



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Mike Morrice

Member of Parliament
Kitchener Centre

The Honourable Dominic LeBlanc
Chair, Cabinet Committee on Canada-US Relations

February 13, 2025

RE: Recommendations from Kitchener Centre Regarding Canada's Response to Proposed US Tariffs

Dear Minister LeBlanc,

I am writing today urging you to ensure that the federal government's next steps in response to broad-based US tariff threats, as well as Canada's long-term approach to shifts in the North American trade landscape, are developed to ensure that Canadians and Canadian businesses are financially supported through the uncertainty that comes with this potential trade war.

Specifically, I have included five recommendations below, all of which are informed by the input of concerned residents and local businesses in my community.

As you know, the uncertainty that these tariffs bring is already taking a toll; local and Canadian businesses, impacted workers, and many others who are already grappling with affordability issues are now facing even greater risk.

Moments like this one demand a united Team Canada response and I commend your government on the planning and preparations that went into the Prime Minister's retaliatory tariff announcement on February 1st.

Meanwhile, my community – Waterloo Region – has been identified as the fourth most vulnerable in the country to tariff threats. We exported almost \$18 billion in goods to the U.S. in 2023, worth an average of \$26,843 per resident, and accounting for nearly half the region's GDP.

On behalf of folks in Kitchener Centre and in the spirit of cross-party collaboration, I offer the following for your government to consider as you map out additional measures from the Government of Canada:

1. Retaliatory tariff revenues should fund COVID-style relief for impacted businesses, workers, and low-income Canadians.

In contending with the current affordability crisis, the government must ensure that retaliatory tariff revenue flows to Canadians most impacted by the proposed US tariffs. Specifically, I encourage your government to ensure revenue is directed towards: 1) Workers who lose their jobs or see a decrease in employment 2) Small and medium-sized enterprises (SMEs) whose revenue is reduced as a result of US tariffs, through both direct contributions (not loans) and ad buys encouraging Canadians to buy Canadian 3) Low-income Canadians directly impacted by the increased costs of essentials and the rising cost of living generally.

2. Canadians must be protected from corporate profiteering.

Just as we saw in the pandemic, the risk of tariffs opens the door to those looking to exploit a crisis for financial gain. I encourage your government to ensure that, in the absence of increased tariffs, major grocery chains and other retailers roll back any preemptive price increases to the levels observed on January 1st, 2025, before tariff-related adjustments were made.

3. The federal government should lead by example and Buy Canadian.

My team and I have long called for the federal government to get serious about prioritizing procurement from Canadian suppliers. If ever there was a time this government should be compelled to act, this is it. At a time when Canadians are changing their buying decisions, I encourage your government to give preferential treatment, including awarding points in Requests for Proposals, to Canadian suppliers. Doing so would show leadership commensurate with other levels of government - including the City of Kitchener, where Council recently supported a motion asking staff to explore a 'buy Canadian preference' for procurement of goods and services.

4. Interprovincial trade barriers must be reduced.

As you know, research by University of Calgary economics professor Trevor Tombe shows that ending interprovincial trade barriers would boost the Canadian economy by \$245 billion. I encourage your government to take this moment to use both incentives and penalties in working with provinces and territories to reduce these trade barriers, help reduce our reliance on US markets and bolster the Canadian economy both in the short and long term.

5. Support the diversification of markets for Canadian businesses.

Now more than ever, the federal government must support Canadian businesses in diversifying their markets away from the US. As one example, small businesses in my community point to the CanExport SMEs program. Started in 2016, it awarded grants worth \$50,000 to Canadian SMEs to support their efforts to establish a customer base and business partners in markets outside of Canada. Businesses in my riding have benefited immensely from this program, including one organization that was able to establish business connections in Europe that helped keep them afloat during the pandemic. The intake period for businesses is currently closed until April 1st. We urge the government to increase funding, expedite the opening of CanExport SME applications, and direct funding towards democratic allies with the exception of the US.

Unprecedented moments like this one demand a united, Canada-wide response. I'm available to you and your team should there be interest in discussing any of the above items further and would be glad to include leaders from the Kitchener business community.

Thank you for your attention to this pressing issue and the work you do in service of Canadians.

A handwritten signature in black ink, appearing to read "M. Morrice". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Mike Morrice
MP for Kitchener Centre