



STANDING UP for CANADIAN STEELWORKERS

OCTOBER 9, 2026



OVERVIEW

Conservatives want a Canada that is affordable, safe and independent here at home.

We want to save you money, save your job, keep you safe, fix immigration and put Canada First.

Conservatives are calling on the federal government to protect Canadian steelworkers by enforcing the job guarantees attached to Cleveland-Cliffs' takeover of Stelco, strengthening enforcement against unfairly traded Chinese steel and eliminating the industrial carbon tax. The plan would also build demand through the pre-approval of LNG projects and pursue the removal of American steel tariffs.

The plan addresses both the immediate threat to existing jobs and the conditions Canadian producers need to invest and expand. According to the **Canadian Steel Producers Association**, domestic steel operations employ about 23,000 people directly and support a further 100,000 jobs indirectly.

The five measures are:

Protecting Canadian Steelworkers

1. Sue Stelco's owner to enforce its job guarantees.
2. Stop Chinese dumping in Canada.
3. Eliminate the industrial carbon tax.

Building Demand for Canadian Steel

4. Pre-approve LNG projects.
5. Get back to the trade table with the United States for a tariff-free deal.



BACKGROUND

Job guarantees attached to the Stelco takeover

On October 29, 2024, the federal government approved Cleveland-Cliffs' takeover of Stelco under the Investment Canada Act. The approval included binding, five-year commitments to maintain at least the number of unionized employees in place when the transaction was announced and retain the vast majority of non-unionized employees.

The commitments also covered Stelco's Hamilton head office, collective agreements, employee benefits and pensions, and significant capital and research spending.

Stelco now plans to indefinitely idle its Hamilton finishing operations. The company says up to 500 employees could be affected across its Hamilton and Lake Erie facilities. Cleveland-Cliffs has said it expects a significant number of affected Hamilton employees to be offered opportunities at Lake Erie.

On October 5, 2026, Industry Minister Mélanie Joly gave Stelco five business days to produce a plan explaining how the company would honour its commitments. Conservatives are calling for the government to prepare enforcement proceedings immediately.

These developments follow Algoma Steel's announcement of more than 1,000 layoffs in Sault Ste. Marie and ArcelorMittal Long Products Canada's closure of its Hamilton wire-drawing mill, affecting 153 employees.

American tariffs and the proposed trade agreement

When Mark Carney became Prime Minister in March 2025, Canadian steel faced a 25 per cent U.S. tariff. That tariff increased to 50 per cent on June 4, 2025.

On June 16, 2025, Carney and President Donald Trump agreed to pursue negotiations toward a deal within 30 days. More than a year after that target, there is still no agreement removing U.S. steel tariffs.

Since September 15, 2026, certain Canadian steel beams, columns and other fabricated structures have faced combined U.S. tariffs of up to 100 per cent. The September 8 U.S. proclamation allows the additional duties on covered Canadian goods to apply alongside Section 232 duties. The combined rate is product-specific; it does not apply to every Canadian steel export.

Industrial carbon pricing and production costs

The federal government's industrial carbon-price trajectory is \$95 per tonne in 2026, \$100 from 2027 through 2029 and \$115 in 2030. These are headline benchmark prices; an individual facility's costs depend on the applicable system, emissions standards and credits.

Conservatives propose eliminating the industrial carbon tax to reduce domestic production costs and improve competitiveness against producers that do not face equivalent carbon charges.

A March 2026 Fraser Institute study modelled the earlier policy of a \$170 industrial carbon price by 2030. It estimated a national economy 1.3 per cent smaller and more than 50,000 fewer jobs in 2030 than under a scenario with no price increases after 2025. Those estimates apply to the \$170 scenario, not the revised \$115 trajectory.

Chinese dumping and imports through third countries

In 2017, Canadian trade authorities found that dumped fabricated industrial steel components from China and South Korea, and subsidized components from China, had injured Canadian producers.

On September 2, 2026, the Canada Border Services Agency made preliminary determinations of dumping and subsidizing of steel racks from China.

Canada already applies a 25 per cent surtax to specified imports containing steel melted and poured in China, including covered imports through third countries. That surtax is distinct from the anti-dumping and countervailing duties imposed under Canada's trade-remedy system.

The Conservative proposal would strengthen the enforcement of those trade remedies so routing or processing steel through another country does not allow unfairly traded Chinese steel to evade the appropriate duties.

LNG projects built with Canadian steel

In August 2019, the federal government remitted anti-dumping and countervailing duties on qualifying fabricated steel components contained in imported modules for LNG Canada and Woodfibre LNG. Canadian producers and fabricators raised objections. Ottawa's rationale included the lack of domestic capacity to produce modules of the required size and complexity.

CBC reported on October 2, 2026, that LNG Canada would again use Chinese steel for specialized fabrication in its \$33 billion Phase 2 expansion. The Prime Minister had welcomed the expansion as the second-largest single private investment in Canadian history.

Conservatives propose a sustained flow of Canadian LNG projects to create demand for domestic steel and fabrication. Predictable opportunities would give firms a stronger basis for investing in equipment, training and expanded capacity to supply future projects.

We also call for policies that allow Canadian steel mills to produce the best steel at the best price for LNG facilities, so the steel jobs go to Canadians.



THE CONSERVATIVE PLAN

1. SUE STELCO'S OWNER TO ENFORCE ITS JOB GUARANTEES

Prepare court action against Cleveland-Cliffs now. If the company fails to comply with the government's demand by the deadline, immediately apply to the court to enforce the commitments attached to the takeover.

Under section 40 of the Investment Canada Act, failure to comply with a formal demand can lead to an application to a superior court. Available remedies include orders to comply with undertakings, monetary penalties, and divestiture where the court considers it warranted.

