

inspection of imported game birds falls outside USDA jurisdiction and is carried out by the FDA. Whereas the USDA considers salmonella to be an unavoidable contaminant in poultry carcasses and concludes that proper cooking normally eliminates any health hazard, it is the policy of FDA to consider imported food containing salmonella to be adulterated and to prohibit such products from entering the United States. There is no evidence that the same policy is applied to game birds produced within the United States.

### **Futures Contracts**

The Commodity Futures Trading Commission (CFTC) approved, on November 26, 1991, a Chicago Board of Trade (CBOT) proposal for a "buyers call option", which allows the buyer of futures contracts for wheat, corn, soybeans, soybean oil and soybean meal the option to request delivery of products of "U.S. origin only." The CFTC also approved a Kansas City Board of Trade regulatory change, similar to that of the CBOT, for Hard Red Winter Wheat.

The buyers call option discriminates against Canadian commodities delivered against U.S. futures contracts. In particular, warehouses are reluctant to handle Canadian soybeans because of the increased costs and inconvenience associated with these small volumes exported to the United States. This option limits market access to the United States, and lowers affected Canadian commodity prices.

### **Gas Exports to California**

The California Public Utilities Commission (CPUC) continues to pursue regulatory policies that are detrimental to the interests of many Canadian natural gas producers. By introducing incremental tolling on the new Pacific Gas & Electric expansion line and a crossover ban between new and existing customers, the CPUC has reduced the attractiveness of the expansion. The CPUC has also allowed discounting on transportation from the U.S. Southwest, but has denied the same rights to Canadian gas.

### **Alcoholic Beverages**

Federal and state legislative measures have established several barriers to imports of Canadian beer, wine and cider into the U.S. market. Such measures include state-mandated distribution systems that impose added costs on importers of Canadian products. Other measures relate to beer with an alcohol content of less than 3.2 per cent (typically produced by U.S. brewers but not by Canadian).