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Ignatieff warns U.S. of 'Buy American' backlash

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Presented by



Peter Battistoni/Canwest News Service

Liberal Leader Michael Ignatieff warned American legislators Sunday their 'Buy American' strategy courts a trade backlash from Canadian municipalities.

Ignatieff, speaking at the Federation of Canadian Municipalities annual conference in Whistler, B.C., said the new legal restriction on U.S. anti-recession spending -- which dictates that none of the stimulus cash can be spent outside the United States -- threatens to undermine the Canada-U.S. trading relationship in both directions.

"We need to remind the Americans that we've got a multibillion-dollar municipal and provincial procurement market in this country," Ignatieff told the municipal delegates. "Americans have unfettered access to it right now, but if they shut down their markets, there will be consequences."

Ignatieff spoke in Whistler one day after FCM delegates narrowly passed a resolution that could see Canadian communities impose similar protectionist restrictions on U.S.-sourced procurement if changes are not made to the Buy American law within 120 days.

"We just cannot afford to be timid in our relations with the United States -- not when vital export industries are at risk and not when we know . . . that the protectionist measures taken during an economic crisis may well persist after the recession is over," he said.

Ignatieff said that four months after he sat down with U.S. President Barack Obama in Ottawa and "raised the issue fair and square," Buy American procurement provisions are already taking effect at the state and federal levels.

"This is not in the interest in either this side of the border or that side of the border," he said. "We need to say very clearly and very toughly to the Americans, 'Let's pull back now. Let's sit down around a table and do serious business between neighbours and friends who have lived beside each other for a long time and know what's in our long-term interest. Let us mobilize.'"

The FCM said it was waiting for a 120-day grace period to pass before "endorsing countervailing procurement measures" to give the Canadian government time to find a solution to deal with the American proposal.

"A solution is needed urgently," FCM president and Sherbrooke, Que., mayor Jean Perrault said in a statement Saturday.

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