Direction de
la vérification,
de l'évaluation
et du contrôle

Audit,
Evaluation and
Control Branch

EVALUATION OF THE REGULATION REVIEW PROCESS IN THE CONSUMER PRODUCTS AREA:

BACKGROUND STUDY MODULES

Consommation
et Corporations
Canada

Consumer and
Corporate Affairs
Canada

Bureau de la
coordination
des politiques

Bureau
of Policy
Coordination

EVALUATION OF THE REGULATION REVIEW PROCESS IN THE CONSUMER PRODUCTS AREA:

BACKGROUND STUDY MODULES

Program Evaluation Division
Bureau of Policy Coordination
Consumer and Corporate Affairs

1986

Foreword

In February 1984, the Deputy Minister of Consumer and Corporate Affairs Canada (CCAC) signed Terms of Reference for an evaluation of the Traded Goods program component, including an evaluation study of the Program of Regulatory Review and Reform achievements in the Consumer Products subactivity of the Department.

The evaluation of the Regulation Review and Amendment Process in the Consumer Products area was based on multiple lines of evidence using independent teams addressing evaluation issues in several study modules.

This volume contains the reports from these evaluation modules upon which the CCAC program evaluation team based its final evaluation report.

All evidence, advice and recommendations reported herein represent the independent views of the various consultants rather than the views of the Government of Canada or any of its departments or agencies.

INTRODUCTION

1. The Regulation Review and Amendment Process in Consumer Products Area

CCAC regulatory activities relating to consumer products are carried out under legislation administered primarily by the headquarters staff of the Consumer Products Branch (CPB) of the Consumer Affairs Bureau. These regulations underlie the labelling, packaging, advertising, quality, quantity, and composition standards aspects of the sale of consumer goods in Canada. The Acts supporting the regulatory activities are the Consumer Packaging and Labelling Act, the Textile Labelling Act, the National Trade Mark and True Labelling Act, the Precious Metals Marking Act, the Food and Drugs Act, the Canada Agricultural Products Standards Act (CAPS), and the Fish Inspection Act. CCAC has sole jurisdiction for the first four acts and shares jurisdiction with Health and Welfare Canada for the Food and Drugs Act, with Agriculture Canada for the CAPS Act, and with Fisheries and Oceans for the Fish Inspection Act.

The formal policy for reviewing existing regulations and making new regulations in the Consumer Products area is described in the Consumer Affairs Bureau Consultation Policy. Figure 1 illustrates the major steps in this review process.

2. Evaluating the Regulation Review and Amendment Process

The evaluation of the Regulation Review and Amendment Process was based on multiple lines of evidence using independent teams in several evaluation modules.

The evaluation drew on two general sources for information to assess the review and amendment process. First, the experience and perceptions of those directly affected by the regulatory activity -- industry, consumers, and government personnel -- was gathered in the course of several study modules (some of which were direct add-ons to other ongoing evaluations). All industry sectors affected by the regulations were consulted including textiles, food and those industries producing pre-packaged and non-food consumer products. Extensive interviews were held with the CCAC Departmental personnel directly responsible for initiating and co-ordinating the review and amendment of regulations in the Consumer Products area. Federal departments and agencies responsible for monitoring regulatory activity were also consulted.

In addition, in-depth case studies of a representative sample of regulatory initiatives undertaken by the Program area over the past 15 years were prepared and provided detailed evidence on the effectiveness and efficiency of the review process.

FIGURE 1

REGULATION REVIEW AND AMENDMENT PROCESS IN CONSUMER PRODUCTS AREA

3. Contents of this volume

The reports from the study modules that have been included herein are:

- "Regulatory Amendment Process: Case Studies in the Consumer Products Area" (Summer 1984), by G. Cassidy Consulting Ltd.
- "Consultations in the Regulatory Amendment Process: Legislation in the Consumer Products Subactivity (June 1985) by B.E. Siegel.
- "Response to Report: Consultations in the Regulatory Amendment Process...."
- "Process of Amending Regulation in the Consumer Products Area. Case Study Findings", (October 1984) by G. Cassidy Consulting Ltd.
- "Prior Regulatory Review Work Undertaken by Consumer Products Subactivity" (June 1985), by B.E. Siegel.
- "Review of Regulatory Reform Activities in the Consumer Products Area, 1979-1983, (October 1984), by G. Cassidy Consulting Ltd.
- "Follow-up Recommendations to Case Study Findings" (November 1984), by R. Gordon Cassidy.
- "Textile Sector Evaluation -- Consultations Module" (March 1985) by Price Waterhouse Associates.
- "Food Sector Evaluation -- Consultations Module" (March 1985), Nordicity Group Ltd.
- "Consultations with Associations Representing Pre-packaged and Non-Food Consumer Products" (January 1986).

REGULATORY AMENDMENT PROCESS:

CASE STUDIES

IN THE CONSUMER PRODUCTS AREA

by

J. Johnstone
G. Cassidy Consulting Ltd.

Prepared for:

Program Evaluation
Audit, Evaluation and Control
Bureau of Policy Coordination

Summer 1984

This report is one of several prepared by independent consultants as input for the evaluation of the Consumer Products Regulation Review and Consultation process. All evidence, advice and recommendations represent the independent views of the consultant rather than the views of the Government of Canada or any of its departments or agencies.

TRADED GOODS EVALUATION

The evaluation of the Traded Goods program component consists of six separate, but interrelated, evaluation studies. These include:

(1) Evaluation of Rationale, Achievement of Objectives and the Impact of the Component;

(2) Examination of Prior Regulatory Review Work;

(3) Energuide Evaluation;

(4) Evaluation of Program Alternatives;

(5) Food Sector Evaluation;

(6) Textile Sector Evaluation.

This report serves as input to evaluation study two (2) above.

I. Introduction

This report presents the detailed findings of 29 case studies on regulatory amendments that were undertaken by the Consumer Products Branch (C.P.B.) since 1969. The purpose of detailing these case studies was mainly to establish the main characteristics of the regulatory amendment process within the Consumer Products Branch. These 29 case studies were undertaken as part of the Traded Goods evaluation of the C.P.B.'s regulatory review and reform program. The summary and analysis of these 29 case studies is presented in another report entitled "Process of Amending Regulation; Case Studies."

To develop these case studies, the Program Evaluation Division of the department of Consumer and Corporate Affairs Canada hired R. Gordon Cassidy and his assistant J. Johnstone from June to September of 1984. The preparation of these 29 case studies required the on-going participation of the officers of the Consumer Products Branch who were responsible for the different amendments. As noted in the Table of Contents the officer responsible for each amendment was asked to verify the accuracy of the information presented in each case study.

The 29 case studies presented in this report were selected out of a possible 66 amendments that were undertaken by the Consumer Products Branch since the late 1960's. The amendments examined are related to regulations under the following legislation:

National Trade Mark and True Labelling Act;
Precious Metals Marking Act;
Textile Labelling Act;
Consumer Packaging and Labelling Act;
Food and Drug Act; and
Canada Agricultural Product Standards Act.

In order to select case studies that were as representative as possible of the entire universe of amendments (i.e. 66 amendments), a list of characteristics that may influence the amendment process has been developed. The characteristics that were examined for the selection of the amendments included the following:

The nature of the amendment;
The parties responsible for initiation;
The role of CCA;
The timing;
The current status of the amendment;
The nature of the regulation amended;
The industry sector; and
The statutory authority.

Each of the 66 amendments were then categorized according to these characteristics. From this framework and following the advice of the C.P.B. officials, 29 case studies were selected. Although the universe of potential amendments to be selected comprised amendments dated as far back as the early 1960's, the availability of documents/files favored the selection of amendments that were undertaken since 1979.

After this selection process, the development of the case studies as presented in this report was carried out based on an intensive file review and interviews with program representatives. For each case study, this report presents the nature of the amendment being proposed, the extent of consultation with interested parties, a chronology of events that took place in relation to the particular amendment and a time line showing the usual steps to be undertaken to amend a regulation.

Table of Contents

II Detailed Case Studies

Canada Standard Measuring Cups and Spoons Regulations

Proposed Amendment: National Trade Mark and True Labelling Act

These regulations were brought into effect in March, 1957 and had not been amended since. They are in imperial units and do not reflect the country's conversion to metric. These regulations apply only if the dealer wants to use the National Trade Mark (Canada Standard or C.S.).

The need and usefulness of these regulations was questioned as a result of regulatory review by CPB staff. Seven associations were solicited for comment, and no one expressed a desire to have these regulations retained. Many did not seem to be aware of their existence. A policy proposal has recently been submitted for the Director, CPB to approve. It recommends that the regulations be revoked. Studies indicate that there are currently no problems in the marketplace. However, the Consumer Packaging and Labelling Regulations could be amended if the need for protection arose. The CGSB has issued voluntary standards to industry.

Since these regulations have not been used for at least 20 years, the impact of revoking them would be minimal. A chronology and time line follow.

Chronology of Events

May 12, 1981 The need for these regulations was questioned as a result of regulatory review.

May 13, 1982 - a note to the file indicated that one complaint on cups and spoons had been received since May 1982: the article was not marked with the National Trade Mark symbol and thus it was not within the preview of these regulations

April 22, 1983 - letter requesting comment on the appropriateness of these regulations was mailed to the following:

Canadian Manufacturers Association
Canadian Dietetic Association
Canadian Home Economics Association
Canadian Diabetes Association
Canadian Metric Association
Canadian Hardware & Housewares Association
Society of the Plastics Industry of Canada

May, 1983 - included in regulatory agenda
- Canadian General Standards Board responded to this notice and submitted copies of the

standards for cooking measures and metric spoons developed by the CGSB Committee on Household Measures (voluntary standards)

May 18, 1983 Canadian Home Economics Association responded but mistakenly thought the voluntary CGSB standards had superseded the legislated standards under review

July 11, 1983 CPB requested comment from the associations previously contacted who had not yet responded

July 13, 1983 to Nov. 19, 1983 Five responses received - none of these responses indicated a need or a desire to retain this legislation

Nov. 1983 - included in Regulatory Agenda

Dec. 1, 1983 - determined that there has been virtually no verification program for cups and spoons since at least 1962 and, in all likelihood, since the creation of these regulations

Dec. 15, 1983 - results of Ontario region study to determine the accuracy of their graduation and capacity marking received

- results indicate that these items are produced with acceptable accuracy notwithstanding that none bare the national trade mark

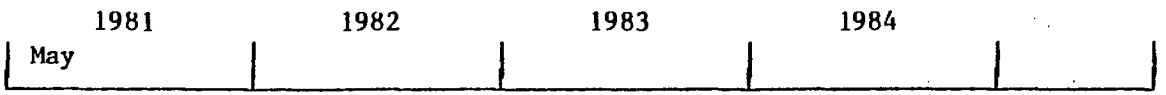
May 1984 - included in Regulatory Agenda

Aug. 1, 1984 Policy Paper submitted to Director, CPB for approval

- the recommendation is to revoke the Canada Standard Measuring Cups and Spoons Regulations: Consumer Packaging and Labelling Regulations could be amended to correct any future difficulties which might arise relative to the accuracy of markings on measuring cups and spoons.

Canada Standard Measuring Cups and Spoons

Time Line



1. Problem Identified — x
2. Pre-consultation held with interested parties — 2 years, 3 months
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted — x
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

Status: Policy Paper Drafted
Total Time Elapsed: 3 years, 3 months

Turpentine Labelling Regulations

National Trade Mark and True Labelling Act

These regulations provide a standard for turpentine, (4 basic types) based on conventional physical and chemical properties and corresponding analytical techniques. For a product to be called "turpentine", it must adhere to these standards.

The regulations were gazetted in 1960. Their usefulness was questioned as a result of the regulatory review process. Letters were sent to 10 companies, and three associations were solicited for comment. CAC was also consulted. No one expressed any opinion on the usefulness of the regulations.

It is recognized that consumers must be protected from turpentine substitutes. A lot of sample testing was done between 1969 and 1971 because many manufacturers were selling substances as turpentine (advertised and priced) that were not turpentine. However, there is no list of prosecutions in the file. Protection could be found in Section 7 of the Consumer Packaging & Labelling Regulations. The definition for turpentine could be incorporated into these regulations.

Consultation with interested parties has concluded. Work will begin again on these regulations once the "cups and spoons regulations" have been finalized. A S.E.I.A. is not required. A chronology and time line follow.

Chronology of Events

May 12, 1981 The need for these regulations was questioned as a result of regulatory review.

? extensive background research on the turpentine industry determined that there are 10 manufacturers in Canada

? requested CAC's opinion

- they say the consumer has the right not to be misled, and if he has been deceived (i.e.: buys "turpentine" which is not turpentine) he should be able to prosecute or get retribution of some form

April 22, 1983 - requested market information (structure, principal markets, sources of supply) from 3 associations and their view as to the usefulness of the regulations

- letters to 10 manufacturers requesting: sources of raw materials, a breakdown of their market, uses of turpentine, brand names they sell, and the usefulness of the regulations

May 1983 - included in Regulatory Agenda

Mid June 1983 - requested this information again (only four responses had been received)

May 5 to Aug. 13 1983

Responses

Of 3 Organizations contacted:

- 2 responded but did not state whether the regulations were necessary (1 forwarded the letter to another association)

Of 10 companies solicited:

- 3 responded with firm specific information

- 2 responded they are no longer involved with turpentine

- 1 does not use the word "turpentine" so they feel they are exempt from the regulations

Nov. 1983 and May 1984 — notice in Regulatory Agenda

Options to be considered are:

- revising existing regulations
- including the regulations under a more appropriate Act
- allowing the industry to self-regulate

Turpentine

Time Line

1981	1982	1983	1984

1. Problem Identified — x
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

1 year, 8 months

Status: Consultation
Time Elapsed: 3 years, 3 months

"CANADA STANDARD" SIZING

AMENDMENT TO THE NATIONAL TRADE MARK GARMENT SIZING REGULATIONS

The Canadian Government Specifications Board [now called the Canadian General Standard Board (CGSB)] formed the Committee on the Standardization of Garment Sizes* over 30 years ago at the request of the Consumers Association of Canada. To date, the Committee has produced via the consunsus process standards of body sizes for women, infant and children. In addition, dimensional standards contains specifications for a particular type of garment have been developed for a wide variety of children's wear, three articles of infants' wear and two articles of women's wear. It is anticipated that an additional 11 dimensional standards will be developed for infants' wear and an additional 7 for women's wear. Standards must be reviewed periodically to take the changes in textile technology or when changes in use patterns become significant. It is CGSB's policy to review all standards at least every five years.

The CGSB is responsible for writing and publishing the actual standards while CCAC sponsors and administers the program as a whole and provides information to both the trade and the public. The department also provides a voting member for the Committee. The voting members are mainly comprised of representatives from consumers, government manufacturers and retailers and industry

associations. CAC has a vote. Once a standard has been developed and accepted by the Committee, it is then ballotted to a Review Board and submitted to the Standards Council for approval as a National Standard. The Standard is then published as a National Standard of Canada by CGSB and is available to the public. The Regulations must be amended by a P.C. order in-council. New or revised standards and amendments are published as necessary and thus, the Regulations are rarely up to date. For example, amendments to the Regulations were published in Part II of the Canada Gazette on August 23, 1973. This replaced 34 of the existing dimensional standards, and added 1 new item. A 1976 amendment replaced 7 items with new standards, and added 1 new item. These 1976 changes reflected CGSB publications dated May 1967 to January 1975.

The "Canada Standard" Sizing System is voluntary, but if a trader chooses to participate it must be in accordance with the Regulations.

The basic procedure to update or adopt a new National Standard of Canada is as follows:

- problem identified;
- issue examined by the technical panel;
- new standard drafted by CGSB technical panel (may be discussed at meetings of Standards Committees on Garment sizes;
- proposed replacement standards or new standards distributed to voting Committee members;

- members of the Committee vote by letter ballot;
- if members express approval of the new or revised standard by their ballot, the standard is ballotted to a Review Board and submitted to the Standards Council for approval as a National Standard; CGSB issues the new standard or amendment which supersedes the old;
- Committee members informed that the new standard or amendment is in effect;
- if members do not ratify the new or revised standard, it will be redrafted and circulated for further ballots;
- CCAC amends the National Trade Mark Garment Sizing Regulations (indicates that the old standard has been superseded by the new standard or that the standard has been amended).

Examination of the files provided no indication of the total time required for this entire process.

*In 1984 Committee on the Standardization of Garment sizes underwent organizational changes to divide the Committee into two Committees. These Committees are now called the Standards Committee on Garment Sizes for Children and Infants and the Standards Committee on Garment Sizes for Women.

Tolerances on Gold and Silver Articles

Amendment to the Precious Metals Marking Regulations

Purpose: These amendments: (a)modify the tolerances respecting karat gold, sterling silver and plated articles of precious metals; (b) provide for the use of vermeil or vermil in conjunction with precious metal articles, and (c) provide for the correction of certain anomalies and make other minor amendments.

The problem of manufacturers abusing the tolerance for gold articles (e.g. ordering 13 3/4K for 14K gold because of 1/4 K tolerance) was identified by headquarters staff prior to 1977. However, revision work was initiated in 1978, after a manufacturer noted his displeasure of the abuse at an industry meeting in 1977. Although, tolerances allowed are H.S.F. "minor", they are a contentious issue (CPB staff) and affect international trade.

A government survey in 1978 indicated that 50% of gold filled jewellery sold in Canada did not meet the tolerance requirements.

Technological advances made it practical to reduce the tolerance, and bring them more into line with Canada's major trading partners. After extensive consultation (please see attached sheets), Canada's revised gold tolerances are now the same as

the U.S.. If the tolerances had been tightened beyond the U.S. level, (eg. Plumb Gold = zero tolerance), they would impose a Non-Tariff Trade Barrier, and Canada could be pressured into a much greater and stronger program of inspection and testing than they may be prepared to carry out. Industry favoured stricter tolerances.

This case is an excellent example of close liaison with industry. A joint working committee was established with members of CCA and CJA (Canadian Jewellers Association). While not required under the Precious Metals Marking Act, the proposal was pre-published in Part I in May 1981. In addition, the proposals along with a request for comments were mailed, to pertinent industry associations, embassies and the CAC. Only 2 submissions resulted, since these parties were kept abreast as discussions progressed with industry. Industry members were kept informed through trade magazines. The amendment was printed in Part II in March 1982. Total time elapsed was five years.

This case also outlines the process followed to correct a typographical error which was published in the Canada Gazette Part II. The correction took nine months.

This amendment was classified (MSD staff) as an extension of existing regulations (smaller tolerances make it more difficult for industry to comply). A S.E.I.A. was not required for this H.S.F. "minor" amendment. A chronology and time line follow.

April 30, 1982 Subject: Precious Metals Marking

Question:

Why did Consumer and Corporate Affairs (CCAC) tighten the tolerances for the deviation from the quality markings on precious metal articles?

Answer:

As a result of numerous discussions with members of the Canadian precious metal industry, it was determined that technology had advanced to the extent that the previous tolerances were too large and no longer realistic for karat gold and silver articles, particularly in view of the higher world market prices. The tolerances were therefore reduced to better reflect the capability of the industry to more accurately describe the quality of products and to provide a better level of protection to the consumer against fraud and misrepresentation.

Background:

Commencing in 1978, meetings were held between officials of the department and the Canadian Jewellers' Association which resulted in proposed amendments to the Precious Metals Marking Regulations. The proposed amendments were published in Part I of the Canada Gazette, as well as in trade association magazines and newsletters. As a result of feedback from the industry, some adjustments were made to the original proposals to lessen the economic hardship that might be experienced by manufacturers holding large inventories during the changeover period.

The amendments become effective in two stages:

1. New tolerances apply to the import and manufacture of articles on March 15, 1982.

2. Inventory of stock manufactured prior to March 15, 1982 is allowed to be sold until January 1, 1983.

An influencing factor was the tolerance changes legislated in the United States Stamping Act of October 1, 1976, which became effective on October 1, 1981.

APPENDIX A-3

Communication with respect to the Proposed Precious Metals Marking Amendments

A response from the United Kingdom expressed the view that Canada should immediately move to providing no tolerance. It is interesting to note that while the U.K. legal requirements do not make provision for any tolerance, in practice they do apply what is described as an analytical tolerance on an administrative basis.

A response from the U.S. Jewellers' Vigilance Committee (the U.S.A. industry association) points out that our proposed tolerances, except for those applicable to silver articles, would be in line with the new U.S. requirements which became effective on October 1, 1981. The U.S. government, for reasons of its own, decided to maintain the same silver tolerances which have been in effect for at least the last 12 years. It is our position, supported by the Canadian precious metals industry, that technology has sufficiently advanced in the area of manufacturing control to reduce the tolerances for silver articles to at least half of the present levels. This is reflected in the proposals.

A response from the Canadian Jewellers Association supported an effective date of January 1, 1982 after which any precious metal article manufactured would be required to meet the revised tolerances. They also requested that January 1, 1982 be the effective date of the new tolerances for any article sold by a manufacturer. This request was based on the original intention to have the same effective date as the U.S.A., namely October 1, 1981 and also that publicity was provided numerous times by the Association through its trade magazines as to that target date. (See Appendix B).

The department requested on July 14, 1981 that the Association issue a bulletin to manufacturers advising that the effective date of January 1, 1982 would apply to articles sold by a manufacturer. No negative responses were received by the Association to the bulletin and as a result the Associations executive endorsed the effective date of January 1, 1982 to apply to articles sold by a manufacturer. (It should be noted that those articles already at other trade levels at that date would not be affected by the requirements).

The department on the other hand received twenty-one submissions from Canadian dealers, all members of C.J.A., requesting an extension to the January 1, 1982 effective date for articles sold by a manufacturer. Of the twenty-one requests only fourteen were determined as possibly being affected. These requests, based on excessive inventories, called for extensions of between 6 months to 3 years from the January 1, 1982 effective date.

It should be noted that not only are manufacturers already producing articles to the revised tolerances, but major industry members had also been reducing their inventories in anticipation of the originally intended October 1, 1981 effective date and as a result had very little if any old stock on hand at the January 1, 1982 date.

A special meeting was called for in December 1981 by the CJA at which the various interested parties attended.

The meeting resulted in a recommendation as follows:

1) The date of January 1, 1982 remain as the effective date after which articles manufactured must meet the new tolerances and that

2) An effective date of January 1, 1983 be established after which articles sold from the manufacturer level must meet the new tolerances.

This recommendation was endorsed by the board of directors of CJA. Item 1 of the recommendation received unanimous approval while a few major manufacturers registered strong disapproval to item 2 which they regarded as an injust extension of a previously agreed to date. (See Appendix C).

The amendments will have no effect on imports, except for silver articles coming from the U.S.A. No major difficulties, are anticipated in this regard since U.S. manufacturers have for some time now been meeting the tighter British requirements with respect to their exports to that country.

With respect to inventories on hand after the effective date, the following should be kept in mind:

- quality markings on articles are not mandatory under the Precious Metals Marking Act, consequently articles which are not quality marked are not affected. Inaccurate quality marks can be removed.

- where quality marks which are not in compliance have been used, such markings can be altered to comply with the new tolerances eg. 14K can be down marked to 13.5K or less if desired or the mark can be removed. The manufacturers need not proceed to the drastic step of melting down inventories with the two alternatives available to them.

Appendix B

CANADIAN PUBLICATIONS OF PROPOSED

P.M.M. Regulation Amendments

Publication	Date of Publication	Effective Date
*CJA Can. Jlry. Magazine	Sept. 1978	Oct.1/81
CJA Jlry. News (Synopsis of Minister's Speech)	Mar. 1979	1981
CJA Trade Letter to Jlrs.	Feb. 1980	Oct.1/81
CJA Can. Jlry. Magazine	Mar. 1980	Oct.1/81
*CBQ Bijou Magazine	Mar. 1980	Oct.1/81
*CBQ Bijou Magazine	Apr. 1980	Oct.1/81
CJA Can. Jlry. Magazine	July 1981	Jan.1/82
CJA Jlry. Journal	Fall/Winter 1981	Jan.1/82

*CJA - Canadian Jewellers Association

*CBQ - La Corporation des Bijoutiers du Québec

CHRONOLOGY OF EVENTS

Problem Identified

Zane Brown, Chief MSD, said that work had been underway prior to the opening of the file but he could not remember in which year work began (last amended in 1974).

