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Consumer and  
Corporate Affairs Canada

Affaires commerciales Canada

# Final Report on Regulatory Review Consultations

February 1993

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## Introduction

Consumer and Corporate Affairs Canada made available to its stakeholders during the summer and early fall of 1992 a series of "fact sheets" describing the regulations studied during its regulatory review exercise.

These fact sheets identified the need, problem or risk the regulation was designed to address; whether or not the regulation was achieving its intended purpose; alternatives to the regulation that might be considered; the impact of the regulation on domestic and international competitiveness; any issues related to compliance and enforcement policies, and potential implications of revoking the regulation.

The stakeholders included trade and business associations as well as public interest groups and consumer organizations. Of the 250-plus groups contacted more than half requested fact sheets and over 50 returned written comments to the department.

In addition, the Deputy -Minister of Consumer and Corporate Affairs Canada wrote to departmental employees and her provincial

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counterparts asking for their comments on the regulations under review.

This report provides a compilation of stakeholder, employee and provincial government comments which were received by January 14, 1993. We regret that comments received after that date could not be included, but they will be noted by the appropriate CCAC officials.

Comments are presented here as submitted and without departmental response and, therefore, do not necessarily represent the views of the department. Confidentiality of respondents has been respected to the extent possible.

# CANADA BUSINESS CORPORATIONS ACT

## **Overview of regulations as a whole**

### **Purpose**

To define the code of conduct with which federal corporations must comply and to ensure consistency in corporate legislation throughout Canada.

### **Implications of Removing these Regulations**

It would be difficult to enforce the CBCA and to provide the general public with adequate information. It would open the door to administrative discretion and would leave the general public uncertain as to criteria, requirements and procedures. It would also destroy the continuity between the CBCA and internal policies.

## **Respondents' Comments**

Two respondents indicated that harmonization of CBCA and provincial corporate regulations would be desirable.

Two other respondents feel that certain regulations duplicate existing provincial securities law requirements. They believe more harmonization could at least eliminate a possible overlap between provincial securities and federal corporate authorities. (It should be noted that many of the comments on harmonization of the CBCA and provincial requirements emanated from officials of provincial agencies.)

## **General provisions and forms (Sections 1 to 10 and forms 1 to 27)**

### **Purpose**

To standardize the presentation of documents and to simplify the work of those who have to complete or examine them, thereby ensuring more effective customer service.

### **Implications of Removing these Regulations**

Slower service and less clear public information.

### **Respondents' Comments**

One respondent believes it is preferable to ensure wherever possible that multi-jurisdictional filing requirements are satisfied by a single form and filed in one central registry, and that filing fees should be consistent for all jurisdictions.

A second respondent agrees that it is necessary to prescribe standard forms to ensure that a high quality corporate public record is maintained.

## **Residency (Section 11)**

### **Purpose**

To prescribe the categories of persons included in the definition "resident Canadian", since the CBCA requires a majority of the members of a board of directors to be resident Canadians.

### **Implications of Removing this Regulation**

Greater difficulty in identifying "resident Canadians".

### **Respondents' Comments**

One respondent believes that it would simplify the process if Canadian citizenship or landed immigrant status were the only requirements for defining Canadian residents.

Two other respondents question the need for the residency requirement in the Act and feel it is an unnecessary impediment to business in these days of free trade. However, one of the respondents feels that, if one accepts the need for the requirement, alternatives should not be explored since the definition of "resident Canadian" in the Regulations is not harmful.

A fourth respondent agrees that the requirement should be retained to ensure local accountability of directors and effective enforcement of legislative requirements relating to directors. This respondent feels that citizenship should not be a factor in the definition of "resident Canadian."

## **Corporate names (Sections 12 to 28)**

### **Purpose**

To minimize disputes concerning unfair competition arising from confusing corporate names and trademarks.

### **Implications of Removing these Regulations**

Companies would be deprived of protection with respect to their names. Any corporation could use a similar name thus causing confusion. Some corporations could have names that were incorrect, misleading or contrary to public policy. When the possibility of removing these regulations was discussed a few years ago, the Canadian Bar Association asked that the current legislation on corporate names be retained.

### **Respondents' Comments**

Two respondents indicated support for the rules and felt that they should be maintained.

One respondent noted that harmonized rules as to names would make it easier for corporations to operate across Canada.

A fourth respondent believes that the CBCA appears to be primarily concerned with the protection of proprietary rights by preventing unfair competition. This respondent feels that protection of proprietary rights should be left to trade mark legislation and the common law, and notes that competitiveness is not encouraged by the retention of unnecessary remedies.

A fifth respondent recommended revising the search process and/or

maintaining a more efficient system for keeping an inventory of company names throughout Canada, and suggested that strong coordination between the federal and provincial registration processes would be necessary.

Another respondent feels that the extent of the examination for the approval of corporate names (i.e. those likely to cause confusion) can be an unnecessary impediment to business.

Another respondent believes that the alternatives stated in the factsheet are very relevant and timely.

## **Insider trading, proxies, and proxy solicitation and takeover bids (Section 29 to 31.1, 32 to 43, 58 to 73)**

### **Purpose**

To ensure that shareholders have full and accurate information on which to base decisions relating to insider trading, proxy solicitations or takeover bids.

### **Implications of Removing these Regulations**

Application of the law and its compliance would become more difficult.

### **Respondents' Comments**

One respondent believes that the securities laws and regulations of the various provinces and the federal legislation and regulation should be harmonized to the greatest extent possible. This respondent feels that a

central registry or depository would be of great assistance.

A second respondent would like to see federal rules governing take over bids harmonized with the Quebec and other provincial securities acts.

## **Financial disclosure (Sections 44 to 50)**

### **Purpose**

To prescribe the form and content of financial statements in accordance with the standards of the Canadian Institute of Chartered Accountants (CICA), by means of regulations that can be amended as accounting standards change.

### **Implications of Removing these Regulations**

This could lead to increased uniformity in the disclosure of financial information among federal and provincial corporations, which would all be subject to the same treatment. Corporations that had not issued shares by public subscription would not be required to disclose.

### **Respondents' Comments**

One respondent feels that these regulations need to be reviewed. This respondent noted that application of CICA standards helps objectivity and consistency and that reference to audited financial statements and the role of the auditors should be better drafted and defined.

A second respondent agrees with the view expressed that the CICA accounting standards should be retained and that the removal of the

financial disclosure requirements for federal corporations would lead to greater uniformity.

A third respondent believes that the requirement that federally incorporated companies disclose financial information should be rescinded as it puts disclosing companies at a disadvantage compared to provincially or extra-territorially incorporated competitors.

A fourth respondent believes the Director should have the authority to grant an exemption from having to prepare financial statements in accordance with the CICA standards, particularly with respect to multinational corporations which would prefer availing themselves of standards that may be more relevant or known to them such as the U.S. accounting standards.

## **Constrained share corporation (Sections 51 to 57)**

### **Purpose**

To enable a corporation to carry on an activity on which Parliament imposes requirements relating to Canadian ownership and share control by allowing the corporation to restrict the issue and transfer of its shares.

### **Implications of Removing these Regulations**

Shares would become available to non-resident Canadians, depriving the government of one tool by which it can impose a minimum percentage of Canadian ownership in sensitive sectors.

### **Respondents' Comments:**

A respondent noted that these provisions do not impede competitiveness as, from a CBCA perspective, corporations are not forced to become constrained share corporations.

### **Rules of procedure for applications for exemption (Sections 74 to 81)**

#### **Purpose**

To prescribe when exemptions to obligations under the CBCA may be granted.

#### **Implications of Removing these Regulations:**

A lack of consistency in applications for exemption and increased danger of discretionary decisions.

#### **Respondents' Comments**

A respondent noted that it is necessary to have statutory exemptions which provide flexibility where there is no public interest. This respondent also believes that it is necessary to prescribe criteria to ensure that the Director's discretion is exercised objectively according to publicly available standards.

Another respondent agreed that applications for exemptions should be more standardized and hopes that the exemption process can be clearer and more concise.

### **Prescribed fees (Section 82)**

#### **Purpose**

To prescribe when a fee is payable and the amount.

#### **Implications of Removing this Regulation**

Treasury Board would have to finance the activities of the Directorate without resource to the significant revenues generated by it.

If fees were abolished, the number of federal incorporations would increase. This could have adverse effects on the Directorate's relationship with its provincial counterparts who might feel that the abolition of fees gave the federal jurisdiction an unfair advantage.

#### **Respondents' Comments**

One respondent agrees that fees should be charged on a consistent basis by all competing or involved jurisdictions.

A second respondent stated that it is difficult to envisage any practical alternative to prescribed fees.





