

**Unifor Remarks to House of Commons Standing Committee on International Trade  
Testimony of Lana Payne, National President  
May 30, 2024**

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Good afternoon Madame Chair, and members of the committee.

My name is Lana Payne and I'm the National President of Unifor, Canada's largest labour union in the private sector representing 320,000 working people across the country. Joining me is Unifor Director of Research Angelo DiCaro.

I thank you for the invitation to participate, on behalf of our members, many of whom work in industries affected by trade.

Let me start by saying that Canada's trade policy is a key aspect of its broader industrial strategy.

Sadly, since NAFTA, Canada has suffered from a lack of ambition regarding industrial development. This lack of vision has had governments sleep-walk into a series of unhelpful free trade arrangements, with the voices and concerns of workers largely ignored and dismissed.

All of that changed when NAFTA was renegotiated. This government deserves credit, not for salvaging a deal that has caused immeasurable harm to workers, but for presenting a bold, progressive economic vision for this country that underpinned its negotiating strategy – with workers' voices at the forefront. That was a welcome break from the past.

The study you've undertaken, ahead of the scheduled six-year review of the CUSMA is necessary, and timely.

U.S. officials aren't mincing words when they tell us not to get "too comfortable" ahead of these talks.

Long-standing U.S. complaints, whether on Canada's supply managed dairy or digital trade, are on the radar. The USTR has already held consultations on CUSMA auto trade.

Canada cannot approach this review on its back foot.

We must remind Americans how interdependent our industrial economies have become but can't shy away from communicating our own concerns.

There are obvious gaps in the CUSMA and our trilateral trading relations that this review can address, and I'll share some of those that are top of mind for Unifor.

- On forestry, the softwood lumber dispute has dragged on for 8 years, impacting Canadian firms with unjustified tariffs. This sector is facing major headwinds, including mill closures and job losses and these trade penalties are adding pressure to an already struggling industry. They must be removed.
- On aluminum, monitoring imports that circumvent and undermine the benefits of our decarbonization efforts must be strengthened. Aluminum is a strategic metal and should benefit from the same processing requirements that apply to steel under the auto rules of origin.
- On labour rights, much work is being done to clean up Mexico's labour system. CUSMA's Rapid Response Mechanism is helping remediate and deter labour rights violations and also renew Mexico's democratic trade unions. This Mechanism works, and must be extended, including to workplaces in the U.S. and Canada and I'll tell you why.
- A recent union vote at a Mercedes plant in Alabama was stained by threats and intimidation toward workers that's like what we've seen at Mexican car factories. Canada should demand a full investigation into this trade-distorting behaviour, especially since Canada has a deal to supply Mercedes with lithium, cobalt, and other critical minerals. Canada should also clearly signal to the U.S. its intent to revisit a proposal to deem Right to Work laws a violation of the CUSMA labour chapter.
- In the auto sector, there is an opportunity to link our trade and industrial strategy. Labour value content rules were another addition to market access rules and set at sixteen US dollar per hour in 2020 but have since never changed.
- These labour rates must be updated along with the CUSMA's current list of core auto parts to reflect new EV technologies, like e-motors and cathodes.
- Canada must discuss with the U.S. the raising of its WTO tariff on light duty vehicles, which currently sits at 2.5% - hardly enough to ensure compliance of CUSMA's complex rules of origin.
- Canada must also take seriously the threat of Chinese EV imports, subsidized through forced labour, excessive subsidies, tech theft and other means. Canada must be vigilant in guarding against trans-shipments, and prepare itself to take action, in conjunction with the U.S.

Unifor will continue to monitor the review and remain available for further discussions. We look forward to answering any questions you may have.

Thank you.