April 1, 1977 - letter received from Regional Manager, CFP, Atlantic Region, reporting the following:

- A manufacturer at the Atlantic Provinces Jewellers Association meeting expressed the opinion that Canadian consumers were being ripped off because Canadian manufacturers were manufacturing jewellery articles with gold very close to the lenient 1/4 karat tolerance--the tolerances were definitely being exploited.

- Canada allowed high tolerances compared to other countries.

April 22, 1977 - letter from Precious Metals Marking Specialist, Winnipeg.

- Provides background on tolerances and states the present international situation and its effects on Canadian consumers (small monetary loss to consumers).

- No need for change at present but should reexamine the issue when the US comes on line with their recently reduced

tolerances.

April 23, 1977 - PMM Specialist Ontario responds:

- Disregard retailers--deal with basic material supplier, manufacturers and importers.

April 25, 1977 - Prairie Region submitted results of their assay test--indicates serious problems and recommends immediate action.

May 16, 1977 - CPB requested Canadian Jewellers Association (CJA) opinion.

June 24, 1977 - CJA responded positively to the proposal.

- At CJA convention they passed a resolution to support the elimination of any minus tolerance on gold products, and to assist the Government of Canada with enforcement.

- Enforcement should be spread over a four year period in order to allow existing merchandise to sell through.

July 4, 1977 - PMM Specialist Ontario.

- Extensive consultation required for this contentious issue.

- Any move to plumb gold could be considered a "non-tariff trade barrier"--do not exceed US tolerances as they are our major trading partner.

April 9, 1977 - Position Paper drafted by PMM Specialist Ontario Region.

- Recommends reducing tolerances but advises against going Plumb (Non Tariff Barrier - Political Problems).

Sept 28, 1977 - Zane Brown, Chief MSD, met with CJA who supported the reduction in tolerances.

April 6, 1978 - PMM Committee agreed to make recommendations to CCA for amendments to the regulations with respect to gold filled jewellery, Rhodium plating and plumb gold.

- Recommends PMM enforcement increase.

- Recommends to adapt the same tolerances as US.

May 1978 - Policy Paper Written by CPB

June 13, 1978 - Director General, Consumer Products approved the Policy Paper.

- Also examine how these tolerances will affect imports from countries other than the US.

July 26, 1978 - Proposal sent to translation.

Aug. 1978 - Proposal distributed to industry for comment.

Sept. 14, 1978 - CJA endorses the proposal.

Oct. 31, 1978 - Optical Sector endorses the proposal.

Mar. 8, 1979 - CPB requested consultants to perform a cost/benefit analysis with industry's viewpoint.

- Also to examine the impact of other requested amendments.

Mar. 15, 1979 - First draft of proposed amendments sent to CJA and Regional Offices for comment prior to general release.

Oct. 1979 - Proposed amendments issued to all interested parties.

Jan. 22, 1980 - PMM Specialist, Atlantic Region endorses the proposal.

Feb. 18, 1980 - CJA distributes the proposal to their members and asks them to comment immediately to CJA.

- "Any changes forwarded to CCA for inclusion will be those which represent the majority of our Industry."

Sep. 26, 1980 - Communique No. 20 drafted.

- Re: Information for Manufacturers, Retailers, Importers and

Advertisers of Precious Metal Articles.

Nov. 1980 - Expert advice received by CPB on technical difficulties encountered with plating.

Nov. 12, 1980 - Proposal submitted to CCA legal services for approval.

- "HSF minor, therefore SEIA not required."
- Has been sent to translation.

Nov. 24, 1980 - CPB notified CCA legal that the effective data is to be changed (to January 1, 1982).

Dec. 30, 1980 - CPB memo to CCA legal.

- Reworded schedule of proposed amendments CCA.

Jan. 27, 1981 - Legal approved English version

Feb. 16, 1981 - Legal approved French version.

- CCA legal is to forward to PC legal immediately.

Mar. 31, 1981 - CPB requested CCA legal to examine communique No. 20 (draft).

Mar. 31, 1981 - CCA legal services to CPB.

- Returned proposal from PC legal.

- "Please advise what changes, if any, you wish made prior to my sending them for prepublication in Part I of the Canada Gazette."

Apr. 3, 1981 - CPB sent changes to CCA legal.

- Indicated suggested modifications (were of a housekeeping nature).

Apr. 21, 1981 - CCA legal forwarded the schedule of amendments to the Assistant Clerk of the Privy Council for prepublication.

- Prepublication not required by law but requested by CCA.

May 16, 1981 - PC approved for prepublication.

May 16, 1981 - Published in Canada Gazette Part I.

May 21, 1981 - Communique No. 25, forwarded from Director Consumer Products to ADM Consumer Affairs for approval.

- Includes old regulations, proposed amendments and explanations.

May 25, 1981 - Communique No. 25 issued to Jewellery Trade Association, Embassies, Consumer Associations and other Federal

Agencies.

- Only 2 responses were received
  a) UK expressed the view that Canada should immediately move to providing no tolerances.
  b) US Jewellers' Vigilance Committee note that our tolerances for stirling silver are stricter than theirs.

Jul. 31, 1981 - Chief MSD met with CJA in Toronto.

- Schedule was amended as a result.

Oct. 26, 1981 - Privy Council legal stamped the newly revised English version.

Nov. 6, 1981 - PC legal stamped the newly revised French version.

Nov. 10, 1981 - Schedule returned from PC legal.

Dec. 1, 1981 - Press release drafted for approval.

- ADM, CAB returned submission to the Governor in Council to CPB for revision.

Dec. 30, 1981 - Schedule revised again.

Jan. 6, 1982 - PMM Specialist, Pacific Region provided a

list of establishments he had notified with the recent changes.

Jan. 13, 1982 - Revised schedule submitted to legal for approval.

- Also redrafted Minister's letter of recommendation and forwarded to ADM for approval.

Jan. 27, 1982 - DM signed his recommendation to Minister to proceed.

Feb. 1982 - All references to Feb. 1, 1982 changed to March 15, 1982 on all copies of submission, and PCO correct same and stamp amended regulations.

Feb. 10, 1982 - Stamped schedule sent to PCO for registration.

- requested that they change all Feb. 1, 1982 to March 15, 1982.

- Noted and done.

Feb. 16, 1982 - Minister signed submission sent to Assistant Clerk of the Privy Council.

Feb. 18, 1982 - Schedule passed in Privy Council

Mar. 10, 1982 - Printed in Canada Gazette, Part II.

Mar. 11, 1982 - Communique No. 31 issued to Manufacturers of Precious Metal Articles.

Mar. 29, 1982 - Letter to Minister CCA from Mr. Eglington Standing Joint Committee, Senate and The House of Commons on Regulations and Other Statutory Instruments.

- Identifies a discrepancy between the French and English Versions.

- English - On January 1983.

- French - on January 1, 1983.

- "As the same error appears in the Order-in-Council it cannot be corrected by an erratum in the Gazette and should be dealt with by amendment at an appropriate time."

Apr. 2, 1982 - Above letter received by Director, CPB.

Apr. 23, 1982 - CPB response.

- Omission of "1" was a typo - we will commence the process of making the necessary correction.

May 12, 1982 - PC legal stamped the English version.

June 9, 1982 - PC legal stamped the French version.

June 10, 1982 - CPB received stamped copies from CCA legal.

Oct. 25, 1982 - Memo from Director, CPB to ADM, CAB.

RE: Submission to Governor in Council.

"On receipt of the corrections, we discussed the matter with PCO to determine if re-approval would be required once the changes were instituted. We were advised that re-approval would not be necessary since we would only be correcting a typographical error."

Oct. 29, 1982 - DM signs his recommendation to the Minister 1982.

? - Signed by Minister.

Nov. 4, 1982 - forwarded to Assistant Clerk of the PC.

Nov. 18, 1982 - Amended by PCO.

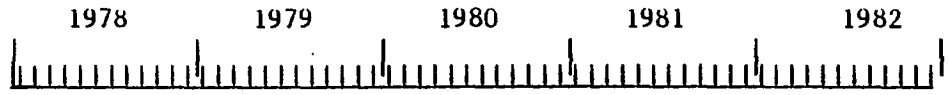
Nov. 19, 1982 - Registered at PCO.

Nov. 23, 1982 - The Registrar of Statutory Instruments notified the Minister CCA that the amendment was passed by PCO and that it will receive printing in Part II.

Dec. 8, 1982 - Amendment correcting the typographical error was printed in Canada Gazette Part II.

Tolerances on Gold and Silver Articles

Time Line



1. Problem Identified
2. Pre-consultation held with interested parties — > 1 yr
3. Communiqué drafted, issued(*) & responses evaluated — 1 year, 5 months
4. Position Paper drafted — x
5. Proposed amendment sent to P.C. legal for approval — x — 7 months — x
6. Printed in the Canada Gazette Part I — 3 wks — x
7. 30 to 90 day period allowed for public comment — 4 mos
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — 3 wks
13. Submitted for Ministerial (CCA) approval — x
14. Submitted to Privy Council for approval — x
15. Amendment printed in Canada Gazette Part II — x

Status: Passed
Total Time Elapsed: 5 years

Lower Minimum thickness of plating for watch cases
Express metric measurement in International Systems terminology, etc.
Proposed Amendment to the Precious Metals Marking Regulations

These amendments: (a) lower the minimum precious metal plating thickness on watch cases; (b) express the present regulations in SI (International System) terminology; (c) provide the word [micron] to be used in place of the word [micrometre]; (d) provide for the use of [silver filled] and [silver plated] in conjunction with plated watch cases; (e) remove the compulsory marking requirements on plated optical frames; (f) provide for the use of micrometre to be used in relation to silver plated articles in sections 7, 8, 9.

According to Geoff Lowe, Precious Metals Specialist, Merchandise Standards Division, CCA, these regulatins had a minor impact on the market, and were initiated at industry's request. Many amendments were designed to make Canadian regulations consistent with international standards. This would make international trade easier, and would benefit both Canadian industry and consumers. No policy paper was prepared and no SEIA was performed.

These amendments were discussed with industry in conjunction with tolerances. However, due to the magnitude of proposed changes, they prioritized the amendments. CPB was concerned that P.C. legal would not approve if all proposals were included in one schedule, or at a minimum, it would take a long time to get approval. These amendments were deemed secondary to the tolerance package, and were put on hold while the other schedule cleared the system. The consultation process

was similar (both in time elapsed and players) to the tolerance amendment. This schedule sat idle for approximately one and a half years. Since the amendments were drafted in conjunction with industry, there were no problems encountered once the final draft had been prepared. Privy Council legal questioned why the amendments were being prepublished in Part I, and required clarification on certain issues before they would approve it, which caused a delay. No negative comments were received as a result of the prepublication in Sept. 1983, and the schedule of amendments was not revised. It was submitted to Prive Council legal for approval prior to publication in Part II in December 1983. CPB requested a status report in April 1984 and it was determined that PC had lost the proposal. It was immediately re-submitted. All accompanying documentation (i.e. Minister's recommendation) has been prepared and will be submitted for Ministerial authorization as soon as the proposal has been stamped by PC legal.

A chronology of events and time line follow.

CHRONOLOGY OF EVENTS

? - Problems identified.

? - The files provided did not contain any documentation regarding correspondence with industry/embassies on these amendments. However, the Precious Metals Specialist MSD remembered the following consultations took place:

- The proposals were drafted in conjunction with a subcommittee of the Canadian Jewellers Association and the total proposal was approved by them.

- The Metric Commission of Canada and the Watchmakers of Switzerland (International Organization) initiated some of the changes so that Canada would be consistent with international standards - they were consulted about the proposal and were in agreement.

- The Canadian Optical Industry was consulted by the Toronto Office and were in agreement with the amendments - they initiated the change.

- Letters explaining the changes and copies of the amendments were sent to all affected parties (industry, consumer associations, embassies).

- No negative comments were received on the proposal which was then sent to PC legal for prepublication.

Oct 31, 1978 - Optical Sector Meeting.

- Voted on "compulsory marking on frames should be dropped" 20 for, 3 against.

March, 1982 - Consolidation of the amendments drafted.

Oct 1, 1982 - Amendments redrafted.

Nov 5, 1982 - English version of the amendments sent to CCA legal branch for approval.

- "Please advise of any changes required prior to preparing the French version."

Nov 25, 1982 - CCA legal services requested 3 copies of both French and English version for submission to Privy Council legal for approval to prepublish.

Jan 7, 1983 - Amendments sent from CPB to CCA legal branch.

Jan 14, 1983 - CCA legal services submitted the proposal to Privy Council legal for approval.

Feb 3, 1983 - Letter from Dept of Justice, legal service to PCO TO: Legal Services CCA.

- Questioned several things in draft which must be resolved before PC can complete the examination of the file.

- Also questioned why they are prepublishing when it is not required.

Feb. 24, 1983 - CCA legal forwarded PC legal comments to CPB for their comment.

Feb. 28, 1983 - CPB clarified the points in question.

May 1983 - included in regulatory agenda

July 20, 1983 - Letter from CCA legal to CPB including five copies, in both official languages of the amendments which incorporated PC legal comments.

July 25, 1983 - CPB verified the amendments and returned to CCA legal for arrangements for prepublication in Canada Gazette Part I.

Sept. 3, 1983 - Amendment printed in Canada Gazette Part I.
- No negative comments were received.

Sept. 9, 1983 - "GATT Committee on Technical Barriers to Trade."
- Notification of amendment issued to Geneva by the Department of Industry, Trade and Commerce.
- final date for comment - Nov. 2, 1983.
- No negative responses were received from any party.

Nov. 1983 - included in regulatory agenda

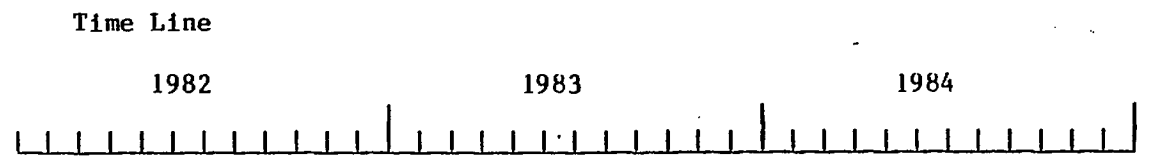
Dec. 1983 - Submitted to Privy Council Legal for approval for publication in Canada Gazette Part II.

- No changes were incorporated from the Part I printing.

April 1984 - A status check revealed that the proposal has been lost by P.C. legal. The proposal was resubmitted to P.C. legal.

Present - All accompanying documentatin has been prepared for approval by the Minister and the amendments will be submitted for Ministerial approval as soon as it is returned from PC legal.

Lower minimum thickness of plating for watch cases



1. Problem Identified
2. Pre-consultation held with interested parties — ≥4 years
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval — 7 months
6. Printed in the Canada Gazette Part I — x
7. 30 to 90 day period allowed for public comment — 3 mos
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — ≥9 mos
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

Status: Sitting in P.C. legal
Total Time Elapsed: approximately 6 years

Mandatory Marking of the Base Metal Content on Holloware Articles

Proposed Amendment to the Precious Metals Marking Regulations

Consultation with industry on the definition and mandatory marking of holloware began in Jan. 1982. Alternatives arose from meetings with industry. These alternatives were forwarded to industry for comment before CCA took any position, or drafted a proposal. Responses to the initial and subsequent letters show two distinct, opposing sides. Retailers/importers/distributors favoured CCA's proposal to eliminate mandatory marking of the base metal content on holloware articles. This marking is required by very few countries and elimination of this requirement would make importing holloware easier. The manufacturers of silverplated holloware (4 factories in Canada) are strongly opposed to this proposal. They are represented by The Silversmiths Guild of Canada, and their position is backed by the Board of Directors, Canadian Jewellery Association. By easing import requirements, this proposal will open their industry to a higher level of international competition. They also state that consumers will suffer because of lower quality goods. A further argument is the Canadian govern-

ment "Buy Canadian" program. They state that if this amendment is passed, it will seriously harm their industry (some manufacturers may be forced out of business). In fact, they are requesting tighter restrictions on holloware be imposed. A compromise solution is presently being sought.

Consultations have been ongoing for 2 years, 8 months. No S.E.I.A. is required and no policy paper has been written. No formal communiqués have been issued, but 3 information letters have been distributed to industry. Nothing has been published in the Canada Gazette. A chronology of events and time line follow.

Chronology of Events

Jan. 1982 — meetings in Montreal and Toronto regarding classification of holloware plated with precious metal resulted in a number of proposals

Feb. 16, 1982 — a letter outlining six alternative proposals was sent to 27 retailers and manufacturers (also the Canadian Jewellers Association (CJA), the Retail Council of Canada, and Regional Offices)

- advantages and disadvantages of each option was given
- requested comments within 30 days

March 1982 — responses - 3 manufacturers, 2 retailers/distributors

	Option					
	IA	IB	IC	IIA	IIB	IIC
Manufacturers	3 yes	-	-	1 no 1 yes	-	2 no
Retailers	-	-	-		3 yes	1 yes

Dec. 7, 1982 — a second letter and new proposal distributed after evaluation of initial response

- this proposal brings the holloware marking requirement in line with the general marking approach used for other plated articles (Option IIB) (deregulation) (changed "shall mark" to "may mark")

- sent to recipients of the first proposal

Jan. to April 1982 — Responses

	Yes	No
Manufacturers	-	3
Retailers/Importers	5	

The Silversmiths Guild of Canada (supported by the Board of Directors, Canadian Jewellery Association) were strongly against this proposal. Instead of deregulation, they wish to increase the regulation and establish a minimum level of plating.

April 17, 1982 — CCA staff met with retailers/importers/ distributors

May 1983 — intention to revoke mandatory markings printed in regulatory agenda

May 17, 1983 — CCA staff met with the Silversmiths Guild of Canada

- they re-emphasized their opposition to deregulation
- said it would ultimately hurt Canadian consumers through low quality imports
- proposed: thickness of silver for holloware not to be less than three microns; definite markings showing quality mark, trademark and country of origin

July 15, 1983 — Silversmiths Guild of Canada put forward their recommendations

Aug. 16, 1983 — CCA responds

- copy sent to regional specialists for comment

Nov. 1983 — intention to revoke the mandatory marking of base metal content on holloware articles published in the regulatory agenda

Dec. 16, 1983

- information letter issued to all manufacturers, dealers and Regional Specialists (Specialists were to distribute to dealers not on the mailing list)

- intent to publish attached proposal in Part I of the Canada Gazette

- this proposal was a compromise: (i) to revoke the mandatory requirements to mark the base substance for plated holloware (initial proposal); (ii) to require the mandatory quality marking on holloware to indicate the precious metal used in plating; (Silversmiths Guild suggestion); and (iii) to provide the option of marking the thickness of the silver plating on articles having a plated thickness of at least 3 micrometers (Silversmiths Guild request)

- minimum thickness requirement will be studied further

Responses

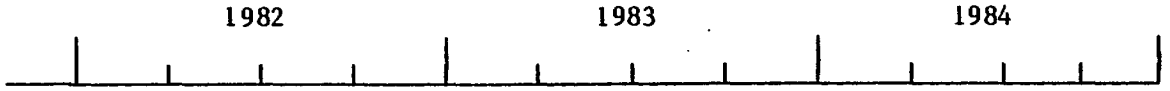
Manufacturers - 2 against

- 2 expressed reservations

March 13, 1984	Silversmiths Guild of Canada meeting - decided that PMM Regulations should not be changed: add a new section stating a minimum level of plating
May 1984	Regulatory Agenda: "The Department proposes to amend the existing regulations to facilitate the marking of the base metal in addition to establishing criteria for the marking of the precious metal plating"
Present	- consultation with industry continues - a final position is expected by January, 1985

Holloware Marking

Time Line



1. Problem Identified
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

?

2 years

8 months

Status: Consultation
Time Elapsed: 2 years, 8 months

New Generic Name-Aramid

Amendment to the Textile Labelling and Advertising Regulations

In September 1971, DuPont requested that the F.T.C. add the new generic textile name aramid to their list of allowable generic names. The F.T.C. approved this in December 1973. DuPont made this same request of C.C.A.C. in February 1974. Their request states that aramid is chemically and physically distinctive from polyamides (nylon) and warrants a new generic name (definition) and the existing definition of polyamides would have to be amended. Aramids have a high melting point, nil flammability, low vapour release when exposed to flame, high resistance to dimensional change and wrinkling. Application within the textile sector would include ironing board covers, children's sleepwear and protective clothing for hospitals. Fibres of the aramid group were being marketed actively in Canada. This was the first application for a new generic name received by C.C.A.C. since the Textile Labelling and Advertising Regulations came into effect. Interaction occurred between C.C.A.C. and a newly formed C.G.S.B. Committee on Generic Names for Man-Made Fibers. The

regulations were amended in September 1976.

Textile products enter very extensively into international trade, and it is desireable to achieve uniformity of nomenclature in order to limit non-tariff barriers to trade. In its application, DuPont suggested a definition for aramid and a revised definition for nylon. This proposed definition was marginally different than that accepted by the F.T.C. The International Standards Organization (I.S.O.) accepted another definition in 1975. The C.G.S.B. Committee published a further definition in March 1975. In September 1975 the Chairman of this committee suggested they amend their definition to be more inline with I.S.O.'s. This was not done and the original definition is now the Canadian standard. The definition printed in the Textile Labelling and Advertising Regulations is marginally different from the C.G.S.B. definition. C.C.A.C. tries to be consistent with C.G.S.B. definitions but these changes were probably made by either C.C.A.C. legal or P.C.O. legal to make the definition consistent within the Regulations (eg: C.G.S.B. definition says; ... at least 85 percent of the ...; TL&AR definition; ... at least 85 percent by weight of the...). The substance of all five definitions is the same.

This case shows the relationship between C.C.A.C. and the C.G.S.B. Committee on Generic Names for Man-Made Fibers. Although C.C.A.C. attempts to reach agreement with this committee they reserve the right to disagree. There are sometimes additional legal factors C.C.A.C. needs to considers. The generic name definitions in the Textile Labelling and Advertising Regulations supersedes those in the C.G.S.B. Standard from a legal point of view.

No consultation with industry occurred, however regional and technical specialists were consulted. The amendment was not prepublished and a S.E.I.A. was not required. Although it is in the best interests of consumers to prevent the proliferation of generic terms, it was decided that consumers would be better served if they were able to differentiate this fibre with its unique characteristics. A chronology and timeline follow.

