

UPDATED ACTION ALERT: We need parliamentary and provincial hearings on 'Buy American' deal

The 'Buy American' deal signed by the Harper government on February 16 will do more harm than good for Canada's provinces and cities. Signing provincial and territorial governments and their agencies into to the WTO's government procurement agreement will not improve access to U.S. markets for Canadian companies. But it will further and needlessly restrict how local communities are able to manage local economies in the public interest.

It is unbelievable that International Trade Minister Peter Van Loan would sign a deal of this magnitude while Parliament is still prorogued, and without going through the proper parliamentary approval process. This is absolutely unacceptable for a government that ran on a promise of accountability and transparency, and which promised to bring all significant international trade agreements to Parliament for a debate and vote.

Maude Barlow, national chairperson of the Council of Canadians, sent an open letter to Canada's premiers two weeks ago demanding that they walk away from this deal, at least until public consultations and debate can be held in each province on its implications for communities. This demand is even more important given recent news that the European Union is requesting permanent WTO access to spending by Canadian municipalities, Crown corporations, hospitals, school boards, and water and electricity utilities.

"Trade is undoubtedly important to the Canadian economy. But signing the provinces on to the WTO procurement agreement is not about trade – it is about reducing the role of democratic governance in economic matters," writes Barlow in her letter. "It is the economic equivalent of a 2,500-mile-diet at a time when governments around the world are seeing the benefits of going local.

To read Maude's full letter: <http://canadians.org/trade/documents/Letter-premiers-GPA-Feb10.pdf>.

NO BENEFIT FOR CANADIAN COMPANIES

The deal signed last week was sold to Canadians as a solution to the 'Buy American' controversy that locked Canadian (and all non-American) companies out of almost \$280 billion worth of stimulus spending on U.S. infrastructure projects at the state and municipal levels. But in the end, according to estimates from the Canadian Centre for Policy Alternatives, Canadian firms will only be able to bid on a tiny sliver of that money -- about \$4 to \$5 billion worth in seven specific stimulus areas.

In return, Canada's municipalities have opened up temporary access worth \$25 billion, with an option to extend the deal after September 2011. If that sounds unbalanced, it gets worse. **Nothing in the interim agreement with the United States stops U.S. cities from pulling Canadian-made pipes out of the ground** -- the alleged reason for negotiating an agreement. On the other hand, U.S. firms will be able to challenge, through a binding WTO dispute process, bids they do not receive from Canadian cities.

A Toronto Star editorial on February 22 writes that Van Loan "...believes the deal is balanced but there are so many potential contracts and sub-contracts involved that 'anybody who pretends to know (the outcome) is pretending to know the impossible.'

"Maybe so," continues the Star. "But the principles involved in this deal are too important and the long-

range implications too enormous to accept governmental assurances at face value. The deal ought to be the subject of public hearings, in both Parliament and the provincial legislatures."

We absolutely agree -- Canada's provinces, territories and the federal government must be held to account for an agreement they have signed with no public input.

TAKE ACTION: Demand public consultations on the 'Buy American' deal

Write to Trade Minister Peter Van Loan (VanLoP@parl.gc.ca) demanding a parliamentary hearing into the Canada-U.S. Agreement on Government Procurement. You can use the sample letter below or visit www.canadians.org/buyamerican for more information on the deal. Make sure to CC us (strew@canadians.org), as well as members of the Standing Committee on International Trade: Lee Richardson (Chair, Conservative, Calgary Centre) RichaL@parl.gc.ca; John Cannis (Liberal, Scarborough Centre) CanniJ@parl.gc.ca; Serge Cardin (Bloc, Sherbrooke) CardiS@parl.gc.ca; Dean Allison (Conservative, Niagara West--Glanbrook) AllisD@parl.gc.ca; Scott Brison (Liberal, Kings--Hants) BrisoS@parl.gc.ca; Ron Cannan (Conservative, Kelowna--Lake Country) CannaR@parl.gc.ca; Claude Guimond (Bloc, Rimouski-Neigette—Témiscouata—Les Basques) Guimond.C@parl.gc.ca; Richard Harris (Conservative, Cariboo--Prince George) HarriR@parl.gc.ca; Ed Holder (Conservative, London West) Holder.E@parl.gc.ca; Peter Julian (NDP, Burnaby--New Westminster) JuliaP@parl.gc.ca; Gerald Keddy (Conservative, South Shore--St. Margaret's) KeddyG@parl.gc.ca; Mario Silva (Liberal, Davenport) SilvaM@parl.gc.ca.

We also encourage you to send a version of your letter to your premier and local member of the provincial legislature. The provinces need to be held accountable for their decision to sign up to the WTO without consulting the public or their own legislatures. This was a decision made by committee, which is unacceptable for a deal of this magnitude.

Good luck!

Stuart Trew, Trade Campaigner, Council of Canadians

SAMPLE LETTER

Dear Minister Van Loan,

It is unacceptable that your government would sign a new procurement agreement with the United States, and permanently include the provinces and territories in the WTO's Government Procurement Agreement (GPA), while Parliament is prorogued and without any parliamentary approval process.

Not only will permanently including the provinces in the GPA unnecessarily restrict their ability to make the most out of public spending, banning local or Canadian preferences outright, but Canadian companies are going to get very little new access to U.S. government contracts.

According to estimates, we have signed this new deal for only \$4-5 billion worth of U.S. stimulus spending. Also, while U.S. cities can continue to pull Canadian made pipes out of the ground without consequence, Canadian cities are legally bound and vulnerable to U.S. challenges at the WTO for contracts they don't win.

Trade is undoubtedly important to the Canadian economy. But signing the provinces on to the WTO procurement agreement is not about trade – it is about reducing the role of democratic governance when it comes to managing the economy. 'Buy Local' policies are not protectionist – they are smart economic policy. Signing onto the WTO excludes this approach as an option for Canadians.

You may dispute this statement and the fairness of your procurement deal in general, but the need for more accountability is indisputable. Your party ran for office on a campaign of transparency and

*accountability. You are duty bound to bring this deal to parliament for proper study and a vote.
I look forward to hearing how your government plans on moving forward in this respect.*

Sincerely,

[YOUR NAME]

CONTACT INFORMATION

Find your elected representatives [here](#).

Premiers of Canada:

- Premier of Alberta: The Hon. Ed Stelmach, premier@gov.ab.ca
- Premier of British Columbia: The Hon. Gordon Campbell, premier@gov.bc.ca
- Premier of Manitoba: The Hon. Greg Selinger, premier@leg.gov.mb.ca
- Premier of New Brunswick: The Hon. Shawn Graham, Premier@gnb.ca
- Premier of Newfoundland and Labrador: The Hon. Danny Williams, premier@gov.nl.ca
- Premier of the Northwest Territories: The Hon. Floyd Roland, floyd_roland@gov.nt.ca
- Premier of Nova Scotia: The Hon. Darrell Dexter, premier@gov.ns.ca
- Premier of Nunavut: The Hon. Eva Aariak, www.gov.nu.ca/cabinet/aariak/
- Premier of Ontario: The Hon. Dalton McGuinty,
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- Premier of Prince Edward Island: The Hon. Robert W.J. Ghiz, rwjghiz@gov.pe.ca
- Premier of Quebec: The Hon. Jean Charest www.premier.gouv.qc.ca/premier-ministre/nous-joindre/nous-joindre-en.shtml
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