

March 17, 2026

Via Email: pierre.poilievre@parl.gc.ca

Hon. Pierre Poilievre
Leader of the Official Opposition
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Poilievre,

RE: Unifor's assessment of the Conservative Party of Canada's proposed Auto Strategy

Our union watched with interest the public release of the Conservative Party of Canada's auto strategy on March 15. Canadian autoworkers face an insecure future due to unjust U.S. tariffs and unfair trade. The threat of industrial restructuring leading to permanent job losses and plant closures looms large for our members, their families and communities across the country.

Unifor is Canada's the largest private sector union representing more than 320,000 members nationwide and more than 40,000 auto workers employed across auto assembly, independent parts manufacturing and auto dealerships.

The existential nature of this threat to one of Canada's most critical industrial sectors warrants government attention, regardless of political affiliation. That attention must focus on action, backed by necessary public resources and bold policies and programs to stabilize our workplaces, expand the production footprint and invest in our industrial future. Most importantly, these ideas must be rooted in the experiences of autoworkers. They must be formulated with autoworkers and their families in mind. They must get to the heart of the challenges we face. They must also be rigorous, well-researched, and defensible.

Mr. Poilievre, I have concerns and questions with some of what your party has presented. We are encouraged by your effort, but skeptical that this plan can restart

idled Canadian facilities. In fact, we fear it may prevent potential future growth – which I do not believe is your intent.

“Tariff-Free Auto Pact”

The central feature of the CPC plan is the establishment of a new ‘tariff-free Auto Pact’, which harkens back to the 1965 trade agreement between Canada and the United States, premised on shared production methods and trade/investment reciprocity. Of course, the original Auto Pact was established in a starkly different industrial climate, one where four North American-based automakers dominated both production and sales in both Canada and the U.S. Today, of course, the auto industry is global – with dozens of automakers building and selling cars inside (and outside) of North America, some of which have no local production presence at all.

The CPC policy approach was presented as follows: “for every car produced in Canada, the same manufacturer would get to sell a car in Canada, duty-free, from a CUSMA partner, on a dollar-for-dollar basis.” The claim was that such an approach will “restore our nation’s auto production to 2 million cars per year, over the next decade.” Unfortunately, this claim – based on our understanding of your plan’s design – is incorrect.

It is true that Canadians buy approximately 2 million new light duty vehicles per year and that, in 2025, Canada built about 1.2 million vehicles – the lowest annual total since the pandemic. This depressed level of production largely reflects the fact that 2 domestic assembly plants (Oakville and Brampton) have been idled (i.e. no production) while retooling for new vehicle programs, and 1 additional assembly (Ingersoll) had shifted its product program from high volume passenger vehicles to low volume commercial vans (the Ingersoll plant is also now idled). Regardless of the specific reasons, there is a production-to-sales deficit that needs addressing and the CPC strategy is correct to point that out.

However, trying to resolve this production-to-sales deficit by focusing strictly on North America (which is how it appears to be conceived), the CPC plan cannot achieve its intended objectives. It may instead create the conditions on which auto sector investment and growth in Canada is constrained – permanently threatening the future of both Brampton and Ingersoll assembly plants.

Here’s why: unlike in 1965, North America is not a self-contained market for vehicle sales. Approximately 500,000 cars sold in Canadian showrooms come from overseas (about 25% of the total market), and do not originate in either Mexico, the United States or Canada. A similar situation exists in the United States, with roughly 25% of their sales

market (approximately 3.5 million vehicles) being served by non-North American built imports.

In 2025 Canadians purchased approximately **1.3 million cars that were built in North America**. These are the vehicles that would be captured by your Party's CUSMA-specific Auto Pact proposal. In turn, in 2025, Canada built approximately **1.1 million cars for sale in North America**. While it's not a perfect 1:1 ratio (which is the CPC plan target), it is very close (approximately 0.85:1). I can tell you that as vehicle production restarts at the currently idled Oakville assembly plant this year, overall production volumes in Canada will begin to rise – thereby bringing your CUSMA Auto Pact ratio closer to 1:1 alignment. Yes, there is still a deficit but not enough to sustain any future production plans at Canadian plants – not if the hope is to return high volume vehicle production to Brampton and Ingersoll, which is the priority for our union. I urge you to keep in mind that a fully operating light duty vehicle plant will assemble roughly 250,000 vehicles per year, on three shifts.