Chronology of Events

Sept. 17, 1971 DuPont applied to F.T.C. for a new generic name

Dec. 11, 1973 Federal Trade Commission News Release

- they have established a new generic name - Aramid to cover two aromatic polyamide fibers

- effective date is Jan. 11, 1974

Dec. 27, 1973 A new C.G.S.B. Committee on Generic Names for Man-Made Fibers was established

Feb. 12, 1974 Chief, Textile Division brought the new U.S. generic name Aramid to his Director's attention

- no enquiries had yet been received about this new generic name, but he requests a position on whether or not they should extend the list of generic names using section 26 of the Textile Labelling & Advertising Regulations

Feb. 16, 1974 Internal decision not to deem aramid a new generic name until DuPont applies officially

Feb. 20, 1974 Formal request received from DuPont of Canada Ltd

- add aramid to the list of generic names and change the existing definition of nylon to exclude fibres which fall into the new class

- provides proposed definitions

- DuPont has trade marked the name Kevlar (for their use) and aramid (for generic use) but will cancel aramid if it becomes a generic name

Feb. 21, 1974 C.C.A.C. acknowledges receipt of letter and states they will consider the request

Aug. 28, 1974 C.C.A.C. requested information from DuPont on analytical techniques for the determination of the aramid fibre content of a fabric

Sept. 4, 1974 DuPont responded stating aramid's unique properties

? - DuPont was informed that they must apply directly to the Minister

Nov. 6, 1974 Memo from the Director General, Consumer Standards Directorate to A/ADM Consumer Affairs submitted to Director General for his signature (was redrafted 3 times)

- I.S.O. is in the process of including the generic term Aramid in the International Standard for Generic Names

Nov. 7, 1974 C.G.S.B. Generic Names for Man-Made Fibers

- board ballot mailed for formal ratification

- this draft includes aramid and the new definition of nylon

Nov. 12, 1974 DG authorized the letter to the A/ADM

- was modified slightly

- recommends the addition of the new generic name, and requests approval to prepare the necessary amendment to the Textile Regulations

Nov. 18, 1974 Permission to proceed granted

Jan. 28, 1975 I.S.O. subcommittee (Generic Names for Man-Made Fibers) revised their definition for nylon and made a new definition for Aramid

- proposal was generally accepted by the delegates present but a mail ballot must be conducted because some member countries (including Canada) where not present

Jan. 29, 1975 Draft amendment forwarded to C.C.A. legal for approval

- adds definition for Aramid and changes the definition of Nylon

Feb. 7, 1975 Draft submitted to C.C.A. legal

March 1975 C.G.S.B. published a revised "Standard for: Generic Names for Man-Made Fibers" (4-GP-157)

- includes definition for generic name aramid and includes revised definition of aramid

April 21, 1975 Paper written on the chemical properties of aramid, definitions, properties, end uses

? C.C.A. requested information on the identification of KEVLAR fibre from DuPont (their trade marked name)

May 14, 1975 DuPont provides the information requested

? Aramid accepted by I.S.O.

Sept. 11, 1975 Chairman of C.G.S.B. Committee on Generic names for Man-Made Fibres suggests they amend the recent publication to bring their definition in line with the I.S.O. definition before submitting it to the Standards Council as a candidate for national status

Oct. 16, 1975 C.G.S.B. informed that their subcommittee feels that the nylon and aramid definition should be amended

Nov. 7, 1975 C.P.B. corrected spelling mistakes in the proposal

- returned proposal to C.C.A. legal

Nov. 7, 1975 Sent proposal to translation

Mar. 31, 1976 Stamped copies returned from P.C. legal to C.C.A. legal to C.P.B.

July 23, 1976 Deputy Minister requests the Minister's signature on the submission to the Governor General in Council

Aug. 26, 1976 Authorized by Minister (delayed because he was on holidays)

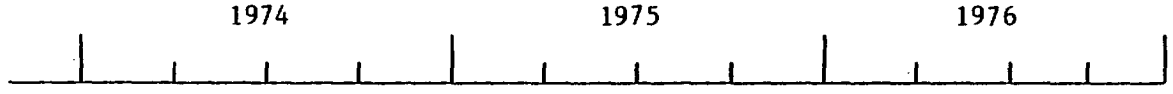
Sept. 14, 1976 Passed by Privy Council

Sept. 20, 1976 Registered for printing in the Canada Gazette Part II

Sept. 22, 1976	Notified Regional Textile Specialists, Canadian Textiles Institute, Retail Council of Canada, Apparel Manufacturers Council of Canada, Wool Bureau of Canada Limited, C.A.C., National Research Council that the amendment had passed P.C.O. and the date of publication in Part II
Oct. 13, 1976	Amendment printed in Canada Gazette Part II
October 1976	Information bulletin issued

New Generic Name-Aramid

Time Line



1. Problem Identified — X
2. Pre-consultation held with interested parties — 1 year, 10 months
3. Communiqué drafted, issued(*) & responses evaluated — 8 months
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — 3 months
13. Submitted for Ministerial (CCA) approval — 1 month
14. Submitted to Privy Council for approval — 3 weeks
15. Amendment printed in Canada Gazette Part II — 1 month

Status: Passed
Time Elapsed: 2 years, 7 months

Down and Feathers

Amendment to the Textile Labelling and Advertising Regulations

This amendment introduced improved definitions of down and feather which are both clear and commercially realistic. It increased the tolerances on down and feather from 15% to 25%. The amendment permits use of the terms down, waterfowl feather etc., for plumage which does not meet the generic definition of down or feather, providing it meets the specified composition requirements for these terms. However, the use of the words "all", "pure" or "100%" is prohibited on such products. In addition, an informative statement is now required where down is the only fibre present in a fill. Other restrictions were also included.

The original definition of down (effective on Dec. 1, 1972) was criticized by industry representatives for being too stringent given the technical capability of commercially available sorting equipment, as well as inaccurate in that down in not composed of "breast feathers." This criticism and the fact that the original regulations were unenforceable lead to the regulations being amended in January 1979.

The down and feather amendment took four or five years to prepare as it involved extensive consultation with manufacturers, retailers, and the C.A.C. as well as other government officials (both provincial and U.S.), and the establishment of a CGSB Committee on Feathers and Down to write CGSB standards.

Unfortunately, the available files no longer include specific information on the consultation process followed (ie.: meetings held, proposals distributed, comments received, etc.). The Policy Paper issued in May, 1978 outlines three alternatives and the position taken on these alternatives by both industry and consumers. The final decision was a compromise between the two groups, and did not impose any non-tariff trade barriers with the U.S. It is very similar to California law, which imposes the strictest requirements in the U.S. Some industry members are requesting that the regulations be further amended to correspond to the Federal Trade Commission's Guides for the Feather and Down Products Industry which is slightly less strict.

Two trade communique's were issued for this amendment and interested parties were kept informed of the progress being made. An information bulletin (#5) was also distributed. The following sectors were consulted: 19 down

manufacturers, 6 down suppliers/retailers, 7 representatives of retail, 5 foundations, associations and others, C.A.C., 7 federal government representatives, 4 interested Provincial governments (Ontario, Quebec, Alberta, Manitoba), the F.T.C. and the State of California. All comments were taken into consideration. A compromise solution was finally reached. No S.E.I.A. was required and the proposal was not prepublished. A chronology and time line follow.

Chronology of Events

1973 or 1974 - industry representatives criticized the original definition for being too stringent given the technical capability of commercially available sorting equipment, as well as inaccurate in that down is not composed of "breast feathers".

- other industry members complained that they were meeting the strict requirements and others were not (loss of reputation to the industry as a whole) - import and enforcement problems.

July 31 1975 CGSB established a committee to develop standards for feathers and down (establish definitions and describe a test method to determine the percentage of feather and down in a mixture)

- was initiated at the request of C.C.A.C. who had a representative on the committee.

Fall 1975 - first committee meeting

? - first draft of standards released to industry (26 definitions, test methods, analytical review characteristics)

Feb. 24, 1976 Responses

- State of California suggested minor changes

- Ontario suggested major changes

April 13, 1976 CGSB committee meeting

May 1977 CGSB published 139-GP-1 Glossary Relating to Feathers and Down and 139-GP-2m. Standard for: Determination of the Composition of Mixtures of Feathers and down, by Manual Sorting.

Dec. 1977 draft of amendment to Textile Labelling & Advertising Regulations issued to:

Regional Textile Specialists

Retail Council of Canada

Retail Merchants Association of Canada

Canadian Federation of Independent Business

C.A.C.

Eaton's Product Research Bureau

Robert Simpson Co., Ltd.

Canadian Down & Feather Products Association

Simpsons Sears

National Ski Industries Assoc.

Canadian Sporting Goods Assoc.

Apparel Council.

Ministry of Consumer & Commercial Relations (Ontario)

Consumer's Bureau, Manitoba Dept. of Consumer, Corporate & Internal Services

Ministère de l'Industrie et du Commerce (Quebec)

Alberta Dept. of Consumer and Corporate Affairs

Federal Trade Commission

Dept. of Consumer Affairs (California)

May 17, 1978 Copy of the latest draft of the proposed amendment, draft trade information bulletin and a draft consumer fact sheet sent to Down and Feather Products Association for comment.

July 5, 1978 139-GP-4m Standard for: Determination of Composition of Mixtures of Feathers and Down, by Mechanical Sorting CGSB draft distributed for comment (only 4 machines presently in Canada).

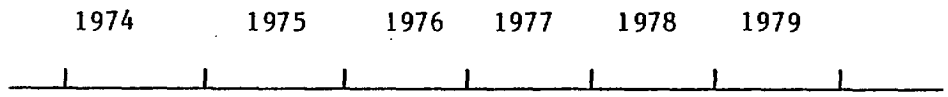
Sept. 18, 1978 meeting with industry to discuss proposed amendment to regulations

- resulted in revisions to the schedule

Sept. 26, 1978	139-GP-4m will require only minor editorial changes before it is accepted. This was finally published in 1984.
Nov. 6, 1978	PC legal stamped the English proposal (amendment to Textile Labelling and Advertising Regulations)
Nov. 23, 1978	PC legal stamped the French proposal
Dec. 12, 1978	proposal submitted to Assistant Clerk of Privy Council
Jan. 18, 1979	amendment passed by Privy Council
Feb. 14, 1979	amendment printed in Part II
	- news release
May 1, 1979	- effective date
April 1980	Information bulletin issued which explains the amendment.

Down and Feathers

Time Line



1. Problem Identified ? '73 or '74
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

4 years ?

6 mos.

7

3 wks

5 wks

1 month

Status: Passed
Total Time: approximately 5 years

Labelling of Diapers

Amendment to the Textile Labelling and Advertising Regulations

This amendment eliminated a contradiction in the Textile Labelling and Advertising Regulations. A field officer notified head office that diapers were listed in Schedule I as being exempt from labelling and in Schedule III (requires labels to the point-of-sale). It was determined that manufacturers were labelling to point-of-sale. The net result of this proposal was to eliminate confusion and require point-of-sale labelling on diapers.

No problems were encountered in making this marginal modification and no consultations were held. Comments were solicited from regional offices and they all endorsed eliminating diapers from Schedule I. Seven months passed between the letter to the regions and the amendment being published in Part II of the Canada Gazette.

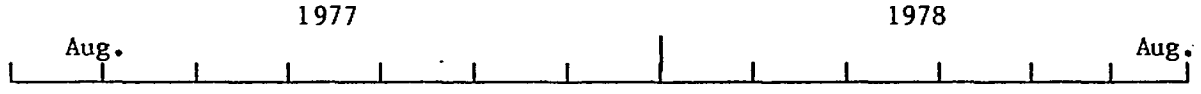
There was no resulting impact on the market since manufacturers were already complying with Schedule III, and no S.E.I.A. was required. No policy paper was written and the proposal was not prepublished in Part I. A chronology and time line follow.

Chronology of Events

?	problem identified
Nov. 30, 1977	requested comments on deleting diapers from Schedule I from regional textile specialists - specialists were also to list diaper manufacturers in their region and indicate whether they were labelling in accordance with Schedule III
Jan. 1978	- all 5 regions responded that manufacturers were labelling according to Schedule III and they suggested diapers be removed from Schedule I - some regions contacted the district offices
Feb. 1, 1978	Director's (CFP) permission sought to proceed
June 15, 1978	passed by Privy Council
June 28, 1978	amendment published in Canada Gazette Part II

Labelling of Diapers

Time Line



1. Problem Identified ?
2. Pre-consultation held with interested parties — 2 mos
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — ?
13. Submitted for Ministerial (CCA) approval — ?
14. Submitted to Privy Council for approval — x
15. Amendment printed in Canada Gazette Part II — x

Status: Completed
Time Elapsed: 7 months

Use of "Multiple-Choice Format" for "Point of Sale" Labels Amendments to Textile Labelling and Advertising Regulations

Purpose: The intent of this amendment is to simplify labelling for piece goods retailers and others involved in labelling Schedule III Articles (those requiring labels to point of sale; e.g. piece goods, drapery fabrics, upholstered furniture). Currently complying labels will continue to be acceptable.

This amendment had a minor impact, and no problems or delays were encountered. Before the amendment, consumer textile articles had to be labelled with the percentages used in disclosing the fibre content given in descending order of predominance by weight. This precluded the use of a pre-printed list of generic names with blank spaces left for the insertion of the percentages. The amendment enables a dealer to use one common pre-printed label for all or most of his products, thus saving him/her commercial printing costs on the time involved in labelling by hand. It allowed disclosure of the percentages in any order of predominance by weight. Some regions had not been enforcing the requirement. Industry and consumer associations were consulted through letters, and were receptive to the proposal. It was not prepublished in Part I of the Canada Gazette.

Since this amendment was permissive rather than an additional requirement, there was no further cost to industry and a SEIA was not required.

A textile division staff member identified the problem in October 1973, by a memo to the file. It was included in the 1979 work plan. The amendment passed in May 1980. Total elapsed time once work was initiated was approximately one year. It was not prepublished in Part I. A chronology of events and a time line identifying the major events follow.

Chronology of Events

Oct. 15/73 Staff member of the textile division wrote a memo to the file suggesting that Section III articles be exempted from the requirement to list fibres in order of predominance by weight

- originated from complaints by industry received from field staff

1978 management decision to include this in the 1979 work plan

May 1979 letter from the Regional Director, Quebec Region

- problem was identified to him through industry complaints

- CPB response indicated that work was then underway to resolve this problem

July 1, 1979 first draft of proposed amendments prepared

July 25, 1979 first draft mailed to regions and the following for response:

* Retail Council of Canada
* Canada Home Economics Association
* Consumers' Association of Canada
* Canadian Textile Institute
* Retail Merchants Association of Canada Inc.
* Canadian Home Sewing Association
* Canadian Textile Importers Association
* Canadian Apparel Manufacturers Institute

  Canadian Carpet Institute
* Canadian Council of Furniture Manufacturers
* Canadian Crafts Council
* Canadian Down and Feather Products Association

  Canadian Canvas Goods Manufacturers Association
* Textile Trade Association
* Lingerie and Underwear Manufacturers Association

  Knitters' Association of Canada
* Body Fashion Manufacturers Association of Canada
* Canadian Glove Manufacturers Association

  Canadian Cordage Institute

- response was requested before August 30, 1979

- no responses were received

Aug. 20, 1979 — a second draft was completed (minor change fibres are now to be listed alphabetically to discourage the tendency to put the most expensive and desireable fibres first on the list) and distributed to those associations on the previous list identified by an asterisk

- responses were requested before Sept. 20, 1979

Sept. 6, 1979 — Policy Proposal Paper drafted

Sept. 1979 — Received letters from three districts (Niagara, Toronto, Ottawa) - all positive

Nov. 22, 1979 — Policy Proposal sent from the Director, CPB to Director General, Consumer Standards Directorate requesting approval of Option 2

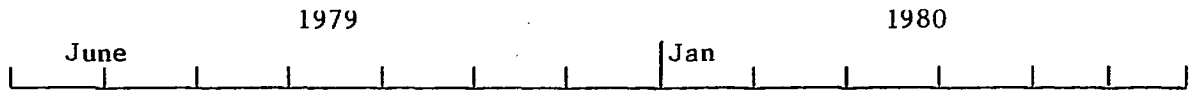
Nov 29, 1979 — Option 2 was approved

Sent to legal advisor at the Privy Council

Feb. 27, 1980	Letter from legal branch P.C. requesting three copies in both official languages of the draft Orders in Council for examination
April 1, 1980	letter forwarded to ADM from division for approval (From: Deputy Minister to Minister)
May 1, 1980	Recommendation letter from Deputy Minister, CCA to the Minister signed
May 6, 1980	The Minister, CCA signed the formal recommendation for the amendment to "His Excellency the Governor in Council"
May 12, 1980	Ministers' Letter forwarded to Assistant Clerk of the Privy Council by ADM's office
May 15, 1980	Amendment was approved by the Privy Council
May 28, 1980	Amendment printed in Part II of the Canada Gazette
June 1980	Press Release issued

Use of "Multiple-Choice Format" for "Point of Sale" Labels

Time Line



1. Problem Identified — Oct. '73
2. Pre-consultation held with interested parties — 5 mos
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted — 3 mos
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — approx. 2 mos
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval — 1 month — 3 days
15. Amendment printed in Canada Gazette Part II — x

Status: Passed
Total Time Elapsed: 6 years, 9 mos.

Labelling of Piece Goods - Deregulation

Amendment to Textile Labelling and Advertising Regulations

Purpose: This amendment permits the identity of the dealer of piece goods to be disclosed on the bill of sale. In addition, the dealer identity may continue to be disclosed on the selvage, on a label affixed to the bolt core or spool or, in the case of narrow fabrics, on a sign. This amendment simply provides one more alternative for the placement of dealer identity. The amendment should save retailers both time and money by eliminating the duplication of information concerning dealer identity.

This amendment had a minor impact, and no problems or delays were encountered. Both industry and consumer groups were consulted and were in agreement with the proposal. It was not prepublished in Part I of the Canada Gazette. Since this amendment was permissive rather than an additional requirement, there was no further cost to industry and a SEIA was not required.

This amendment was initiated because of complaints received from retailers of piece goods. The proposed amendment was distributed to industry and consumers on July 12,

1979. Responses are not included in the file, but the policy paper states they were receptive to the proposal. The amendment was authorized by the Privy Council on May 15, 1980. Total time elapsed exceeded 10 months. A detailed chronology and a time line identifying the major events follow.

Chronology of Events

Complaints from retailers of piece goods received from field staff

1978 — management decision to include this in 1979 work plan

July 12, 1979 — distributed proposed amendment and explanation to the following parties for comment (5 weeks allowed)

* Consumers Association of Canada
* Regional Textile Specialists
* Canadian Textile Institute
* Retail Council of Canada
* Retail Merchants Association of Canada Inc.
* Canadian Home Economics Association
* Wool Bureau of Canada Limited
* Canadian Apparel Manufacturer's Institute
* Canadian Home Sewing Association
* Canadian Textile Importers Association
* Knitters Association of Canada
* Textile Trade Association

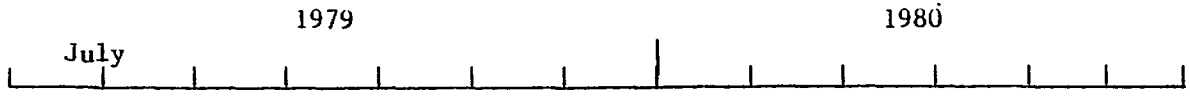
No responses were received. The Policy Paper states industry was receptive (If no responses are received, they assume no one objects to proposal).

Sept. 4, 1979	Policy Paper issued to Director General, Consumer Standards asking for approval of the proposed amendment
Sept. 11, 1979	Director General gave approval
Feb. 4/80	English proposal stamped by Privy Council legal services
Feb. 26/80	French proposal stamped by Privy Council legal services
April 1/80	Letter forwarded to ADM, Bureau of Consumer Affairs from regulator for approval (From: Deputy Minister to Minister)
May 1/80	Recommendation Letter from the DM, CCA to the Minister signed
May 6/80	Minister, CCA signed the formal recommendation for the amendment to "His Excellency the Governor in Council"
May 12/80	Ministers Letter forwarded to Clerk of the Privy Council by ADM's office

May 15/80	Amendment authorized by the Privy Council
May 28/80	Amendment Published in Part II of the Canada Gazette
May 1980	Press Release issued

Labelling of Piece Goods

Time Line



1. Problem Identified
2. Pre-consultation held with interested parties ← 2 months +
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted — x
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — ? — x
13. Submitted for Ministerial (CCA) approval — 1 mo. 6 days
14. Submitted to Privy Council for approval — 3 days
15. Amendment printed in Canada Gazette Part II — x

Status: Passed
Total Time Elapsed: 11 months

Changes in the Iron in the Trade Marked Care Labelling Symbols

Care labelling symbols were given public notice by CCAC in 1970. Textile and apparel firms were given consent to use the symbols on a voluntary basis; however, the users must comply with the requirements in the C.G.S.B. Standard for Care Labelling of Textiles. CCA has the authority to withdraw the consent from any company which violates the standard and/or to take legal action.

This specific case follows the development of the symbol allowed for irons. The original trade marked symbol (1970) was a solid iron with the temperature (in degrees farenheit) in white reverse. To improve legibility, an amendment was made to the standards in July 1973. The base of the iron could be in coloured outline (rather than solid colour) and the figures may be in the same color as the basic symbol or in any suitable darker colour (except red).

In 1977, it was suggested by C.G.S.B. that the iron symbol be further amended to incorporate dots as the preferred alternative for indicating temperature (one dot for cool iron, two dots for warm, three dots for hot). Also, if temperature was declared in figures, it would have

to be in degrees celsius. The CGSB Committee felt that the use of dots should be encouraged and that, providing adequate publicity was given to this change, dots would be more meaningful to consumers than temperatures, particularly if iron manufacturers would agree to use dots on their products. It was felt that the use of temperatures should be phased out gradually in favour of dots. One reason for the introduction of dots was to assist consumers who were confused by the temperatures (70° C means cool iron but hot water). A further reason was to increase international consistency as both the International Standards Organization (I.S.O.)'s proposed standard and the International Association for Textile Care Labelling (Ginetex) use dots. This amendment was approved by the Committee on Care Labelling of Textiles on June 14, 1979 by mail ballot, and approved by the Review Board Dec. 27, 1979. CCA gave public notice of the change in the Trade Marks Journal in October 1981.

This case illustrates how the C.G.S.B. Care Labelling Committee amends a standard, and the process CCA follows to amend a trade mark. This 21 member C.G.S.B. committee is composed of 21 representatives from government, consumers, retailers, fabric and garment manufacturers, commercial launderers and cleaners, detergent suppliers and testing organizations. They meet intermittently as required and

CCAC funds the secretarial services provided by the CGSB. CCAC has one vote on the committee, and the consensus rules. (i.e. every effort is made to resolve negative ballots).

This issue was a minor modification and no problems were encountered. A chronology follows.

The standardized time line is not appropriate for this case since it does not deal with an amendment to a regulation. The following summarizes the time involved.

Oct. 1975	The Planning and Analysis Unit prepared a report entitled: Textile Care Program, Reappraisal and Planning Proposal which noted that temperatures are confusing to consumers
Feb. 9, 1978	Decision made by C.G.S.B. Committee to introduce dots in order to increase consistency with international care labelling codes and to make the system more comprehensible to consumers
Dec. 1979	dots formally approved by Review Board
Oct. 1981	public notice given in Trade Marks Journal (finalized)

March 1982 Consent given to industry to use revised symbols by communiqué No. 30

Total time elapsed: 6 years.

CHRONOLOGY OF EVENTS

May 6, 1970 Registrar of Trade Marks gave public notice of care labelling symbols registered by CCA

- the iron was filled in with white numbers showing through

Mar. 15, 1972 - a manufacturer of these labels submitted samples from production runs

- he was experimenting with two techniques for technical reasons: (i) temperature in the iron kept in white reverse in a solid iron (ii) iron as an outline only, with the temperature inside

July 1973 To improve legibility, the symbol illustration was amended in 86-GP-1 (CGSB)

- The base of the iron may be in colored outline (rather than in solid colour), and the figures may be in the same color as the basic symbol or in any suitable darker color (except red).

