



Disaster in the Making

The Quiet Erosion of Canada's Regulation System

By Trish Hennessy

May 2000: Canadians watch in horror as 2,500 Walkerton, Ontario residents fall ill and seven die from the basic act of drinking their own town's tap water. It was contaminated with dangerously high levels of E-coli bacteria that had gone undetected by officials.

September 2006: Chunks of concrete are seen falling from an overpass in Laval, Quebec moments before the entire

structure collapses like a house of cards, trapping three vehicles and one motorcycle beneath the rubble. Three people die.

August 2008: Tainted meat is pulled off grocery store shelves across Canada as a Listeriosis outbreak from Maple Leaf Foods leaves 22 dead, many others sick, and countless Canadians wondering whether it's safe to serve their family meat bought at their local supermarket.



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These may seem like random, senseless tragedies that dominate the daily news cycle one day and disappear from our consciousness the next, but with tougher regulations and enforcement, these tragedies could have been prevented.

In Canada, regulations adopted by every level of government have historically helped to make this one of the safest, most desirable places to raise a family. But many Canadians take for granted

What we don't know can hurt us. Over the past generation there has been a slow, steady, and quiet erosion of regulations by governments intent on 'reducing red tape', making Canada 'more competitive' and making governments more 'cost efficient'.

Much of this government activity has gone unnoticed, partly because the changes are promoted as 'smart regulation' when they are actually a reflection of influence peddling. Governments at every level in Canada are under constant pressure by corporations, small businesses, developers and professional lobby groups to cut regulations that are there to keep us safe from harm.

The trend towards deregulation — the weakening or elimination of government regulations — began in earnest after Canada entered into its first free trade agreement with the United States in 1988. Subsequent trade agreements, combined with pressure from powerful corporate lobbyists intent on reducing the size of government and giving markets a freer hand, have led to a serious watering down of Canadian regulations.

The Harper government is particularly

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that our governments are doing all they can to keep us safe.

Butcher shops, restaurants, water filtration plants, freeways, elevators, rides at the fair, food labels, prescription and natural drug approvals, air travel, toys, baby gear — we trust they're regulated and constantly monitored for problems. We assume our government is behind the scenes, protecting us at work and at play.

intent on weakening Canada's regulatory system. New guidelines now require federal departments to ratchet down regulations so they're in line with international trade agreements — a dangerous trend. For instance, instead of taking environmental leadership to clean up the Alberta oil sands, the Canadian government is going in the opposite direction, claiming it wants to 'harmonize' regulations with countries like the U.S.¹

There are many times when following the international pack is, quite simply, a bad idea. Take financial regulation, for instance. Canada's economy was sheltered from the worst of the 2008 global economic meltdown because our bank regulations are tougher than they are in competing jurisdictions like the U.S. Following our own high standards paid off, and protected Canadians from the economic devastation that brought entire nations such as Iceland and the U.S. to the brink of ruin.

Yet our federal government continues to quietly deregulate Canada. Our own Prime Minister, Stephen Harper, is warning against strong regulatory practices. In a speech to the G20 in January 2010², Harper warned other nations against 'excessive' financial regulations — a counterintuitive message, given strong regulations saved Canadians from the economic devastation our American counterparts are experiencing today.

Over the years, Canadian governments have quietly removed regulations from the books and cut funding for workplace inspections. Without enough inspectors, enforcement is so lax that some regulations are barely worth the paper they're written on.

From the Walkerton crisis we learned the provincial government was not enforcing the water quality regulations that were on the books. What was supposed to be a 'cost saving' came at too great a cost for far too many Walkerton residents.



In the case of Maple Leaf Foods, the company assumed full responsibility for the problem but the union representing federal food inspectors warned they did not have enough government inspectors to properly monitor the meat plant. A leaked document revealed the Harper

Canada was sheltered from the global economic meltdown because our bank regulations are tougher.

government planned to let the food industry take on a greater role in food inspection. It's part of a trend called self-regulation, which is a lot like leaving the fox in charge of the henhouse.



In a world where citizens are constantly told they need to keep their economies competitive, their corporations profitable, and their bureaucracy lean, wouldn't it be a relief to know the health and safety of the majority became the number one priority? Shouldn't that be essential?