# Canada Corporations Act

## **Non-profit corporations (Sections 12 to 28)**

### **Purpose**

To clarify the rules used in granting corporate names, to explain the term "objectionable" in this context, to protect non-profit corporations and the public from name confusion, and to inform the Minister as to who are the directors of non-profit corporations.

### **Implications of Removing these Regulations:**

Some non-profit organizations may be incorporated with names which are confusingly similar to others, to businesses, or to trademarks, thereby causing confusion to the public and harm to other non-profits or businesses. However, since the regulations were originally adopted from the CBCA model, some regulations, notably regulation 16 and regulation 21, could be amended to clarify their meaning in relation to non-profit corporations.

## **Respondents' Comments**

One respondent mentioned that an annual filing and control of names should be maintained.

A second respondent indicated that name regulation should be retained for non-profit corporations, especially for those that solicit funds from the public. This respondent also noted that it would be useful to remove name rules that do not apply to non-profit corporations under the Regulations under the Canada Corporations Act.

A third respondent noted that non-profit corporations created pursuant to this Act do not have a power of continuance in other jurisdictions, while most other types of corporations do have this power.

# Patent Act

## **Comments on Intellectual Property Regulations in General:**

One respondent noted the following:

- introducing simpler and quicker procedures for amending the rules would be preferable to replacing intellectual property regulations with administrative guidelines;
- if administrative guidelines are introduced, there should be a comprehensive procedure which must be followed if the guidelines are to be amended; and
- rules for post grant re-examination need to be expanded.

This respondent supports the WIPO initiative to introduce harmonization of patent and trademark laws, and states that CCAC must bear this initiative in mind when considering changes.

Another respondent stated that efforts should be made to harmonize domestic intellectual property legislation with that of other countries, particularly our major trading partners.

A third respondent noted that the regulations under the Patent Act, the Trade-marks Act, the Copyright Act, and the Industrial Design Act are essential to anyone who works in the intellectual property field.

### **Comments Regarding the Regulations of the Patent Act in General**

One respondent noted that the examination procedure under the Patent Act should be improved to provide a relatively prompt examination, and that the rules should allow a third-party, such as a competitor, to be advised of the status of the examination process, and to intervene if necessary.

A second respondent noted that innovators complain that the rules are too complex, Ottawa is too distant, and one's invention is not really protected. Services such as Patscan have improved local access to information and have speeded up parts of the patent process.

### **Attendance and Correspondence, Inquiries, Completion of Applications, Allowances, Assignments Regulations (Rules 3-10, 12-15, 30-31, 75-76, 86-90)**

#### **Purpose**

To enable the carrying out of the Patent Act. The Rules establish procedural guidelines for the Canadian Patent Office and for patent applicants and agents ensuring efficient and consistent treatment of applications.

#### **Implications of Removing these Regulations:**

Patent protection would no longer be available in Canada for either Canadian or foreign applicants, nor for Canadians internationally. Canadian growth would be hindered as research and development would lack incentives, and foreign investment in Canada would decline.

### **Patent Fees and Maintenance of Applications Regulations (Rule 11 and 76.1)**

#### **Purpose**

These rules stipulate the fees to be charged for the various services offered by the Patent Office.

#### **Implications of Removing these Regulations:**

Funding for the Canadian Patent Office would have to be provided by Canadian taxpayers. Since 92% of those who benefit from the Canadian

## **Patent Act**

Patent System are foreign applicants, Canada would essentially be providing a free service to a group which is non-Canadian. Canadians requesting similar services in foreign countries would continue paying those countries' patent fees. This would place Canadians doing business in foreign countries at a financial disadvantage with respect to their competitors.

### **Secret Applications and Atomic Energy Applications Regulations (Rules 91 to 93 and 94 to 95.)**

#### **Purpose**

To clarify the procedures for the prosecution of applications relating to national security.

#### **Implications of Removing these Regulations**

Applications relating to instruments of war and atomic energy would never be filed in Canada as countries would be unable to rely on Canada's cooperation in the maintenance of security measures of concern to NATO countries. Canada's position in NATO would be compromised.

### **Compulsory Licences Regulations**

#### **Purpose**

These rules deal with the special proceedings required to carry out the provisions in the Act with respect to compulsory licences and to compensation for the use of a patent by the federal government.

#### **Implications of Removing these Regulations**

The system for processing applications for compulsory licences and for compensation would be jeopardized, and alternative mechanisms would have to be used such as guidelines. However, this would result in Canada's system being inconsistent with those of other countries.

### **Patent Agents Regulations (Rules 143 to 157)**

#### **Purpose**

To ensure the qualifications of patent agents and protect inventors.

#### **Implications of Removing these Regulations:**

An increased workload and cost for patent prosecution, as applications filed by inexperienced inventors require more time than those filed by registered patent agents. The scope of claims granted to applicants would probably be narrower since the unqualified agents would be less adept at distinguishing the subtle difference between the inventions of their clients and those of prior art.

## **Patent Cooperation Treaty Regulations**

### **Purpose**

To harmonize Canadian practices with those of other major international Intellectual Property offices.

### **Implications of Removing these Regulations:**

Canada would no longer be in compliance with its treaty obligations. In addition, Canadians seeking patent protection in foreign countries would face more tedious and expensive processes. Canada's patenting system would no longer be as current and effective as the systems of its international counterparts and the flow into Canada of technology developed in other countries would be hampered to some extent.

# Copyright Act

## **Comments on the Overall Regulations**

One respondent stated that this Act is misunderstood and has caused confusion in the education system, cable t.v. companies, etc. This respondent feels that the royalty system is not "consumer friendly," and that much of the regulations appears to be unenforceable. Some plain language initiatives are suggested.

Comments pertaining to intellectual property regulations in general are noted under the Patent Act.

## **Copyright Royalty System Regulations- (Rules 3 to 26)**

### **Purpose**

To set forth the administrative process for registering works which can be protected under the Act.

### **Implications of Removing these Regulations:**

Canadians would no longer have protection of copyright as prima facie evidence in a court action. With no Copyright System in place, business interests would be taking high risks since their works could be copied without payment of royalties.

## **General Regulations (Rules 27 to 36 and Forms 1 to 10)**

### **Purpose**

To describe the responsibilities of the Commissioner of Patents and the Registrar of Copyrights: how transactions may be carried out, who signs documents, the form documents must take, how to address communications and how to submit remittances.

### **Implications of Removing these Regulations:**

Confusion, delays and misunderstandings with respect to the filing and processing of applications would result. The authority of the Copyright Office to require applicants to pay for its services would be eliminated. Canadians requesting similar services in foreign countries would pay those countries' fees. This would place Canadians doing business in foreign countries at a financial disadvantage with respect to their competitors.



# Trade-Marks Act

## **Comments Regarding the Overall Regulations**

One respondent stated that there is a need for a truly national system that would tap into existing provincial databases to forewarn companies if a similar name or trade-mark is in use in another jurisdiction.

Comments pertaining to intellectual property regulations in general are noted under the Patent Act.



**Amendments, Applications,  
Advertisement and Registration  
for Applications,  
Correspondence and Journal,  
Opposition, Transfer**

**Purpose**

To provide the mechanism for applicants to file for trade-mark protection and, in turn, improve operational efficiency. To establish procedural guidelines for the Trade-mark Office, applicants and trade-mark agents.

**Implications of Removing these Regulations:**

Should the Rules be revoked, the processing could possibly be established by policy guidelines. However, this would result in Canada's system being inconsistent with those of its foreign counterparts. In addition, Trade-mark agents, who represent applicants, are the strongest supporters of the regulatory option because of its reliability.

**Trade-Marks Agents Regulations  
(Rules 21 to 26)**

**Purpose**

To stipulate that a trade-mark agent candidate must pass a qualifying examination in order to be registered as a trade-mark agent.

**Implications of Removing these Regulations:**

An increased workload for the Trade-Marks office (TMO), and increased costs for trade-mark prosecution, as applications filed by inexperienced

applicants require more time than those filed by trade-mark agents. Longer processing time and an increase in the number of unsuccessful applicants due to being represented by inexperienced agents.

**Forms and Schedules  
Regulations (Rules 13 and 15)**

**Purpose**

These rules explain how fees should be paid for transactions with the Trade-Mark Office, the tariff of fees payable to the Registrar, and the completion of the appropriate forms. The forms allow applicants to apply for a trade-mark without recourse to a lawyer for assistance.

**Implications of Removing these Regulations:**

The burden of funding for the TMO would have to be carried by Canadian taxpayers. Without instructions and forms for use by the public, there would be confusion, delays and misunderstandings due to lack of information. Canada would be out of step with other countries and would be at a significant competitive disadvantage if the regulations were revoked.



# Industrial Design Act

Comments pertaining to intellectual property regulations in general are noted under the Patent Act.

