

Canadian farmers' British friend

by ROLF PENNER

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The Canadian farm belt owes more to Britain's Prime Minister than our own. Indeed, Tony Blair may become the best friend that farmers on this side of the Atlantic have had in generations

As President of the European Union for the next six months, Blair is pushing hard for serious reforms to the most sacred of cows, Europe's Common Agricultural Policy (CAP). "We need a budget which concentrates on the future. A budget for jobs, not special interests," Blair wrote in a recent op-ed for Hamburg's *Bild*, Germany's largest circulation newspaper. "We need to invest in innovation and skills, not pay out two Euros a day for every cow."

The massive scheme of wealth redistribution contained in CAP now chews up 40% of the entire budget of the European Union, and funnels it into the hands of a mere 5% of the population, with French farmers the largest recipients. With 20 million Europeans currently looking for work due to the continent's ongoing economic quagmire, the slogan "EU money for jobs, not cows" is gaining traction.

Canadian farmers have also suffered financial fallout from these mammoth EU subsidies. Conservative estimates by Agriculture Canada show that foreign trade barriers take at least \$1.3-billion out of the pockets of Canadian grain producers every year. The bulk of that lost money is due to EU subsidies such as CAP.

Factor in livestock, horticultural crops and fish, and put other forms of protectionism into the mix, and the bill is probably much more. We are talking about billions and billions of dollars lost annually from rural Canada.

On a more personal level, the elimination of such foreign interference in the marketplace could result in an increase in annual cash receipts for the average prairie grain farmer of tens of thousands of dollars.

One such farmer, Curtis Hiebert, from Sperling, Manitoba, who is vice president of the Western Canadian Wheat Growers Association, calls the CAP obscene.

"When it comes to productivity and the cost of producing a crop," he says, "I can easily compete with European farmers. But there is no way I can compete with the European treasury, not at the level they are subsidizing their farmers. And they're not just hurting us here on the prairies, they're hurting their own taxpayers, and worst of all they are hurting the poorest people on the planet with these programs."

Like the Irish rock star Bono, who said at Live 8 "We're not looking for charity, we're looking for justice," Hiebert believes "the elimination of European agricultural subsidies would do far more good for the poorest people in the world than any handout ever possibly could."

The United Nations Trade and Development Program claims that, with greater access to affluent markets, exports from developing countries would grow by approximately US\$700-billion a year. A white paper on globalization from Britain's Labour government shows that a 50% reduction of import duties would lead to a growth of prosperity in developing countries on the order of US\$150-billion a year, about three times as much as global development assistance.

According to Swedish calculations, Europeans would also benefit. The elimination of all agricultural barriers would mean annual gains of \$1,200 for the average household in Sweden.

Canadian Prime Minister Paul Martin should aggressively support Tony Blair's position on CAP reform at this week's G8 summit in Scotland. He should also announce that Canada will take a leadership role by pledging to reform its own supply management industries, which – while not as bad as Europe's protectionism – do include tariffs and quotas. Until now, Martin has instead pushed for reforms in other nations while refusing to do the same at home, a tactic that has earned him brownie points with special interest groups but has resulted in Canada's isolation in ongoing trade talks.

Until Canada's Prime Minister is willing to challenge agricultural trade barriers that benefit a few Canadians while hurting the majority, we will have to look to another prime minister to do what is right for Canada. That PM is Tony Blair.

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