

This system presents a complex series of requirements. Some of the EU directives, such as the one dealing with electromagnetic conformity, cover several sectors. Others, such as the personal protective equipment directive, deal with only one product sector. A third category, which would include telecommunications terminal equipment, would have to meet both sector-specific and horizontal technical requirements.

Although the ability to affix the "CE" mark would facilitate the entry of Canadian products into the EU market, Canadian exporters face difficulties and expense in understanding and complying with this complex, interlinked system of technical requirements and standards. Failure to comply could mean that products are prohibited from entering the EU, or that suppliers are excluded from tenders or consideration by large-scale commercial buyers.

Both Canada and the EU recognize the benefits of reducing the cost and burden for exporters of compliance with product approval requirements without compromising health or lowering standards. To simplify the process, Canada and the EU are negotiating an Agreement on Mutual Recognition of Conformity Assessment that would allow exporters to test a range of specified products in their home markets to the requirements of the other party. These negotiations are almost completed.

#### Imports of Fur

In 1991, the European Union approved Regulation 3254/91 prohibiting the use of the jaw-type leghold trap in the member states from January 1, 1995, and requiring, for each of the 13 species listed in the legislation, non-EU countries either to ban leghold traps or use trapping methods that meet international humane trapping standards. In June 1994, the European Commission suspended the import restrictions until January 1, 1996. Following the establishment of the Canada/United States/Russia/EU working group on humane trapping standards in November 1995, the European Commission decided to suspend the Regulation's implementation and to propose amendments to it. An import prohibition could have a devastating impact on the approximately 80 000 trappers for whom trapping is an important and indispensable source of income. Especially affected would be those trappers in rural and Aboriginal communities whose economy is based on seasonal activities.

Canada's view has always been that the EU ban on leghold traps is an arbitrary and incomplete response

to legitimate animal welfare concerns. The import restriction provisions of the ban are also inconsistent with the EU's trade obligations under the WTO. Canada maintains that the real solution is to establish an international agreement on humane standards for traps used in all trapping situations.

In late 1996, the EU, Russia and Canada initialled an agreement based on scientifically developed standards. If approved by all parties, it would be the first ever international agreement with direct impact on animal welfare. In making major compromises in these negotiations, Canada agreed that the conventional steel-jawed leghold restraining trap would be banned in a maximum of four years even if no alternatives were available. For both European and North American species, the agreement will phase out many types of killing and restraining traps, whereas EU Regulation 3254/91 is aimed at only one family of restraining trap. The agreement furthermore provides a major opportunity for the EU, Canada and Russia to legislate new and higher trapping standards and allows the EU to realize the original (animal welfare) objectives of Regulation 3254/91. In the absence of this Agreement, there does not appear to be any similar Commission or European Parliament proposal to raise EU trapping standards.

#### Asbestos

Following the decision of the French government to ban asbestos except where substitutes are not available, Health Canada commissioned a review by the Royal Society of Canada of the French INSERM report, on which that government's decision was based. The review questioned the data used in the report to assess exposure to asbestos among the French population. Canada has asked the French government to justify its ban under the WTO *Agreement on Technical Barriers to Trade*.

#### Sanitary and Phytosanitary Import Regulations

##### Pinewood Nematode

Since July 1993, the EU has required that softwood lumber, except cedar, imported from Canada be either kiln-dried or heat-treated to ensure elimination of the pinewood nematode (PWN) insect pest. This has effectively eliminated Canadian exports of untreated softwood lumber to the EU. Given the negligible risk of transmission of PWN to the forests of Europe, Canada views this as an excessive measure. Canada has proposed an enhanced visual inspection program