## **Industrial Designs Regulations**

### **Purpose**

The industrial design legislation distinguishes between the functional and aesthetic aspects of an article. This legislation contains rules governing industrial designs. Rules 2 to 4 concern the manner in which an application is filed with the Office and to whom it should be sent. Rules 6 to 11 concern the contents of documents and the manner in which they must be completed.

### **Implication of Removing these Regulations:**

It would be necessary to replace all of the revoked rules with policies. Adoption of policies to replace rules would make the industrial design registration system different from those of other countries.



# Consumer Packaging and Labelling Act

## **Comments Regarding the Overall Regulations:**

There is support for the overall intent and rationale of the regulations. Individual responses to the CPLA regulations overall include such issues as:

- the need to strengthen enforcement of the regulations;
- the problem of a constantly changing playing field;
- country of origin should apply on all products;
- imported products may require special treatment under the CPLA;
- increased role of industry in labelling regulations is desirable;
- harmonization needs to be addressed.

One respondent noted that there is no problem of overlap with the legislation of its province.

A second respondent noted that changes should be in line with the changes being proposed to regulations administered by Agriculture Canada.

A third respondent feels that all labelling, including nutritional labelling, should be administered by CCAC.

Another respondent stated that the principle objectives of the regulations should serve as the initial criteria when assessing the efficacy of regulations or their alternatives. Competitiveness should not be the sole criterion in this regard. This respondent notes that regulations can enhance competitiveness if they anticipate future trends and have the support of business, government and consumer groups.

On the subject of harmonization, the above respondent believes that it is desirable if it offers a satisfactory level of consumer protection.

Regarding regulations and their alternatives, the above respondent states that all options must be carefully assessed using a framework which considers the full range of costs and benefits, including those which are intangible. Shortcomings of alternatives with respect to protecting consumers from misrepresentation are noted: voluntary standards require consensus within the industry to abide by them; it is impossible to impose voluntary standards on imported goods; information campaigns sometimes fail to distribute information broadly enough.

## **Exemptions (Section 3,4,5 and 32)**

### **Purpose**

To provide total and partial exemptions from the CPLA. These sections describe areas that the regulations are not intended to address, making it clear that the legislation is primarily oriented to assist consumers, or to remove duplication of effort for products in which labelling requirements are articulated in another Act of Parliament.

### **Implications of Removing these Regulations:**

Revocation would make the regulations more stringent, more restrictive to imports, and be counter to the philosophy of free-trade and regulatory reform.

### **Respondents' Comments**

One industry association feels that the exclusion of commercial products from these regulations is consistent with exemptions under the legislation of our major trading partners.

A second respondent suggested that certain foreign products could be allowed into Canada on a one-year interim basis, during which they would have to comply with Canadian rules.

A third respondent suggested that a definition of "commercial product" be included as the distinction between consumer and commercial products is becoming less clear.



## **Bilingual Labelling (Section 6)**

### **Purpose**

To reflect the government's position that Canada's two official languages must be respected in the provision of consumer information, and that bilingual labelling should be mandatory for domestic and imported consumer products which are subject to federal labelling legislation.

### **Implications of Removing this Regulation:**

Revoking or amending certain subsections could promote more clarity and fairness. These subsections include: a) definition of "local government unit". The reference to "a bilingual district established under the Official Languages Act"; b) "Specialty Products" exemption should be revoked; c) "Test Market Products" provisions should be revoked.

### **Respondents' Comments**

One respondent stated that the concept of bilingualism should be maintained.

One industry association feels that major problems occur for imported products that must be labelled especially for the Canadian market, thus increasing costs and hindering the opportunity to develop "North American" packaging. This respondent also noted that the space needed for bilingual labelling will become a major challenge for the cosmetic industry when ingredient disclosure legislation is enacted under the Food and Drugs Act.

Another respondent stated that Canadian manufacturers who comply with the CPLA regulation see the lack of enforcement of the bilingual

requirements as a major competitive disadvantage. This association believes that bilingual labelling and other regulations pertaining to labelling need to be reassessed concerning markets outside of Canada, for aesthetic and space limitation reasons. The "Test Market Products" section of the regulations should remain but permit test marketing of products that are not substantially different.

Another industry association believes that "test market" products should also meet all Canadian mandatory requirements.

An association representing paper producers indicated support and respect for bilingual labelling as a reflection of the bilingual nature of Canada. However, paper producers are concerned that a growing number of paper products are crossing the border without appropriate identification in both languages, and feel that this regulation should be enforced more strictly.

Another respondent promotes the strict enforcement of bilingual labelling laws in order to compete in the domestic market under equitable conditions. This respondent believes that a growing number of products are being imported to Canada without appropriate bilingual labelling, putting domestic producers at a cost disadvantage. This organization argues that there should be no easing or dismantling unless such reciprocal actions are taken in the U.S. (eg. unit measure specifications) that force Canadian manufacturers to adhere to U.S. laws.

Another respondent feels that there should be a small package exemption to allow unilingual labelling, and that the test market exemption should be further clarified.

### **Employees' Comments:**

One employee stated that Section 6.1 is a sore subject for the smaller area or regional manufacturers, and to importers or distributors of ethnic products. This employee suggests that the section reflect the regions of Canada, and that bilingual labelling vary accordingly, with other languages also permitted.

Another employee suggested a few changes to the regulations which include: expanding the meaning of local product and making the adjacent municipality broader; adopting bilingual definitions of Textile Labelling Act sec 11.4, 11.5; requiring dealer identity to be the same as in the Textile Labelling Act; adding country of origin on all products; deleting sections 23.1 (c) and section 24 as they are no longer relevant; modifying the requirements for test market products.

### **Manner of applying a label to a prepackaged product (Sections 7-16 inclusive)**

#### **Purpose**

To ease access of printed information for consumers. These sections prescribe where the label must be located, and the type height of the information on the label.

#### **Implications of Removing these Regulations:**

Regulations prescribing the manner of presenting key information to consumers on the package label are basic to all legislation dealing with packaging and legislation, thus removal would be inconsistent with mandate, as well as prone to

opposition from groups representing vulnerable consumers.

### **Respondents' Comments**

One industry association stated that these regulations on label placement and print height do not effect the competitive position of the industry either domestically or abroad, and believes that these regulation should remain in order to assist consumers.

A second industry association supports the recent development of CCAC Guiding Principles for Environmental Labelling and Advertising.

### **Employees' Comments:**

One employee stated that section 14, size of type in which information is to be shown, can hamper industry in developing innovative labels and suggests instead a section stating "easily legible and direct contrast."

Another employee feels that Section 12.(b) and 13 should be removed.

A third employee suggests a re-evaluation of labelling requirements that dictate where and how information must be stated, thereby leaving more decisions to businesses.

**Manner of declaring and verifying net quantity declarations (Sections 17-29 inclusive and sections 33,35,37,38,39 and Schedules I and II)**

**Purpose**

To identify the amount of product contained in a package in a clear and uniform manner.

**Implications of Removing these Regulations:**

Some sections will be removed because they are no longer pertinent: sections 19 and 29 contain sunset clauses. Clarification is required for section 23 to more accurately define what classes of products can be considered bidimensional.

**Respondents' Comments**

One respondent believes that metric conversion should be enforced and "hard metric" sizes should be adopted for all regulated products. This respondent also states that "test market" products should meet all Canadian mandatory requirements.

An industry association believes that the declaration of metric units only should be maintained.

A second industry association feels that these regulations are in compliance with commitments under the GATT and the OIML, and should be maintained and enforced. The tolerances specified are readily achievable.

A third association believes that the requirement to provide both a volume and a weight marking is unnecessarily restrictive.

**Employees' Comments:**

One employee feels that section 21 is adequate alone, and that section 22 should be deleted. In this employee's opinion, the industry should be allowed to set its own standards of net quantity declaration.

Another employee commented on Section 5.1 (and 35) relating to Nominal Volume. He states that these sections are used mostly by the dry soap manufacturers, resulting in two quantity declarations which confuse consumers, and may frustrate soap manufacturers. He suggested that this section be removed, permitting the soap manufacturers to declare the net quantity in the manner that is best suited for their product, either by weight or volume.

**Clarifying Certain Label Information (Sections 30, 31, 34)**

**Purpose**

To address situations where certain mandatory information may have to be further clarified to avoid erroneous impressions.

**Implications of Removing these Regulations:**

Section 30 must be retained to avoid contradiction concerning the naming of products. Section 31 is important in order to retain product origin labelling. Section 34 prevents consumers from being misled into believing they are purchasing natural food products or naturally flavoured food when simulated flavourings are being used.

## **Respondents' Comments**

One industry association suggested that section 31 concerning the requirement for clarification of where a label is printed or where a container is manufactured should be eliminated. This respondent feels that reference to the origin of the "manufactured product" should be the only requirement.

