



Ottawa, October 4th, 2023

The Right Honourable Justin Trudeau, Member of
Parliament for Papineau
Prime Minister of Canada
80 Wellington Street Ottawa, Ontario
K1A 0A2

**SUBJECT: Residential product manufacturers seek greater protection
from the federal government**

Dear Prime Minister,

It is not in the DNA of private business leaders to request state intervention. However, in the case of combating unfair competition, our demand is made with conviction, even with a touch of felt anxiety.

My statement is based on a survey recently conducted by our organization, to which 65 leaders of residential product manufacturers across the country responded. They share the belief in the importance of manufacturing locally rather than depending on foreign sources.

As is known, there are imported products in the Canadian market that do not necessarily comply with construction codes or certain national standards, notably the standards set by the Canadian Standards Association, better known by its abbreviation, CSA.

In response to this, 49 of the 65 survey respondents call on the federal government to better protect manufacturers established in Canada who choose to comply with current quality standards here. Only about a dozen respondents feel that the current monitoring action is sufficient. Meanwhile, four respondents believe that the government should reduce its control and open up the market more freely.

**75% of manufacturers who comply with Canadian standards wish for greater
government protection.**

Among the feedback received, one respondent suggests that non-compliant labeling should be reported, in fact, any product not meeting Canadian standards should be clearly identified.

Another respondent criticizes bureaucracy; the effort seems significant and discouraging when a company believes it has been wronged and wishes to take actions to protect its rights.

The environmental issue and the conditions of workers are discussed in the same vein, with 50 of the 65 respondents calling on the Canadian government to protect,

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- Garry Senecal, president, RONA
- Paul Williams, vice-president, materials, AD Canada

Directors, associations, and professional corporations

- Maxime Rodrigue, president and CEO, Association of Construction and Housing Professionals of Quebec (APCHQ)

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even encourage, local manufacturers to better compete against imported products that often don't comply with Canadian environmental standards or offer decent conditions to their workers.

77% of manufacturers want the government to offer more protection to those who respect labor and environmental standards.

Among suggestions, there's the idea of imposing a carbon footprint on imported products. Of the minority respondents, five would prefer reduced government oversight on these two aspects to further liberalize trade. Ten others believe the current government control is sufficient.

Another comment points out that adhering to high standards can mean higher production costs and increased sales prices. The respondent wonders if retailers and their buying groups will support manufacturers to ensure quality and durability prevail in the end...

The most extreme idea regarding products not meeting our national quality, environmental, or work standards is as follows: penalize the buyer too – the merchant, distributor, or group. If they were co-responsible, they might think twice before ordering a product below our national standards. This approach is reminiscent of the "polluter pays" principle.

Often, Canadian politicians do not act because free trade agreements and the general ideology of market openness are perceived as contrary to promoting the purchase of Canadian materials by consumers and local businesses. However, less than a third (31%) of our survey respondents share this stance. The vast majority (69%) believe that the government has leeway to act, evidenced by the US taking several positive discrimination actions regarding their domestic production when it comes to supporting domestic sales over exports.

Only 4 out of 65 manufacturers are convinced that the Canadian government can't act because of free trade agreements.

The survey suggested ten action items that "Well Made Here" could propose to the Canadian government. For cultural reasons, the 42 Francophone and 23 Anglophone respondents did not prioritize the same ideas.

The following five garnered the most interest from the Francophone participants:

1. Demand, as with the US "Buy America" program, that public construction project funding be subject to minimum content levels of products manufactured in Canada (76%).
2. Adopt a law establishing economic and ecological criteria to prioritize the purchase of construction materials made in Canada in public infrastructure projects (71.5%).
3. Require public procurements worth less than \$250,000 to be reserved for small Canadian businesses if at least two of them can meet the tender criteria (64%).
4. Introduce a tax credit for the purchase of "Well Made Here" accredited products in Canadian renovation and construction projects (62%).
5. Adopt a "Buy Canadian Act" modeled after the American measure whereby any goods purchased by federal government organizations valued over \$10,000 must have at least 51% of its component costs manufactured in the country (57%).

On the Anglophone side, the following five action items were more appealing:

1. Adopt a law establishing economic and ecological criteria to prioritize the purchase of construction materials made in Canada in public infrastructure projects (74%).
2. Increase resources to better control the entry of products that meet our construction standards or any other public health or safety standard (61%).
3. Establish the equivalent of the "Made in America" measure, where incentives are offered to manufacturers to relocate the manufacturing of products or components currently outsourced overseas (61%).
4. Demand, as with the US "Buy America" program, that public construction project funding be subject to minimum content levels of products manufactured in Canada (57%).
5. Introduce a tax credit for the purchase of "Well Made Here" accredited products in Canadian renovation and construction projects (48%).

Today's intervention, Mr. Prime Minister, aims to provoke a meeting with the political or administrative authorities you believe are best positioned to take actions in defending entrepreneurs who believe in the importance of protecting and developing our manufacturing fabric to better face social, political, and climate crises, but also for the wealth that products bring to our communities and citizens.

Richard Darveau, CEO



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Certified copies :

The Honourable François-Philippe Champagne, Minister of
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The Honourable Jean-Yves Duclos, Minister of Public Services and
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The Honourable Sean Fraser, Minister of Housing, Infrastructure, and
Communities

The Honourable Steven Guilbeault, Minister of Environment and
Climate Change

"Well Made Here / Bien fait ici" is a non-profit organization federally chartered and co-founded in October 2018 by several banners and professional associations. Our mission is to encourage the purchase of quality Canadian-made construction materials and hardware items for the residential market.