

The Environment, Sustainable Agriculture and International Trade

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*Steven Shrybman, Counsel
The Canadian Environmental Law Association*

Introduction

Farmers and environmentalists have much more in common than is often recognized. While we might differ on a particular issue, we both share the same fundamental vision for the future, a vision of a planet that is as fertile and abundant as the one we inherited from our parents. A planet that is capable of feeding our children - and their children.

We would also agree that the decade ahead of us will, from an ecological perspective, be the most critical in human history. We both heed the warnings of the scientific community that we are confronting environmental crises so severe, as to put at risk our very survival as a species. We both recognize that of the ecological catastrophes that loom before us, one of the most pressing is the fundamental erosion of agricultural resources, on such a vast scale, that it jeopardizes the prospects of food security for much of the world's populations.

It has become quite clear to many of us that there is an urgent need to fundamentally overhaul the way we manage agricultural production. We must develop sustainable agricultural policies, put them effectively into practice, and we must do so quickly. If we are to accomplish this ambitious agenda, it is vital that farm organizations and environmental organizations, recognize their common objectives, and develop collective strategies to achieve them.

Our ability to achieve the goals of sustainable agriculture will be influenced by many factors, and of these, the rules of international trade may be the most important. Like many other Canadians I have, during the last three years, learned some hard lessons about international trade, and the agenda of de-regulated or "free" trade, in particular. For, as many of you may know, the United States and Canada recently implemented a bi-lateral trade agreement known in our countries as the Canada-US Free Trade Agreement (FTA).

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SHRYEMAN, STEVEN.
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The debate about free trade was very divisive for our country and many Canadians regard the agreement as a wholesale sell-out of Canada's sovereign authority to determine its own destiny. Because of this and other reasons the free trade deal was opposed in Canada, by a broad and unprecedented coalition of labour, farm, cultural, environmental, women's, poverty and other groups that have organized Coalitions Against Free Trade in every region of our country.

For Canadian environmentalists who joined these coalitions, and who also organized in unprecedented numbers to work against free trade, the deal represented a fundamental betrayal of our governments commitment to integrating environmental and economic policy - ie to considering the environmental consequences of trade policies before deciding to adopt them. Moreover, in our judgment the free trade deal enshrined principles that would fundamentally undermine our ability to achieve environmental protection and sustainable resource management objectives.

Most Canadian farmers and farm organizations, also condemned the trade deal and recognized that it would be a disaster for our agricultural and food industries. It was also clear that the deal would significantly increase economic pressures on farmers and agricultural industries to increase production whatever the longer term implications. By doing so, free trade would accelerate the loss of agricultural land and would threaten to permanently undermine Canada's relative self-sufficiency in agricultural production. Farm organizations, and in particular the Canadian National Farmers Union, became active members of the campaign against the deal.

While we are presently suffering from its ill effects, there is great deal that we learned, and that can be learned, from our collective fight to defeat it. Perhaps the most important lesson for us, was to discover the enormous common ground that workers, farmers, environmentalists and others share who wish to preserve the integrity of our community, and our ability as a community, to determine our own resource, cultural, social, environmental and other policies.

We also learned that by working together, a committed and co-ordinated campaign by grass roots, farm, labour and other organizations could successfully confront, in a battle for public opinion, the unlimited resources of a government in power - even when that government was actively aided by a coalition of the wealthiest and most powerful corporations (many of them multi-nationals) operating in Canada. While the Conservative government of Canada implemented the trade deal in January of 1989, it did so in spite of the fact that a majority of Canadians opposed it.

The Canada-US Trade Deal has often also been described by its supporters as a prototype for the type of "free trade" agenda that could be implemented by GATT. This is another reason why the Canada US Deal is relevant to the battle against a similar agenda in present GATT negotiations.

After this somewhat lengthy introduction then, I will begin by offering you an environmental perspective of the free trade agenda. It may be useful, after that, to consider some of the ways that free trade proposals would undermine our ability to achieve sustainable agricultural policy objectives.

THE ENVIRONMENTAL CASE AGAINST FREE TRADE

The Principles of Sustainable Development

Perhaps the best way to provide an overview of the environmental implications of the free trade agenda is to contrast the elements of the Canada-US deal with the principles of sustainable development that were enunciated by the World Commission on Environment and Development (WCED) in 1987.