A second industry association recommends that these sections be replaced by guidelines as the place of manufacture is open to a variety of interpretations and is becoming less relevant given the FTA and cross border shopping.

### **Standardization of Container Sizes (Section 36)**

#### **Purpose**

To provide a reasonable semblance of packaging consistency to facilitate product price comparisons.

#### **Implications of Removing this Regulation:**

CCAC recently proposed deregulation of the standard size requirements in one commodity area. This was resisted by the affected industries. Other federal departments such as Agriculture Canada and Fisheries and Oceans administer legislation that contains provisions for standard package sizes, and may be implicated if the CPL requirements are revoked. Revocation of standardized container sizes could induce a proliferation of smaller size packages which may have a secondary action by introducing more packaging materials in the waste stream.

## **Respondents' Comments**

One industry association stated that standardization of package sizes does not appear to have had negative effects on the sale of its products in Canada. This respondent feels that there is an issue, however, for companies who source products for sales in Canada outside of Canada, noting that such companies have three alternatives: over-labelling existing products to agree with category size listing; changing the label declaration and the fill level to conform with the regulations, or purchasing containers to meet Canadian standards, all of which could lead to increased consumer prices. This respondent believes that legislation may not be relevant in today's competitive market and could be seen as reducing competitiveness.

This association noted that further removal of size standardization would be consistent with any desire for market place harmonization and appears to fulfil the removal of trade barriers under the FTA. However, companies manufacturing in Canada could feel threatened if standardization is withdrawn as U.S. based companies might use this as reason to cease Canadian manufacturing operations and source all supplies outside Canada.

A second industry association indicated that the regulations are acceptable as they stand as there would be no benefit to the consumer in altering the standard quantities as specified relating to its products.

Another respondent supports the idea that standard sizes be maintained for consumer-size packaging, regardless of the location of the sale, while institutional and industrial bulk packaging should be open to any metric size.

## **Consumer Packaging and Labelling Act**

An organization representing consumers has a long-held position that regulations requiring the rationalization and standardization of packaging, primarily for ease of comparison by size and by price, are necessary for the protection of consumers. The proliferation of package sizes which could result if the regulations were removed is considered undesirable. This organization noted that, for the continued protection of consumers vis-a-vis the FTA (and possibly the NAFTA), it may be desirable to harmonize regulations related to the rationalization of packaging and labelling regulations to minimize trade barriers, ensuring that health and safety standards are not compromised.

Another industry association recommended that CCAC use a balanced, sector-by-sector approach when deciding about standardized container sizes for the 14 product classes. Reasonable sunset clauses should be built in on a sectoral basis to maintain a level playing field if the regulations are changed or eliminated. This association questions the statement in the factsheet that elimination of standardized container sizes could induce a proliferation of smaller size packaging thus increasing material waste. It notes that, given present regulations, many current practices permit a proliferation of package sizes in any case.

### **Employees' Comments:**

One employee feels that Section 36 g) i) m) n) dealing with the standardization of container sizes for cookies, syrup and peanut butter could be removed without consequence.

Another employee feels that Section 36(1) can be deleted since industry should be able to set their

own sizes. This employee adds that the opportunity for small companies to use innovative sizes and packages to sell their products is being impeded by this section. In his opinion, retail bakeries should be exempted from Common Name, Net Quantity and Name and Address, which could be displayed adjacent to the product instead, removing the need for packaging.

## **Energulde Labelling (Sections 40-46 and Schedule III)**

### **Purpose**

To allow consumers to make comparisons between appliances based on energy efficiency.

### **Implications of Removing these Regulations:**

These regulations will be removed with no implications, since they will be superseded by Energy Mines and Resources Bill C-41, the Energy Efficiency Act.

### **Respondents' Comments**

One respondent noted that these regulations are viewed as a positive step and are complementary to its own energy incentive programs.



# Textile Labelling Act

## **Comments Regarding the Overall Regulations**

One respondent indicated general agreement with the analysis presented in the fact sheets.

A second respondent stated that there is no problem of overlap with the legislation of its province.

A third respondent suggested that the federal government could vacate this field, or adopt the American system. False and misleading advertising could be handled under the Competition Act.

## **Short Title and Definitions (Section I)**

### **Purpose**

This section provides definitions, consistency, and clarifications for various important terms.

### **Implications of Removing these Regulations:**

These regulations are imperative for consistency in the implementation and administration of regulatory requirements which prescribe the manner of declaring key information to consumers.

## **Exemptions (Sections 6-10, 11(2), III)**

### **Purpose**

To identify textile articles or situations that should be partially exempt from labelling requirements. In cases where "fibre declarations" have little influence or impact on the consumer, exemptions are made.

### **Implications of Removing these Regulations:**

Revocation of these exemptions would make the regulations more stringent and restrictive to dealers with little benefit to consumers.

## **Articles to be Labelled (Disclosure and Representation) (Sections 3-5)**

### **Purpose**

To ensure that certain mandatory information is provided about the fibre content of textiles.

### **Implications of Removing this Regulation:**

A range of potential problems would exist: inconsistent labelling, absence of fibre content disclosure, diminished consumer confidence in the Canadian textile industry, an unlevel playing field.

## **Textile Fibre**

### **Purpose**

To specify compositional standards, test methods and definitions, and conditions relating to the display of textile fibre content information. These regulations establish minimum standards related to quality of textile products and associated label information.

### **Implications of Removing this Regulation:**

Increased potential for inconsistent labelling information or for the absence of fibre content disclosures, diminished confidence in the Canadian textile industry, an uneven playing field for domestic and foreign dealers, and a lack of consumer confidence in the purchase of textile products.



## **Bilingual Labelling (Requirements and Exemptions)**

### **Purpose**

The requirement is based upon Canada's recognition that both official languages must be respected for domestic and imported products. Limited exemptions have been provided when textile items are sold in areas where only one of the official languages is used to make consumer purchases.

### **Implications of Removing this Regulation:**

This would be inconsistent with the Government's overall philosophy on Canada's two official languages.

### **Respondents' Comments**

One respondent stated that all nationally marketed apparel should be labelled in both official languages, and that these requirements should be strictly enforced by CCAC.

## **Dealer Identity Information**

### **Purpose**

To require that the company name and postal address be on the disclosure label, thus enabling the customer to contact the dealer in case of complaint or inquiry.

## **Implications of Removing this Regulation**

The rationale has remained unchanged, and there has been little concern expressed about this regulation from either consumers or industry.

### **Respondents' Comments**

One respondent suggested that the proposed Canadian Apparel Federation manage and maintain the CA database and provide expanded information services, while administering and enforcing the regulations would rest with CCAC.

This respondent also recommended that the one-time \$100 registration should be converted to a renewable, annual \$100 fee. This organization believes that compliance would increase if the industry had a larger stake in maintaining the system.

## **Forms of Label and Manner of Applications**

### **Purpose**

To establish basic ground rules for displaying information and applying labels.

### **Implications for Removing this Regulation:**

This would limit consumer protection against product misrepresentation and reduce textile information.

### **Employees' Comments:**

One employee's view is that the Textile Labelling Act is one of the

better pieces of legislation to administer. Some reforms were suggested by this employee: compulsory care labelling with a simple black and white colour code; country of origin on all textile articles; listing of fibres by rank rather than by percentage; re-defining requirements of Schedules i,ii, and iii to end confusion; enforcing section 8 to ensure a level playing field for Canadian producers; and abolishing "trim requirements" to simply indicate fibre or type and the "trim percentage requirements".

## **Advertising**

### **Purpose**

To foster consistency in advertising textile articles and reduce the possibility of misleading advertising.

### **Implications of Removing these Regulations**

The regulations are essential for ensuring consistency and clarity for the consumer and minimizing misleading representations in advertising.

## **False and Misleading Representation (Sections 41-45)**

### **Purpose**

False and misleading representations are defined and prohibited. Certain words, expressions and situations related to linear dimensions, methods of manufacture, composition or origin are regulated in order to protect the consumer.

### **Implications of Removing these Regulations**

These regulations minimize consumer risk associated with products that are misrepresented, and define conditions and terms for the industry that are acceptable for describing products.

## **Things Seized and Detained (Section 46)**

### **Purpose**

This regulation makes it an offence to remove, alter, or interfere with textile products detained by an inspector pursuant to the regulations. The inspector has the authority to seize and detain any product, labelling, packaging or advertising material which is reasonably believed to relate to a violation of regulations.

### **Implications of Removing this Regulation**

This regulation is considered necessary for ensuring uniformity of inspection powers. Revocation would remove the ability to define and articulate necessary enforcement powers.

# National Trade Mark and True Labelling Act

## **Comments Regarding the Overall Regulations:**

One respondent would have no objection to the revocation of the regulations, but would like to be consulted on any proposals for change or revocation of the Act.