That responsibility lies with our government, but it is not rising to the occa-

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sion. The Treasury Board of Canada Secretariat is responsible for federal oversight of regulations. It lists as one of its objectives the protection of Canadians and their environment. Sounds good, but when it comes to proposing new and stronger regulations, the federal government now puts greater emphasis on corporate interests that could compromise public health and safety. In fact, four out of six new criteria for toughening regulations now require federal departments to consider the in-

terests of businesses, including consulting them through all stages of the regulatory process.

Since the bottom line for businesses is profit, we can expect firm resistance to any new regulations, especially on the basis of cost. By giving them a formal say in the regulation-making process — or by letting them enforce themselves, a trend that has become more prevalent in Canada — our government is allowing corporations even greater influence over regulations while public safety takes a back seat.

The steady decline into a deregulated world is often justified on the basis of cost. In fact, the federal government now requires departments to do a cost-benefit analysis of proposed new regulations. But how do we quantify the benefits of clean air and water, longer lifespan, and better health? It's far easier to argue burdensome cost than it is to demonstrate the savings and health benefits spread over time to all Canadians.

Similarly, corporate complaints about

'red tape' are holding sway with the federal government, which now aims to limit the 'administrative burden' on Canadians and business. The Canadian Federation of Independent Businesses contends: "If there were less red tape, prices would be lower, incomes would be higher and there would be more jobs."³ But if the choice is between paperwork and protecting the public from harm, the choice should be clear. A little paperwork never killed anybody, but shoddy or non-existent paperwork can be deadly.

For instance, the *Canadian Medical Association Journal* published an article⁴ that warns Canada's food inspection system fails to adequately compile a workable database of reported food and water borne illnesses. That makes it difficult for government officials to identify trends that could prevent outbreaks, putting lives at risk and costing Canada more in the long run.

Michael McBane, national coordinator of the Canadian Health Coalition, warns "Canada's food-safety system has eroded in the past few years as services were deregulated and safety officials moved toward reacting rather than proactively identifying issues. I think we've gone down a really dangerous route. We've replaced a culture of safety with a culture of risk. We've replaced proactive regulation with industrial self-regulation. We've replaced active inspections with paper inspections."⁵

There will always be pressure on our governments to put untried drugs on the market before they pass trials, to stock the shelves with toys that fall below toxicity standards, to allow companies to dishonestly label food 'organic' or 'fat free'. Canada can choose to engage in a competitive race to the bottom, but the quality of the products sitting on supermarket shelves will suffer as a result.

The more Canadians allow their governments to weaken the protective role of regulation and regulators, the more



we expose ourselves to many potential threats lurking in the dark corners of the global marketplace. We can wait until it's too late — until the threats turn into national disasters. Or we can be proactive

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and prevent those threats, for today's generation of Canadians, and for generations to come.

Canadians expect far higher standards from their governments. An Environics poll shows 9 out of 10 Canadians say their government should do more to protect our environment, health and safe-

ty. In fact, 84% of Canadians believe corporations will usually put profit before safety while 83% of Canadians say the people who inspect and regulate industries should work for government agencies, not for the industries themselves.

Corporations will always try to convince governments to put the needs of profit-makers first. But when it comes to regulations, Canadians rely on their governments to put public health and safety first. It's up to us to keep them accountable, because the quiet erosion of Canada's regulation system is shaping up to be a disaster in the making.

Acknowledgements

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that highlighted the importance of government regulation to Canadians.

Learn more about regulation in Canada:

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1 <http://www.theglobeandmail.com/news/politics/tories-hedge-on-emissiontargets/article1446786/>

2 http://online.wsj.com/article/BT-CO-20100128-717033.html?mod=WSJ_latestheadlines

3 <http://www.nationalpost.com/news/features/story.html?id=2427620>

4 Holley, Richard. January 2010. *Smarter inspection will improve food safety in Canada*. Canadian Medical Association Journal.

5 <http://www.theglobeandmail.com/life/health/canadians-food-supply-unsafe-cmajreport-says/article1443689/>



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