

November 23, 2021

The Right Honourable Justin Trudeau, P.C., B.A., B.Ed.
M.P., Prime Minister of Canada,
Office of the Prime Minister
80 Wellington Street,
Ottawa, ON K1A0A2

Dear Prime Minister,

In light of your recent summit in Washington with U.S. President Biden and Mexican President Obrador it is apparent that there is a crisis facing Canada's Automotive Manufacturing sector that threatens to jeopardize Canada's plans of becoming an Electric Vehicle producing country. I am writing this open letter to you as the CEO of Canadian EV OEM start-up Maple Majestic. Your recognition of the U.S. protectionism crisis and the subsequent actions undertaken in addressing the issue with the U.S. President are right on target. It is hoped that your continued negotiations will be fruitful, as we don't want to see a single Canadian auto industry job lost. Regardless of the outcome, it is obvious that Canada's auto industry is in a precarious position, and perhaps it is worth getting to the root of the problem so that it can be addressed in a way that resolves the issue once and for all.

The biggest problem for Canada's automotive industry is not that we are facing a new wave of American protectionism, but rather that Canada has never attempted to insulate itself from such crises. For the best part of the last century, Canada has relied on foreign OEM's to set up factories, and produce their cars in Canada. This reliance on foreign OEM's is to the tune of 100%, and can only be described as "putting all our eggs in one basket". This status quo means that every time decisions are made about production of cars in Canada, they are made outside our borders, and entirely beyond our control so that Canada's auto industry is effectively at the mercy of foreign powers.

The crisis we are facing today, is the same crisis that we faced in 2018 in Oshawa, and the same crisis that has plagued this country for decades and will continue to do so unless the government takes a leadership role and changes the course of the auto industry once and for all. Failure to make the necessary change means that the auto industry will remain on a manic sine wave of instability that will see peaks of euphoric prosperity, followed at regular intervals by the nadirs of plant closures and layoffs. This gloomy scenario for the working middle class will also be accompanied by the greatest brain drain that the country has ever seen as our world-class technological companies and engineering graduates move to the locations where the OEMs move to.

This is a crisis which you inherited and it does not exist as a result of your own policies. It really is not your fault. As indicated above, Canada's auto industry has relied 100% on foreign OEM's since time immemorial. All the technologies being developed in Canada at the moment are intended to serve only these foreign OEM's. It is hoped that the folly of Canada's policy of exclusive reliance on foreign OEM's is now sufficiently clear that you will see it as an opportunity to make a lasting change for Canada, as the solution to the crisis is obvious. As the world transitions to electric cars, Canada needs to seize the opportunity to create its own EV brands, not just for Canada, but for the global market. We need to foster the creation of Canada's own EV OEM's. This is the only way that we will ever have some semblance of control of our destiny.

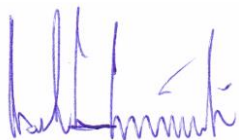
There is no suggestion here that Canada should turn away from the international OEMs who produce their vehicles in Canada, but rather that we hedge our bets by including a Canadian complement of OEMs to the overall manufacturing footprint. There is no question that Canada needs foreign OEM's operating on our soil because they give our parts suppliers a reason to exist, and Canada's EV OEM's will need those suppliers too. A ratio of 75% foreign OEM's to 25% Canadian OEM's would be sufficient to bring lasting stability to Canada's auto industry, giving the parts suppliers as well as our great tech companies a good reason to stay in Canada.

There is every reason to be confident that Canadian vehicles will be accepted world-wide, as Canada continues to rank at the top of country popularity polls. The world market will embrace Canadian EV's that can handle our weather, creating jobs for tens of thousands of Canadians. It is simply a matter of focussing a portion of Canada's resources on supporting Canada's OEM EV start-ups in addition to the ongoing support for foreign OEM's. The business sense of supporting Canada's EV OEM start-ups is beyond reproach. Whereas the Canadian government spends hundreds of millions of dollars in supporting foreign OEM's to make a small impact, a fraction of that amount spent on Canada's OEM's would be the difference of making or breaking a Canadian EV OEM start-up. Moreover, it is possible to support Canada's EV OEM start-ups by incentivising parts suppliers, tech companies, academia, and investors to work with them. This sort of support will see a broad section of Canada's auto industry strengthening since Canada's EV OEM start-ups will naturally rely on a broad section of suppliers to contribute their parts and technologies to their new Canadian vehicles.

It should be noted that supporting Canada's EV OEM start-ups, is not the same thing as supporting technology companies. Technology companies are narrowly focussed on creating their unique offering, whereas EV OEM companies are focussed on integrating those technologies into a complete marketable product. Innovation takes place at the tech company level, AND at the EV OEM level where the technologies from multiple tech companies come together to build synergy. To support only the tech companies without supporting Canada's EV OEM start-ups, is to ensure that the tech companies will be forced to leave Canada in the near future. Both need support.

In closing, the path for Canada's EV future is clear. It entails a mix of international and Canadian EV's produced in Canada. It is the only way to ensure prosperity and stability, and to put an end to the cyclical ups and downs of Canada's auto industry, once and for all. It is during your term as Prime Minister that the greatest change in the last 100 years of the auto industry is taking place. Your continued negotiations with the United States are an important component in Canada's ability to participate in the adoption of Electric Vehicles, but the far greater opportunity is to fix the entire Canadian auto industry by supporting the creation of Canada's EV OEM's. It is a great call to leadership which hopefully will be heeded.

Yours sincerely,



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