Many of you will know the report of the WCED which is more commonly known as the Brundtland Commission Report after its chairperson, Madame Gro Brundtland (then Prime Minister of Norway). For those who may not be familiar with it, it is worth briefly noting that the Brundtland Report popularized the notion of sustainable development and offered an unprecedented endorsement, by the United Nations, of the principles of environmental protection and resource conservation.

It is also important to know that the Conservative government of Canada had, during 1988, officially adopted the policy of sustainable development and had firmly committed itself to the following two principles:

1. To recognize, as a government, the obligation to act as trustees of the resources we will pass onto future generations and exercise comprehensive and far-sighted leadership in supporting and promoting sustainable economic development, and;
2. In accepting this responsibility to change their approach to the environment and the economy and to integrate environmental input into decision-making at the highest level.

Many environmentalists were encouraged by these commitments, and so were surprised when the government dismissed, out of hand, our questions about the environmental implications of the FTA, particularly in light of the fact that the deal was being described by president Reagan as being an economic constitution for North America.

The Contradictions

Now it is probably fair to say, that unlike Canadian farm organizations, no one in the Canadian environmental movement knew anything about international trade, much less about its implications for the environmental issues that we are concerned with - but we learned - and what we learned persuaded us that if it were implemented, the FTA would slam the door shut in the face of many of the initiatives that we were working for.

We also learned that there was a profound contrast between the principles of sustainable development that had been expressed by the Brundtland Commission, and endorsed by our government, on the one hand, and the principles of the bi-lateral trade agreement our government had negotiated in secret, on the other. As I describe that contrast - between the word and the deed - between the principles of sustainable development and those of free trade - keep in mind that, to date, the FTA represents the clearest embodiment of the principles of free trade to find their way into an international trade agreement.

I paraphrase then from a report our organization prepared, titled "Selling Canada's Environment Short" which was endorsed by over 90 environmental groups from every region of Canada:

Where the Brundtland Commission calls for conservation strategies - the free trade deal has, as our government conceded it would, encouraged wholesale resource exploitation while reducing regulatory control over that activity. The legacy of such policies for our children is most certainly to be an environment impoverished of the energy, forestry, agricultural and water resources we have always taken for granted.

Where Brundtland advised that it would be necessary to reduce, by as much as 40%, North America's enormous energy appetite by the year 2000, our government actually stated that Canada's "biggest [energy] problem is not shortage but abundance" and touted as among the deal's benefits, a new round of energy mega- projects. A frenzy of oil and gas export applications has been one of the first and most obvious consequences of the deal since its implementation.

Where Brundtland advocated the over-arching need to integrate environmental and economic planning, our government flatly refused to do so during the trade negotiation process itself and remained steadfast in its resolve to deny the overwhelmingly apparent environmental consequences of its work, even after those consequences had become obvious.

Where Brundtland had invited governments to recognize an obligation to develop policy initiatives that will advance equitable environmental and conservationist strategies, the trade agreement offers the U.S. and market forces pre-emptive rights which will determine the allocation of Canadian resources, for as long as they last.

Where Brundtland called upon the developed nations to break with past patterns that have radically altered our planet in a way that threatens its ecological viability and the lives of many species, including man - the trade deal would actually entrench as North America's "economic constitution" the very approaches to development and the environment that are identified as being responsible for our present predicament.

There was clearly a great gulf between the government's public posture in support of the Brundtland Commission, and its private negotiations with the United States.

Our analysis of the deal went on at some length to consider, in some detail, the likely impacts of the agreement on forestry, energy, water, and agricultural resources. We also assessed the potential consequences of the deal for waste management and acid rain abatement objectives and as well assessed impacts on environmental standards and other programs. The news wasn't good and our experience under the deal has borne out many of our worst expectations.

For example, since the deal was implemented: there has been a flurry of energy export applications and pipeline proposals to serve export markets; the FTA has been used to challenge the little remaining regulatory authority that does exist in Canada to control the drain of non-renewable resources from our country; federal officials will not proceed with environmental and or public health measures that are tougher, or even different, than those in place in the U.S.; U.S. smelting industries have used the U.S. law implementing the FTA to challenge Canadian environmental programs as unfair subsidies, and; the first dispute to be decided under the deal has dealt a serious blow to our fish conservation programs not to mention our fishing industries.