A second respondent suggested that these regulations could be moved to other statutes as there seems to be overlap.

**Watch Jewels Marking  
Regulations (Section 1-5, 7,8)**

**Purpose**

To ensure that if watches, clocks or other timing instruments are marked, labelled or described in terms of jewels, the article must contain specific functional components.

**Implications of Removing these Regulations**

Revocation of the regulations would have no adverse effect on consumer protection. Preliminary industry consultation suggests no strong need or desire for retention of the regulations.

**Babcock Test Bottles and  
Pipettes (Sections 1-7)**

**Purpose**

To address the need for specifications and calibration procedures for the glassware equipment used to determine the milk fat content of milk and cream in the dairy industry.

**Implications of Removing these Regulations**

Revocation of these regulations would have no negative consequence since other, more efficient methods for fat determination are now in place. The regulations have been inactive for several years.

**Garment Sizing Regulations  
(Sections 1-9)**

**Purpose**

To develop the basis for a voluntary program that would create dimensional standards for infants', children's and women's clothing.

**Implications of Removing these Regulations**

Revocation of these regulations would have no adverse effect on consumer protection.

**Respondents' Comments**

One respondent feels that this initiative should have a low priority but that, if CCAC continues with this project, a standard should be based on body measurements expressed in inches and/or centimetres.

**Fur Garments Labelling  
Regulations (Sections 1-4(1) (2);  
Parts I and III)**

**Purpose**

To prescribe the form and manner in which a fur garment is to be marked, labelled and described in advertising, by designating the appropriate fur tradename and true fur name of the garment. These regulations are voluntary since there is no mandatory labelling scheme in Canada for fur products.

**Implications of Removing these Regulations:**

The revocation of these particular regulations would have little impact on consumer protection. These regulations have been inactive for years and have no particular impact on the marketplace. The Competition Act is a legal safety net for controlling misrepresentation in the marketplace, including fur garments.

**Respondents' Comments**

One respondent stated that these regulations should be incorporated into the Textile Labelling Act.

**Turpentine Labelling  
Regulations (Sections 1-13)**

**Purpose**

The regulations were created to address marketplace problems of various chemical solvents being improperly labelled as turpentine or turpentine mixture.

**Implications of Removing these Regulations:**

There are no adverse effects associated with revocation of these regulations. Previous consultation with private sector organizations associated with these products have not indicated a need to retain the regulations.



# Hazardous Products Act

## Comments Regarding the Overall Regulations

One industry association indicated that Canadian manufacturers have made a substantial investment in equipment and quality control procedures to comply with regulations under the Hazardous Products Act. Removal of HPA regulations would likely result in unsafe, lower quality products entering the market to the detriment of domestic producers.

An association representing consumers noted that better enforcement of these regulations is needed, not deregulation. This respondent feels that products imported to Canada for consumer use must be forced to comply with these regulations.

Health and safety is seen as an important priority, and it was noted that regulations under the HPA often contribute to lower rates of accident, injury and death, and serve to reduce medical and insurance costs. In particular, lower product liability costs are especially beneficial to firms exporting to the United States.

One respondent stated that, in the case of HPA regulations, health and safety considerations should serve as the initial criteria during the regulatory review process. Competitiveness should not be the sole criterion in assessing the efficacy of regulations or their alternatives. This respondent noted that regulations can promote competition if they anticipate future trends and have the support of business, government and consumer groups.

The above respondent supports harmonization of product safety standards to minimize barriers to trade, as long as this harmonization does not compromise the health and safety of consumers.

In assessing regulatory alternatives, this respondent believes all factors that have motivated the regulatory intervention must be considered, not just competitive and financial issues. Shortcomings of regulatory alternatives with respect to resolving health and safety risks of some products are noted: voluntary standards won't work if the industry will not agree to them; there is often no way of imposing these standards on imported goods; information campaigns are sometimes ineffective if the product's hazards are hidden and consumers cannot judge if a product is safe.

One respondent indicated that harmonization with product safety standards in other countries would be desirable if Canada is meeting a higher standard.

Another respondent indicated that there is a need to harmonize the system of labelling for controlled products with the labelling requirements under the Transportation of Dangerous Goods Act.

Three associations indicated that bans or regulations under the HPA do not currently impede competitiveness.

One respondent indicated that there is no problem of overlap with the legislation of its province.

Another respondent suggested that regulatory agencies need to consider ways of simplifying the rules so that small business operators can more easily understand what is being asked of them. Advisory services should work with firms to help them attain compliance and reduce the time small business owners spend filling out forms.

It was suggested that since the name "Hazardous Products Act" leads to a negative view of products, the name "Consumer Protection Act" should be adopted.

### **Regulations dealing with asbestos fibres. (Schedule I, Part I, Items 16, 28, 37, 40; Part II, Item 44)**

#### **Purpose**

To protect the public and industrial users from potentially serious health hazards that can result from exposure to airborne asbestos fibres.

#### **Implications of Removing these Regulations:**

Members of the public and workers in Canada and in our export markets would be unnecessarily exposed to potentially serious health hazards. Canada would be found in violation of an international agreement which it has ratified on the controlled use of asbestos.



### **Respondents' Comments**

Asbestos producers support these regulations - in part because the regulations facilitate the marketing of this economically important export commodity. Canada is the world's largest exporter of asbestos and asbestos-based products. Producers are concerned that voluntary guidelines might not be observed by retailers or others in the distribution chain, and that consumers might either not understand, or ignore, warning labels. Their major concern relates to the need for harmonization of labelling and information policies and practices between regulatory bodies within Canada and at the international level.

### **Bedding Regulations (Part I, Schedule I, Item 13)- Hazardous Products (mattresses) Regulations (Schedule I, Part II, Item 32)**

#### **Purpose**

To protect Canadians from the danger of serious injury or death posed by excessively flammable bedding items and mattresses.

#### **Implications of Removing these Regulations**

Fire authorities and fire injury statistics indicate that a substantial increase in injuries and deaths due to fires would almost certainly result. The Socio-Economic Impact Analysis (SEIA) for mattresses indicates that the impact of the regulations on industry has been "negligible", and that they have led to a retail price increase of 2% or less for the product.

### **Respondents' Comments**

One respondent noted that these regulations contribute to lowering medical, insurance and product liability costs.

### **The Relight Candles Ban (Part I, Schedule I, Item 29)**

#### **Purpose**

To protect Canadians, especially children, from the danger of accidental fires caused by candles which are designed to spontaneously re-ignite several seconds after they are extinguished.

#### **Implications of Removing this Regulation**

The Association of Canadian Fire Marshals and Fire Commissioners have indicated that these products present a serious fire danger, and requested that CCAC ban them under the Hazardous Products Act. Complaints have been received from both fire services and consumers about fires caused by these products. These products are intended as novelty item and serve no useful function. The hazard which they present is usually hidden from the user.

### **Respondents' Comments**

One respondent noted that no related injuries have been reported since the ban of relight candles.

## **Carbonated Glass Container Regulations (Containers of 1.5 L or more)**

### **Purpose**

To protect the Canadian public from the potential dangers of flying glass emanating from the explosion of 1.5 litre glass soft drink bottles.

### **Implications of Removing these Regulations**

Members of the Canadian public could be exposed to injury from flying glass. It is felt that public awareness of the danger posed by this product is not sufficient to deal with the hidden hazard. CCAC requests for a voluntary standard did not elicit a satisfactory response from the soft drink industry. Large plastic bottles have been introduced and have eliminated the demand for 1.5 litre glass bottles. The industry has advised CCAC that the removal of the Regulations would not have an impact on the soft drink industry and that the regulations could be re-worked as an industry voluntary standard.

### **Respondents' Comments**

Two associations oppose the suggestion that these regulations be replaced by a voluntary standard. One of them noted that imports may enter Canada in the future, and imposing voluntary standards on imports is often very difficult.

Another respondent provided statistical information on eye injuries and noted that where plastic bottles are used eye injury rates are lowest.

## **Hazardous Products (Carpets) Regulations**

### **Purpose**

To protect Canadians from the rapid spread of flame across carpets that ignite readily.

### **Implications of Removing these Regulations**

The public could be exposed to death and injury caused by the hidden danger of unduly flammable carpets. The industry participated with government in developing the regulations.

## **Hazardous Products Act - Carriages and Strollers Regulations**

### **Purpose**

To protect infants and young children from injury caused by poor design and mechanical defects in carriages and baby strollers.

### **Implications of Removing these Regulations**

Infants and children would be exposed to avoidable injury. Although most manufacturers would probably not modify their products, a trade in unsafe, lower priced products could develop. Deregulation would not decrease the cost of producing safe carriages and strollers.

