



## **Media Advisory for CAW National Basic Distribution**

August 5, 2009

### **Premiers Must Reject Federal Proposals That Would Deepen NAFTA, CAW President Says**

(Toronto, ON) - CAW President Ken Lewenza is calling on Canada's premiers to reject any federal proposals brought to the Council of the Federation meeting in Regina this week that would eliminate or restrict their legal right to establish public purchasing policies intended to maximize economic benefits to the Canadian economy.

The CAW has joined with over one dozen civil society and labour groups in issuing a joint statement opposing the Harper government's proposal to possibly expand the scope of the North American Free Trade Agreement (NAFTA) by abolishing the legal right of provinces and municipalities from setting local or Canadian-content rules, as well as other ethical and environmental standards, as part of their public purchasing programs.

"The Harper government, along with a number of business lobby groups, is fanning the flames of public criticism toward U.S. 'Buy American' policies and using this as an opportunity to push through damaging reforms to the NAFTA," Lewenza said. "Canadians have a legal right to determine how their public tax dollars are spent and we cannot afford to lose that right."

Premiers are expected to debate and discuss a federal government proposal to effectively bind Canadian provinces and municipalities to the public purchasing rules as established under NAFTA and seek out Canadian exemptions from U.S. 'Buy American' policies.

"Rather than attacking these successful and popular 'Buy American' policies, Canadian governments should increase and speed up funding for public infrastructure projects and attach 'Buy Canadian' conditions to the funding," reads the joint statement (attached below).

The NAFTA is a perfect example of a free market policy intended to strip away the rights of government and citizens in determining how best to manage and develop the domestic economy, Lewenza said.

"NAFTA symbolizes the worst of uncontrolled and irresponsible free market policy, which is exactly what got us into this global economic mess in the first place."

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## **A statement on public procurement**

We believe that governments have a right and a duty to use public procurement as a tool for economic development, environmental protection and job creation. Therefore, we oppose the expansion of “free trade” deals to encompass more public procurement.

In response to “Buy American” policies, the Government of Canada has announced its desire to expand the North American Free Trade Agreement (NAFTA) to restrict provincial and municipal procurement. Such a step would abolish the rights of local and provincial governments to support local or Canadian suppliers, set minimum local content rules for materials or services on major projects, adopt ethical and environmental purchasing policies, enforce commitments to hire workers locally, or require companies winning public contracts to reinvest a portion of revenues or profits in Canadian communities.

U.S. federal, state, and local governments have successfully implemented “Buy American” procurement policies for more than 75 years. Today, in the midst of an economic recession, it is perfectly justified that U.S. taxpayer-funded stimulus funding should be used to stimulate local economic development.

Rather than attacking these successful and popular “Buy American” policies, Canadian governments should increase and speed up funding for public infrastructure projects and attach “Buy Canadian” conditions to this funding.

The opportunity exists to recognize integrated industries by negotiating managed trade agreements and sectoral arrangements with the United States. Such arrangements could provide mutual exemptions from procurement preferences for products manufactured in highly integrated industries.

We oppose expanding NAFTA to cover all sub-national procurement and the related effort to negotiate a “free trade” deal with the European Union that would also bind sub-national governments to NAFTA-like restrictions. This approach would drain needed stimulus from the Canadian economy, worsen the current crisis in manufacturing and interfere with provincial and municipal governments’ authority to provide and regulate local services.

In closing, we call upon provincial and local governments to reject any federal proposals that would eliminate or restrict their ability to ensure that public procurement policies maximize benefits to the local and Canadian economies.

Signed:

Alberta Federation of Labour

B.C. Federation of Labour

Canadian Auto Workers

Canadian Centre for Policy Alternatives

Canadian Labour Congress

Canadian Union of Public Employees

Council of Canadians

Fédération des travailleurs et travailleuses du Québec

National Union of Public and General Employees

Northern Territories Federation of Labour

New Brunswick Federation of Labour

Polaris Institute

Saskatchewan Federation of Labour

United Steelworkers

Yukon Federation of Labour