Because of the impact of the trade deal we have continued with our work to identify the relationship between trade, and in particular free trade, and the environment. We now have a much better understanding of that relationship, and a better understanding as well of how free trade is, in the most basic way, inconsistent with efforts to achieve environmental goals and sustainable resource management objectives.

Free for whom, free from what?

As you know in the language of multilateral trade, the agenda of current GATT negotiations is to "liberalize" international trade by reducing import and export controls, and by eliminating "non-tariff trade barriers". Because this agenda is, at its core, an agenda for de-regulation, any trade agreement that implemented the objectives of free trade would institutionalize principles that will often be antithetical to, the objectives of environmental protection and resource conservation. For example:

Export Controls

Reducing or eliminating export controls will assure developed nations continued access to increasingly scarce natural resources. This will perpetuate the overwhelmingly disproportionate appropriation of global resources by developed countries that is a root cause of several pressing ecological problems. Conversely, by limiting the right of nations to restrict the export of vital resources and commodities, national governments lose important regulatory tools with which to accomplish resource conservation, and sustainable management policies.

Import Controls

Reducing or eliminating import restrictions will undermine pollution control regulation by making it easier for corporations to establish, or relocate operations to jurisdictions where the cost of doing business, including the cost of environmental regulation, is lowest. Not only will this discourage incipient efforts at environmental regulation in poorer nations determined to attract investment, but will as well create pressure for developed countries to reduce environmental standards to a lower, and more common, denominator.

Non-Tariff Barriers

Eliminating so called "non-tariff trade barriers" will render a host of environmental programs and standards vulnerable to attack as being inconsistent with trading obligations to facilitate the free flow of goods and commodities. Several environmental initiatives have already come under fire, and a recent successful challenge to Danish environmental laws concerning container regulation, illustrates how detrimental this type of attack can be for important environmental programs.

Controlling the Agenda

By substantially broadening the agenda of trade negotiations to include a variety of subjects and issues, such as the harmonization of environmental standards, matters of vital public interest are removed to the private and often secretive processes of trade negotiations and dispute resolution. In the process, the fundamental prerogative of accountable and democratic institutions to determine matters of environmental policy and regulation, is undermined.

Many environmentalists are committed to creating and strengthening bi-lateral and multi-lateral institutions, that can express a global perspective on environmental problems - institutions that do not now exist. Free traders invite our governments to relinquish sovereign authority to determine resource management and environmental protection policies - not to some international institution, but rather to the market place. that is precisely to those forces that largely responsible for our present predicament.

In the absence of international institutions that have the authority and responsibility to manage our resources and protect our environment - nationally, internationally, globally - it is utter folly for us to relinquish our own sovereign authority to do so. If our governments fail to protect our environment or to conserve our resources - no one will.

SUSTAINABLE AGRICULTURE AND TRADE

With this brief overview of the environmental implications of de-regulated trade, I would like to turn to the issue of sustainable agricultural development and consider how the rules of free trade might affect our ability to achieve this critical objective.

Productive agricultural land is probably this planet's most vital natural resource, but while many are aware of the successive economic crises to confront farming communities, few are aware of the enormous ecological problems associated with our current agricultural policies and practices.

The tools with which we have transformed the modern farming industry - heavy machinery, mono-cultures, hybrid crop strains and chemicals - have caused enormous and often irreversible damage to soil fertility, water quality, public health and viable farm economies. It is easy these days to find evidence of the growing dimensions of the damage we are causing to this vital resource. For example these estimates are offered by the Worldwatch Institute:

Each year the world's farmers lose an estimated 24 billion tons of topsoil from their cropland in excess of new soil formation. During the eighties, this translated into a loss of 240 billion tons, an amount more than half that on U.S. cropland. [State of the World 1990]

Each year, irreversible desertification claims an estimated 6 million hectares worldwide - a land area nearly twice the size of Belgium lost beyond practical hope of reclamation. An additional 20 million hectares annually become so impoverished that they are unprofitable to farm or graze. [State of the World 1989]

The productivity of our farmland has become, year by year, more dependent upon massive infusions of energy in the form of petro-chemical based fertilizers and pesticides. In fact current estimates are that we expend more than 3 calories of energy to produce every calorie of food we consume. When the energy associated with processing, transporting and marketing are included the equation becomes ten calories of energy expended for each one we consume. In many countries we are also losing productive agricultural lands at an enormous rate to urban development.