June 1974 Proposed new international care labelling symbols on garment labels are published by the International Standards Organization (ISO)

- the temperature suggested for ironing is indicated by dots inside the iron outline: one dot for cool, two dots for warm, three dots for hot

Oct. 31, 1975 The Planning and Analysis Unit, Consumer Services submitted a reappraisal and planning proposal for the textile care program to the Director General, Standards Directorate

- states that the temperatures are confusing (160° means cool iron but hot wash water)

Sept. 1976 - CGSB issued a new Standard for Care Labelling of Textile 86-GP-1a

- iron could be outlined

Feb. 9, 1978 Committee on Care Labelling of Textiles Meeting

- dots were accepted as a substitute for temperature on irons

- recommended that this change be incorporated into the proposed revision of 86-GP-1a

Nov. 6, 1978 — First Draft of CAN2-86.1-79 (supersedes 86-GP-1a) (CGSB Standard for Care Labelling of Textiles) distributed for comment to members of the technical panel

- dots are to be used on irons - no temperatures are to be used

Dec. 6, 1978 — Committee on Care Labelling of Textiles, Technical Panel Meeting

- It was agreed that a choice of descriptive markings - either dots (as in the proposed ISO code) or temperatures (as in the existing Canadian code) - should be allowed for the ironing/pressing symbols and that dots should be shown as the preferred method and temperatures (°C) as a permissible alternative.

Dec. 27 1978	Committee Ballots mailed
	- members were to vote on the agreed upon changes
by Jan. 19, 1979	- 14 out of 21 members voted (13 affirmative with comments, 1 against)
March 2, 1979	Second Draft of the Standard for Care Labelling of Textiles distributed for ballot
	- either dots or temperatures (°C) may be used - dots are preferred.
June 14, 1979	17 (81%) of the votes were returned; 16 affirmative, 1 abstention
	- included suggestions for rewording - if no substantial objections are received by CGSB by July 8, 1979, this standard would be modified accordingly and submitted to the CGSB Review Board
July 8, 1979	Final Draft Submitted to Standards Review Board for approval as a National Standard of Canada

Nov. 15 1979	New standards sent to Regional Textile Specialists
Dec. 27 1979	Standards were approved by the Review Board
June 18, 1981	CPB staff asked CCA legal to process an application to the Registrar of Trade Marks to revise the trade marked care labelling symbols
	- do not revoke previous (1970) trade marks
	- dots are preferred, celsius is allowed
July 6, 1981	Deputy Minister authorizes the application to the Registrar of Trade Marks
Oct. 7 1981	Public notice given in the Trade Marks Journal
Oct. 28 1981	- informed regional textile specialists that public notice was given for the revised trade marks

Jan. 12 1982	draft communiqué #30 issued to Regional Textile Specialists for comment
Jan. 18 1982	sought CCA legal advice on preferred method of cancelling permission to use 1970 trade marks - also requested they examine the communiqué No. 30
Jan. 22 1982	To: Registrar of Trade Marks - requests they cancel the public notice contained in the Trade Marks Journal of May 6, 1970 (no longer give consent to industry to use the original trade marks)
March 31, 1982	granted consent to use the revised symbols provided that they are used in compliance with all provisions of the National Standard of Canada, Care Labelling of Textiles, CAN2-86.1-M79
March 31, 1982	Communiqué No. 30 issued to Textile and Clothing Manufacturers, Importers and Retailers

- informed industry that they had permission to use the revised symbols (degrees celsius replaced farenheit and the preferred option was to use dots on the iron)

May 26, 1982 — Public notice given of the withdrawal by CCA of its marks, hazardous products symbols, published in the Trade Marks Journal of May 6, 1970. The notice published in the Journal of October 7, 1981 is to replace the May 6, 1970 notice.

- problem - they stated that the marks were hazardous products symbols

Sept. 8, 1982 — Erratum in Trade Marks Journal

- should have correctly identified "care labelling symbols" (not hazardous products)

Nov. 9 — informed Regional Textile Specialists that the new marks are now in effect and blanket consent was given to use the marks

Retail Trade Scale Conversion to Metric Units of Measurement

Amendment to the Consumer Packaging and Labelling Regulations

This amendment made the Consumer Packaging and Labelling Regulations consistent with the Weights and Measures Regulations which had been changed to require conversion to metric weighing devices in the retail trade of individually measured commodities that are food (i.e. catch-weight products). In certain circumstances the original CP&L Regulations permitted a Canadian net quantity declaration; however, with the retail scale conversion amendment, the W&M Regulations entirely prohibits use of Canadian units in the retail trade of any food that was "individually measured," whether clerkserved or prepackaged from bulk on or off retail premises. The conversion of retail scales was the last major metric conversion to affect the general public.

This amendment was required to eliminate the legislative conflict brought about by the changes in the W&M Regulations. It did not require anything further than was already required by the Weights & Measures Regulations so no consultation occurred, and a S.E.I.A. was not conducted. The proposal was prepublished, but no responses were received as a result.

Two major delays were encountered in passing this amendment. The initial schedule for retail scale conversion was developed between February 1979 and November 1979. It had been approved by CCAC legal and CPB, and was ready to be submitted to PCO for approval. A political decision was then made to freeze metric conversion for one year. The W&M amendment was repealed. The second major delay was caused by PCO legal when approving the schedule for prepublication. They did not feel that the CP&L Act had the power to exempt by geographical region. This was required for consistency with the W&M Regulations, which had devised varying effective dates for 101 regions of Canada. After the reasons for this requirement were explained to them by CCAC legal, they approved the schedule (with reservations). PCO legal suggested the Act be changed and given this power.

A chronology of events and time line follows.

Chronology of Events

Feb. 3, 1979 proposed amendment to the Weights and Measures Regulation printed in Canada Gazette Part I

- retail scales must weigh in metric units

- effective dates for 101 regions (range: July 31, 1979 to Dec. 31, 1981)

March 12, 1979 CPB informed by the Departmental Metric Coordinator that Section 21 CP&L Regulations will conflict with the revised Weights and Measures Regulations

- requests they amend (or delete) the CP&L regulation

March 13, 1979 Chiefs comments solicited

March 14, 1979 Chief, MFD replies that the Weights and Measures Act does not apply to catch-weight food product if they are prepackaged and sold at retail (therefore no conflict exists)

- Section 22 must be amended though to reflect metric conversion (refer to W & M Regulations or repeat the same schedule in CP&L)

May 23, 1979 Revision to Weights & Measures Regulations published in Canada Gazette Part II

June 12, 1979 CCAC Legal Services drafts an amendment designed to remove the inconsistency between the regulations, and forwards the draft to Consumer Products for consideration

June 21, 1979 CP officer suggested revisions to the draft schedule

- sent to CCAC legal for consideration

July 3, 1979 - CP officer discussed revision with CCAC legal

July 7, 1979 - schedule redrafted

July 10, 1979 CPB officer, CCAC legal officer and Departmental Metric Coordinator met and discussed the draft (what was covered under which regulations, did they conflict, were there to be any exemptions from metric measurement, etc.)

July 11, 1979 schedule redrafted by CCAC legal and sent to CPB for comment

July 13, 1979 - copy of the proposed amendment and explanation distributed to CFP chiefs and Regional Managers for comment

July 19 to July 23, 1979 suggestions for revision and comments received

July 31, 1979 comments received were forwarded to CCAC legal for consideration

? CPB warned that metric conversion is going "on ice" and that they may receive "slow down" orders (political decision)

Nov. 5, 1979 CPB submitted a revised schedule to CCAC legal for comment

Jan. 18, 1980 PCO passed an amendment to revoke the W & M Regulations which required retail scales (all but 1 subsection of the amendment gazetted on May 29, 1983)

Feb. 13, 1980 amendment to W & M Regulations printed in Part II

Dec. 23, 1980 Minister of State (Small Business) and Minister CCAC jointly announced that metric conversion of retail food scales in major cities will commence on Jan. 1, 1982

Jan. 28, 1981 amendment to the Weights and Measures Regulations prepublished in Part I

- generally the same proposal as was gazetted in May 1979 (effective dates were revised and now range from Jan. 4, 1982 to Dec. 31, 1983)

March 31, 1981 CPB asks CCAC legal if they should resume work on the proposed amendment which was terminated in 1979

June 2, 1981 CCAC legal responds (confirms advice given orally) that they should proceed

June 11, 1981	CPB submits a "first draft" of amendment schedule (substantially different in form from the 1979 drafts) for comment
June 16, 1981	CPB redrafted the schedule
June 25, 1981	CCAC legal sends a redrafted schedule to CPB for comment
June 25, 1981	PCO approved the amendment to the Weights and Measures Regulations
July 2, 1981	RFD's comments on schedule requested
?	RFD draws attention to a potential problem with the draft
July 8, 1981	amendment to the Weights and Measures Regulations published in Part II
July 24, 1981	CPB submits a revised draft to CCAC legal, and asks if it is now ready for Part I prepublication
July 30, 1981	CCAC legal submitted draft to PCO legal for approval

Sept 2, 1981	CCAC legal advised CPB that: PCO Legal Services feels that the CP&L Act does not have the power to exempt by geographical region.
?	CCAC legal discussed the matter with PCO legal
Sept. 25, 1981	- after further consideration, PCO legal will allow the proposed regulations to go forward. - PCO legal recommends CCAC consider amending the regulation-making powers of the Act
Sept. 25, 1981	Legal Metrology Branch forwards a memo entitled "Metric Conversion in the Retail Sale of Individually measured Foods - Proposed Enforcement Policy"
Sept. 29, 1981	CCAC legal advises that these regulations be revoked as soon as they are no longer needed (because of Justice's reservations about legality - geographic origin exemption)

Oct. 15, 1981 CCAC legal received stamped copies from PCO legal

Oct. 19, 1981 CCAC legal forwarded the stamped copies for pre-publication in Part I of the Canada Gazette

- 60 day comment period

Oct. 20, 1981 received a copy of a memo which was sent to Regional Managers, Consumer Services on how to handle complaints about price discrepancies related to the conversion of retail scales.

oct. 31, 1981 schedule of amendments to Consumer Packaging and Labelling Regulations printed in Canada Gazette Part I

No submissions received

Jan. 18, 1982 CCAC legal received stamped copies (legal debate continues)

Feb. 2, 1982	CPB responds to CCAC inquiry that since the amendment merely makes the CP & L and W & M Regulations (which are already in effect) consistent, nothing more will be required, and a S.E.I.A. is therefore not required
March 10, 1982	CCAC legal forwarded PCO stamped copies to CPB
March 16, 1982	Director, CPB submitted amendment package to ADM, Consumer Affairs for processing - requests high priority (they are behind the initial target date due to negotiations between the Legal Branch and PCO)
March 18, 1982	package forwarded to DM, CCAC
April 8, 1982	amendment passed by PCO
April 13, 1982	registered
April 28, 1982	published in the Canada Gazette Part II

Retail Trade Scale Conversion to Metric Units of Measurement

Time Line

	1979	1980	1981	1982
1. Problem Identified	x			
2. Pre-consultation held with interested parties	8 mos		4 mos	
3. Communiqué drafted, issued(*) & responses evaluated		political freeze 14 months		
4. Position Paper drafted				
5. Proposed amendment sent to P.C. legal for approval			2½ mos	
6. Printed in the Canada Gazette Part I			x	
7. 30 to 90 day period allowed for public comment			2 mos	
8. Public comment evaluated and further consultation if necessary				
9. If major revision, amendment redrafted and submitted to PC legal				
10. Revised amendment printed in Part I				
11. 30 to 90 day period for public comment				
12. Submission to PC legal for approval			3 wks	
13. Submitted for Ministerial (CCA) approval				
14. Submitted to Privy Council for approval				x
15. Amendment printed in Canada Gazette Part II				x

Status: Passed
Time Elapsed: 3 years, 3 months

Dealer and Place of Business Declaration on Imported Products

Amendment to the Consumer Packaging and Labelling Regulations

These amendments require a Canadian dealer and principle place of business declaration on the label of prepackaged products to be qualified by the words "imported by" or "imported for" if the label does not state the geographic origin immediately adjacent to and of equal prominence to the Canadian dealer's identity. This extends the regulations to finished products which have been (i) imported in bulk and packaged and labelled in Canada, or (ii) imported as prepackaged products and labelled in Canada. It exempts products packaged at the retail level.

CCAC received a number of consumer and trade complaints as well as representation from the Canadian Labour Congress to the effect that a Canadian name and address infers a Canadian made product when, in fact the product is often of foreign origin. This possible deception of consumers issue was raised in the Ontario Legislature in 1979. The federal government was also undertaking a "Shop Canadian" media campaign, and examining the "Made in Canada" declaration.

Extensive consultation occurred on the issue. Approximately 80 industry associations and the CAC were consulted before CCAC had formed any opinion on the matter. Approximately 80% (including CAC) were in favour of extending the regulations. A proposal was then prepublished in Part I. Five responses were received and the schedule was amended to reflect their comments. The revised schedule as then prepublished, resulting in five additional responses. Three of these parties had not previously responded. The schedule was again revised and prepublished. Products packaged on retail premises were now exempt. Four letters resulted from the third printing (only one association had previously responded). The schedule was not amended and was published in Part II. Three years and six months elapsed between the first letter and final publication. Trade communique No. 29 was issued, explaining the amendment to importers.

This amendment was consistent with Codex standards and did not create a non-tariff trade barrier. A S.E.I.A. was not required. A chronology of events and time line follow.

Chronology of Events

1976 and 1977 - consumer complaints received that they thought they were buying a Canadian product, but found the product had been imported

- the distributors could not be prosecuted as they were adhering to the regulations

- the basic principle is that consumers be provided with the identity and place of business of the firm assuming responsibility for the product (this may give the impression that the product was made in Canada when it was only packaged and/or labelled in Canada)

May 17, 1977 Minister CCAC responds to a complaint and states that officials of the Consumer Standards Directorate are trying to resolve the problem

Feb. 25, 1978 Letter to Regional Managers and Regional Packaging and Labelling Specialists

- informs them that CCAC legal feels the problem can be rectified by amending the CPL Regulations

July 4, 1978 letter sent to CAC and approximately 80 Canadian industry associations

- requests their comments prior to making a decision on whether to propose an amendment to the CPL Regulations

- suggests they make the Regulations for products packaged and labelled in Canada similar to the existing requirements for products packaged and labelled outside Canada.

July 12 to Dec. 14, 1978 Responses (some associations distributed the letter to their members for comment)

C.A.C. - in favour

- extend this to require the name of the country of origin

Associations - 21 agree (84%)

- 2 disagree (8%)

- 2 no comment (8%)

Companies - 25 agree (60%)

- 17 disagree (40%)

Some positive responses indicated that the country of origin declaration should also be mandatory. Opposing reasons given were as follows: questionable need, cost of label changes, and restriction on test marketing. One Association would not endorse any change until the present regulations were equitably enforced.

Dec. 8, 1978 - this issue was raised in Ontario Legislature - want a solution

Dec. 9, 1978 - CCAC official interviewed and reported in the Toronto Star

Jan. 23, 1979 - consensus requested within Consumer Fraud Protection Branch to the "Country of Origin" problem (seeking consistency among Regulations)

Jan. 23, 1979 - CCAC legal opinion sought on most appropriate way to regulate

Feb. 5, 1979 - proposal submitted to CCAC legal for comment

Feb. 12, 1979 - Director General, Consumer Standards Directorate provided a status report to the ADM Consumer Affairs

Feb. 1979 - Policy Paper drafted

March 13, 1979 - CCAC legal questions the authority to make the amendment but agrees to submit a proposal to PCO legal (suggested minor changes)

March 19, 1979 - Director General requests ADM's approval to proceed with prepublication

- submission includes policy paper

? - ADM requests clarification

March 22, 1979 - D.G. clarifies issue

March 23, 1979 - ADM approves

April 6, 1979 - submitted schedule to CCAC legal for comment (incorporated previous suggestions)

April 7, 1979 - CCAC legal made changes and submitted the revised version to PCO legal for comment

April 12, 1979 - schedule sent to translation

May 17, 1979 - circulated proposals to all CPL officers and all regions

June 12, 1979 - CCAC legal forwarded stamped copies to Consumer Standards Directorate

- PCO legal revised the schedule

June 18, 1979 - PCO stamped version approved by Chief, CSD

June 19, 1979 - requested CCAC legal arrange Part I publication

- changed the effective date from January 1, 1980 to October 1, 1980

- information memo to ADM from DG

- schedule circulated throughout department

June 22, 1979 - schedule forwarded for prepublication in Part I (60 day period allowed for comment)

July 7, 1979 - prepublished in Part I

July 16, 1979 - Ontario Region CP & L Specialist is generally in agreement

- suggests minor changes (input from field enforcement staff)

The major objections arose from confusion whether the "product" was a "finished product" or a product which is subject to further processing

July 16 to Dec. 21, 1979 - Responses received
3 Associations

1 requested rewording for clarification (ie. finished product)

1 requested exemption for their industry

1 requested clarification of what was included

1 company - should apply only to non-food products

1 federal department - requests clarification

1 lawyer (representing several foreign companies) - clarify the explanatory note

- no comment on schedule itself

Aug. 6, 1979 - requested CCAC legal opinion on possible problems (ie. company A labels and packages a product imported from country B and sells it to Company C for distribution - is this covered?)

Oct. 29, 1979 - two alternate proposals submitted to CCAC legal for comment

Nov. 19, 1979 - CCAC legal comments

Nov. 27, 1979 - revised proposal submitted to CCAC legal for comment

Dec. 30, 1979 - submitted to PCO legal for comment and stamped copies

- asked if it will be necessary to pre-publish again

Jan. 28, 1980 - PCO legal returns stamped copies (made minor changes)

- advises it must be prepublished again

Jan. 31, 1980 - ADM's permission to proceed requested

Feb. 6, 1980 - ADM grants permission to proceed

Feb. 6, 1980 - CCAC legal submitted the schedule for publication

Feb. 16, 1980 - schedule printed in Canada Gazette Part I (60 days given for comment)

March 4, 1980 - distributed Part I printing to all packaging and labelling specialists, and throughout the division

March 26, to Aug. 1980 - Responses
- 3 Associations

- 1 agrees (not a direct response to prepublication)

- 2 request exemption

2 Companies

- both request exemption (large food stores)

- 1 Regional specialist requested clarification

Negative feedback was received from retail level product packagers, the meat and cosmetic industries. The association that responded so negatively to the initial letter did not respond to either prepublication.

March 12, 1980 - sent publication to Gatt Secretariat at their request - to be distributed to members

April 24, 1980 - CCAC/industry meeting

May 7, 1980 - meeting with the Association that adamantly rejects the proposal

July 4, 1980 - opinion sought of the Chief's MFD and RFD on exempting meat and produce prepackaged at the retail level

July 21, 1980 - their opinion was to exempt meat and poultry

- the requirement already exists for produce under other Acts' regulations

- suggested a blanket exemption for all imported, store packed food items

Aug. 26, 1980 - submission to Minister (for approval) returned by ADM for corrections

Sept. 22, 1980 - revised submission sent to ADM for approval

- the schedule now exempts any imported product which is prepackaged on a retailers' premises (restricting this

exemption to meat products or food products only could not be justified)

- if the country of origin is declared it must be immediately adjacent to and of equal prominence to the Canadian dealer's name and address

- effective dates will be one year after publication in Part II

Oct. 3, 1980 - package submitted to Minister for approval

Oct. 6, 1980 - Minister approves

Nov. 4, 1980 - schedule submitted to PCO legal for comment

March 25, 1981 - schedule submitted to PCO for prepublication (60 days allowed for comment)

April 11, 1981 - schedule printed in Part I

May 4 to June 23, 1981 - four responses Associations

- 1 in favour (never responded before)

- 2 request exemption of their product (one association has never responded before)

- 1 consumer endorsed the proposal but wants the country of origin required as well

July 16, 1981 - CCAC requested Agriculture Canada's advice on an exemption request

Aug. 11, 1981 - AC does not feel this product warrants exemption and will enforce the regulation if it is enacted.

Sept. 11, 1981 - PCO legal stamped the schedule

Sept. 16, 1981 - Director, Consumer Products Division approved the package for submission with the schedule

Sept. 17, 1981 - CCAC legal forwarded stamped copies to MSD for departmental approval

Oct. 19, 1981 - DM requests the Ministers approval

Oct. 22, 1981 - Minister signed the recommendation to His Excellency the Governor-General in Council

Oct. 27, 1981 - schedule submitted to Assistant Clerk of the Privy Council

Nov. 5, 1981 - requested communications draft a news release and/or trade communiqué

Nov. 5, 1981 - approved by Privy Council

Nov. 9, 1981 - registered

Nov. 25, 1981 - published in the Canada Gazette Part II (other than the effective date it was not changed from the third Part I publication)

- effective date November 1, 1982

Dec. 15, 1981 - trade communiqué submitted for ADM's signature

Dec. 17, 1981 - ADM returned the communiqué with suggested changes

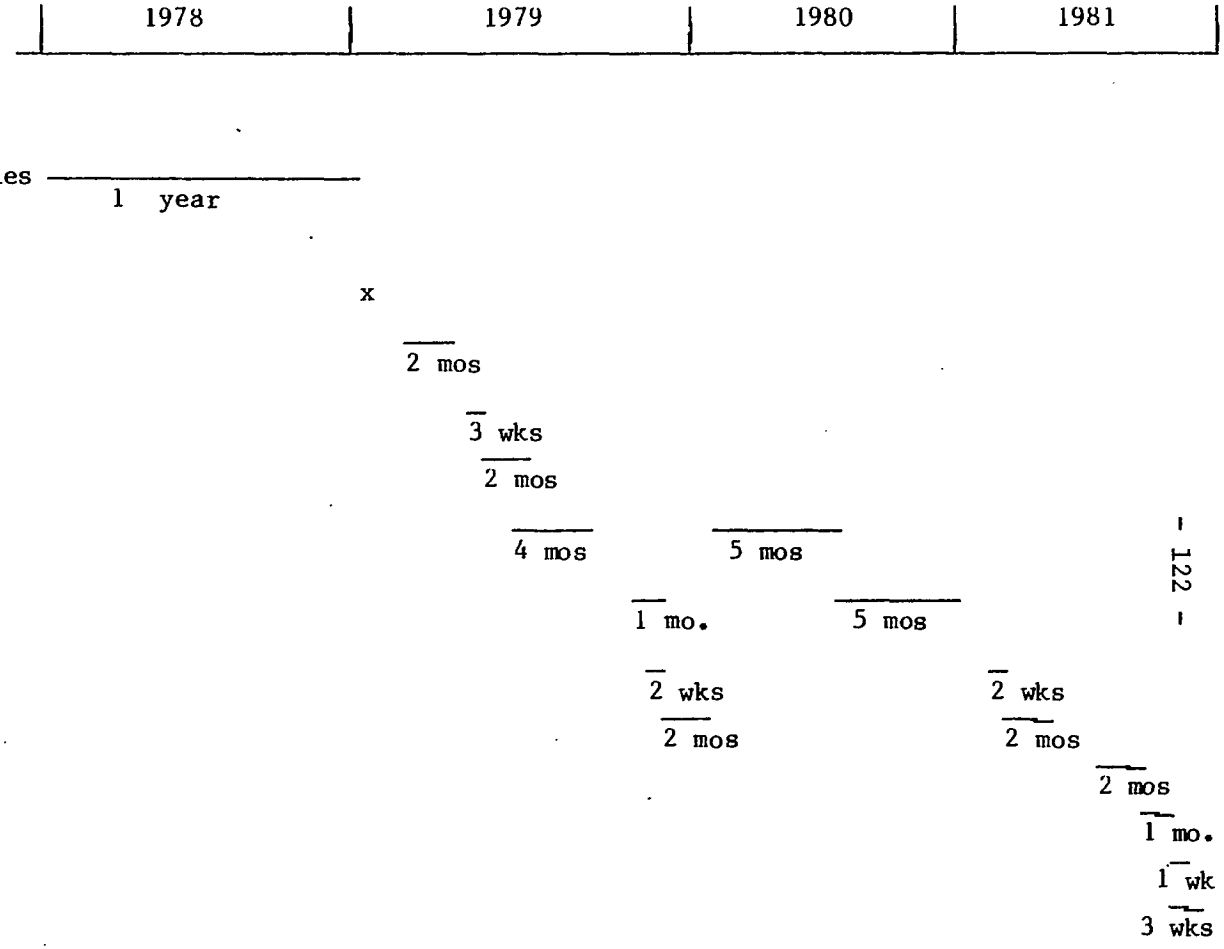
Jan. 8, 1982 - revised communiqué resubmitted for approval

Jan. 1982 - trade communiqué No. 29 issued (recipients were mainly Canadian importers)

Jan. 29, 1982 - news release

Dealer Identity and Place of Business Declaration on Imported Products

Time Line



Status: Passed
Time Elapsed: 5 years

Standardization of Sizes of Aerosol Containers

Amendment to Consumer Packaging and Labelling Regulations

Purpose: These amendments add a container size that has a net quantity of product of 75 ml in respect of the sale of deodorant, shave cream and hair spray packaged for dispensing in aerosol form.

