggressive and defensive action must be taken to solidify Canada's industrial economy.

On behalf of Unifor, I urge your government to take immediate and decisive action using the Foreign Extraterritorial Measures Act (FEMA), to prevent corporations, operating in Canada, from offshoring jobs in response to foreign trade policies—particularly those originating from the United States.

Attached you will find a detailed proposal, commissioned by Unifor, outlining how federal statutory powers under the FEMA can be utilized—and strengthened—to deter corporations from outsourcing work in response to U.S. tariffs. FEMA provides an existing framework that allows the Attorney General, with the support of the Minister of Foreign Affairs, to issue blocking orders prohibiting compliance with foreign laws or directives that are contrary to Canadian interests. These orders can make it a federal offence to move production out of Canada in response to foreign trade measures,

carrying penalties of up to \$1.5 million for corporations and up to five years' imprisonment for individuals, currently.

This is not a call for new legislation, but rather a call for government to demonstrate its political will. FEMA can be activated immediately, though its current enforcement mechanisms are limited. Legislative amendments, to be introduced when Parliament resumes, could strengthen its effectiveness, including with new Customs Tariff authorities to impose severe penalties on non-compliant firms.

These enhanced measures could include restrictions on imports from companies that have offshored Canadian operations, asset seizures, and the requirement for FEMA compliance as a condition for companies seeking relief from Canada's own countermeasures. This is a suite of tools that your government can use not only to deter corporate flight, but to reinforce our sovereignty and support our national interest.

It is unacceptable for Canadian workers to bear the burden of U.S. trade aggression. Corporations that benefit from doing business in Canada must not be allowed to abandon their responsibilities to our workforce and communities when it is convenient. The consequences for offshoring jobs must be real, enforceable, and immediate.

We call on your government to act without delay. By using and strengthening FEMA, Canada can send an unambiguous message: if you do business here in Canada, you must also invest in the people and communities that make that business possible.

I would be happy to discuss this matter with you further.

Sincerely,



Lana Payne
National President

CC: Secure and Sovereign Canada Committee
Hon. Dominic Leblanc, Minister of Canada-U.S. Trade
Hon. Mélanie Joly, Minister of Industry
Hon. François-Philippe Champagne, Minister of Finance
Hon. Sean Fraser, Attorney General of Canada

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