The evidence is now overwhelming. We are destroying the sustaining potential of vital agricultural resources, and while the damage is most apparent in the developing world, the destruction and loss of farmland is truly a crisis of global proportions. Yet the devastation of agricultural resources, and the obvious implications for food security, remain relatively low priorities for governments and the roots of the problem are not commonly or well understood.

If an ecological recovery of agricultural lands is to be brought about, two basic objectives must be accomplished. First, the economic viability of farm communities must be revitalized. There is no better paradigm for the notion of one generation holding resources in trust for the next, than the family farm. Secondly, agricultural policies and practices have to be re-oriented in favour of sustainable management approaches that must include much greater commitments to recycling organic wastes, using renewable sources of energy, applying ecologically derived cropping patterns and integrative pest control programs.

Yet the Canada-U.S. FTA, and much of the thrust of present GATT negotiations, undermines both objectives. In fact, there are many ways in which the agenda for liberalizing agricultural trade will work against these goals. Again, the Canada-US FTA, is a good example of the problems that de-regulated trade creates for farmers and food industries.

Canada-US Free Trade

Virtually everyone knew that the Canada-US FTA would not be good for Canadian farmers. Even the most avid boosters of free trade conceded that agriculture and food industries would be "major losers" under the deal and, as noted, major Canadian farm organizations vigorously opposed it.

Losses to the agricultural and food sectors in Ontario, one of ten Canadian provinces, are estimated to be in the order of \$95 million per year by the Ontario Ministry of Agriculture and Food. As summed up by the National Farmers Union:

"...integration of the Canadian agricultural industry with that of the United States will drown our producers in the backwash of U.S. production."

Canadian farmers are simply at a considerable competitive disadvantage with their US counterparts because of shorter growing seasons, smaller markets and greater transportation and energy costs. Under the deal the effectiveness of Canada's marketing boards is undermined, transportation subsidies are threatened, and tariffs necessary for the existence of certain sectors of our agricultural industry are being abandoned.

If left entirely to the mercy of market forces, economic farm crises will continue to worsen in Canada and our horticultural and grape growing industries will disappear. The adverse effects of the deal upon these sectors of Canada's agricultural industries can already be observed and is sure to worsen as tariffs are phased out over the next ten years. A collapse of Canada's horticultural industry is a disaster for several reasons, not the least of which is the even more rapid conversion of our most precious agricultural lands to urban development.

Of particular concern to environmentalists, are provisions of the trade deal that weaken Canadian regulatory controls intended to protect the environment and public health. For example, in the area of pesticide regulation the trade deal committed Canada to a regulatory approach that will make it easier for certain pesticides to be licensed in our country. The differences between the U.S. and Canadian regulatory approaches are quite real. In the U.S. there are 20% more active pesticide ingredients registered for use and over 7 times as many pesticide products. Another example is a provision of the deal that actually lowers Canadian health standards with respect to certain swine and cattle diseases that had restricted the import of U.S. cattle and hogs.

Notwithstanding its obvious and adverse implications for several sectors of Canada's agricultural and food processing industries, not all Canadian farm organizations opposed it. In fact certain hog and beef producers supported the government's campaign having been lured by the false promise of greater access to the US market

under the Deal. Yet if anything, US attacks, particularly on Canadian commodities subject of supply management systems, have actually picked up since the deal was implemented. This unfortunate irony of the debate about free trade among Canadian farmers underscores the need for farmers to work together to develop collective strategies and to be skeptical about all claims promoting the benefits of free trade.

By significantly increasing economic pressures on Canadian farmers to compete in a continental market, and with a trading partner of vastly superior political and economic clout, the trade deal has encouraged production no matter how destructive that production is of our farmland. In the bargain, both countries have consolidated their commitment to a system of agricultural production that is laying waste to North America's agricultural resources.

