

An Economic Plan and Industrial Strategy for Workers

Submission to the Finance Committee's Pre-Budget Consultation in Advance
of the Fall 2025 Federal Budget

August 2025



About Unifor

Unifor is Canada's largest union in the private sector representing 320,000 workers nationwide in every major sector of the economy including advanced manufacturing, natural resources, transportation, communications as well as the public and private services sectors. On behalf of our members, Unifor welcomes the opportunity to share a summary of proposals for Budget 2025.

Bold Action to Build a Resilient Economy

Building Canada's economy through Budget 2025 requires bold action. Government must design and implement solutions that reduce Canada's over-reliance on the United States, defend Canada's national interest, respond to ongoing threats levied by President Trump, and pursue a strategy of good, union job growth. Unifor presents five specific ideas illustrating how government can do this, including by leveraging our domestic economic strengths, building stronger connections between provinces, and advancing close economic relationships with allies.

1. [Penalize Companies that Move Jobs to the United States.](#)

Government must penalize companies that act against Canada's national economic interest by relocating jobs, production or investment to the United States, acquiescing to the mandate established by President Trump within his tariff policy.

Moving production or relocating productive assets from Canada to the United States, in response to illegal tariffs, imperils the Canadian economy and infringes on Canadian sovereignty.

Canada already has laws, including the *Foreign Extraterritorial Measures Act (FEMA)*, that prohibit firms from complying with foreign rules that adversely affect Canada's interests.

The federal government must:

- Use the powers within this Act to protect and defend Canadian jobs, by penalizing firms that relocate production. Government must also strengthen the Act to enable the imposition of more stringent penalties than currently considered, including larger monetary penalties and prohibiting the re-importation of goods produced by companies in contravention of the law.

2. [Build Canada's energy sector](#)

Canada must have preferred access to its own natural resources. Facilitating the movement of west-east oil, gas and other critical inputs by rail is the most efficient way to supply Canadian refineries and secure the supply chains of value added chemical and plastic industries, support diesel and petrol production, and provide internal markets for biofuel production.

Unlike current pipelines, oil by rail does not travel through the U.S. There is currently limited capacity to move oil, gas, and chemical product via pipeline between provinces in Canada. To quickly shift from shipping through the United States, Canada must depend on rail. Doing so requires building up the stock of rail cars capable of carrying natural resources safely.

Alongside this immediate need, Canada must also develop new energy infrastructure and west-east electricity systems.

The federal government must:

- Immediately commit to enhancing cross Canada capacity to transport Canada's natural resources by rail, including building made-in-Canada tankers and freight cars.
- Deem new interprovincial energy infrastructure and west-east electricity systems a project of national interest.

3. Defence spending that supports Canadian industries

Protecting Canada's sovereignty requires government reposition its defence strategy by diversifying security relationships and procuring more infrastructure designed and built in Canada.

The federal government must:

- Revamp defence procurement processes that empower Canadian companies to build the equipment Canada needs to defend its sovereignty; and
- Develop stronger collaboration between Canada and Europe focussing on key areas including research, information sharing, industrial policy, defence production, workers' rights and market access.

4. Restrict foreign ownership of critical minerals

Canada is home to large storehouses of critical minerals essential to future prosperity. Critical minerals are necessary to build domestic industries, advance reconciliation efforts with indigenous people, and grow the net zero economy.

It is imperative that Canada control these resources. The country recently demonstrated the ability to do this well through subjecting foreign capital to a net benefit review and through implementing increased scrutiny on foreign state-owned or -influenced investments in critical minerals.

The federal government must:

- Restrict foreign ownership or control over Canada's critical minerals;
- Direct public invest in the development of value added processing of critical minerals and value added manufacturing.
- Allocate resources to build national reserves of strategic critical metals.

5. [Support forestry with an affordable home strategy](#)

Canada can transform current trade headwinds into an opportunity by scaling up the forestry industry through the production of innovative wood products and building processes, and by connecting the harvesting and processing of Canadian forest products to an expanded domestic homebuilding program. To do so, Canada must reduce its historic dependence on exporting commodities and focus on processing and utilizing Canadian wood products in Canada.

The federal government must:

- Work with provincial partners to overhaul and harmonize Canada's building and permitting approach;
- Promote and prioritize the use of Canadian engineered wood products in homebuilding in Canada, including in modular homes; and
- Implement long-term, sustainable investments that will connect Canada's forest products with an enhanced national homebuilding strategy.

Industrial Strategy, Public Services and Economic Stabilizers

In addition to acting on the important recommendations above in facing U.S. tariffs, the federal government must also invest to transform Canada's industrial economy, guided by industrial strategies, the enhancement of public programs and by strengthening transition supports and economic stabilizers.

[Industrial Strategies](#)

[Aerospace](#)

Canada's aerospace industry delivers substantial economic benefits and good, union jobs to the economy and is poised to grow.

Government must fortify Canada's aerospace industry by establishing a well-capitalized, long-term and flexible industry investment programs, enabling an industry development council tasked with developing an industrial strategy and maximizing Canadian content in all aerospace related government procurements.

[Air Transportation](#)

Canada's air transportation system has faced operational chaos in recent years. Workers and travelers deserve better. Improved travel conditions require significantly enhanced working conditions.

Unifor's [Aviation Worker's Charter of Rights and Freedoms](#) provides a roadmap for government. It demands a plan to enhance working conditions in the sector including by ending contract flipping, implementing full successor rights, establishing living wage requirements, addressing escalating violence and harassment and prohibiting further profitization of airports.

Automotive

Canada's auto industry is besieged by unjust U.S. tariffs and by President Trump's efforts to dismantle fuel economy regulations.