In May, 1980, the Canadian Cosmetic Toiletry and Fragrance Association (CCTFA) informally requested that CPB amend the Consumer Packaging and Labelling regulations to allow a 75 ml size aerosol container. This request was made on behalf of their members (membership is 90% of the commodity groups affected) who wanted a size smaller than 100 ml for the purpose of promotions, trial size, samples, etc. (95 to 99% of the market was served by approximately one-half of the allowable sizes). A formal request was received May 1981. CPB consulted CAC who offered no objections. No communique was issued since the proposed amendment was a minor, non-restrictive one, and both CCTFA and CAC were in agreement with the proposal. It was published in Part I as this is a requirement under the CP&L Act. No responses were received as a result. CPB wrote CAC again for comment, and this time CAC expressed reservations. Although they favoured the concept of a personal size, they questioned the "need" and "cost" aspects of adding another size to the present range and, as well, expressed concern about the possibility of size proliferation. The Minister, CCA refused

approval, based on CAC's objections and his personal concern about possible proliferation of sizes. He suggested industry replace this size with one presently allowed. Industry was opposed to this proposal due to future considerations. Further consultation with CAC resulted in their endorsing the proposal. CPB personnel informed the Minister and he approved the proposal. The amendment was printed in Part II on January 12, 1983.

This case is a marginal packaging modification for 3 pre-packaged non-food articles. CPB staff say that it is typical of the normal process followed for non-contentious issues. A chronology and time-line follow.

CHRONOLOGY OF EVENTS

May, 16, 1980 - Meeting of Canadian Cosmetic, Toiletry and Fragrance Association (CCTFA) and CPB personnel.

- CCTFA proposed adding 75 ml to allowable size.

May 13, 1981 - Formal written request from CCTFA received

June 5, 1981 - CPB requested CCTFA to examine the present sizes allowed to determine if there was one which could be dropped in favour of adding 75 ml to the list.

July 17, 1981 - CCTFA responded negatively stating that there was no proliferation of sizes due to what is available on the market and consumers tastes.

- they did not want to eliminate any allowed size because of future considerations.

July 23, 1981 - CPB consulted CAC, they were favourable if the 75 ml can was available and being used for some other product.

Sept 3, 1981 - ADM's permission requested to draft amendment.

- No communique required.

Sept 10, 1981 - ADM approval received (no need for further

consultation before publishing in Canada Gazette Part I).

Sept 14, 1981 - CPB sent schedule of amendments to Legal Branch for approval, and asked them to arrange for the publication in Part I.

Sept 16, 1981 - Legal branch sent proposed amendment to PC Section for prepublication in Part I.

Dec 19, 1981 - Published in Canada Gazette Part I (60 days comment period).

- No submissions were received by CPB due to Part I publication.

? - CPB requested input from CAC a second time.

Apr 15, 1982 - CAC now questioned the "need" and "cost" aspects of adding another size to the present range and, as well, expressed concern about the possibility of size proliferation.

June 3, 1982 - Legal services sent proposed amendment to Privy Council Office.

Aug 24, 1982 - Legal services returned stamped copies to CPB.

Sept 2, 1982 - Submission to Governor in Council Drafted by CPB; from Deputy Minister to Minister, CCA; sent to ADM for approval.

Sept 10, 1982 - Checked with Product Safety Branch - Okay.

Sept 10, 1982 - Cover memorandum to the submission to Governor in Council signed by Deputy Minister

Oct 31, 1982 - Abovementioned letter returned from Minister unsigned - Minister expressed reservations and this proposal was to be reexamined

? - Letter from DM to Minister redrafted by CPB and submitted to ADM for approval

Dec 8, 1982 - Minister signed the letter recommending the amendment.

Dec 14, 1982 - Letter submitted by ADM to Privy Council

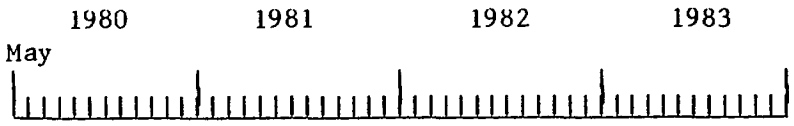
Dec 23, 1982 - Certified by Clerk of the Privy Council

Jan 12, 1983 - Printed in Canada Gazette Part II

Jan 19, 1983 - CPB advised field and headquarters staff and the CCTFA.

Standardization of Aerosol Containers

Time Line



1. Problem Identified — x
2. Pre-consultation held with interested parties — 4 months
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval — 3 mos
6. Printed in the Canada Gazette Part I — x
7. 30 to 90 day period allowed for public comment — 5.5 mos
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — 3 mos
13. Submitted for Ministerial (CCA) approval — 3 mos
14. Submitted to Privy Council for approval — 1 wk
15. Amendment printed in Canada Gazette Part II — x

Status: Passed
Total Time Elapsed: 2 years, 9 months

Standardization of Biscuit and Cookie Container Sizes

Amendment to the Consumer Packaging and Labelling Regulations

This amendment increased the number of standardized sizes of biscuit containers allowed under Section 36(1)(g) of the CP & L Regulations. It is a permissive regulation (4 additional sizes allowed) and a S.E.I.A. was not required (little economic impact-less than $10 million). The amended range of allowable sizes gave importers and Canadian manufacturers some of the flexibility they requested without resulting in any adverse impact on consumers or the marketplace. The selection of products available at retail was enhanced, and a possible non-tariff trade barrier was reduced.

The initial regulations were developed jointly by consumers/government/industry in 1974 at industry's request. They were enacted January 1, 1980 and impact problems arose immediately. In April 1980 the Association of Canadian Biscuit Manufacturers (ACBM), on behalf of their members, formally requested that a 225 g size be allowed. The Minister was opposed in principle to any new sizes, and rejected this request, due to the possible proliferation of

sizes. In June 1980, ACBM requested three additional sizes be allowed. CCA and CAC were initially opposed. Consultation occurred between manufacturing and importing industry representatives, CCA and consumer organizations and agreement on a proposal was achieved. (sizes were to be designated in hard metric sizes only nd no further attempt would be made to stop the proliferation of sizes). The proposed changes were published in the Canada Gazette Part I in August 1982. There were no responses since all had agreed to the new proposals beforehand. The Senate/House of Commons Standing Committee on Regulations and other Statutory Instruments advised the Deputy Minister that the format they had been using for Order-in-Council submissions was not in keeping with PCO directives. This revision caused a three month delay. Difficulties were also encountered in getting the PCO legal section to approve the proposal for Part II publication. PCO legal questioned CCA's authority in making this amendment (proliferation of sizes). They also questioned CCA's authority to regulate net weight (Sec. 11 allows them to regulate on the basis of size and shape of containers: this approach was undesireable due to the different densities of different biscuits), PC legal finally approved the proposal. Total time between Part I publication and Part II approval was 1 year, 4 months. The final proposal allowed 5 fewer sizes than an earlier

proposal which had been approved by the Minister. The amendment was approved by the Privy Council on February 9, 1984. Total time elapsed was 3 years, 10 months. No communique's were issued. A chronology and time line follow.

Chronology of Events

1974	regulated series of sizes developed jointly by CCA, ACBM, and consumer groups at industry's request
1977	regulations promulgated
Jan. 1, 1980	Section 36(1)(g) is now in effect (standardized sizes for biscuits and cookies) - impact problems arose immediately - first there were requests for extensions, then there were requests for enforcement, especially in regard to importations.
Apr. 24, 1980	ACBM request the Minister, CCA to add 225 g package size to the established sizes for biscuits.
June 5, 1980	Minister, CCA responds negatively to ACBM -"Adding one more size to the established set of sizes would constitute undue proliferation which is confusing or misleading to consumers."

- The proposal might be considered if 225 g replaced an existing size.

June 11, 1980 ACBM responds to Minister and requests the addition of 3 sizes (125g, 175g, 225g) but does not offer to delete any of the existing sizes.

- request resulted from the ACBM Annual Meeting-not unreasonable proliferation - at one time the biscuit industry in Canada produced over 65 different sizes - 14 sizes (excluding the vend packs under 60g) are now allowed.

- smaller sizes required due to inflation and changing consumer demand, and for international trade.

July 23, 1980 - Minister responds that the request will receive further study

- acknowledge the difficulties manufacturers face when complying with these regulations, and that imports and exports have been adversely affected by the restriction.

July 30, 1980 CPB requests CAC's comments.

Aug. 13, 1980 CAC feels that there are already enough sizes.

- CAC views the proposed sizes 175g and 225g as being unnecessary and confusing - it would be difficult for the consumer to make price comparisons when there are only 25g differences.

? CPB staff completed a pro/con analysis.

? CPB asked CREB to "identify and verify" the effect that the regulation governing the marketplace to date, and comment on the economic implications of requested changes.

Sept. 16, 1980 CREB recommends that they should not attempt an economic impact analysis of this single regulation, but should wait and include it when (if) they perform a more general review of all consumer packaging and labelling regulations affecting this industry.

Oct. 22, 1980 - A soda cracker company complains that they are encountering problems with metric weight sizes (loss due to resulting inefficient use of his equipment is $190,000.00 per year)

Nov. 17, 1980 - ADM asks CPB to make industry rationalize their request

- can they substitute the new sizes for three existing sizes?

Nov. 26, 1980 CPB responds to the ADM's letter - expands on the available information.

Dec. 4, 1980 ADM requests Director, CPB's recommendation.

Dec. 9, 1980 Director recommends that substituting the three new sizes for old sizes would probably create as many or perhaps more problems than it would solve - all existing sizes are not in use.

- Cannot go back to industry as they have already addressed all of the points raised in ADM's letter

- Recommends that for reasons of proliferation and CAC's position they do not agree to the request, but offer to discuss other alternatives.

Jan. 19, 1981 ACBM requests status of proposal.

Jan. 23, 1981 Minister responded that meetings would be scheduled to discuss alternatives.

Mar. 13, 1981 CCA met with four industry representatives - industry was not willing to self-regulate (ie: cannot de-regulate and revoke the requirement for biscuits and cookies)

? Policy Proposal drafted

- Recommend that the proposal (an additional 9 sizes allowed) be discussed with industry

- lists advantages/disadvantages

Mar. 25, 1981 Requested advice from CCA legal services.

May 15, 1981 Submitted proposal to CCA legal for comment.

May 26, 1981	CCA legal questioned the proposal since it would allow a significant increase in the number of sizes allowed (proliferation).
	- States the proposal would probably be accepted by PCO legal.
June 9, 1981	ADM Consumer Affairs to Minister, CCA.
	- Status report, options presented and requests decision.
?	Minister suggests the department makes a counter-proposal to industry.
	- prefers hard metric units only
July 3, 1981	ADM requests policy proposal.
Aug. 26, 1981	Draft Policy Proposal submitted to ADM for approval.
Aug. 29, 1981	ADM approves Policy Proposal

- Consult with CAC, importers and the Food Sector Committee of the Metric Commission (manufacturing industry representatives)

Sept. 18, 1981 ADM to DM

- memorandum enclosed to Minister for DM signature.

- requests Minister's approval to have Departmental Officials discuss the proposal and other alternatives considered with officials from industry and the CAC.

Sept. 21, 1981 Deputy Minister sends the memorandum to Minister for approval.

- restates alternatives, advantages/ disadvantages.

Oct. 15, 1981 CCA staff met with ACBM and Canadian Importers' Association, CAC invited but refused.

Oct. 28, 1981 ACBM General Meeting

- proposed amendment discussed and accepted.

Nov. 12, 1981 ACBM Wrote to thank CPB for their assistance

Nov. 26, 1981 Metric Commission meeting held.

- proposed amendment discussed and accepted.

Nov. 30, 1981 Imported Delicacies Ltd. wrote to thank CPB for their assistance and endorse the proposal.

Dec. 3, 1981 Canadian Importers Association Inc. wrote to endorse the proposal.

? Policy Paper drafted

- proposed amendment which would increase the number of biscuit and cookie sizes allowed.

- states that CAC and industry are in agreement with the proposal.

- recommends that since the proposal has a small impact and that consultation has already occurred, no communiqué be issued, but rather the regulation should be published in Part I of the Canada Gazette.

Jan. 5, 1982 Revised Policy Paper submitted to ADM for approval.

Jan. 9, 1982 ADM approval given.

Jan. 11, 1982 Informed Minister, CCA of status.

- Department's discussion with industry, importers and CAC were successful.

Feb. 9, 1982 Asked CCAC Legal to publish in Part I (at request of Food Division).

Delays at PCO of 6-8 weeks are "normal". After this period of time elapsed, a check finally revealed that PCO had "misplaced" the French language version of the amendment. After it was found, a further delay ensued while they were actually reviewed by francophone lawyers.

June 1982 Received stamped copies from PCO.

July 2, 1982 Sent stamped copies to CCAC Legal for Part I publication.

- No responses since all had agreed beforehand to the new proposals.

Aug. 7, 1982 Part I Publication

Aug. 18, 1982 Treasury Board representative wanted documentation that this amendment was exempted from a SEIA.

Aug. 23, 1982 Policy Paper forwarded to Treasury Board for exemption - it would suffice.

Oct. 26, 1982 Sent proposal to PCO for stamped copies for Part II publication.

Feb. 18, 1983 Received stamped copies from PCO.

Mar. 23, 1983 Order-in-Council submission drafted.

May 26, 1983 — Error in French version of stamped copies for Part II by PCO. Detected and corrected. Order-in-Council submission revised.

June 1983 — Senate/House of Commons Standing Committee on Regulations and other Statutory Instruments advised Deputy Minister that format they had been using for Order-in-Council submissions was not in keeping with PCO directives.

Order-in-Council for biscuits and cookies retrieved from Minister's Office. Draft order reworded but had to go back to PCO for approval and stamping.

August 1983 — PCO didn't like one version and sent another for CPB comments. Further discussions with PCO followed, who offered to review again.

Aug. 25, 1983 — Returned revision to PCO.

Sept. 22, 1983 — Followed up with PCO who requested that CCAC Legal Branch deal with them on status of their review.

Oct. 21, 1983 Followed up with CCAC Legal, since nothing had been received.

Dec. 20, 1983 CCAC Legal forwarded copy of the final PCO ruling.

Dec. 20, 1983 Proposal forwarded to ADM for departmental approval.

Jan. 23, 1984 Order-in-Council submission (final version) forwarded for Minister's signature.

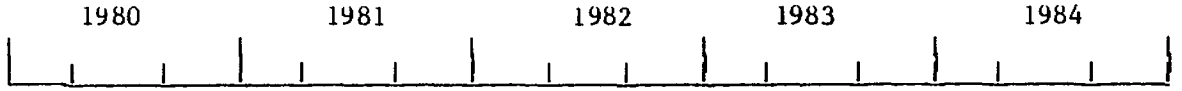
Feb. 2, 1984 Minister's recommendation submitted to Privy Council.

Feb. 9, 1984 Passed by Privy Council.

Feb. 22, 1984 Amendment published in Canada Gazette Part II.

Standardization of Biscuit and Cookie Container Sizes

Time Line



1. Problem Identified — x x
2. Pre-consultation held with interested parties — 9 mos.
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted — x—5 mos.—x — 1 month —x
5. Proposed amendment sent to P.C. legal for approval — 4 months
6. Printed in the Canada Gazette Part I — x
7. 30 to 90 day period allowed for public comment — 3 mos.
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — 1 year, 3 months
13. Submitted for Ministerial (CCA) approval — 2 mos.
14. Submitted to Privy Council for approval — x
15. Amendment printed in Canada Gazette Part II — x

Status: Passed by P.C.O. and printed in Part II
Total Time Elapsed: 3 years, 2 months

Nomenclature of Ground Beef

Amendment to the Food and Drug Regulations

The amended regulation was designed to: (1) impose a limitation on the number of terms which can be used for marketing ground beef at the retail level and (2) establish a maximum fat limit for these products.

A national survey found that nearly thirty different names for ground beef were being used on the retail market and that there was no consistency between stores with regard to nomenclature and fat content. Consumers were becoming increasingly confused over the proliferation of names. In 1974, the Food Prices Review Board released a study on ground beef and recommended that the federal government review the existing legislation in this area to make it more enforceable. An intergovernmental committee, chaired by CCAC, was formed to resolve the issue. Participants were from AC, NH&W, CCAC, Industry Trade and Commerce and National Defence. The proposal was developed in close consultation with the trade and consumer associations. It took approximately one year for everyone to reach agreement on a proposal.

A special Quebec government branch to preserve the French language (La Régie de la Langue Française) opposed the french translation, and offered an alternative. The intergovernmental committee felt that the proposal put forth by "La Régie" would be misleading to consumers. Subsequent negotiations caused a considerable delay, and the proposed nomenclature was adopted as proposed and eventually accepted by La Régie de la Langue Française and Agriculture Quebec.

These regulations were processed by HPB on behalf of CCAC. They were included in Schedule 379 which included other amendments. There were no international considerations, although Canada's standards are very similar to U.S. standards. A S.E.I.A. was not required. A communiqué and press release were issued jointly by HPB and Consumer Affairs. The proposal was not prepublished. A chronology and time line follow.

Chronology of Events

June 6, 1974 Food Prices Review Board study recommends:

1. that the Federal Government establish a standard set of regulations relating to ground beef mixtures to eliminate the existing discrepancies and contradictions;

2. that government regulations be established requiring ground beef mixture sold in retail stores to be identified with a standardized nomenclature;

3. that government regulations be established requiring all ground beef sold in retail stores to be labelled as to maximum fat content.

July 1974 - articles in the Canadian Grocer Magazine and the Food in Canada Magazine on the FPRB recommendations

Oct. 23, 1974 Food Prices Review Board Information Bulletin

- states that inaccurate labelling of ground beef appears to be receiving little attention

Nov. 1974 Interdepartmental meeting

Dec. 10, 1974 Interdepartmental meeting with Industry Representatives from the following associations were present: Canadian Cattlemens' Assoc., CAC, Meat Packers Council, Retail

Council of Canada(2), AC(3), National Defence, Agriculture (Alberta), Industry Trade & Commerce, Food Prides Review Board, HPB, CCAC(4), Food Systems

The CAC felt "hamburg" was now meaningless and the term should not be used. After extensive discussion the following recommendation was put forward:

1. Regular, or hamburg, when it contains 30% fat or less
2. Medium, when it contains 25% fat or less
3. Lean when it contains 20% fat or less
4. Extra lean, when it contains 15% fat or less

The Retail Council of Canada was to inform the retail merchants

- proposal drafted.

March 13, 1975 CCAC informed by Retail Council of Canada, that the meat retailers propose the following:

1. Hamburg Beef - 30% fat or less
2. Ground Beef - 25% fat or less
3. Lean Ground Beef - 20% fat or less
4. Extra Lean Ground Beef - 15% fat or less

Oct. 1975 Interdepartmental meeting (1HPB, 2AC, 1CCAC)

- four alternatives were put forward

a) ground beef followed by maximum fat level
b) same as (a) but merge the 20 and 25% into a 22-23%
c) Hamburg beef - 30% or less
   Regular Ground Beef - 25%
   Medium Lean Ground Beef - 20%
   Lean Ground Beef - 15%
d) same as (c) except merge the 20-25% into 22-23% (ground beef)

In the afternoon, following the morning meeting, the committee discussed the above proposal with: Retail Council of Canada; Retail Merchant's Association of Canada; Canadian Grocery Distributors Institute; Meat Packers Council, and CAC

Industry preferred:	1) Hamburg Beef - 30% or less 2) Regular Minced Beef - 25% 3) Lean Minced Beef - 20% 4) Extra-Lean Minced Beef - 15%
CAC preferred:	1) Hamburg Beef - 30% or less 2) Regular Minced Beef - 25% 3) Medium Lean Minced Beef - 20% 4) Lean Minced Beef - 15%

Nov. 12, 1975 proposal drafted - agree with industry

- minced is allowed as an alternate for the name ground

Jan. 14, 1976 proposal revised during an industry - government meeting

- allows for three types:

(a) Regular Ground Beef - 30% or less

(b) Medium Ground Beef - 22% or less

(c) Lean Ground Beef - 15% or less

- consider increasing 15% to 17% (ground beef with a chemical fat of 15%, as determined by 1976 analytic methods, was then relatively non-existent on the market)

Jan. 1976 La Régie de la Langue Française objects to the French translations and proposes different terms

Jan. 30, 1976 Food Rulings Committee unanimously accepted the following proposal as presented by CCAC:

Regular Ground Beef - 30% beef fat or less;
Medium Ground Beef - 23% beef fat or less;
Lean Ground Beef - 17% beef fat or less

- these are the only acceptable common names

Feb. 9, 1976 proposal as drafted was sent to the legal Divisions of Health & Welfare Canada and CCAC

March 9, 1976 Draft communiqué No. 15 submitted to Director, Consumer Fraud Protection Branch

March 10, 1976 Letter from ADM Consumer Affairs to Minister

- explains French problem and that it does not appear further discussion would resolve the problem

- recommends the proposal go forward unchanged for Order in Council

- ADM will issue communiqué No. 15

- in a post script the memo to the ADM states that the Co-ordinator, Field Operations Terminology and Documentation, Secretary of State is drafting a letter for his DM's signature asking that the proposed regulation be stayed. Secretary of State offer a counter proposal (not acceptable to CCAC) on the French translation

March 10, 1976 meeting between AC, CCAC, and 2 people from Direction générale de la terminologie et de la documentation, Bureau des traductions

- discussed the translation problem

- no agreement was reached and Secretary of State were going to try and stop the proposal

March 11, 1976 ADM, HPB and ADM, Consumer Affairs both sign Communiqué No. 15, Nomenclature of Ground Beef, Common Names

- it is issued to: Manufacturers, Wholesalers and Retailers of Meat and Meat Products, Food Trade Associations, Consumer Associations (10,500 copies)

- gives notice that both H & WC and CCAC Ministers are recommending the amendment of the Food and Drug Regulations

- effective data is to be July 1, 1976

- french translation has not been changed.

March 18, 1976 DM, CCAC receives letter from the Secretary of State asking that the proposal be stopped (re: french translation)

- had also written to the Minister of Agriculture Canada

March 18, 1976 - examined the possibility of using check stuffers to inform the public about the new nomenclature and standard for ground beef (cost of $50,000) (was not used)

April 29, 1976 Joint press release (CCAC and H & WC)

June 30, 1976 Toronto Star article focusing on the translation problem and delays.

July 8, 1976 CCAC informed that the Quebec Government will no longer oppose the regulation

- CCAC agreed that "ordinaire" was redundant and deleted it from the proposal

July 8, 1976 CCAC told HPB to remove "ordinaire" from the proposal (it was)

Aug. 24, 1976 HPB sent a memo to industry on compliance and dates for enforcement

? proposal considered and amended by legal before submitting to P.C.O.