Conservatives are calling for the government to pursue the full range of remedies, including a court-ordered sale if warranted, with the goal of securing a Canadian buyer. Any monetary penalties recovered should be directed to affected workers and their families.

2. STOP CHINESE STEEL DUMPING

Strengthen anti-dumping, anti-subsidy and anti-circumvention enforcement. Trace steel to where it was melted and poured so unfairly traded Chinese steel faces the appropriate duties, including when it is routed through a third country.

This requires enforcement that follows the steel's production history and addresses efforts to evade Canadian trade remedies through transshipment or processing abroad.

3. ELIMINATE THE INDUSTRIAL CARBON TAX

Eliminate the industrial carbon tax to reduce costs for Canadian steelmakers and improve their ability to compete against producers without equivalent carbon charges.

The objective is to remove a domestic cost burden while Canadian producers confront American tariffs and unfairly traded imports.

4. PRE-APPROVE LNG PROJECTS WITH CANADIAN STEEL

Pre-approve LNG projects to build demand for Canadian steel and give domestic producers and fabricators greater confidence to expand.

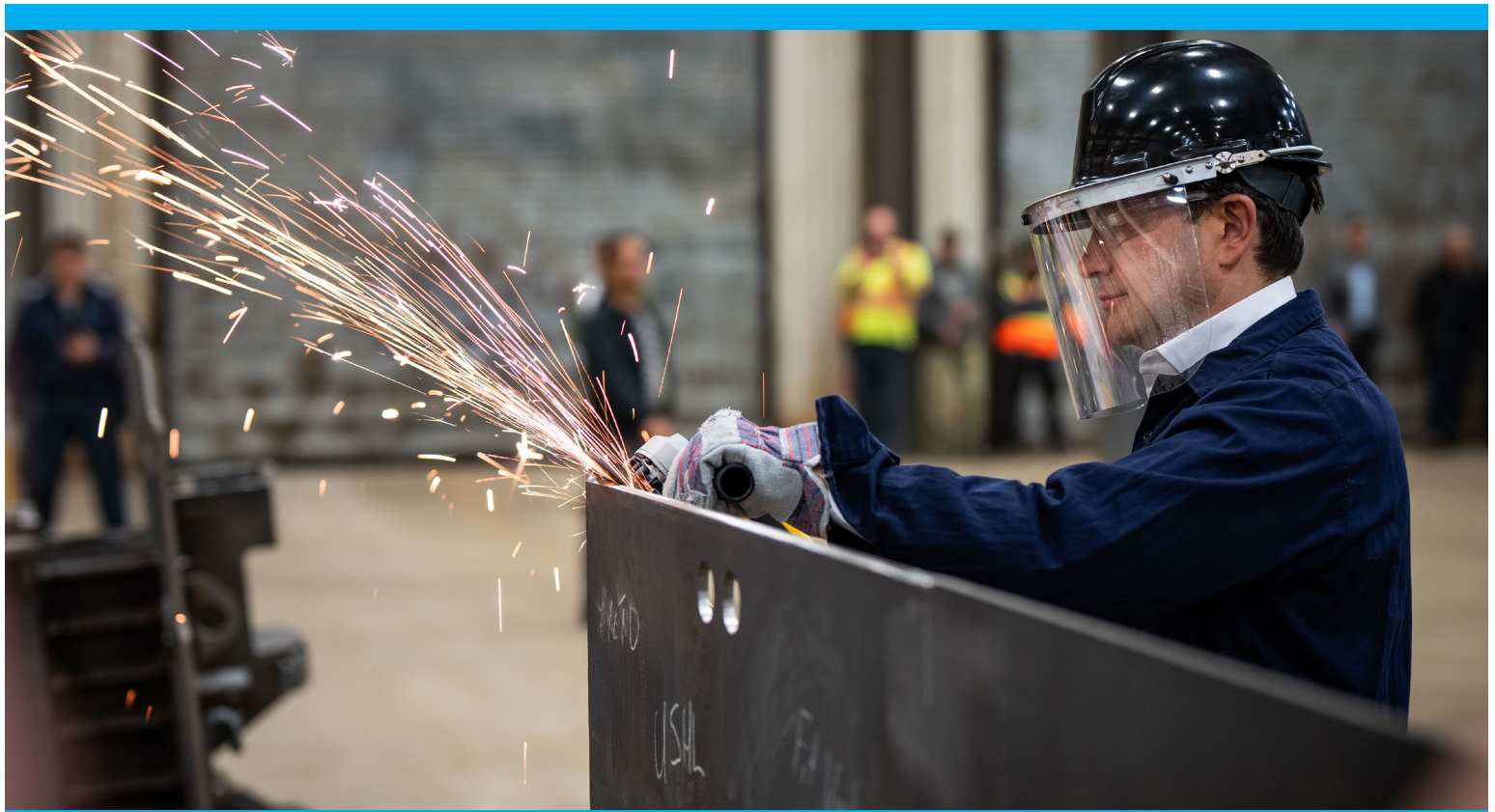
A sustained flow of projects would support investment in the capacity to supply steel and manufacture more LNG components in Canada. The objective is to expand Canadian participation in future projects and reduce reliance on imported modules.

The government should adopt policies that allow affordable, specialized steel for LNG plants to be made here at home.

5. GET BACK TO THE TRADE TABLE WITH THE UNITED STATES

Return to negotiations and secure relief from American tariffs on Canadian steel.

The objective is tariff-free access that allows Canadian producers to compete for U.S. customers, sell across the border and sustain jobs in Canada.



THE PATH FORWARD

The Conservative Steel Plan combines enforcement of existing job commitments with action on unfair imports, domestic production costs, new project demand and access to the U.S. market. Its purpose is to protect Canadian steel jobs today and strengthen the industry's ability to invest and grow.

