



CAW/USW Joint Statement on a Buy Canadian policy February 10, 2009

Canadian workers are facing unprecedented economic challenges as the global financial crisis deepens. Hundreds of thousands of workers have already been thrown out of a job in recent years, including nearly half a million manufacturing workers. And there are more job losses on the horizon as Canada's industrial base continues to weaken.

On behalf of members of the United Steelworkers and Canadian Auto Workers unions, representing half a million workers across the country, we believe that the federal government must do everything in its power to protect the economic and social well being of Canadian citizens and their communities. This is a fundamental responsibility of government; both in times of economic prosperity, and economic crisis.

The Harper government showed its true colours when it tabled an economic update in 2008 that entirely ignored Canada's economic troubles. Only on threat of defeat did the Conservative government show a willingness to provide some assistance to the Canadian people – assistance that still fails to address the size and scope of the economic problems we face. This half-hearted and opportunistic approach to governance is unacceptable; Canadians can, and must, demand more from their elected leaders.

Over and above budgetary spending, the federal government has a variety of policy tools at its disposal to steer Canadian workers, their families and communities through this economic storm. One such tool is to establish a Buy-Canadian procurement policy to ensure that the majority of public funds are spent on goods and services made in Canada. This would allow Canadians to receive the lion's share of economic benefits from government spending, helping to create and protect jobs and spur economic development. And, critically, such a move would put us on a level playing field with our major trading partners.

As our governments are poised to spend billions on rebuilding much-needed infrastructure, we believe that Buy-Canadian policies are long overdue and necessary to ensure that Canadians receive maximum benefit from public purchases, including the \$12 billion infrastructure stimulus funding outlined in the recent budget.

But rather than prove to Canadians that his government can rise above partisanship to establish smart policies during a time of crisis, Stephen Harper remains blinded by his failing free-trade and deregulation ideology, and has dismissed the use of Buy-Canadian policies outright. And in an effort to quash public debate on this issue, his government has consistently threatened that a domestic purchasing policy would breach international trade rules and would be condemned by our international trading partners – possibly sparking an international trade war. We do not accept this position.

We were deeply disappointed to hear government officials publicly criticize the inclusion of a buy-domestic provision in the American Recovery and Reinvestment Act. The criticism levied by the Harper government exaggerated the impact that such provisions would have on Canada's economy. It ignored the fact that Buy American rules for federal purchases have existed since 1933 and that Buy America rules for state and local transport infrastructure have existed since 1982 – long before the American Recovery and Reinvestment Act.

In fact, buy-domestic policies are in place in many developed and developing countries around the world and clearly accepted within the terms of international trade agreements, including the NAFTA and WTO. Japan, South Korea, Mexico, China, and most member states of the European Union have domestic purchasing policies. Adopting similar Buy-Canadian policies would simply level the playing field.

Government must act responsibly and do all that is necessary and in their power to protect working families and communities in these difficult times. The evidence is clear that not only is a Buy-Canadian policy for public purchases a viable option to help kick-start Canada's industrial sector, it will also have spillover benefits for the broader Canadian economy.

In the midst of this crisis Canadians are looking for leadership and demanding immediate action from Ottawa, not political gamesmanship. The time to act is now.



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