April 1977 article in Canadian Consumer Magazine

April 28, 1977 passed by PCO

May 11, 1977 printed in the Canada Gazette Part II

1981 C.G.S.B. 1971 specifications (32GP44e cut 136-137) were amended to be consistent with the new regulation. (32-GP-44m)

Nomenclature of Ground Beef

Time Line

1974	1975	1976	1977

1. Problem Identified ?
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued(*) & responses evaluated — x
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval — x
15. Amendment printed in Canada Gazette Part II — x

2 years, 1 month

Status: Passed
Time Elapsed: 2 years, 11 months

Use of the term "Natural" to Describe a Food or Its Ingredients

Proposed Voluntary Guidelines for Self Regulation by Industry

Use of the term "natural" is a hotly debated issue, and has been a problem for years. Although there is no scientific substantiation of the point, consumers believe that "natural" foods are healthier for them, and will pay higher prices for "natural" foods. Therefore, arbitrary use of the term "natural" leads to unfair competition, and the misleading description of food products is to the publics disadvantage.

Other countries have attempted to regulate the use of this term (USA, State of New York, Codex, EEC). No resolution of this problem has yet been achieved.

The food industry was given the opportunity to develop and police their own guidelines on "natural" foods. They could not reach an agreement and requested assistance from CCA. CCA issued a communiqué in August 1981 stating the problem and detailing four alternatives to resolve it. These were: (i) a new Consumer Packaging and Labelling Regulation: (ii) a new Food and Drug Regulation; (iii) enforcement of present legislation; or (iv) establishment of

guidelines. Responses indicated that industry preferred voluntary guidelines and self regulation. A joint industry/government committee was established to create these guidelines. The proposal was distributed in July, 1983. Response indicates that this proposal must be altered before general consensus will be attained. They are presently evaluating these responses.

The case is an excellent example of the impact industry's opinion can have upon CCA. The guidelines were drafted in close consultation with 5 large associations, and many changes were made as a result of industry comment (e.g. many "processes" were moved from the significant to the non-significant list; reference to "organic" was dropped due to strong opposition (this topic is to be studied separately); on exchange for the purification of water is to be reexamined; gamma radiation).

Industry, through a new government/industry technical committee, is being asked to voluntarily do its own assessment of individual foods using the guidelines agreed upon. (i.e. nature of the food, nature of the process, degree of processing, degree of change in the food and the ingredients present). However, a violation of the guidelines should result in a violation of subsection 5(1) of the Food and Drug Act. They will be simply enforcing existing legisla-

tion if someone uses the term "natural" contrary to the guidelines. What are new are the tools for making this evaluation.

One final point should be addressed. Two food associations strongly oppose this action and have retained a legal firm to represent their views. They are questioning the "constitutionality" of these voluntary guidelines, and CCA's authority in developing them. In their opinion, the present set of guidelines are much improved over the first draft, and many of their initial objections have been satisfactorily resolved. However, there is general consensus within their own industry not to support it.

Since this does not involve an amendment to the regulations, a SEIA was not required. A chronology and time line follow.

Chronology of Events

?	Problem Identified and background work
May 26, 1981	draft communiqué No. 22 sent to CCA legal for comment
May 28 1981	CCA legal returned comments
July 9 1981	communiqué submitted for ADM, Consumer Affairs signature
July 10 1981	ADM requested minor changes
Aug 28 1981	Communiqué No. 22 issued to All Food Manufacturers, Importers, Retailers, Advertisers and Consumer Associations (also to other Government Agencies, Provinces, Pharmaceutical Associations, Allergy Associations, Dietetic Associations, etc) (5000 copies distributed)

This communiqué explains the problems being encountered with the term natural and identifies four options which may resolve the problem. Advantages and disadvantages for each option are discussed.

The proposed regulations would place the onus of responsibility on the dealer to establish that the term is not false or misleading in the circumstances. Guidelines would be issued, indicating the circumstances in which use of the term is not considered false or misleading.

Sept. 1981 to April 1982 — 63 responses to the communiqué were received, mainly from major associations who represent many individuals.

Industry was largely divided among the four options, however, there seems to be some indication that voluntary guidelines would be the preferred method, at least as an initial attempt to resolve the problem. These were to be established jointly by government and industry as consensus within industry seems to be unattainable. New regulations would be imposed if the voluntary program failed.

Summary of Responses

RESPONSES TO COMMUNIQUE 22 - TOTAL

OPTION

	1		2		3		4			
	YES	NO	YES	NO	YES	NO	YES	NO		NO. OF REPLIES
ASSOCIATIONS	6	9	5	9	1	3	5	3		24
COMPANIES	4	3	2	2	1		6	2		19
GOVERNMENT DEPTS. - FEDERAL					1		1			1
GOVERNMENT DEPTS. - PROVINCIAL	4	2	2	2	2	1	1	2		7
OUTSIDE CANADA		1		1		1	1			4
INDIVIDUALS	2	2	4	1	1	2	1	2		8
Yes	16		13		6		15		50	TOTAL: 63
No		17		15		7		9	48	

June 11, 1982 Draft of communiqué No. 36 submitted for ADM approval

June 30, 1982 Communiqué No. 36 issued to recipients of Communiqué No. 22

- summarizes responses to No. 22 and informs recipients that they will develop voluntary guidelines in conjunction with industry and consumer associations.

July 13, 1982 CPB requested PRAL to supply any studies or surveys which had been conducted on this topic

- confirmation as to what consumers perceive a "natural" food to be - suggested they conduct a consumer perception study

- also requested related economic information, and any socio-demographic information associated with the sale or purchase of foods labelled as natural

July 30, 1982 meeting with PRAL to discuss requirements and deadlines

July 14 to Oct, 1982 Responses from Communiqué No. 36 received

Associations

5 agree with the proposal

2 oppose

1 did not directly respond

Of these 6 wanted to be on the government/industry committee

Companies

2 were in agreement

1 opposed

of these 2 wanted to be on the committee

C.A.C. expressed reservations about the need/usefulness/future implications of the proposed guidelines

- should consider the term "pure" at the same time

- voluntary guidelines are preferable to legislative controls which are difficult and costly to enforce

Aug 20, 1982 Sent a draft of guidelines to the Canadian Food Processors Association, The National Dairy Council, Grocery Products Manufacturers of Canada, the Canadian Health Food Association and the Consumers' Association of Canada: requested written comments by Oct. 15, 1982.

- wanted to keep the initial drafting committee to a small number of large, directly affected associations

Aug 20, 1982 PRAL confirmed that they would perform a consumer perception survey/study

Sept. 20, 1982 CCAC staff held an exploratory meeting with members of the technical subcommittee of the Canadian Flavour Association

Sept. 1982 Discussed proposed guidelines at food specialist meeting (Regional Managers)

Sept 27, 1982 CCAC staff had an exploratory meeting with members of the National Dairy Council

Oct. 5, 1982 CCAC staff met with legal representatives of 2 food associations

Oct. 6, 1982 CCAC staff met with CAC personnel to explore their position

Oct. 8, 1982 Information meeting between CCAC, AECL, AC and F & O representatives

Oct. 13, 1982 CCAC staff met with the technical sub-committee of the Flavour Association
it was decided that

- processing provisions would not be applied to the flavouring components.

- the Association will attempt to develop definitions of flavour and artificial flavour

Oct. 15, 1982 exploratory meeting with C.F.P.A. to determine the impact the proposed guidelines would have on their industry (They were very responsive)

Nov. 17, 1982 "Consumer Conceptions of "Natural" in Food and the Effects of Food Processing": Study prepared and presented by "Optima" (consultants)

- qualitative study which was a background for a quantitative study

Dec. 2, 1982 meeting with G.P.M.C. to discuss CCA's progress

Dec. 9, 1982 meeting with PRAL to review the survey questionnaire

- PRAL to meet with Statistics Canada representatives and send out letters to the various survey houses for tender

Dec. 13, 1982 CFPA Committee on the Use of the Term "Natural" presented their report

- provides suggested guidelines and recommends an "Advisory Board" be set up to handle this issue

Mar. 18, 1983 CPB received results of the P.R.A.L. consumer survey - what consumers perceived as "natural"

- general correspondence with industry

- drafted guidelines three more times

April 25, 1983 sent draft communiqué and draft guidelines to eight national associations and 3 federal departments for their comment (the proposals were not to be distributed to the members)

May 1983 - included in Regulatory Agenda

May 16, 1983 Industry/CCAC Liaison meeting to discuss proposals

- representatives requested copies of the consumer perception survey

May 17, 1983 met with representatives of the National Dairy Council

results: churning was relocated to the non-significant process list; reconstitution was moved into the may/may not be significant list

May 31, 1983 meeting with CFPA representatives
- suggested modifications to the guidelines (reword and condense the proposed document as it was both too long and technical)

June 2, 1983 - CCA sent the results of the consumer perception survey to association officials initially consulted in the drafting of proposals (8 associations)

June 7, 1983 meeting with National Dairy Council to discuss significant/non-significant processes

July 15, 1983 communiqué No. 38 issued

To: All Food Manufacturers, Importers, Retailers, Advertisers, Embassies, Consumer Associations, Provincial and Other Federal Agencies

- outlined the proposed voluntary guidelines; (were changed due to last exchange with industry) outlined the proposed enforcement and asked for comments no later than November 30, 1983

July 1983 to Present — Responses (70 bodies have responded - some more than once)

Associations (22)
11 for
6 against
4 expressed reservations
1 requested an exemption

Companies (13)
7 for
6 requested an exemption

Government Departments - Federal (8)
1 for
2 against
5 expressed reservations

Government Departments - Provincial (5)

1 for

2 against

2 expressed reservations

Outside Canada (6)

2 for

1 reservation

3 requested an exemption

Consumer Associations and Individual (2)

CAC for

1 individual against

Fourteen other bodies responded asking for clarification, etc.

Sept. 1983	proposal printed in Food Technology Magazine
Nov. 1983	- included in Regulatory Agenda
May 1984	
Present Status	CPB will evaluate the responses received to date

In the near future

- it is apparent from the replies that some restructuring of the proposed guidelines must take place before they will be acceptable for general use (expected to occur in the fall of 1984)

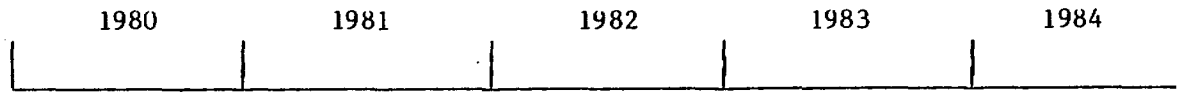
- another communiqué will be issued for public comment with the revised proposal

- it is anticipated that the definition for "natural" will not change, that is, it will be similar to the one presently found under section B.50 of the Guide for Food Manufacturers and Advertisers

- two lists of processes will be proposed; (i) processes which are always significant (cannot claim natural); (ii) processes which are never significant (can claim natural) all other processes not appearing in either list will be examined on a case by case basis taking all factors into consideration (i.e.: nature and origin of the food).

Use of the term "Natural"

Time Line



1. Problem Identified
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
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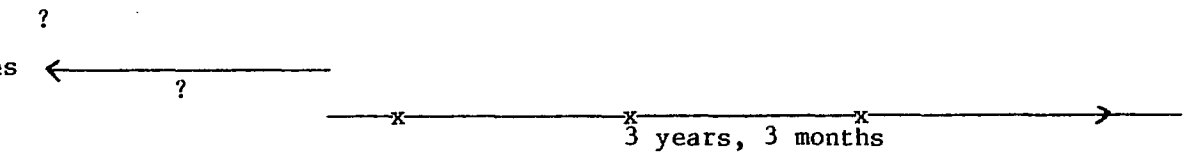


Status: Consultation
Total Time Elapsed: exceeds 3 years, 3 months

Declaration of Origin for Wines

Proposed Amendment to the Food and Drug Regulations

or

Consumer Packaging and Labelling Regulations

Briefly, this amendment attempts to set conditions under which a wine could be claimed to originate from a country (labelling change). Prior to February, 1984, the Manufacturing Food Division attempted to solve a similar problem "appellation of origin" in conjunction with country of origin. Here, they were attempting to officially establish a list of generic appellations which are qualified by a statement of the actual origin of wine, when the wine does not originate from the named region, e.g. Canadian Champagne. Work on the appellation of origin has been delayed until policy direction is received from PRAL. It is difficult to separate these issues, as they were handled jointly and are very closely related.

These problems were identified before 1972 by CCA staff and consultation is still taking place for "country of origin". A new communiqué is presently being drafted. This is a very serious and confusing issue associated with numerous political ramifications.

Although CCA does have the power to amend these regulations, they must be very careful not to antagonize foreign countries, or to break international agreements. Strong opposition to past proposals has been lobbied by Switzerland, the United States,

Italy and France. Canada is bound by such international treaties as GATT and the Paris Convention for the Protection of Industrial Property. Canada has entered into bilateral treaties with France, Spain and Portugal. Canada also wishes to adhere to other multilateral conventions. These agreements must all be considered when drafting any amendment.

Since 1972, CCA has considered amending three different sets of regulations. Initially, they planned to amend three schedules in the Consumer Packaging and Labelling Regulations. Next they considered amending the Trade Marks Act. The most recent proposed solution was to delete the present Food and Drug Regulation (Section B.02.108). "A clear indication of the country of origin shall be shown on the principal display panel of a wine," so that it would no longer be necessary to declare a country of origin. Enforcement of compliance with "country of origin" would be very difficult if not impossible. This section would be replaced by a prohibition regulation, something such as "No person shall..." whereby if a declaration of country of origin is made or implied on a label, the wine must be made in that country entirely from grapes grown in that country. The person making this claim must be able to substantiate the claim under the provisions of criminal law.

The present regulation is subject to many different interpretations. A revision to the regulations has been necessitated by the following:

- blending of wines of different origins is becoming a more common practice within Canada;
- the name and address of the person by or for whom the wine was manufactured or produced may be, in many cases, wrongly interpreted by consumers as an indication of origin;
- and the increasing use of representations implying foreign origins on domestic wine labels

The above has given a general overview of this problem. It is a very contentious issue and has serious international effects. Industry support has been impossible to achieve. "This international pressure is increasing and is becoming an irritant in our economic relations with our principal trading partners". (Director General PRAL in a memo to ADM, Bureau of Corporate Affairs, and ADM Bureau of Consumer Affairs, April 9, 1984). It is not possible to estimate when this problem will be resolved, but consultation has been ongoing for over 10 years. Four related communiques have been issued, a policy paper drafted, and a proposal was printed in the Canada Gazette Part I in July, 1974. Work is at the consultation stage. A S.E.I.A. is not required. A chronology of events and a time-line follows.

CHRONOLOGY OF EVENTS

? - Problem identified.

Dec 1973 - Lists of foods and beverages bearing geographic connotations received from the Prairie, Ontario and Maritime Regional Offices.

July 24, 1974 - Communique No 11 issued.

- "Proposed Regulations Concerning the Use of Indications of Geographic Origin."

- To: Manufacturers, Importers, Retailers of Food, Tobacco, Textile and Metal Products.

- Included proposed amendments to CP&L, Sect 18(1)(g), notified date of prepublication in Part I and gave 2 months for comment (on or before Sept 27, 1974).

July 27, 1974 - Proposal published in Canada Gazette Part I.

Sept. 25, 1974 - Communique No 12 issued to the recipients of communique No 11 and to Consumers Associations.

- Stated what would be published in Canada Gazette Part I on Sept 28, 1974.

- "In response to requests from several quarters, the time limit for submitting representations was extended to November 24, 1974."

Sept. 28, 1974 - Notice of extension for comment printed in Part I.

Feb. 20, 1975 - communique No 13 issued to the recipients of No 12.

- "A great many representations were received during that period from within the country as well as from firms, associations and governments outside Canada." (Re: communique 11).

- CCA is to review the whole question, and in the interim any further action is postponed indefinitely.

- no responses are included with the files.

Mar. 17, 1978 - News Release by Minister of CCAC.

- Indicated that it is proposed to provide a means for protecting Appellations of Origin under the revisions to the Trade Marks Act, which is presently in preparation.

Mar. 31, 1978 - Draft-Proposed Provisions of New Trademark Act for Protection of Appellations of Origin as Certification Mark (CCAC composed).

- Includes proposed amendment to the Trade Marks Act which would satisfy the following:

- "The first type of certification mark is intended to cover a geographical name which is applied to a product indicating that the product comes from the area bearing the name and that the product has certain qualities or characteristics defined by the owner. The second type of certification mark is intended to cover a geographical name which originally indicated products coming exclusively from the area bearing the name and having certain qualities or characteristics defined by the owner but, because the name has been applied to products coming from other geographical areas, no longer indicated products coming exclusively from the geographical area."

Sept. 26, 1980 - Communique No 20 issued.

- Stated that a mark should not improperly suggest a place of origin. (The use of registered Trade Marks on labels or packages subject to the requirements of other Federal Statutes.)

- Used as a warning to wine merchants.

Nov. 24, 1981 - A proposal on the declaration of the origin of wine distributed for comment to Liquor Control Boards.

April 15, 1982 - Alberta Liquor Control Board responded that, due to foreseeable enforcement problems, they were not in favour of any label declarations other than those in current use.

Sept. 23, 1982 - internal CPB memo

- Emphasizes the seriousness of the problem and that the current regulations are confusing, misleading and non-informative.

- Included matrix of what was presently allowed and required by different departments (AC, Codex, Fisheries, Revenue Canada, CP&L Regs) to use "Product of...".

Dec. 9, 1982 - ADM, Consumer Products requested a status report, and stated that this was still a problem.

Feb. 24, 1983 - Communique revised (4 drafts).

? - International Diplomatic Conference.

- Article 10 QUATRE proposal issued, re: trademarks, country of origin.

May 1983 - included in Regulatory Agenda

Nov. 8, 1983 - The United States, through the Federal Register, requested a list from all countries of those wine designations they wish to be restricted (deemed non-generic).

- List to be used to restrict imports.

Nov. 1983 - included in Regulatory Agenda

Jan. 1984 - New guide produced by Bureau of Consumer Affairs states, in relation to the common name of the product that it should not improperly suggest a place of origin.

Jan. 6, 1984 - Response from Societe des Alcools du Quebec.

- Do not agree with the proposal.

- Response dealt with other issues.

Jan. 10, 1984 - Chief, Manufactured Food Division requests the Director Consumer Products approval and support of a newly revised communiqué which they intended to discuss informally with a few provincial liquor agencies and the Canadian Wine Institute before going public.

Feb. 2, 1984 - Memo from Director, CPB to Chief, MFD.

- "As agreed in our meeting, we will not proceed with this until such time as the Shop Canadian program is underway."

- Also to separate "country of origin" from appellation considerations.

Feb. 15, 1984 - Consumer Products responded to Dept. of External Affairs (regarding U.S. request).

- "Canada does not currently have national requirements that restrict non-generic wine designations to wine meeting certain geographical and other requirements."

Mar. 12, 1984 - Draft Communiqué examined by CPB to see if proposed Shop Canadian legislation would be able to handle the majority of the problems and regulations.

- The opinion was that wine is different from most goods and that it should be handled separately.

? - The communiqué was redrafted twice.

April 9, 1984 - Letter from Director-General, Policy Research, Analysis and Liaison to ADM Corporate Affairs and ADM Consumer Affairs.

- Focuses on the international problems being encountered (U.S., Switzerland, Italy, France).

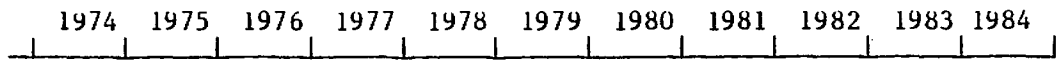
May 4, 1984 - Provides Chief's MFD response to April 9, 1984 letter.

- "The Division will continue with the development of a proposal regarding countries of origin. Work on the appellation of origin will be delayed until such time as policy direction is received from PRAL."

May 1984 - included in Regulatory Agenda

- communiqué to all interested parties targeted for release by October, 1984.

Declaration of Origin for Wines



1. Problem Identified — ?
2. Pre-consultation held with interested parties — ? ——
3. Communiqué drafted, issued(*) & responses evaluated — x—x—x (7 mos) ; x—— (3 years, 9 months)
4. Position Paper drafted — x
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I — x x
7. 30 to 90 day period allowed for public comment — —— (3 mos)
8. Public comment evaluated and further consultation if necessary — —— (5 years, 7 months)
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

Status: Consultation
Time Elapsed: 10 years, 7 months

Declaration of Sausage Casings in the List of Ingredients
Proposed Amendment to the Food and Drug Regulations

This proposal amends section B.01.008 of the Food and Drug Regulations and exempts sausage cases from being declared in the list of ingredients on the label of prepackaged sausages.

This problem was identified by a western field officer in 1980, and was discussed at the October 21, 1980 monthly Food Division meeting. The inspector noted that although the Food and Drug regulations required this declaration, Agriculture Canada was not enforcing this regulation when it approved meat labels (this is their jurisdiction). No sausage manufacturers were declaring sausage casings, and the regulation was being ignored (by both Agriculture Canada and industry). Agriculture Canada was contacted and they refused to enforce this regulation by withholding label approval. Under the federal inspection programme, section 7.3.1 of the Meat Hygiene Manual Part A classifies all casings whether edible, inedible, natural or artificial as retail packages. This exempts the declaration of sausage casings since it is not industry practice to declare packaging material in the ingredient list.

CCA proposed this amendment to eliminate the existing contradiction in federal regulations, since they could not reach an agreement with Agriculture Canada.

This marginal modification will have no impact on the marketplace (since it legalizes industry's present practice). No S.E.I.A. is required. No consultation was initiated with industry, but comments were solicited from regional food specialists in December 1972. When responding to the "natural" issue in 1983, the Canadian Meat Council stated that casings are never declared and do not have to be. They cited the Meat Hygiene Manual Part A.

No file exists on this topic. The problem was identified in 1980, and the proposed amendment is included in schedule 556 which has been awaiting P.C. legal approval for prepublication in Part I since July 1983.

(a) Labelling of Isomerized Glucose Syrups

(b) Labelling of Added Sweetening Agents in the List of Ingredients of Foods

Proposed Amendment to the Food and Drug Regulations

This case involved two separate issues. Industry developed a new sweetening agent in 1977, high fructose syrup (HSF) and bakeries and soft drink manufacturers were preparing to use it in their products. They did not know how to declare this ingredient on the labels (common name needed). The second issue was a concept proposed by CCA as an alternative method of declaring sweetening agents used on the label.

Few existing labels were affected by these proposals, and a S.E.I.A. was not required. Industry and other federal departments were consulted and their views were considered in drafting the first proposal which was distributed through a communiqué. A second communiqué advised industry of the status of the two proposals. The first proposal was accepted for general use in the fall of 1980. It is included in Schedule 556 at the P.C. legal department for approval for Part I publication. The second proposal was dropped due to strong opposition. Industry is requesting that the regulations (dealing with the declaration of

sweetening agents) be amended. CCA is considering their proposals, and further consultation will occur. No international problems are expected. Codex and the U.S. are presently re-evaluating their labelling requirements.

A chronology and time line follow.