### **Respondents' Comments:**

One respondent commented that safer products for children reduce medical, insurance and product liability costs.

## **Hazardous Products (Cellulose Insulation) Regulations**

### **Purpose**

To protect the public from the dangers of fire and severe structural damage to buildings caused by highly flammable insulation and/or corrosion due to installation of cellulose insulation made from recycled newsprint that has been inadequately or improperly treated with fire retardants.

### **Implications of Removing these Regulations**

Canadians would be exposed to dangers caused by fire or severe structural damage to buildings. This is a significant potential hazard since the product is likely to be in place for several decades. The level of compliance with the voluntary standard in force prior to the enactment of these regulations was relatively low.

### **Respondents' Comments**

One Canadian manufacturer expressed support for these regulations.

## **Celluloid and Cellulose Nitrate - Spectacle Frames (Schedule I, Part I, Item 6), and Toys and Products for Use by Children (Schedule I, Part I, Item 7)**

### **Purpose**

To protect Canadians from the major fire hazard presented by spectacle frames and children's products made of celluloid and cellulose nitrate.

## **Implications of Removing these Regulations**

Canadians would be exposed to serious fire hazard and toxic vapours from these highly flammable products. The risk would be particularly great in the case of children's products. There could be small savings to consumers for spectacles, since spare parts for products prohibited by this regulation might become available. Opticians would be able to sell several million dollars worth of cellulose nitrate spectacle frames held in stock at the time the regulation was enacted and stock imported from various countries.

## **Hazardous Products (Charcoal) Regulations**

### **Purpose**

To protect Canadians from the risk of death due to carbon monoxide produced by the burning of charcoal.

### **Implications of Removing these Regulations**

Deaths still occur from this cause, despite the enactment of the regulations. This situation would clearly worsen if the regulations were removed. Since compliance is relatively inexpensive, removal would lead to a significant net loss in safety to the Canadian public without any compensating economic benefits. Since these regulations are consistent with requirements in the United States, their enforcement may serve to help Canadian exporters penetrate foreign markets.

## **Regulations for Child Car Seat Restraint Systems**

### **Purpose**

To reduce significant hazards to children involved in automobile collisions by removing unsafe children's car seats from the market. It is often impossible for parents to evaluate the adequacy of these products.

### **Implications of Removing these Regulations**

Proper use of child restraints has resulted in a drastic reduction of injuries and fatalities to children involved in vehicle accidents. Removal of the regulations could lead to an influx of imported child restraint systems from countries where standards do not exist or are less stringent than those in Canada. Removal of the regulations would therefore expose children to severe danger.

### **Respondents' Comments**

One association representing motorists supports these regulations, adding that voluntary compliance by manufacturers would not work. This association also advocated the implementation of some form of certification prior to resale. The association believes that alternatives to regulation would not adequately protect consumers.

## **Hazardous Products (Children's Sleepwear) Regulations (Schedule I, Part I, Item 5, Part II, Item 40)**

### **Purpose**

To protect children from the danger of injury and death due to highly flammable children's sleepwear products.

### **Implications of Removing these Regulations**

Removing these Items would increase the number of highly flammable sleepwear products on the market. Incidents of injury and death were frequent prior to the enactment of the regulations, but became almost non-existent thereafter. Removal of the regulations would therefore likely expose large numbers of children to serious danger.

### **Respondents' Comments**

One respondent noted that these regulations contribute to lower medical, insurance and product liability costs.

A second respondent would encourage CCAC to maintain this standard and believes that a common flammability standard should be established for Canada, the U.S. and Mexico.

## **Consumer Chemicals and Containers Regulations**

### **Purpose**

To protect Canadians, particularly children, from the dangers of poisoning or burn injuries due to misuse of a broad range of consumer chemical products. This protection is achieved through regulatory requirements for safety labelling and/or child resistant containers.

### **Implications of Removing these Regulations**

Canadians could be exposed to significant danger. This is especially the case since many of the hazards would not otherwise be readily discernible. Approximately 100,000 accidents occur annually involving consumer chemicals. A flood of improperly labelled, or unlabelled, consumer chemicals could enter the Canadian market from abroad if these regulations were removed. The products would not be packaged with child-resistant closures.

A Socio-Economic Impact Analysis indicated that child resistant containers reduce accidents among young children by 60% to 75%.

### **Respondents' Comments**

One respondent stated that the criteria used to judge a product's potential for hazard is extremely important. For example, information must be provided to protect against potential reproductive and developmental effects.

## **Cribs and Cradles Regulations**

### **Purpose**

To protect infants from injury and death caused by the faulty design of various cribs and cradles.

### **Implications of Removing these Regulations**

Removal would likely lead to higher rates of injury and death among infants, due to a significant trade in lower priced, unsafe cribs imported from countries with lower standards or no standards. Children of less affluent Canadians could suffer disproportionately from removal of the regulations. Domestic manufacturers could be forced to produce a line of cheaper and equally unsafe cribs and cradles in order to compete with such imports. In 1986, it was estimated that the regulations raised the retail price of cribs by approximately \$20.00.

### **Respondents' Comments**

One respondent noted that the continuing problem of old and second-hand cribs also needs to be addressed.

## **Cutting Oils and Fluids (Schedule I, Part I, Item 32)**

### **Purpose**

To protect Canadian workers from exposure to nitrosamines (suspected to be carcinogens) previously present in a number of cutting oils and fluids, due to a reaction between organic amines and nitrites.

### **Implications of Removing this Regulation**

Health and Welfare Canada has advised that there should be no human exposure to the types of substances specified in the regulation. Thousands of Canadian workers would be presented with an unnecessary risk of cancer. Removal of the regulation would conflict with international efforts to eliminate exposure to nitrosamines in the workplace, and would allow importation of such products.

### **Respondents' Comments**

One respondent noted that as these substances are used by specially trained personnel safety guidelines or standards could be used instead of regulation.

### **Hazardous Products (Expansion Gates and Expandable Enclosures) Regulations**

#### **Purpose**

To protect children from strangulation caused by entrapment in the mechanisms of accordion-style expansion gates for children.

#### **Implications of Removing these Regulations**

At least one fatality occurred after producers voluntarily agreed to stop manufacturing and selling the gates and expandable enclosures prohibited by these regulations because retailers continued selling the products concerned. Given the failure of the agreement with producers, removal of the regulations would almost certainly lead to a return of the

products and expose children to potential injury or death.

### **Fire Warning Appliances (Part I, Schedule I, Item 33)**

#### **Purpose**

To protect Canadians from the dangers of injury or death due to the inadequate performance of fire and smoke warning devices that do not conform to specified Underwriters' Laboratories of Canada (ULC) standards.

#### **Implications of Removing this Regulation**

To endanger Canadians by exposing them to possible injury or death due to inadequate fire warning appliances entering the market. The Canadian Association of Fire Chiefs and Fire Marshals formally requested CCAC to prohibit the sale or manufacture of fire warning devices not in conformity with the ULC standards outlined in the regulation. There are no extra costs to suppliers of products that meet the national standards.

### **Hazardous Products (Glazed Ceramics) Regulations**

#### **Purpose**

To protect Canadians - particularly children and pregnant women - from the dangers of poisoning caused by ingestion of lead or cadmium.

### **Implications of Removing these Regulations:**

Since even trace amounts of lead can seriously affect the development of infants and children, removal of the regulations would endanger the health and lives of children from this hidden hazard. Notwithstanding the regulations, CCAC inspectors regularly find imported glazed ceramic products which would expose users to high levels of lead or cadmium, and remove them from the market. Removal of the regulations would undoubtedly lead to an increase in the importation and sale of such products.

### **Respondents' Comments**

One respondent feels that the standard is not in line with international requirements. According to this respondent, pregnant women and young children could be exposed to dangerous levels of lead and cadmium under the present regulation.

### **Hazardous Chemical Substances**

#### **Purpose**

To protect Canadians - especially children - from sickness, injury or death caused by exposure to consumer products containing hazardous chemicals that cannot be handled safely.

#### **Implications of Removing this Regulation:**

An increase in sickness, injury and death due to exposure to products containing hazardous chemicals. These chemicals are extremely hazardous, and their presence is not

discernible by the naked eye. Deregulation would present a great danger to the public.

### **Heavy Metals in Decorative or Protective Coatings on Children's Toys, Children's Furniture and Pencils and Artists' Brushes (Schedule I, Part I, Items 2, 9 & 18)**

#### **Purpose**

To protect children from the hidden hazards posed by exposure to lead, antimony, arsenic, cadmium, selenium and barium in the decorative coatings on toys and other products designed for use by children.