What this means is that under your plan, any meaningful investment in those two plants would put Canada in a *surplus* position - a deterrent to bring work back into those facilities. I truly do not believe this was your stated intention. But I must be clear with you: our union will not accept any policy proposal that risks the long-term future and viability of Brampton and Ingersoll.

The CPC plan wrongly implies that under its proposed “tariff free Auto Pact” Canadian vehicle production volumes could increase by as much as 800,000 units over the decade. As explained above, and based on its CUSMA-only orientation, this is mathematically incorrect.

Unifor's Sell Here, Build Here Vision

Unifor has asserted its basic framework position for Canada's auto sector: if companies want to Sell Here, they must Build Here.

I recognize the CPC strategy shares this broad sentiment, as does the Liberal government's recently announced auto strategy. However, neither of these plans present a complete or comprehensive resolution to the fundamental problem: Automakers that profit from the Canada's lucrative sales market have no obligation to invest and create jobs in this country. This must change.

Part of this ongoing effort must focus on restoring tariff-free access in automotive goods between Canada and the United States - a bilateral trade relationship that is in near perfect balance. On that measure, we agree with the CPC's objectives. Focusing growth

on external markets for Canadian vehicle exports, as the government's strategy purports to do, is implausible and likely to fail. Nevertheless, neither the Liberal nor CPC plan fully addresses this disproportionate, one-way flow of imports originating from non-North American sources. Unless an auto strategy fully reflects the global distortions in both automotive trade and investment, there will be serious flaws in the approach.

Additional policy measures

The CPC policy contains additional measures that we wish to raise.

We agree, it is imperative Canada follow through with security safeguards on foreign vehicle technology, in line with efforts previously undertaken by the former Biden Administration. Further, Unifor supports the CPC's concerns regarding China and the implications that steadily increasing market access will have on future jobs, investment and production in Canada. At the very least, Canada must impose strict safeguards to contain the expansion of assigned import quotas among Chinese OEMs. Strong efforts must be made to monitor and enforce restrictions on importers attempting to bypass import quotas as well, including through knock-down kit assembly operations.

The CPC policy calls for an extension of CUSMA's automotive rules of origin. It is worth noting that CUSMA rules of origin are not working as initially intended, as documented by Unifor in multiple submissions and interventions made to the federal government since 2024. Many automakers have demonstrated an unwillingness to abide by CUSMA local content terms and have opted, instead, to pay the relatively minor Most Favoured Nation (MFN) tariffs – particularly in the U.S. market. This is unacceptable. Unifor supports a series of technical improvements to the rules of origin, including rules applicable to component parts as well as special Labour Value Content provisions, to ensure maximum local content and requirements to build more vehicles in North America. We urge the CPC to support this call.

Of course, the CUSMA itself – and its rules of origin – serve no legitimate purpose until such time as the Trump Administration complies with the agreement's terms. The U.S. has completely abrogated its commitments under the treaty, including a commitment to exclude Canadian vehicles and parts from section 232 tariffs. It is important the CPC auto strategy considers this critical fact.

Unifor supports consumer purchasing policies aligned with Made in Canada principles. We look forward to further details on how the CPC auto strategy intends to operationalize its proposal. However, it is worth noting that a GST rebate on relatively low volumes of car sales will have no material affect on long term production levels in Canada. Further, a GST rebate on finished vehicles fails to address key powertrain

components (e.g. engines) build by unionized Canadian workers, installed in vehicles that are assembled south of the border. The public funding for this measure may be better served as part of a broader, short-term, tariff mitigation strategy.

Mr. Poilievre, I hope you receive this letter in the constructive spirit it is intended. An industry such as the auto sector, that has deep roots and history in Canada, that supports the cornerstone of our country's industrial base and on which 125,000 workers rely on, is complex. Key parts of the CPC auto strategy require further reflection and ongoing dialogue with our union.

Our union will continue to advocate with all political parties to support a long-term, vibrant auto industry in Canada – one that continues to drive good, unionized jobs and robust supply chains.

I look forward to discussing this further with you at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Lana Payne". The signature is fluid and cursive, with the first name "Lana" and last name "Payne" clearly distinguishable.

Lana Payne
National President

Cc: Kyle Seebach, Member of Parliament, Dufferin-Caledon

/cccope343