Chronology of Events

1977	problem identified - new type of sweetener (high fructose syrup - H.F.S.) created a nomenclature problem
Feb. 25, 1978	joint sugar industry/government meeting on the subject of "sugars" nomenclature in food ingredients labelling, as well as the possible creation of standards for glucose syrups isomerized to yield <u>different</u> levels of fructose (product contains both fructose and glucose)
Winter 1978	meetings with industry produced no agreement on how to solve this problem
Nov. 1978	a committee made up of officials from H.P.B. and CCA developed a tentative proposal which was informally discussed with members of the industry most concerned
April 2, 1979	trade letter sent to food associations and embassies - the letter summarized the extent of the problem, and suggested some solutions

- a dozen responses were received; about half were in favour, others had certain reservations (some wanted all sweeteners declared; some wanted the source of sweeteners declared; others wanted only to declare "sugars" with no declaration of constituents; some wanted sugar declared as "sucrose")

Nov. 1979 — CCA staff met with officials of the company which manufactures the new product (H.F.S.) (2 others will soon be manufacturing the product)
- bakeries and soft drink manufacturers are preparing to use H.S.F. - do not know how to label it

? — further discussions with H.P.B. officials

? — CCAC regional offices consulted

June 4, 1980 — Policy Paper drafted
- presents proposed amendment and discusses the pros and cons

(proposal is different than what was initially distributed to industry for comment)

June 4, 1980	policy paper and communiqué submitted to ADM, Consumer Affairs Bureau for approval
June 17, 1980	ADM questioned international considerations and whether the Labatt Decision would affect this amendment
Aug. 14, 1980	Policy Proposal redrafted (minor wording changes)
Sept. 8, 1980	CPB responded to the ADM's questions and requested permission to issue the communiqué
Sept. 16, 1980	courteousy letters sent to: ADM, Food Production and Marketing Branch, Agriculture Canada; ADM, Health Protection Branch, Health and Welfare Canada; ADM, Atlantic Fisheries Services, Fisheries and Oceans Canada; and Directeur général, Inspection des aliments, ministère de l'Agriculture et de l'alimentation, Province of Québec, to inform them of CCA's intentions (Quebec is the only province which has legislation in this area closely paralleling the Food and Drugs Act)

Sept. 26, 1980 — Communiqué No. 18 issued to Food Manufacturers and Importers (5,000 copies distributed)

- two proposals were put forward:

a) proposed a common name for H.S.F.

b) as an alternative to the present system of declaration, all sweeteners used are declared in bracket ie. SUGARS (all sweetening agents that may be present listed in descending order of proportion)

- 2 months allowed to comment on the proposal

Summary of Responses Received: Total of 13 Associations: 6, Private Firms: 4, Federal Government Agencies: 3

- few respondents addressed themselves specifically to the proposal
- proposal (a) received endorsement
- the only common and recurring theme is that the term "sugars" be adopted for all sweeteners
- many did not understand that the communiqué suggested an optional mode of declaration with the present system being retained

Fall 1980	common name for H.S.F. came into general use
May 6, 1981	met with C.F.P.A., Technical Committee - discussed the advantages/disadvantages of the proposal - C.F.P.A. committees and members all reject the proposal(b)
May 14, 1981	- submitted a revised proposal to H.P.B., A.C. and F & O staff, and Regional Food Specialists - requests input on whether consumers would benefit by this practice and advice as to which sweetening agents could be included under the term "sugars" without creating a fraud or health concern
?	Draft Communiqué No. 37 issued to H.P.B. for comment
July 28, 1982	H.P.B. is disappointed that the matter is not being pursued, but agree that it is not worth pressing at this time
Aug. 18, 1982	Draft Communiqué No. 37 submitted for approval by Director, CPB

- some segments of the industry were mistakenly under the impression that communiqué N° 18 reflected the implementation of actual policy changes rather than simple proposal

- this communiqué will be used to inform industry that it was decided not to proceed with the second proposal, and that the first proposal has been in use since the fall of 1980

Jan. 10, 1983 — Communiqué No. 37 submitted to ADM for approval

Feb. 11, 1983 — Communiqué No. 37 resubmitted to ADM for approval

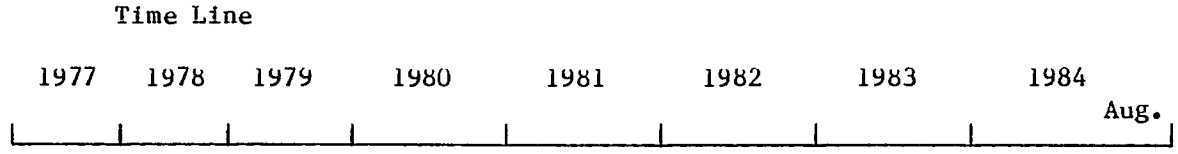
Feb. 18, 1983 — Communiqué No. 37 issued to Food Manufacturers and Importers

Feb. 1983 to Sept. 1983 — Responses received

- industry wants to change the method of declaring sweetening agents on labels (but not as was proposed by CCA)

July 27, 1983	the first proposal (common name for H.F.S.) was included in Schedule 556 and was submitted to Privy Council legal for approval to prepublish in Part I of the Canada Gazette
Present	consultation continues with interested parties, regarding the method of declaration of sweetening agents on labels

(a) Labelling of Isomerized Glucose Syrups
(b) Labelling of Added Sweetening Agents in the List of Ingredients of Foods



1. Problem Identified — 1977
2. Pre-consultation held with interested parties — (a)+(b), 2 years, 3 months
3. Communiqué drafted, issued(*) & responses evaluated — (a)+(b), 3 years, 1 month; (b), 1 year, 1 month
4. Position Paper drafted — x
5. Proposed amendment sent to P.C. legal for approval — (a), 1 year, 1 month
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

Status: (a) Waiting approval by P.C. for prepublication
(b) Consultation
Total Time Elapsed: 7 years

Labelling of Non-Retail Containers

Proposed Amendment to the Food and Drug Regulations

The intent of this amendment was to write a single piece of legislation to govern the labelling of shipping containers and to replace all those which address the same topic and which are currently found in Food and Drug, Consumer Packaging and Labelling, Weights and Measures and C.A.P.S. Regulations. It is a permissive amendment (40 declarations now prescribed to appear on non-retail containers will no longer be required), and a SEIA was not required.

Although this proposed amendment is attributed to regulatory review, Codex initiated a study in 1969. A Canadian interdepartmental committee was formed in 1975, but was dissolved in 1978 with no agreement on a Canadian policy. Extensive consultation has taken place since 1978 (3 information letters were issued, 1 formal communiqué (attached) and numerous meetings). Elapsed time was five years. The final proposal does not differ substantially from the original proposal. A detailed policy proposal was prepared in 1980. The final proposal was submitted to the Privy Council Legal Department in August 1983 for approval to

prepublish in Part I of the Canada Gazette. It has not yet received approval for printing (1 year delay).

The amendment was initiated by international considerations. Canadian companies were also having difficulties interpreting non-retail container labelling regulations, which resulted in grand-scale non-compliance. A second objective was to simplify and clarify the legislation.

A detailed chronology and a time line identifying the major events follow.

Consumer and Corporate Affairs Canada
Consommation et Corporations Canada

Consumer Affairs
Consommation

Place du Portage
Hull, Quebec
K1A 0C9

September 26, 1980

Your file Votre référence

Our file Notre référence

[redacted]

[redacted] Food Trade Associations, Embassies, Consumer Associations, Provincial and other Federal Agencies

RE: [redacted]

This is to advise that it is this Department's intention to suggest certain amendments to the Food and Drug Regulations in order to abate the labelling requirements pertaining to non-retail containers. The present regulatory review exercise has identified this particular area as one in great need of immediate attention.

A draft copy of the proposed regulation modifications is attached for your perusal. Briefly, these offer a definition of a non-retail container and outline clearly revised labelling requirements for such containers. They also eliminate the need for some forty different declarations to appear on their labels.

The proposal makes special provision for all the mandatory information to appear on attached documents if an identification mark exists relating the container to those specific documents. It also suggests that these amendments come into force one year after their date of promulgation.

It is understood that in order to make this universal in application, it would be necessary for other departments to make analogous changes in the labelling regulations which they administer.

Your comments concerning these modifications are being solicited within 60 days of the date appearing on this Communiqué.

Yours sincerely,

K. Francoeur Hendriks

Kathleen Francoeur Hendriks
Assistant Deputy Minister
Bureau of Consumer Affairs

D R A F T

Proposed Regulations

For

Non-Retail Containers

B.01.200

(1) For the purpose of this section of the regulations, "Non-Retail Containers" means:

(a) Immediate container in which a food is transported and sold for catering use or repackaging into consumer size packages or for further industrial processing, or for open sale in portions to consumers, and

(b) Outer containers for prepackaged foods sold to a retailer or commercial institution or enterprise, or directly to a consumer by a wholesaler.

(2) A label shall be applied to a non-retail container.

(3) The information required to be shown on a label applied to a non-retail container shall be shown on the label, applied to any part of the container except that applied to the bottom of a container, if any.

(4) (a) Except as provided in this section, the declarations required by the regulations in Division I to appear on a label are not required to appear on a label applied to a non-retail container.

(b) Any information appearing on the label applied to a non-retail container shall appear in the form and manner prescribed in these regulations.

(5) Subject to subsection (9), of this regulation, the label applied to a non-retail container shall carry:

(a) the common name of the food in the container,

(b) the net quantity of the food in the container in the form and manner prescribed in the Weights and Measures Regulations unless otherwise prescribed for that food under another Federal Statute,

(c) the name and address of the manufacturer, packer, distributor, importer, exporter or vendor of the food,

(d) storage and handling instructions where specific conditions must be observed to maintain the quality, quantity, potency and other value of the food,

(e) except in the case of a non-retail container containing prepackaged products, a list of ingredients, including their components,

(f) Notwithstanding subsection 7 of this regulation and sections D.01.007 and D.02.006 of Part D of these Regulations, declaration of the amount of the vitamin or mineral nutrient present in a food to which a vitamin or mineral nutrient has been added is not required to be declared on the label of a non-retail container, if the non-retail container contains prepackaged products labelled in accordance with sections D.01.007 and D.02.006, and,

(g) the statements and declarations prescribed in subsection 7 of this regulation.

(6) The labelling provisions in the following regulations do not apply to the label applied to a non-retail container:

A.01.061,	B.02.003,	B.05.003,	B.08.008,	B.08.028,
A.01.062,	B.08.074,	B.08.076,	B.11.015,	B.13.001,
A.01.063,	B.11.204,	B.12.002,	B.12.003,	B.14.039,
B.08.032,	B.13.028,	B.14.031,	B.14.032,	B.21.006,
B.13.005,	B.17.003,	B.19.002,	B.19.008,	B.24.011,
B.14.072,	B.22.026,	B.24.009,	B.24.010,	B.24.202,
B.24.012,	B.24.013,	B.24.016,	B.24.103,	
B.24.203,	B.24.204,	and B.25.056.		

(7) The labelling provisions in the following regulations apply to the label applied to a non-retail container:

B.06.004, B.06.006, B.08.042, B.08.046, B.14.009, B.14.014, B.14.016, B.16.001, B.19.009, B.21.008, D.01.007 and D.02.006 and notwithstanding subsection 4 of this regulation B.01.080.

(8) The information required to appear on the label applied to a non-retail container, shall appear in the French or English language.

(9) Subsection (5) of this regulation does not apply, if the information required by subsection (5) of this regulation appears in an accompanying document, provided that the container carries an identification mark which makes it possible to relate the container to the accompanying documents.

(10) The tolerances set for commodities under the Weights and Measures Act apply to the declaration of net quantity appearing on the label applied to a non-retail container.

(11) This section comes into force (one year after the date of promulgation). (Date to be inserted later)

Chronology of Events

1969 Codex (Food and Agriculture Organization of the United Nations) agreed to develop a set of international guidelines for the labelling of bulk containers (involves study and consultation)

- this has been discussed at every subsequent annual meeting

- a working group was established in 1977

1975 Canadian interdepartmental committee formed to study this

- the committee consulted food associations and met for the best part of three years

- it failed to develop a government policy and was terminated in 1978

June 12/78 Letter issued (From Chief, Manufactured Food Division, To: Food Trade Association and Embassies)

- a limited number were actually mailed

- stated present requirements and proposals

- some associations distributed the letter to their members for direct comment

Jan. 15/79 Total of 8 replies to the letter

- 2 of the replies were favourable

- 1 reply requested information on the implementation

- 5 replies strongly requested exemptions of one or more of the requirements (the majority dealt with the list of ingredients)

April 6/79 2nd proposal issued to: All Food Manufacturers and Embassies

- incorporated comments received from the first draft, legislation of other countries, and Codex proposals

- only 9 responses were received (4 in favour, 1 requested no change from present regulations, 1 requested clarification, 3 requested further exemptions or modifications)

- "it must be assumed that the vast majority surveyed were not affected, or were affected favourably"

April 14/80 Codex requested Canada's official position

April 22/80 Policy Paper issued

- extensive explanation of proposal (19 pages) and amendments in draft form

Sept. 26/80 communiqué #21 issued by ADM, Consumer Affairs (attached)

This communiqué was an initial document to get industry feedback in order to develop a Canadian position before the next Codex meeting. Consultation with other government agencies who had expressed reservations regarding this scheme, were to be undertaken over the next few months.

- meetings were held (at least 4)

April 7/81 There was not a large response to the communiqué

- 9 Food Association responded
  - 8 were in favour
  - 1 did not give a final response

- CAC had no substantial objections

- 5 individual companies responded
  - 2 supported the proposal
  - 1 misunderstood the proposal
  - 1 did not support the proposal
  - 1 did not directly respond

- 2 Government Departments responded both felt Section 6 provided too many exemptions

- CCA Field Officers had reservations. They felt it would become very difficult to check ingredient listings for compliance.

Jan. 20/83 Individual letters with a revised proposal were sent to 7 Government Departments, CAC, 9 Food Associations

- 12 responses received (5 Government, CAC, 5 Food Associations)

- more meetings were held

March 23/83 redrafted proposal (grammatical changes)

- incorporated into Schedule of Amendments No. 556

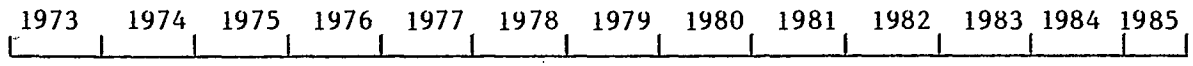
July 27/83 SEIA Policy Screening Document

- not required

July 24, 1983 Submitted to Privy Council Legal Services for approval to prepublish in Part I of the Canada Gazette

Labelling of Non-Retail Containers

Time Line



1. Problem Identified — 1969
2. Pre-consultation held with interested parties — 5 years, 4 months
3. Communiqué drafted, issued(*) & responses evaluated — x — 2 years, 11 months
4. Position Paper drafted — x
5. Proposed amendment sent to P.C. legal for approval — 1 year+
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

Status: Waiting for P.C. legal approval for prepublication in Part I
Time Elapsed to date: 15 years

Mineral Water and Spring Water

Proposed Amendment to the Food & Drug Regulations

This proposed amendment is attributed to regulatory review. The regulations on mineral and spring waters were last amended in December 1973 and complaints were received that industry was not satisfied with the regulations. Subject included in the proposal are: definitions of spring and mineral water, carbon dioxide, qualitative standards, addition of flavours, permitted and prohibited treatments, mineral or spring water as an ingredient to another food, labelling, and safety standards.

In October of 1980, RFD distributed a letter requesting comment on alternatives to 5 facets of spring and mineral water. Of 124 letters sent, only 11 responses were received (of these 3 offered no comments). The responses were evaluated and a government-industry meeting was held in April, 1981. Only ten individuals participated (2 from CCAC and 2 from the Quebec Government). A second government-industry meeting was held in Oct. 1981. It was decided that deregulation was the preferred alternative, and that national standards were preferable to provincial legislation. A

paper was prepared comparing existing federal regulations, provincial (Quebec) regulations and international regulations (EEC, Codex, Council of Natural Waters Proposal (US)). A sub-committee of 5 people was formed to draft a proposal in June 1982. They had 10 meetings and drafted three reports before presenting the draft to the Mineral Water Committee in February 1984. Each draft was distributed by the sub-committee members to the particular segment they represented, for comment. The February 1984 proposal must be revised to incorporate health concerns. At least one more meeting is required before the proposal can be forwarded to Justice for drafting in proper legislative format. Approximately four years has elapsed and the proposal is still in the consultation stage. CAC will be consulted before the proposal is accepted by the Committee. The Committee's objectives are: (1) to maximize harmonization of federal, provincial and foreign legislation, and (2) to ensure that legislation meets the needs of protecting consumers in terms of health and fraud, while at the same time, not act as an impediment to trade.

A S.E.I.A. has not been performed. A preconsultation communiqué was issued and mineral waters has been included in all three regulatory agendas. A chronology and time line follow.

Chronology of Events

October 1979 CAC undertook a test of mineral water

- a consumer panel indicated the following characteristics as important to their analysis of bottled waters:
  - purity of water
  - naturalness of carbonation, if present
  - amount and type of minerals present; special note regarding salt
  - naturalness of occurrence of minerals
  - taste
  - price

Oct. 31, 1980 Manufactured Food Division issued a Communication to 124 Bottlers of mineral water and spring water

- offered alternatives for five separate issues and requested comment from industry (also asked if regulation was needed for each of these issues?)

Dec. 1, 1980 to Feb. 4, 1981 — 11 Responses were received

- three offered no comments
- two submitted possible working documents
- 4 were from Quebec, 1 from Ontario, 1 from B.C. and 1 from California (this was forwarded to him by a Canadian producer)

Issues A) Definition of Underground Source

- 1 felt the definition was superfluous
- 4 favoured A (2)
- 3 favoured A(3)

B) Definition of "Geographic Location"

- no one for B (1)
- 5 preferred B (2)
- 3 preferred B (3)

C) When the word "carbonated" is compulsory

- 4 preferred a (1) and (b) (2)

- 3 offered alternative proposals

D) Name of the Product (provision of a minimum total dissolved solid content)

- only 4 responded and they prefer (b)

E) Ion Declaration and whether a prescribed form and manner is necessary

- 5 prefer to declare the most commonly present ions in a quantitative manner

- impossible to list all of the ions present

- favours the internationally accepted mg/l

Note: Topics (D) and (E) are mandatory in Quebec under provincial legislation.

- CAC also commented

- Italian embassy states that they adhere to EEC Directives (adopted July 15, 1980).

Jan. 19, 1981 - CAC would like to participate in meetings with industry

Feb. 27, 1981 Summary of responses sent to 10 parties (HPB, CAC, Quebec Gov't, 5 Companies, Council of National Waters (U.S.) and American Bottled Water Association.

- also invites them to a government/industry meeting scheduled for April 27, 1981

April 27, 1981 Government-industry meeting

Ministère de l'environnement (2)
Phiga Inc.
Eau de Source Mont Bel-Air
Eau de Source Labrador Ltée

Spencer Romberg Barristers (representing Perrier distributors

Les Breuvages Carigman Cie. Enrg.
HPB
CCAC (2)

- this meeting was arranged to create a Technical Committee (representing both industry and government which would develop an initial amendment)

- however, due to the apparent lack of interest (few responses from anywhere except Quebec) they agreed the committee should consist of a representative from: l'Association des Embouteilleurs du Québec, the Canadian Soft Drink Association, the Importers Association, a Quebec provincial government representative and two federal government participants.

- agreed that a national standard was preferable to each province developing their own legislation.

Aug. 31, 1981 French embassy informs CCAC that legislation has regulated mineral water in France since 1922 (included a copy of the regulations)

- they also adhere to the EEC guidelines for labelling and presentation of food products.

Sept. 30, 1981 - notice and agenda of October 21st meeting distributed

Oct. 7, 1981 - notice and agenda published in "Import week" (Canadian Importers Association publication)

Oct. 28, 1981 government-industry meeting (Mineral Water Committee)

- Present: Canadian Importers Association, (1), Canadian Soft Drink Association (1), Quebec Water Bottlers Association (1), Environment Québec (1), HPB (1), CCAC (3) 11 Observers: Producers (5), French Trade Commission (1), Canadian Trade & Commerce (1)

- CAC will be consulted before anything is finalized

- deregulation was discussed, and decided it was worth a try (effectiveness was questioned)

- a working paper was to be prepared - thorough evaluation of existing legislation (federal, provincial, international)

Feb. 2, 1982 - letter received from the Quebec government representative

- questionable if he will be able to participate in any more committee meetings, due to the fact that the Quebec legislature has suspended any interaction with the federal or other provincial governments indefinitely.

- he had requested special permission to participate but had not yet received a response

March 8,1982 l'Association des Embouteilleurs d'Eau du Québec wrote to the Quebec Government requesting that the representative be allowed to attend the meetings

- mineral water is very important to the Quebec economy and they must be represented as the new regulation would significantly impact upon their industry

March 1982 "Guide d'Evaluation des Project D'etablissenment de Prises D'eaux Souterraines Destinees a la Production d'eau de Source ou D'eau Minerale Embouteillee" submitted by Environnement-Québec, Service des Eaux Embouteillees

- appellations (legal names in Quebec)

a) natural water

(i) spring water
(ii) mineral water
b) non-natural water
(i) treated demineralized water
(ii) treated mineralized water (chemically equivalent to mineral water

May 28, 1982 Regional Food Specialists informed that the existing Food & Drug Regulations require CO_2 in the ingredient listing if it is added to water

- the word "carbonated" is required as part of the common name

- this memo was informing the specialists that they were to continue enforcing the regulations until the new ones were accepted.

? Workpaper drafted "Study Committee for the Harmonisation of Legislations Pertaining to Natural Bottled Waters"

- a comparison of Codex, Canadian (federal) Regulation (1973), Quebec (provincial) Regulations (1973), EEC Directive (1980), Council of Natural Waters (1976)

June 17, 1982 - Mineral Water Committee Meeting

- Present: Producers (5), Quebec Government (3), CCAC (3)

- the working paper was presented and discussed

- two problem areas emerged: (1) the lack of a definition of a source, and (2) the ambiguity as to when the terms "carbonated" or "naturally carbonated" can be used.

- sub-committee of 4 persons (representatives from Canadian Soft Drink Association, Canadian Bottled Water Association, Canadian Importers' Association and 1 of the 2 people who wrote the working paper (Quebec and Federal government CCAC representative) would be formed to propose revisions to existing legislation.

- the sub-committee Packaged Water Regulatory Review's proposals will be presented to the Mineral Water Committee whose recommendations will then be proposed to industry via a communiqué

- government reserved the right to impose regulations if they deem so necessary

- target date for completion of proposal was November 26, 1982

Sept. 24, 1982 - Sub-committee meeting (Montreal)

Oct. 22, 1982 - Sub-committee meeting (Ottawa)

Nov. 26, 1982 - Sub-committee meeting (Montreal)

Jan. 7, 1983 - Sub-committee meeting (Toronto)

Feb. 11, 1983 - Sub-committee meeting (Montreal)

March 11, 1983 - Sub-committee meeting (Hull)

March 14, 1983 - Co-ordinator of the Sub-committee requests they be given an "operational budget" for expenses.

April 7, 1983 - CCAC rejects the expense proposition

April 13, 1983 - Sub-committee meeting (Montreal)

May 27, 1983 - Sub-committee meeting (Toronto)

May 1983 - included in Regulatory Agenda

June 16, 1983 - sub-committee finalizes their working paper (amendment proposals) -french only

- members circulated to the particular segement they represent, request comments by Sept. 15th, 1983

- compilation and documentation of industry's comments to be completed by Oct. 3rd, 1983.

June 17, 1983 - proposal translated to English

? - Workingpaper distributed to members of the Committee who was to gather comments from the communities, associations or government with which they are associated or which they represent

Oct. 19, 1983 - Test results on Bottled Water released by Toronto Metropolitan Council (conducted by Medical Officer of Health for the City of North York)

- chemical analysis for 130 organic substances and 17 inorganic substances

Oct. 21, 1983 - sub-committee meeting

Nov. 1983 - included in Regulatory Agenda

Jan. 12, 1984 - CCAC received English translation of the third draft of the sub-committee brief for the Standardization of Legislation on Mineral water.