#### **Implications of Removing this Regulation:**

Children can be poisoned by exposure to even trace amounts of these metals. Removal of this regulation would therefore increase the likelihood of sickness, injury or death among children. Artists and some industrial workers would also be exposed to the hazards of these metals. There would be little, if any, cost saving achieved through removal of the regulation since non-hazardous substitutes are available at the same or lower prices. Some non-complying children's products are still being produced offshore. A lifting of the regulation would therefore likely stimulate a trade in such products, and create an avoidable risk to Canadian children.

## **Respondents' Comments**

One respondent stated that the regulation does not meet international standards. This respondent notes that the present limit is more than eight times the limit permitted in the U.S.

A second respondent feels that, because these products are used by the general public, regulation is the only approach which can give sufficient protection.

## **Ice Hockey Helmets Regulations and Face Protector Prohibition**

### **Purpose**

To protect children from head and facial injuries while playing hockey.

### **Implications of Removing these Regulations:**

A probable influx of unsafe helmets and face protectors from countries with lower standards or no standards, leading to an increase in facial and head injuries to young hockey players. Data shows a significant drop in injuries since the enactment of these regulations.

## **Respondents' Comments**

The association which is the governing body for amateur hockey in Canada indicated strong support for the continuation of these regulations.

## **Imitation Clock Bombs (Schedule I, Part I, Item 38)**

### **Purpose**

To protect Canadians from dangers and costs that arise due to false alarms caused by the presence of devices manufactured to resemble clock bombs, as well as from the use of such devices in the commission of crimes.

### **Implications of Removing this Regulation**

Exposure of Canadians to the unnecessary dangers that flow from the dispatch of emergency services, evacuation of commercial and residential buildings and related panic caused by the presence of imitation clock bombs. Considerable costs for deploying the resources of emergency services organizations. In addition, it could permit the use of imitation clock bombs in the commission of crimes. There is no practical or valid recreational use for these devices. The regulation was enacted at the request of various police services.

## **Kettles**

### **Purpose**

To protect Canadians from the hidden danger of lead poisoning due to the release of lead from lead solder used in kettles.

### **Implications of Removing this Regulation**

Unnecessary exposure of Canadians to high levels of lead poisoning.



## **Respondents' Comments**

One respondent stated that a ban on the use of lead solder is overdue in Canada.

### **Kites (Schedule I, Part I, Item 11 and 27)**

#### **Purpose**

To protect Canadians from injury or death resulting from the electrical conductivity of some kites and/or kite strings.

#### **Implications of Removing this Regulation**

Canadians could be exposed to the dangers of injury or death from electrocution arising from contact between electrically conductive kites or kite strings and power lines. Removal of the regulation could result in unnecessary losses of electrical power due to contacts between power lines and hazardous kite materials.

### **Ban on Lawn Darts with Elongated Tips (Schedule I, Part I, Item 39)**

#### **Purpose**

To protect Canadians - particularly children - from the risk of severe injury or death caused by these products.

## **Implications of Removing this Regulation**

Given the failure of an agreement with industry to remove these products from the market, a removal of the regulation would likely lead to a resumption of injuries.

### **Lighters**

#### **Purpose**

To protect Canadians from injury or death caused by accidents associated with the malfunctioning or refuelling of lighters.

#### **Implications of Removing this Regulation**

Importation and sale of lighters that put consumers at risk. It is possible that removal of the regulation would result in the dumping on the Canadian market of lighters that do not meet European and American standards.

## **Respondents' Comments**

One respondent stated that stricter regulations are needed to prevent the high trauma and societal cost of injuries resulting from fires which are started accidentally, often by children.

### **Liquid Coating Materials**

#### **Purpose**

To protect Canadians, especially young children, from poisoning due to the presence of lead in paints or other liquid coating materials.

## **Implications of Removing this Regulation**

To expose some Canadians to the deleterious effects of lead in paint or other coating materials. There is a very real danger of direct consumption of lead by young children through mouthing and chewing on painted surfaces. In addition, it is known that the presence of lead in house paint makes it inevitable that some or all of that lead will eventually be released into the surrounding environment.

### **Respondents' Comments**

One industry association is willing to support a voluntary elimination of lead from paint, but wishes to retain some form of regulations to ensure that the 2% of domestic producers who are non-members, as well as importers, also eliminate the use of lead.

## **Liquid Coating Materials and Paint and Varnish Removers (Schedule I, Part I, Item 3)**

### **Purpose**

To protect Canadians from the fire hazards posed by extremely flammable solvents used in liquid coating materials, as well as in paint and varnish removers.

### **Implications of Removing this Regulation**

It is almost certain that liquid coating materials, as well as paint and varnish removers, containing extremely flammable solvents will reappear on the market if the regulation is removed. Since effective and safer

alternatives are available at competitive prices, removal of the regulation would present an unnecessary fire hazard which could result in injury or death to Canadians.

### **Respondents' Comments**

One organization feels that the U.S. should be approached regarding changing their standards.

## **Matches**

### **Purpose**

To protect Canadians from injury or death from fire caused by defective matches.

### **Implications of Removing this Regulation**

Unsafe matches are cheaper to manufacture than those which conform with the regulation. It is known that unsafe matches are periodically imported into the Canadian market. Removal of this regulation would therefore expose Canadians to the hidden hazards of injury or death as the result of unsafe matches. Worker safety in the match industry would be jeopardized by removing the regulation due to the likelihood of exposure to white phosphorus.

### **Respondents' Comments**

One producer indicated satisfaction with the present regulations.

A second producer feels disadvantaged vis à vis foreign manufacturers because of the regulations. This respondent stated that "standards can only be properly controlled at the point of manufacture", and advocated the adoption of a certification system

similar to ISO 9000 for all matches sold in Canada.

This producer also opposes proposed amendments which would require bilingual warnings to keep matches away from children, and notes that the space available on matchbooks for printed messages is too small to carry this warning, and is needed for commercial advertising. This respondent also states that the U.S. has no regulations controlling afterglow on paper matches, "as it is deemed not to represent a hazard to consumer."

A third organization feels that the regulation could be replaced with a voluntary standard.

## **Playpens**

### **Purpose**

To set performance standards for playpens in order to eliminate the high rate of injuries and deaths resulting from hidden hazards caused by unsafe playpen design or hazardous materials used in their construction.

### **Implications of Removing this Regulation**

An influx of relatively cheap, unsafe playpens imported from countries with lower standards. Domestic manufacturers would then be forced to produce comparable products in order to remain cost competitive in the marketplace. A second-hand trade in unsafe products would also ensue. This situation would result in increased injuries and deaths.

## **Liquids containing PCBs for use in microscopy, including immersion oils but not including refractive index oils (Schedule I, Part I, Item 26)**

### **Purpose**

To protect hospital and other laboratory technicians from exposure to carcinogenic PCB-based immersion oils used in microscopic examination procedures.

### **Implications of Removing this Regulation**

The creation of serious health and environmental hazards, with no positive benefits for any sector of society. A conflict with Canada's stated support of international efforts to eliminate PCBs in the workplace and environment.

### **Respondents' Comments**

One respondent feels that, as these substances are used in small quantities in laboratories, and handled by specially trained personnel, a voluntary approach such as safety guidelines or standards could be used.

## **Regulations for Products to be used in a Child's Mouth (Schedule I, Part I, Item 14 and 15, Part II, Item 27, 37)**

### **Purpose**

To protect infants and young children from injuries or death due to the defective design of pacifiers and other products to be used in a child's

mouth. The regulations also deal with toxic substances in pacifiers.

### **Implications of Removing these Regulations**

Unnecessary exposure of infants and young children to hazards caused by improperly designed pacifiers and nipples or the presence of toxic substances.

### **Safety Glass Prohibition**

#### **Purpose**

To protect Canadians from accidents caused by the use of non-laminated or non-tempered glass in residential construction.

#### **Implications of Removing the Regulation:**

As many as 10,000 accidents per year were caused by the use of non-laminated or non-tempered glass prior to enactment of the regulation. Removal of the regulation would undoubtedly result in a large increase in glass related injuries and deaths. Representatives of both industry and government agree that voluntary programs to promote the use of safety glass would not be effective. As a consequence, the National Building Code has been revised to require the use of safety glass in all new building construction.

### **Science Education Sets Regulations**

#### **Purpose**

To ensure that chemicals in science education sets sold for use by older children are adequately labelled, and to ensure that they will not produce dangerous chemical reactions or lead to the ingestion of dangerous chemicals.

#### **Implications of Removing these Regulations:**

Some manufacturers might be encouraged to make science education sets more marketable by incorporating exciting, but potentially dangerous, chemical ingredients.

### **Tents**

#### **Purpose**

To reduce injuries and fatalities associated with tent fires.

#### **Implications of Removing this Regulation**

The safety and lives of consumers would be placed at risk due to the increased importation and sale of flammable tents. It is possible that removal of the regulation would result in a slight decrease in the retail cost of tents.

