

Even though they adhere closely to the provisions of the GATT, international differences in standards serve to impede if not restrict international trade. Such differences in standards frequently raise the cost of production and distribution by adding costs associated with meeting particular requirements and shortening production runs. Accordingly, they can be construed as a nontariff barrier to trade which serves as an offsetting cost of protecting consumers. That it is generally desirable to eliminate arbitrary differences in standards, either directly or by reconciliation of standards acceptance procedures, was acknowledged during the Tokyo Round through the adoption of an agreement related to standards by a number of signatory countries.

Although Canada and the United States are both signatories to this agreement, in the context of trade liberalization between Canada and the United States the issue of differences in standards takes on special significance. Fortunately, in many cases standards in the two nations can be expected to be identical or very similar, so that the difficulties associated with achieving harmonization are not as great as they would be if the cultures of the two countries differed greatly. However, it is also expected that differences due to substantial cultural disparities do exist, such as those associated with Canada's bilingualism policy, would be respected and, thereby, excepted. Climate and other differences in geographic conditions may also provide a sustainable justification for differences in standards.

EXEMPT  
Sec. 15(1)