Government must commit to resolve this tariff dispute conditioned on zero tariffs, recognizing the extraordinary interdependence of the Canada-U.S. cross border supply chain. Government must also strategically formulate federal clean vehicle regulations to position Canada as a site for ongoing, future-facing electric vehicle and related supply chain investments.

Budget 2025 must set aside funds to conduct a feasibility study for a Canadian-owned automaker, and must deliver on the government's promised \$2 billion Strategic Response Fund, including monies allocated to supporting laid-off autoworkers.

Energy

The federal government needs an energy investment policy that supports energy solutions built in Canada for the unique Canadian economy and climate, and reduces emissions that drive climate change. Government must promote infrastructure maintenance and upgrades that reduce fugitive emissions across the energy supply chain infrastructure and continue investing in Carbon Capture and Storage technologies.

Forest Fire Strategy

Government must address the negative impacts associated with increasingly frequent and intense wildland fires through a forest fire strategy that incorporates climate change and fire mitigation, risk management, and disaster planning while leveraging Canada's aerospace expertise to address the current water bomber shortage that is hampering firefighting efforts.

Media

Unifor applauds recent federal efforts to address the crisis facing Canada's media sector, but more must be done to support media workers and increase access to local news.

Government must legalize and encourage philanthropic journalism endowments to any qualified news organization, explore options to allow employee or citizen news cooperatives to operate as non-profits, close the advertising loophole enabled by Section 19 of the Income Tax Act and better protect journalists from harassment and abuse. Until an acceptable trade agreement is reached with the United States, Canada must reintroduce its digital services tax and begin collection of retroactive funds from foreign service providers.

Public Transit

Local public transit is facing a funding crisis driven by tight budgets, growing populations and needed transition in the face of decarbonization.

The federal government must expand infrastructure funding, maximize Canadian content in procurements, and enable public transit agencies to leverage collective procurement strategies. Canada must take action to clear all hurdles and finalize the procurement of Thunder Bay-made subways cars for the Toronto Transit Commission.

Rail Transportation

Prioritizing cost reduction and profit over safety and high quality service is putting Canada's workers and rail transport users at risk. Privatizing VIA will not improve train travel. Incentivizing labour replacing technology over safety will cause injuries, delays and deaths.

Government must establish a federal working group to develop regulations that guide the industry's technological transition, fund the enforcement of the regulations and develop a comprehensive funding program that keeps VIA Rail public. Unifor expects that collective agreements will be carried over into any new passenger rail services.

Road Transportation

Road transportation workers including truck drivers, taxi drivers, logistics professionals and ride share & delivery drivers need fair and equal labour laws and employment standards.

The federal government must enhance labour standards and workplace safety by building more rest and parking areas for long-haul drivers, fund a low-cost insurance alternative and conduct a study on expanding inspections and enforcement in the "Drivers Inc." business model.

Telecommunications

Broadband internet is an essential service enabling people to fully participate in society. Government funding for broadband infrastructure has not included requirements for good, local jobs or limits to offshoring and contracting out.

Government must implement legislation requiring companies in receipt of federal funding to report contracting out and ensure universal access to affordable wireless and broadband internet plans.

Transition Supports and Economic Stabilizers

Employment Insurance Reform

Employment Insurance is the most important economic stabilizer for workers in times of job loss, training, or transition. However, the program is not fit for purpose.

The government must improve EI to ensure more workers have access in times of crisis. Improvements include lowering the variable entrance requirements, providing 50 weeks of regular benefits and increasing the income replacement rate.

Protect Workers During Employer Insolvency

The experience of Hudson's Bay workers through the most recent bankruptcy has laid bare a gaping hole in worker protections in Canada.

Government must correct these deficiencies in access to severance and retirement contributions by raising the cap on the Wage Earner Protection Program (WEPP), strengthening super-priority status for workers' claims, holding corporate directors liable for unpaid compensation, and establishing trust-held or federally guaranteed funds to ensure workers are made whole in the event of insolvency.

Public Services and Government Revenue

Comprehensive Universal Pharmacare

The federal government must establish a framework for a comprehensive, universal pharmacare program and begin implementation as soon as possible. A pharmacare program such as this can alleviate the affordability crisis and bring down total pharmacare expenditures in the country.

Enhanced Oversight of Health Care Spending

Provinces are increasingly relying on private sector service providers to deliver vital health care services. This is unacceptable. Every dollar that operators realize as a profit represents a dollar not going directly into frontline care.

The federal government must increase oversight of spending of health care transfers by ensuring that provinces are following the *Canada Health Act*, ensure federal transfers expand capacity within the public framework and address the workforce crisis.

Reorient Long-Term Care to Improve Care for Seniors

Government must play a larger role in ensuring the needs of seniors in long-term care facilities are met. This includes providing conditional transfers to provinces to achieve minimum care standards, expanding non-profit and government-owned facilities, phasing out for-profit care homes, and develop a comprehensive workforce strategy.

Build Child Care Capacity

Unifor applauds Canada's national childcare program. Government must build further capacity within the existing system by collaborating with provinces to ensure expansion occurs in the not-for-profit sector and that a recruitment and retention strategy is developed.

Enforce the Employment Equity and Pay Equity Acts

The Canadian Human Rights Commission cannot adequately fulfill its mandate to monitor the workplaces and employers that fall under the *Employment Equity and Pay Equity Acts*, nor enforce the Acts or ensure compliance within the current funding envelope.

Government must increase funding to hire staff focused on monitoring compliance and enforcing *the Acts* to ensure Canada achieves pay and employment equity.

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