**Textiles Fibres  
(Schedule I, Part I Item 4)**

**Purpose**

To protect Canadians against the hidden risk of injury or death due to the ignition of dangerously flammable textiles.

**Implications of Removing this Regulation**

It is highly likely that non-complying products would quickly become available on the market. It is particularly feared that Canada could become a dumping ground for non-complying U.S. products. The hidden hazard posed by these products could lead to an increase in burn injuries and related deaths.

**Toys (Schedule I, Part I, Item 10)**

**Purpose**

To protect children from injury caused by toys which present electrical, mechanical, thermal, toxicological and flammability hazards.

**Implications of Removing this Regulation**

It is almost certain that a significant business in cheap, unsafe imported toys would ensue. This situation would force domestic manufacturers to produce similar products in order to remain cost effective. Removal would therefore likely lead to an increase in injuries and deaths to children due to toy related accidents.



# Weights and Measures Act

## **Comments Regarding the Overall Regulations:**

A reliable system of weights and measures is viewed as an absolute necessity for any marketplace transaction. There must be a system in place which protects consumers from inaccurate and fraudulent measurements.

Harmonization of regulations relating to weights and measures is desirable to reduce trade barriers. One respondent notes that harmonization must offer sufficient protection to consumers and facilitate the conversion of Canada's weights and measures system completely to metric.

A second respondent noted that there is no problem of overlap with the legislation of its province.

A third respondent stated that changes should be in line with the proposed changes to regulations administered by Agriculture Canada.

Another respondent stressed that the principle objectives of regulations should be the initial criteria for assessment during the regulatory review. Competitiveness should not be the sole criterion

for assessing regulations and their alternatives. This respondent stated that regulations can promote competitiveness if they anticipate future trends and have the support of business, government and consumer groups.

Enforcement must be equitable so that no one group is put at a competitive disadvantage.

Problems cited include: the slowness of the regulatory revision process delays introduction of new technology and the improvement of client services; some design aspects of the regulations could inhibit technological innovation; compliance rates could be improved; more emphasis should be placed on device performance.

### **Metric Regulations (individually measured foods, gasoline, carpets)**

#### **Purpose**

To accelerate the adoption of the metric system at the retail trade level for individually measured items (e.g. produce, meats, gasoline).

#### **Implications of Removing these Regulations:**

Revocation would have little or no impact on food retailers and consumers given that they have not been enforced over the past nine years. The Department is enforcing metric requirements, however, under the *Consumer Packaging and Labelling Act* for pre-packaged products.

### **Respondents' Comments**

An organization representing consumers is of the opinion that Canada's system of weights and measures must be converted completely to metric.

One industry association is of the opinion that metric for pre-packaged products must be retained on the grounds that it promotes international standardization.

A second industry association is of the opinion that metric conversion should be enforced and "hard metric" sizes for pre-packaged products should be adopted for all regulated products. This association also feels that the declaration of metric units only for net quantity of pre-packaged products should be maintained.

### **Specifications Relating to Devices**

#### **Purpose**

To provide standards for performance, design, installation and use of weighing and measuring devices used in commercial transactions.

#### **Implications of Removing these Regulations:**

This would create a competitive disadvantages for responsible device manufacturers and owners as well as significantly increase the level of inequity and loss for business and consumers; and would have an adverse effect on the trust given to Canada by its trading partners. Public confidence in marketplace transactions would erode.



## **Weights and Measures Act**

### **Respondents' Comments**

Four agricultural, chemical and fertilizer organizations stressed their concern over Weights and Measures Regulations which require elimination of vapour return lines for metering of anhydrous ammonia.

These organizations are of the opinion that the emphasis on improving the current small margin of error will increase total costs for farmers and reduce the availability of product. Efficiency and productivity will suffer in their opinion.

Another respondent felt that specifications for approaches to vehicle scales should be eliminated given that they are redundant.

Another organization noted that the actual practice to date is that the hard surface for vehicle approaches extends 3 metres in each direction. This respondent feels that this is a manageable approach which should be reflected in the regulations.

Another respondent indicated support for these regulations.

### **Commodities ("Net Quantity Tolerances")**

#### **Purpose**

To provide for the accurate measurement and declaration of "net quantity" for products and services in commercial transactions.

#### **Implications of Removing these Regulations:**

An adverse effect on competitiveness, fair measurement, and the ability to

make informed choices and price comparisons.

### **Respondents' Comments**

One organization is of the opinion that bagged fertilizer weight tolerances should be reviewed. The 25 kg bags are seldom sold individually, a normal practice is to sell on the basis of a tonne (i.e. 40 bags), where the bag serves only as a container.

A second respondent is of the opinion that the current regulations should be retained as a measure of protection for the purchaser.

A third organization supports the need for legal net quantity tolerances.

Another respondent supports the concept of legal net quantity tolerances checked at the retail level.

### **Fees and Charges**

#### **Purpose**

To prescribe fees and charges to recover partial costs for the calibration and certification of measurement standards, the approval of weighing and measuring devices, the inspection of devices before use in trade, the request inspection of devices, and the inspection of devices located in grain elevators licensed under The Canada Grain Act.

#### **Implications of Removing these Regulations:**

Removing these regulations would mean that fees and charges would no longer be assessed for these services and revenues to the government of Canada would be reduced by

approximately \$1.3 million annually. (This amount represents less than ten percent of the program's costs.)

### **Respondents' Comments**

Two respondents complained about recent inspection fee increases.

One of these respondents feels that, prior to any increase, W&M should examine their operational policies to find ways to reduce costs and eliminate unnecessary activities. This organization complained that there is no logic to singling out grain elevators to pay an annual fee for inspection when no other business is required to do so.

The second respondent noted that, as there has been no general increase in fees for inspections, the agricultural industry is being singled out to carry an additional cost.

Two respondents are unhappy with government fees and charges in general. They object to government regulations requiring certain standards and then imposing fees for meeting the requirement.

### **Employees' Comments:**

An inspector with the Department feels that, in order to avoid inequities in the cost of initial inspections, a flat rate for the various devices would be preferable. This would treat all traders equally and there would be no loss of revenue if the fees were set based on previously known costs.

## **Submissions for Approval of Weighing and Measuring Devices**

### **Purpose**

To provide relevant information to enable the Minister of the Department to approve devices for use in commercial transactions.

### **Implications of Removing these Regulations:**

Revocation would have little impact. Administrative guidelines or specific instructions for information requirements and process would be a possible alternative.

### **Respondents' Comments**

One association is of the opinion that the enforcement of these particular regulations should continue.

A second organization agrees with revocation of the requirement regarding form and manner of submissions for approval of weighing and measuring devices and the replacement with guidelines.

## **Marking of Weighing and Measuring Devices**

### **Purpose**

To mark devices before they are sold for commercial application.

### **Implications of Removing these Regulations:**

The loss of essential information needed to verify whether a device is approved for use in trade, and to

## **Weighing and Measuring Act**

indicate to the owner or user of the device the operating limits within which it must be used.

### **Respondents' Comments**

One organization is of the opinion that these regulations should remain as a safeguard against improperly identified and/or labelled weighing and measuring devices.

### **Notifications of Actions taken by Weighing and Measuring Device Dealers, Importers and Owners.**

#### **Purpose**

Requires the person(s) who imports a device into Canada, alters, repairs or adjusts a device, breaks a security seal, or removes an inspection mark to notify the Minister or officials of the Department so that following inspection may take place to ensure compliance.

#### **Implications of Removing these Regulations:**

No major adverse effect given that there are other mechanisms to ensure that only approved and inspected devices are used in trade.

### **Frequency of Inspections for Weighing and Measuring Devices.**

#### **Purpose**

To allow for fixed cyclical inspection of devices that are used in trade at such times or within such periods of time as may be prescribed. (Only

certain grain elevator scales are presently inspected on a fixed annual cycle.)

### **Implications of Removing this Regulation**

Revoking this regulation would eliminate the requirement to annually inspect all grain elevator scales and would allow for the inspection of devices where compliance is lowest and the risk of monetary loss due to inaccurate measurement is highest.

### **Respondents' Comments**

Two respondents believe that a compulsory annual inspection of grain elevators is too frequent and inflexible. A less frequent inspection would be more realistic with inspections dependent on the history of the particular weighing device.

### **Defacing of Markings on "Static measures" (i.e. devices that measure length, volume or capacity and have no moving parts).**

#### **Purpose**

To "deface" the approval number and the words "Legal for Trade" on any static measure used in trade if it does not meet the requirements of the Act.

### **Implications of Removing this Regulation**

Revoking this regulation would eliminate the authority of inspectors to prevent the use of defective and inaccurate measures in the marketplace.

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