

Trade war over beef between Britain and France

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Economic tensions between Britain and France have grown throughout this month to the point of provoking an all-out trade war.

The dispute began following the October 1 announcement by the French government that it would reject the European Commission's decision to lift a ban on British beef, issued six days earlier. France based its decision on a report by its Food Safety Agency (FFSA), which states that British beef is not safe for human consumption as it is still not free from BSE or "Mad Cow Disease". The EU imposed the ban on British beef in 1996, after a link was established between eating BSE-infected meat and a new variant of the deadly human brain-wasting disorder Creutzfeldt-Jakob Disease that has killed over 40 people.

The French decision provoked an immediate and angry response from British farmers and the tabloid press. The next day the Blair Labour government asked the European Commission to take action against France. EC president Romano Prodi promised legal action, but only if scientific advisers found no evidence to support France's position.

France agreed to allow British beef to be transported across its borders, but not to be sold in its markets. British farmers began to organise an anti-French campaign and the press followed suit with lurid denunciations of the French people dating back as far as the battle of Agincourt in 1415 and including obligatory nationalist references to France's defeat at the hands of the Nazis in World War II.

The situation worsened on October 8, when Germany delayed a decision to import British beef until a scientific examination of the FFSA's report.

British Agriculture Minister Nick Brown vowed to personally boycott all French goods. Other Labour MPs called for a boycott of all French and German produce, while the Conservative opposition and the tabloid papers demanded this and more from the government. For the next two weeks, protests and counter-protests were organised by British and French farmers, blocking lorries at channel ports.

On October 13 the European Commission found that the FFSA report was based on a misinterpretation of scientific findings, primarily regarding the age of cattle infected with BSE, but submitted it for further examination. At the October

15 EU summit in Finland, Blair pointedly refused to shake hands with French Prime Minister Lionel Jospin and threatened legal action over the ban. Many British supermarket chains began partial bans on French produce and schools in some Conservative-controlled authorities followed suit.

On October 23, an EU report was released confirming that human and animal sewage has been used by France's rendering industry to make animal feed. The investigation began in August, after a German television report uncovered the fact that feed had been contaminated with dangerous pesticides, heavy metals and human waste. From then on the war of words between the two countries was peppered with charges of "hypocrisy" levelled against the French and warnings that eating its produce could lead to food poisoning.

Nick Brown swiftly promised that food labelling was to be tightened up to allow consumers to make "informed choices". The National Farmers Union announced that a "Great British Food Brand" scheme would be launched at a conference to be addressed next month by Brown. In the midst of all this, the advice of a scientific advisory committee to the Blair government that there is no case for banning French meat was met with derision.

French Agriculture Minister Jean Glavany announced he was cancelling a planned visit to Brown. The head of France's biggest farmers' union, Luc Guyau of the FDSEA, warned of a blockade of Britain: "England is an island. An island is easier to blockade than a continent," he said.

Blair was forced to call Jospin to try and resolve the issue, while he publicly said, "a tit-for-tat illegal trade war with other European countries is not in our interests". Jean Glavany said later that conditions for a "quiet dialogue" were not in place.

EU scientists gave their findings on the 600-page French dossier yesterday, ruling unanimously that there was no reason to revise the earlier decision on British beef. Earlier reports said the investigating committee was split. This will now be passed on to the European parliament, but should France maintain its position, any legal action against it could take months.

France claims that the decline in BSE cases in Britain has been less rapid than the Blair government says. It points out that BSE cases in the UK are at 650 per million cattle, compared with fewer than two per million in France, and that

this refutes claims of a problem-free national herd. Britain denies this and states that the majority of cases now appear in cows over 30 months old and therefore in animals that will not enter the food chain, let alone be exported.

