



Bush is Back

Some Implications for the Canadian Food Industry

So we have President Bush for another four years. As our economies continue to grow closer (while our societies diverge in all other respects) the U.S. election was critical to Canadians. What are the implications for Canada's food industry?

The most crucial issue is the continuing ban on live animal exports to the U.S. While the costs to the Canadian economy are said to be in the billions, the personal toll on farm families is beyond estimation. It is profoundly ironic that while it has been Bush protectionism that has prolonged this crisis, Canadian cattlemen and farmers are probably relieved by the Bush win because the alternative was worse. While the initial American response was not protectionist (we would have closed our borders to them just as we did to other countries with BSE), by this spring American officials knew that the science no longer justified the ban and they were prepared to re-open the border. By that time, however, the Ranchers-Cattlemen Action Legal Fund (R-CALF) had started court action and pure politics prevented the border from opening. The American ambassador, Paul Cellucci, with remarkable honesty, openly admitted last month that the American position was "not based on sound science...I don't want to say that there's not politics involved. It is an election year." So much for "science-based regulation" and free trade. Since spring, the issue was always South Dakota, not science.

Because the most outspoken critic of opening the border was the Senate Democratic leader from South Dakota, Tom Daschle, and because Senator Kerry was one of 10 senators who signed a letter on April 7 to the U.S. Department of Agriculture (USDA) urging the border be kept closed, it became obvious that a Kerry win would further delay opening the border. The fact is that the Canadian meat inspection system is entirely equivalent to the American system and has been for many years. As J. Patrick Boyle, the president of the American Meat Institute, has said, "Americans criticizing the Canadian meat inspection system is like a woman calling her twin sister ugly."

So Daschle is gone, Bush doesn't have to worry so much about R-CALF and now he can give the American meat packers what they've always wanted. There may even be a silver lining. American protectionist policies on hogs in the late '80s and early '90s forced the Canadian pork industry to re-structure and now we've become a major competitor to U.S. pork

producers. It shouldn't have taken a tragedy like BSE to force Canada to enhance slaughter capacity on our side of the border.

The Bush win is also good news on the issue of mandatory U.S. country-of-origin labelling (COOL), which is being pushed by the same R-CALF. Kerry publicly favoured COOL and Bush found a temporary way to delay it when the American meat packing industry lobbied very effectively against it. But Canada will have to stay vigilant as COOL would be very hurtful.

Bush is unlikely to make any changes to HACCP. There shouldn't be any changes to the *Bioterrorism Act* but food security will still be important especially if there is another crisis. Apart from border security, food safety was not an issue in the election so major changes appear unlikely. The agricultural biotech industry should be relieved, as Bush will not change U.S. biotech policy. (The Canadian situation is far less certain with our minority government situation but that is a story for another day.)

Bush is unlikely to tinker with the messy FDA-USDA relationship but he will have to finally appoint an administrator at the Food Safety and Inspection Service. Few Canadians would be upset if he didn't renew Agriculture Secretary Veneman who has not proven to be a friend to this country.

All Canadians have to hope that the huge American deficit might cause Bush to re-think the insane level of American agricultural subsidies. Long-time agriculture reporter Alex Binkley thinks that Bush might try to broaden his international scope and could begin to pay more attention to his neighbours perhaps by reviving the North American perimeter discussions or promoting free trade in the Americas.

The threat of continuing random acts of American protectionism should push the Canadian government and the agricultural and food industry to harmonize regulations where we can and stop putting so many eggs in one basket. We also have to get more creative at the border. It's been suggested that the Americans didn't notice the irony of asking for our flu vaccine at the same time as they've been complaining about Canadian drugs going south. Maybe they wouldn't notice if we sent the flu vaccines, twenty vials at a time, around the neck of every old cow that crosses the border.

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