



Mr. Mike Gullledge, Chair
Billings Chamber of Commerce
815 South 27 Street
Billings, MT 59101

February 9, 2009

Dear Mr. Gullledge

I am writing to express the concern of the Board of Directors of the Lethbridge Chamber of Commerce respecting broadening of "Buy American" provisions found within the American Recovery and Reinvestment Act before Congress.

We are concerned that if "Buy American" becomes embedded in Congressional economic stimulus legislation, the United States will lose its moral authority to pressure others not to introduce protectionist policies at the World Trade Organization and in regional or bilateral trade relationships. A rush of protectionist actions could recreate an economic downward spiral such as seen in the 1930s from similar ill-advised legislation. The spillover from trade disputes and retaliatory actions at the global level will inevitably transfer across borders, negatively affecting jobs and investment in your city and ours.

Economies around the world have been hard hit by the present downturn. All governments which can afford stimulus packages have launched them. In November 2008 the G20 leaders all agreed that protectionist policies will only worsen the situation for all. The Canadian government stimulus package deliberately chose to avoid introduction of new protectionist measures, as agreed at G20.

Canada is the largest single customer of the United States. This statement holds true in most sectors of the economy because of the high level of integration between our two nations. If either government chooses to introduce new barriers or preferences, a decision is being made to load increased costs onto buyers and sellers, cause delay, and distort the way businesses organize themselves in North America thereby eliminating jobs rather than creating them.

The U.S. Chamber of Commerce has bravely opposed the "Buy American" provisions in the face of harsh criticism and accusation of economic treason. However, we also seek the support of our regional partners.

For international, regional and bilateral considerations, the Board of Directors of the Lethbridge Chamber of Commerce asks you to bring to the attention of your Congressional leaders the negative implications of the "Buy American" provision of the American stimulus package. In any event, Canadians assume that the United States will comply with its international trade obligations.

A negative precedent set here by America can have repercussions around the world, even perhaps provoking debilitating beggar-thy-neighbour policies. Such a consequence is bad for Lethbridge, our Province of Alberta, and your region too.

Regards,

A handwritten signature in blue ink, appearing to read "Dennis Hatt".

Dennis Hatt
President and Chair of the Board, Lethbridge Chamber of Commerce
DH/ac
cc: Hon. Perrin Beatty, President and CEO, Canadian Chamber of Commerce