The situation regarding the safety of beef does not appear to favour Britain or France. There is substantial evidence to suggest that neither country is safe regarding BSE. Britain's BSE eradication programme is based on the assumption that cattle under two years of age are safe to eat, even though symptoms do not show for some time after that. For its part, the head of the French veterinary service in one region charged with eradicating BSE from its animals has admitted that inspectors had checked just 28 out of 700,000 cows for the disease this decade. Of these five tests had proved positive. Aside from this minimal check, French farmers are left to report cases in their own herds. But if they do so they stand to lose all their cattle, which acts as a powerful disincentive. France is the only country outside of Britain where someone has died of the new variant CJD.

Neither country will be pleased by reports that Swiss scientists have developed a diagnostic technique that identifies BSE prior to the emergence of obvious symptoms. In both countries, maintaining the profitability of the industry has superseded questions of public health in tackling the BSE crisis. Similar commercial considerations also underlie the growing tensions between the two countries.

On one level the dispute is damaging to both Britain and France. Britain bought 25 billion francs (\$4.1 billion) worth of food and agricultural goods from France in 1998, more than a tenth of the total 230 billion francs (\$37.7 billion) exported. In comparison, Britain sold 13 billion francs (\$2.1 billion) worth of farm goods to France last year.

This month, however, Britain announced a halving of profits in the beef industry, largely as a result of the BSE crisis. Cattle farmers are desperate to put the issue behind them. In comparison French producers have increased their share of the domestic beef market from 75 percent to 90 percent, largely as a result of the absence of British competition.

But far more is involved than the fate of the two countries' beef industries. The "beef war" has become the focus for a major anti-European campaign in Britain, uniting agricultural concerns with the Conservative Party and sections of the media such as the *Daily Mail* and *Daily Telegraph*.

The issue erupted days after Blair announced the launch of a major cross-party campaign to promote closer ties between Britain and Europe, which brought on board leading pro-European Conservatives like Kenneth Clarke and Michael Heseltine.

Ever since the beef dispute began, it has been used as a stick to beat Blair with by those elements within the ruling class opposed to closer economic and political integration with Europe. For his part, Blair has bent over backwards to ingratiate himself with his right-wing critics. The pro-European

campaign he heads was initially conceived as a way of promoting Britain joining the European currency, the euro. This was quietly dropped, in face of demands to preserve the pound as a symbol of national pride and independence. In September Blair was lobbied by the NFU to demand greater subsidies due to falling profits, despite an earlier pledge of half a million in additional aid from a government that has refused any other appeals for increased public spending.

Caught on a back-foot, by the time he appeared at the October 15 EU summit, Blair's own political agenda was in thrall to that of his opponents. Talks at the summit were based on comprehensive plans to integrate European policing and immigration policy. Instead of being able to build on efforts to establish friendly relations with France and Germany, the two main social democratic governments on the continent, he was sidelined into pathetic gesture politics.

Jospin has his own domestic problems that militate against a climb-down on the beef question, not least the massive unpopularity of any decision to do so amongst French voters. There is, moreover, an equally vociferous protectionist lobby in France, made up of small farmers, the Front National, the Communist Party, union leaders and green activists. This lobby has until now taken a strongly anti-American stance, focusing on American sanctions against French food imports, imposed in retaliation for Europe's ban on US hormone-fed beef. But there are forces within it hostile to the EU and to Britain in particular, given its perceived role as an American proxy in political affairs.

Jospin has been competing with his Gaullist rivals to win over these forces in the run-up to the World Trade Organisation negotiations on November 30. He has promised to be "extremely firm in the defence of our national interests and those of the European community" and "make sure that the WTO embraces the new problems of food safety and the environment". A retreat on BSE at this point would severely undermine his credibility.

Both governments give the appearance of being caught up by events and forces beyond their control. The Foreign Offices of both countries, for example, have expressed grave concern that the row over beef could undermine plans to develop a common European defence capability. France and Britain, as Europe's two major nuclear and military powers, have played a key role in efforts to develop a combined European military policy. An Anglo-French summit on the issue is due for November 25 in London. But a French diplomat told the *Financial Times*, "if this problem is not settled, it will be really very difficult for both parties to have the summit."



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