

for the rewriting of the standard through either the Standards Council of Canada's National Standardization Branch or the National Standards System's member SWOs.

- 6.4 Development of any standards that are effectively binding (either by legislative reference or government threat of such) should be subjected to the key features of the regulatory process. Accordingly, all government-promulgated standards should be disclosed to Parliament through the government's annual regulatory plan, and the following policies of the National Standards System should be made mandatory: review of costs versus benefits and independent review of these assessments, and review of standards on a continuing basis to assess their current need and conformity with other jurisdictions.

E. BILATERAL AND INTERNATIONAL HARMONIZATION

45. The Canadian Standards Association indicated that more than 80% of Canadian exports to our five largest trading partners are subject to a standards evaluation of some kind. (Brief, p. 1) Recognizing that misapplied standards can act as barriers to trade, Mr. Ridout of the CSA stressed that Canada, a country heavily dependent on trade, ought to participate actively in international standards activities, "working to ensure that international standards meet Canadian expectations, and harmonizing technical requirements where possible". (Brief, p. 2) Linkages between standardization and international trade impact on Canada's competitiveness and prosperity, were also stressed by the SCC (Standards Council of Canada) in its 1991/1992 annual report:

The drive to liberalize international trade, and ultimately to create a global market, relies heavily on the harmonization and mutual recognition of standards and procedures for conformity assessment, a broad term encompassing such processes as testing, certification, inspection and quality systems registration. Standardization and conformity assessment are important factors in the *Canada/U.S. Free Trade Agreement* (FTA) and in negotiations for a *North American Free Trade Agreement* (NAFTA). They also figure prominently in developments surrounding the creation of Europe's Single Market (Europe 1992), in the *General Agreement on Tariffs and Trade* (GATT), and in Canada's pursuit of greater trade with Japan and the Asian market. (p. 5)

46. Representatives from industry also emphasized the need for bi-lateral and international harmonization. For example, the Retail Council of Canada indicated that its members support the FTA and NAFTA mutual recognition and harmonization of standards objectives: Canadian importers now frequently find that the costs of testing and possible adjustment of product for Canadian standards add disproportionately to the cost of merchandise sold in Canada, given the smaller size of our economy (17:9-10 and Brief pp. 10-11). The National Dairy Council of Canada supported international harmonization, stating that regulation or guidelines for food quality standards should be based on the international *Codex Alimentarius* guidelines (12:5 and Brief, p. 1). The Council also stated, however, that

"Canada is noted for agreeing to the Codex standards and then making variations to them, so ours are always slightly different from everybody else's." (12:9)

47. The CSA felt that Canada's progress towards adopting international standards could and should be improved, however "Canada needs to step up its activity in most industry sectors" (Brief, p. 1). It noted:

... Canadian industry participation in international standardization has not been well coordinated nor readily supported by most industry sectors. ... Canada and the U.S. are not well represented at these [international] meetings and as a result most of the