

# Say bye to buy local



ONTARIO TRADE TOUR OCTOBER 13 - NOVEMBER 19.

Dear MPP \_\_\_\_\_

I'm very concerned with the willingness of Canada's premiers, including Ontario Premier McGuinty, to surrender provincial jurisdictional rights over government spending with no guarantee it will create new opportunities for Canadian companies in the United States.

I am referring to Prime Minister Harper's "Buy American" proposal to the Obama administration. To date, Ontarians have not seen this proposal. But its consequences would be so far reaching for economic development, environmental protection and democracy in this province that the premier alone should not have the authority to approve it without consulting widely with the public.

An accountable, responsive and flexible economic policy is more important to communities during these difficult times than forcing local governments to adhere to rigid NAFTA or other international trade restrictions on government action. I understand that the plan would be either to include subnational governments such as the provinces and cities under NAFTA's procurement chapter, or perhaps having the provinces sign the WTO Agreement on Government Procurement.

A lack of regulation in global financial services helped create the current economic crisis. The argument that governments must get out of the way and let the economy do its thing – a consequence of Premier McGuinty agreeing to either path mentioned above – is bankrupt.

In the unlikely event that the Obama administration agrees to make a Canadian exception to its "Buy American" rules on current economic stimulus funding for infrastructure, there is no reason to expect that U.S. contracts lost by American manufacturers would be won by Canadian manufacturers. On the other hand, there is a good chance that Canadian companies would lose more Canadian contracts to larger American competitors who would gain access to local and provincial procurement contracts on an equal footing, without question.

Signing onto the WTO procurement agreement would also put strange and damaging restrictions on where and how local governments spend money, making ethical (such as anti-sweatshop) or environmental sustainability (buy local) spending plans essentially illegal. Where is the sense in this?

The current Conservative government has repeatedly said it would not re-open NAFTA to improve environmental or labour protections as civil society in all three NAFTA countries continue to demand. But this proposed deal on procurement essentially re-opens NAFTA to unnecessarily restrict the policy space of provincial and municipal governments at a time when they need that space the most.

Local democracy is only as strong as the ability of local communities to set their own priorities. Neither the federal government nor the provinces have produced convincing arguments why the right to spend public tax dollars as close to home as possible when it is feasible and desirable should be bargained away entirely.

I urge you to work with the legislative assembly to democratize this debate on "Buy American." Trade policy affects us all. It should not be in Premier McGuinty's power to sidestep public debate. Let's put all the arguments on the table, have a public discussion, and then decide what Ontario should be doing about "Buy American".

Sincerely,

Name:

Address:

*For more information on the effect unfair trade agreements have on people, the environment and good public policies contact the Council of Canadians or CUPE Ontario today. Together, we can find ways to make trade fair for everyone.*