



HAMILTON and DISTRICT LABOUR COUNCIL C.L.C.

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June 8, 2012

Chair and Members
Audit, Finance and Administration Committee
c/o Stephanie Paparella
Legislative Coordinator
Hamilton City Hall
71 Main St. West
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Greetings.

Re: Committee agenda item 8.6, June 11, 2012: Evaluation of the City of Hamilton Purchasing Program Update (FCSO9109(d))

The Hamilton and District Labour Council has had a brief opportunity to review the recommendations and staff report on incorporating “buy local, buy Canadian” provisions within the procurement policy of the City of Hamilton. We are extremely disappointed that staff recommends not to proceed with such a policy. Indeed, in our view, it is shameful that the policy itself does not even give a passing nod to the value added by purchasing goods and services produced in Hamilton by Hamiltonians.

The staff report certainly highlights some potential obstacles that might impede (perhaps temporarily) successful implementation of a “buy local, buy Canadian” policy. However, it does not conclude with any certainty that such a policy is prohibited. Our analysis of the *Agreement on Internal Trade* (AIT), albeit cursory, suggests that there is room for the creative uses of buy local practices within the myriad of trade agreements and regulations if the political will exists to intentionally pursue this as a policy option.

The use of preferences is a political act as much as it is a question of economics and law. As you might know, Stelco’s Hilton Works produced structural steel at one time. In their most recent *Information Update*, Local 1005 report that there is no longer a major producer of structural steel in Canada. Ironically, structural steel is required in the construction of the new bridge between Windsor and Detroit so the Canadian government apparently decided to import the steel from China, purportedly saving millions of dollars. Now, however, the “Buy America” activists are engaged in an all out campaign to pressure the Harper government to use public money to buy made-in-America structural steel. The point, besides demonstrating the need to create our own structural steel making capacity again, is that purchasing decisions, despite all the rules, really depends on where one’s fealty is owed.



The report cites analyses of the city's purchasing by vendor address for several recent years. It is not clear, however, if this is a regular practice. If it is not, we suggest that the committee require the staff to provide that information at least once a year. That should not be too onerous. As a further refinement, we suggest that, even if no preference is attached at the present time, vendors be asked to provide the sources of the major raw materials or components used in the manufacturing of their products. If the city buys a car or a truck, even though it isn't made in Hamilton, it would be helpful to know that the steel came from ArcelorMittal Dofasco. Such tracking might not be as easy to implement, but it would demonstrate whether or not the city's purchasing actually supports economic development and jobs in Hamilton.

The recommended vendor guidelines is a positive step but not nearly sufficient.

In our view, the most telling statement in the report is that a "buy local" policy would require "significant resources to monitor, analyze and deal with vendor complaints on compliance issues". It is a matter of priorities, a matter of values. In our judgment, the committee and City Council are not likely to challenge the staff recommendations, partly because we have not engaged the community in a conversation about the value and importance of local procurement (and the potential ramifications, both positive and negative). However, the Labour Council and our affiliates will continue to press the issue at every opportunity.

As the staff analysis of the status of "buy local, buy Canadian" resolutions adopted in other municipalities demonstrates, our goal must not be simply to get a City Council to agree to some words that make people feel good but to actually challenge the prevailing mindset and change the conversation. Expect us to be vigilant. Expect to hear from us again.

Sincerely,



Tom Atterton
Secretary

cc: Mary Long, President, Hamilton and District Labour Council
Political Action and Social Services Committee, Hamilton and District Labour Council
Tony DePaulo, Area Coordinator, United Steelworkers
Charles Campbell, United Steelworkers (National Office)
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