Free Trade in GATT

However destructive the FTA has, and will continue to be for Canada's farm economy, things could have been, and may yet get, much worse. I am referring here to the fact that while the FTA did not include a direct attack on our countries supply management systems, that assault is underway in current GATT negotiations. Again the champion of the cause is the United States, and again the campaign is being waged under the banner of free trade.

As you know, supply management systems are central if surplus producing countries are to balance their internal supply with demand - an absolute necessity if export dumping is to be prevented. Conversely food deficit nations will not be able to achieve food security objectives unless they can regulate food imports in aid of fostering long-term agricultural development.

The "Mansholt Letter"

A recent declaration by citizen and church organizations that met earlier this year in Geneva underscored the importance of strengthening Article XI of the GATT to ensure that nations are able to pursue and achieve environmental and resource conservation objectives. Many of you may be familiar with the Declaration (the Mansholt Letter) which offers excellent suggestions for ensuring that GATT serve, rather than defeat the objectives of food security, environmental protection and the conservation of agricultural resources.

Another important recommendation of the Geneva Declaration calls for the amendment of Article VI of the GATT to include the concept of "ecological dumping" which would enable an importing country to levy anti-dumping duties where it can demonstrate that the exporting country has achieved a competitive advantage by adopting production

methods that are detrimental to the environment. This particular proposal speaks directly to the desire of your organizations, and many others, to protect agricultural practices that may be more expensive because they implement sustainable farming techniques.

Global Food Trade and Energy

The attack on supply management is but one element of the larger agenda of de-regulating trade that is being promoted by certain food exporting nations and transnational corporations involved in agricultural commodity trade. The free trade agenda promotes a vision of a world in which the food production is highly specialized and food trade carried on globally. The implications of this scenario for the food security of nations and other non commercial objectives are apparent to your organizations, but are not commonly recognized or understood by those not directly involved with these rather complex issues of agricultural production and trade.

It is also clear that ambitions to further globalize food trade will simply make it impossible to reverse the policies and practices that are laying waste, at an ever increasing rate, to this planet's agricultural resources.

The relationship between environmental objectives, sustainable agriculture and trade are complex and I have only skimmed the surface of this subject. Before concluding then, it may be useful to mention one other aspect of this complex inter-relationship, and this concerns the energy implications of global food trade. I have chosen this particular issue because of the growing recognition of the urgent need to respond to the threat of global warming by, among other things, reducing the energy intensity of agricultural production. It is also significant that global warming will have devastating effects on food production.

The globalization of food trade necessarily requires that agricultural commodities be transported long distances and be processed and packaged to survive the journey. In addition to sacrificing quality for durability, this system of agricultural trade requires enormous inputs of energy. In fact three times as much energy is used in processing, packaging and transporting food as is used to produce it. In the United States agriculture has historically used more petroleum than any other industry.

There is now widespread agreement among the international scientific community that very substantial reductions in energy use are necessary to avert the most pressing ecological crisis to ever confront our civilization. It is clear that any system of agricultural production and trade that relies upon massive energy inputs can not be continued. This is quite apart from the absolute folly of tying the long term productivity of what should be renewable resource, farmland, to a non-renewable resource, fossil fuels.

It is clear then that by encouraging global trade in agricultural commodities, between regions of the world that are engaged in specialized production, free trade will actually increase the energy demands of agricultural production.

Conclusion

I offer this example, by way of concluding my remarks, to make the point that the credibility of free trade proposals depends upon ignoring the environmental consequences of this policy. As long as free trade proponents can promote their objectives without, in any way, having to account for their environmental impacts, their chances of success are much greater. It is absolutely necessary therefore, for us to join together to insist that our countries assess the environmental implications of trade proposals before making commitments to them. After all, most of our governments have paid at least lip service to the notion of integrated environmental and economic decision-making.

To be successful, we must also work together to raise the awareness of farmers, environmentalists and the community at large about the overwhelming importance of developing agricultural policies and practices that will leave our children a planet that is capable of supporting them.

Our struggle against free trade in Canada taught us the valuable lesson that we, as environmentalists, farmers and workers have a great deal in common in seeking to preserve the integrity of our communities, and our ability as communities, to achieve sustainable environmental, economic and resource policies. Being here today gives me great confidence that we can build on that experience, and join with others internationally, to achieve these common goals.