Jan. 1984 - Environment-Quebec released "Repertoire des Analyses Chimiques Des Eaux Embouteillees Distribuees Au Quebec: 1984

Chapitre 1: les eaux traitées déminéralisées

Chapitre 2: les eaux de sources et les eaux traitées

Chapitre 3: les Club Soda

Chapitre 4: les eaux minérales et les eaux traitées minéralisées

Feb. 3, 1984 - Comments on draft given at Canadian Soft Drink Association Technical Committee Meeting

Feb.10, 1984 - Mineral Water Committee Meeting

- Proposal for the Standardization of Legislation on Mineral/Spring Water presented and comments for revision were offered by the Committee members

- The Toronto study showed that mineral water is not as free of contaminants as had been believed - HPB must become more involved (they are to review the toxicological specifications of the proposal)

- once this has been finalized the proposal will be forwarded to Justice for drafting in proper legislative format

- no more than one-year granted for full compliance

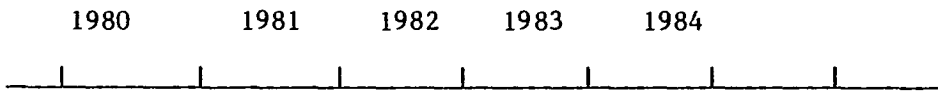
Feb. 17, 1984 - proposal re-drafted

May 1984 - included in Regulatory Agenda

June 8, 1984 - Sub-Committee met to discuss revisions

Mineral Water and Spring Water

Time Line



1. Problem Identified ? '79
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

Status: Consultation
Total Time Elapsed: 4 years

Label Declaration of Percentage Fat and Moisture in Cheese

Amendments to the Food and Drug Regulations and The Dairy Products Regulations (C.A.P.S. Act)

This amendment made the declaration of actual percentage water and fat content by weight mandatory on cheese labels.

An intergovernmental committee (1 representative of Agriculture Canada, 2 from CCAC and 2 from National Health and Welfare) was formed to amend existing and create new cheese regulations. The final schedule includes many other related issues. The fat and moisture label declaration was a minor (although somewhat contentious) issue; and is included in both sets of regulations. The major delays were caused by other issues on the schedule (standards, phosphates, etc.).

Agriculture Canada's initial position was to require disclosure on the label of the maximum percentage of moisture and the minimum percentage fat allowed for that variety of cheese. Industry favoured this position (if some declarations were mandatory) and stated that the making of cheese is an art, not a precise science. The actual fat and moisture content varies from vat to vat within a reasonably

wide range. Cheese producers also wondered why they were being singled out. They were not as declaration is required for other specific dairy products. They were afraid that if consumers knew how much fat and water was in cheese, they would no longer buy it. HPB and CCAC wanted the actual percentages declared. They focused on the need for informed consumer purchases (animal fat intake is a health (diet) concern). AC conceded, and realized that consumers might purchase different varieties of cheese (broaden the market). CAC was in favour of the proposal (they were more concerned with fat than moisture). Foreign countries were also involved in this discussion, and Codex was trying to revise their dairy regulations.

The schedule of amendments was not prepublished in Part I. HPB distributed two trade information letters, and AC distributed information sheets for comment. Many complaints on other issues were recognized as valid, and the proposal was revised to reflect this. Tolerances are allowed on an administrative basis, and the regulation has been enforced for approximately two years.

Health and Welfare processed the Food and Drug amendment (Schedule 405) and Agriculture Canada processed the Dairy Products Regulations. Other items were included in Schedule 405 (Food and Drug).

A S.E.I.A. was conducted for the revised set of dairy regulations. A chronology and time line follow.

Chronology of Events

1970 — A committee of representative from government, industry and science was formed to develop a simple system for nomenclature of cheese and develop standards for the maximum percentage of moisture and minimum percentage of fat for each variety.

Sept. 16, 1971 — Dairy Division, AC sent their second installment of suggested regulations on Dairy Products to CCAC

- this draft stated that the maximum percentage of water and minimum percentage of fat allowed in the regulations for that variety was to be declared on the label.

June 7, 1972 — Trade Information Letter 370 sent to: All Cheese Manufacturers (issued by Health and Welfare)

- proposed schedule to revise the Food and Drug Regulations - request comments

- the milk fat and moisture content will be required on the labels of all cheese other than cheddar cheese weighing 10 pounds or more.

? Codex is debating the same issue

April 6, 1973 representative from AC, Health and Welfare Canada and CCAC agreed that fat is to be shown on an "as is" basis (as opposed to FDB), both in the regulations (Food and Drug and Dairy Regulations) and on labels.

Aug. 1973 the committee formed in 1970 reports that maximum percent of moisture and minimum percent of fat, as determined in the regulations should be declared.

Aug. 15, 1973 meeting of AC, HPB and CCAC representatives

- revised Schedule B.08.034 (F&D) to provide for mandatory declaration of

  a) the fat content on an "as is" basis stated as "not less than ____% fat"

b) the moisture content stated as "not more than ____% moisture."

(as determined by the standards in the regulations)

Oct. 26, 1973	Proposed Revision of the Food and Drug Regulations
	- provide for the mandatory declaration on the label of the % fat and the % moisture without any qualifying words. The declaration to represent the minimum value in the case of fat and the maximum value in the case of moisture.
Nov. 29, 1973	the revised proposal was distributed to industry for comment
Dec. 27, 1973 to Jan., 1974	Responses - 1 manufacturer did not address this issue - 1 manufacturer opposes any type of fat/ moisture declaration (irrelevant to consumer)

- 1 manufacturer feels they would be legally vulnerable without any qualifying terms
- Ontario Ministry feels they should declare the maximum % moisture and the minimum % fat according to the standards.

Jan. 29, 1974 — Proposed Cheese Regulations

- meeting of AC, CCAC, N. H. & W. staff agreed on a revision

March 11, 1974 — revised schedule for the Food and Drug Regulations

- mandatory declaration on the label of the % fat and the % moisture representing the minimum and maximum content respectively. The terms "minimum" and "maximum" may be used, however in such cases each individual sample must meet the minimum and maximum claimed. (no tolerances)

April 3, 1974 — meeting between the various government agencies and the cheese industry (Canadian Cheese Processors)

- no exemptions are granted for prepackaged portions sold to institutions, but random cuts of cheese are exempted (i.e. catch weight).

April 8 to Dec., 1974

written responses

manufacturers:

- 3 did not address this issue
- 1 felt declaration was useless

importer:

- 1 felt this declaration was infeasible for soft-ripened cheeses

CAC - approved the declaration of minimum or maximum levels of fat and moisture

(Note: the Ontario Dairy Council, the National Dairy Council and the CAC were all opposed to descriptive nomenclature - AC proposes the issue be dropped - CCAC objected but the issue was later dropped).

Jan. 20, 1975	HPB circulated a draft information letter for CCAC's comments - the declaration of percent moisture and percent fat <u>by weight</u> to appear on the principal display panel of all recognized and non-recognized varieties of cheese and on all forms of processed and cold pack cheese.
May 5, 1975	revised draft information letter
April 29, 1975	meeting with HPB personnel (resulted in further revisions to the trade information letter)
May 21, 1975	CCAC response "The declaration of fat and moisture content of cheese should indicate <u>actual</u> fat and moisture (within reasonable tolerance), and not minimum and maximum respectively. We had agreed that the words "minimum" and "maximum" could be used, but only if the actual content is reasonably close to the minimum and maximum, and only if said minimum and maximum are not exceeded; i.e. no tolerance at all above the maximum or below the minimum."

June 11, 1975	information letter redrafted - section B.08.034 remained the same
June 20, 1975	CCAC reiterates their opposition
Oct. 17, 1975	Information Letter No. 449 distributed by HPB to Cheese Manufacturers, Processors and Importers - Sec. B.08.034 was not redrafted to be more explicit
?	Preliminary Information sheets published by the Dairy Division of AC Sheet No. 11 "Labelling Requirements for Natural Cheese" (says the same thing as the HPB information letter)
Nov. 1975 to Feb. 1976	Of 21 responses, to information letter No. 449 only 4 addressed this issue - 1 manufacturer agrees to declare the actual % fat and % moisture, but requests

tolerances (also wants tolerances on the max/min standards)

- 1 province prefers continued use of the maximum/minimum concept

- 1 foreign country opposes any declaration

- the National Dairy Council of Canada (on behalf of the Canadian Cheese Processors); "The cheese processors expressed serious objection to the use of the word "actual" in the first sentence, and request that it be deleted."

Dec. 9, 1975

meeting: CCAC, HPB, AC,

CCAC and HPB favour declaration of the actual percent fat and moisture

Agriculture Canada prefers the declaration of the maximum percent moisture and the minimum percent fat allowed as determined in the tables.

March 19, 1976 — the schedule was revised as follows:

Sec. B.08.034

No person shall sell any cheese unless the principal display panel carries a statement of

(a) the variety of cheese

(b) the percentage of moisture and fat.

April 1976 — schedule redrafted

Sec. B.08.034

The percentage of milk fat and water contained in

(a) cheese
(lists different types of cheeses)
(j) cheese curd

shall be shown on the principle display panel followed by the words "milk fat" or the abbreviation "B.F." of "M.F." in the case of milk fat and by the word "water" or "moisture" in the case of water.

May, 18 1976 — schedule redrafted again (now lists 16 types of cheese)

May 21, 1976	this draft states B.08.034 is to be revised by CCAC
June 3, 1976	Interdepartmental Cheese Committee Meeting with some Industry representatives and the National Dairy Council - National Dairy Council endorses declaration of maximum/minimum - discussed tolerances
June 7, 1976	schedule redrafted
Aug. 10, 1976	schedule redrafted
Oct. 12, 1976	schedule revised
Nov. 5, 1976	schedule was approved by AC, CCAC, HPB - ready to proceed to promulgation

Feb. 10, 1977	AC issued Information sheet No. 18 - requires declaration of moisture and fat content by weight
June 1, 1977	Food and Drug amendment schedule redrafted - clarifies that what is declared must be the actual % fat and moisture of that specific product.
June 17, 1977	redrafted again and changed the format but not the context
Sept. 1977	redrafted again (minor wording change to B.08.034)
Sept. 30, 1977	HPB requests CCAC's approval of the schedule so they can start processing it
Oct. 27, 1977	CCAC requests they add a subsection on smoked flavour

Oct. 28, 1977 — Interdepartmental Cheese Committee met and agreed to present 2 options to the National Dairy Council (they will determine industry's preference)

(1) The manufacturer declares the actual moisture and fat that he aims for. However these values must fall within the maximum moisture and minimum fat values shown in the table in the regulations.

(2) Declare 2% below the value for maximum moisture and 2% above the value for minimum fat (off table). The actual moisture and fat levels must be within the values shown in the table.

Nov. 14, 1977 — schedule redrafted (B.08.034 did not change)

Dec. 19, 1977 — schedule redrafted (B.08.034 did not change)

Jan. 25, 1978 — schedule redrafted (B.08.034(3) (c) (e) (g) (i) were deleted) (types of cheeses)

June 16, 1978 — letter from AC to CCAC states that they are not in favour of specific fat declarations on prepackaged cheese, but are interested in discussing tolerances.

Sept. 20, 1978 — Schedule 405 returned from PCO

- they revised the schedule (B.08.034 is now B.08.032)

- the subsection was reworded but the intent is the same

Sept. 20, 1978 — Schedule sent to translation

Feb. 2, 1979 — Meeting to discuss tolerances when declaring fat and moisture (4 AC representatives, 2 from HPB, 3 from CCAC)

- full agreement was finally reached on the following:

(1) Fat and moisture declarations will be required on all consumer packages of varietal cheese.

(2) Declaration by the use of the terms "maximum" for moisture and "minimum" for milk fat on labels will not be acceptable.

(3) Industry will be given the choice of declaring any fat and moisture contents on cheese provided these declarations are within the limits set by regulation.

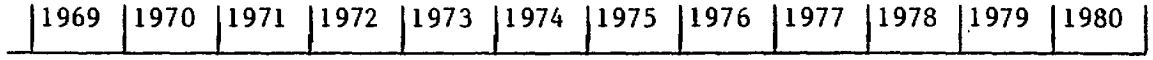
(4) An administrative tolerance between fat and moisture declared and that actually present will be allowed. This tolerance will apply equally above and below the declared amount, except in those cases where the declaration represents maximum moisture and minimum fat, in which case the tolerance will apply only on the "legal" side of the declaration.

(5) The tolerances will be determined jointly by AC, CCAC and HPB. Industry will then be asked to comment.

Oct. 22, 1979	PCO approved the amendment to the Food and Drug Regulations
Nov. 14, 1979	amendments to the Food and Drug Regulations printed in Part II
Nov. 15, 1979	PCO passed the new Dairy Products Regulations
Nov. 28, 1979	Dairy Products Regulations printed in Canada Gazette Part II

Label Declaration of Percentage Fat and Moisture in Cheese

Time Line



1. Problem Identified — x
2. Pre-consultation held with interested parties — 1 year 6 mos.
3. Communiqué drafted, issued(*) & responses evaluated — F & D
4. Position Paper drafted — F & D — 6 years, 4 months
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval — F & D
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval — F & D xx Dairy
15. Amendment printed in Canada Gazette Part II — F & D xx Dairy

Status: Passed
Time Elapsed: 10 years

Sparkling Apple Juice

Proposed Amendment to the C.A.P.S Regulations

This amendment was designed and processed by the Dairy, Fruit and Vegetable Division of Agriculture Canada. An interview with an AC staff member determined the following. The general juice industry requested that AC implement new regulations which would allow them to market a new product, "sparkling apple juice" or carbonated apple juice. AC drafted a regulation which would permit the juice manufacturers to increase the percentage of carbon dioxide in their products (established a standard for this product). They sent the proposal to CCAC and HPB for comment. AC was especially interested in any possible conflict with the existing Food & Drug Regulations. (CCAC files show that there was conflict between the proposal and the existing F&D regulations. We do not know if AC revised the schedule to account for this.) AC did not rquest public comment on this proposal. (They felt that it did not affect anyone other than the juice industry, and this proposal was at their request). The schedule was forwarded to the Minister for approval. The wine industry then became involved and requested that the amendment be stopped. They already had a

similar product on the market, and if the schedule as passed they would have to change their product. The Minister stopped the proposal, and told the two groups to work out a compromise. The wine industry made a proposal. This proposal was unacceptable to the juice industry, who made a counter-proposal. This was unacceptable to the wine industry. AC is now trying to put the original schedule through the system as part of the "grades." They doubt it will go through. If the wine industry objects (as expected) the issue will be dropped.

A S.E.I.A. will not be conducted for this proposal and it will not be prepublished in Part I. The issue has not been included in any Regulatory Agenda. No dates were available, and a time line is not included. The following chronology shows CCAC's activities for this proposal.

Chronology of Events

Feb. 4, 1983 Consumer Products, CCAC received a letter from the Dairy, Fruit and Vegetable Division, re: Proposed Amendments to the Processed Products Regulations

- covering letter says the changes were requested by industry

- comments on the draft requested by March 31, 1983

Feb. 4, 1983 - AC requested HPB's comments on the draft, as they relate to the Food & Drug Regulations

- CCAC went through the Schedule noting discrepancies/contradictions/ duplications to the existing Food & Drug Regulations

? CCAC sent their response to HPB for comment before sending reply to AC

Mar. 10, 1983 HPB sent their draft reply to RFD for comment before replying directly to AC (interaction with Food & Drug Regulations)

- offers a technical comment on RFD's reply to AC

- HPB questions the necessity for this amendment as a standard for carbonated fruit juice or sparkling fruit juice is included in the F&D Regulations

- proposal does contradict somewhat with F&D Regulations

Mar. 22, 1983 RFD sends response to AC

- states a parallel standard for this product is already contained in the Food & Drug Regulations

- points out the differences in the standards, and suggests that in order to avoid conflict in the regulations (compliance problems for the industry) the standards in either/or both of the CAPS and F&D should be changed to be consistent.

Knife - Ribbing on Beef Carcasses

Amendment to Beef Carcass Grading Regulations (C.A.P.S. ACT

This amendment changed the location of knife-ribbing from the 11th/12th rib to the 12th/13th rib (added a rib from the hind to the front quarter). This revision was requested by the Canadian Cattlemen's Association, so that Canadian grading standards would be consistent with international standards, and international trade would be easier. No opposition was encountered for this amendment, however serious disagreement arose over secondary affects of the amendment (forequarter fabrication rib/chuck split). Limited consultation took place between A.C. and other agencies. CCAC examined the proposal and concluded it would have little significant impact on consumers. CAC favoured this change to international standards. The amendment was not prepublished, and was passed by PCO in September 1983. It was printed in Part II in October 1983. As a result of this change, CCAC had to revise their "guidelines" on standard nomenclature for meat cuts.

However, this amendment impacted on the forequarter fabrication procedures of the meat packing industry (7/5 vs. 8/4 rib/chuck). The federal government does not regulate forequarter fabrication and industry must resolve

this issue themselves. The fifth rib is presently being sold as either rib or chuck, although most major retail stores have adopted the international standards (7/5 rib/chuck). This is the option preferred by CAC.

Very little information on the amendment was available. The majority of the information dealt with the forequarter fabrication problem and how AC was assisting industry is resolving this issue. A chronology follows.

Chronology of Events

? Canadian cattlemen request a change in the knife-ribbing to facilitate international trade (for consistency with U.S., Japan, Australia , EEC).

April 1982 Article in Canadian Grocer Magazine

April 7, 1983 AC informs CCAC that they have examined the issue for the past year and expect the regulations gazetted within the next two months to come into effect no later than September 1, 1983.

- The major change in these regulations will be a change in the site of ribbing the carcasses from the 11th/12th rib to the 12th/13th rib.

- changes will have to be made to the definitions of meat cuts as contained in the CCAC guidelines on standard nomenclature for meat cuts

Sept. 29, 1983 - PCO passed the amendment

Oct. 12, 1983 - new definitions of knife-ribbing printed in Canada Gazette Part II

- effective date Jan. 1, 1984

Nov. 10, 1983 - CCAC memo to Regional Managers, Consumer Products

- informs them of the revised nomenclature (the 12th rib which was "wing" is now "rib" or "prime rib")

- asks them to inform all retail food inspectors

Dec. 19, 1983 - Industry/Government Meeting

Attendees: AC (11), Independent Meat Packers Association, (1) CCAC (2), Canadian Abattoir (2), Canadian Meat Council (1), Retail Council of Canada (2), CAC (3), DRIE (2), External Affairs (2), Alberta Agriculture (1), Canadian Cattlemens Association (4), Retailers (13), Processors (7)

- the new Beef Carcass Grading Regulations impact on forequarter fabrication procedures (ie: 7/5 rib/chuck or 8/4 rib/chuck).

- AC does not regulate forequarter fabrication and the industry must resolve this issue itself

- AC only regulates how meat packers sever a carcass into hind and front quarters for grading

Positions:

1) Canadian Meat Council - international standards

2) C.A.C. - international standards

3) Retail Council of Canada - international standards

4) Canadian Cattlemen's Association - international standards

5) Independent Meat Packers Association - status quo

6) H.R. & I Group - international standards

- all parties except the Independent Meat Packers Assoc. accept the proposed new ribbing site.

- no agreement reached on forequarter fabrication but it was not a matter for regulation or government intervention.

Jan. 24, 1984 - article in the Citizen

- all major retailers (except one) have agreed to sell meat cut from the fifth rib as cheaper chuck cuts (ie. 7/5 rib/chuck split)

? - article in Canadian Grocer Magazine

May 1984 - article in Canadian Consumer Magazine

- confusion in marketplace (meat is being sold under both systems)

Processed Poultry Grade Standard Changes

Re-Interpretation of Existing Processed Poultry Regulations

This re-interpretation of existing standards, by Agriculture Canada, permits the upper one third of the existing "B" grade quality chickens to be marketed as A grade.

This change was initiated by processors. A new strain of American breeding stock was being imported which was genetically less able to meet the existing Canada A flesh requirements within the required production period (therefore they were only able to qualify as Canada B). Agriculture Canada did not consult anyone other than the poultry processors prior to making their decision. The re-interpretation of standards (downgrading) was effective October 3, 1983. CCAC was first informed when they received a copy of the directive on September 19, 1983 (2 weeks before the effective date). Since it was a re-interpretation of existing standards, rather than an amendment to the regulations, it was not passed by the PCO or published in the Canada Gazette (Part I or II). It has not been included in any Regulatory Agenda (again for the same reason).

CCAC expressed strong objections to AC, but they had little influence. AC stated that the change would have little (if any) impact on the market, since it merely legitimized the over-grading which had been going on for some time. CCAC calculated that the change translates into an increase of approximately 72 million pounds of broilers per year graded as Canada "A", which would formerly have been graded as Canada "B". CCAC also proposes that this change will reduce the overall quality of grade "A" and furthermore, consumers will be subjected to increased food costs since "A" grade prices will now also apply to a portion of what were formerly chickens of "B" grade quality.

This issue was taken to the Director CPB/ Director-General FID level. In reality, CCAC could do nothing other than express their dissatisfaction that they were not consulted before the decision was made.

A chronology of events follows.

Chronology of Events

?	AC received pressure from the poultry industry, specifically the processors, to increase the Grade "A" yield from existing broiler flocks.
?	Industry also requested a new dressing factor in the grade standards to address skin tears on the posterior portion of the breast resulting from automated processing.
Aug. 25, 1983	Directive issued by the Director General, Veterinary Inspection Directorate, Food Production and Inspection Branch, AC to: AC Regional Directors, AC Poultry Specialists, 8 AC personnel and the Canadian Poultry and Egg Processors Council.

Fleshing Factor - Chicken

"The regulatory clauses in the Processed Poultry Regulations addressing the fleshing requirements for all grades will remain unchanged. There will be, however, a downward adjustment in the interpretation and application of the fleshing requirements for all weights of graded chicken grading Canada A to a cut off point at the bottom range of chicken qualifying as B^+ for fleshing based on current application. This is a downward shift of one third of a grade in fleshing for all grades of chicken extending the fleshing range for chicken qualifying as Canada A."

Also: they intend to amend the regulation grade standards to reflect that the skin on the posterior end of keel bone is not to be torn in excess of 3.0 cm in length for any poultry qualifying as Canada A grade (both chicken and turkey).

- both to be implemented Oct. 3, 1983

Sept. 14, 1983 — AC sent the above directive to Consumer Products Branch to notify them of the changes in the interpretation and application of the Processed Poultry Grade Standards.

- does not ask for comment or request their opinion

Sept. 22, 1983 — Retail Food Division reviewed the changes and sent a memo with their findings to their Director

- they estimate that the proposal translated into an increase of approximately 72 million pounds of broilers per year graded as Canada "A" which would formerly have been graded as Canada "B".

- the 3 cm. keel exposure on a 3lb. broiler chicken is excessive and unnecessary.

- the division was unaware of these proposals until the directive was received.

- suggests appropriate objection be raised and an opportunity provided for the expression of consumer views.

Sept. 26, 1983 — Regional Manager, Consumer Products, Prairie Region sent a copy of the directive to head-quarters (was given to him by AC personnel in his region)

- he strongly objects

Oct. 3, 1983 — - changes implemented as planned

Oct. 4, 1983 — - AC informed CCAC that they may attend a briefing session scheduled with CAC

- AC explains this will not have an impact on the market and that it will only legitimize the over-grading which had been going on for some time.

Oct. 7, 1983 - meeting between AC, CCAC and CAC

- AC explained the fleshing problem

- they had not yet decided if they were going to increase the general tolerance from 4 to 8 percent to reflect an increase in mechanical defects due to plant automation

Oct. 25, 1983 Director, CPB wrote Director-General, Food Inspection Directorate

- reprimands him for not consulting CCAC or CAC prior to implementation, and requests that they be consulted on such changes in the future (particularly in respect to matters of significant concern to their clientele)

Oct. 27, 1983 - CAC are concerned about these changes and will contact CCAC shortly (they never did)

Oct. 31, 1983 - letter from Director, CPB to ADM, CA Bureau

- refers to his letter to AC regarding consultations

- states that AC's changes involved a re-interpretation of existing standards rather than actual revisions to the regulations, so they were not obliged to consult

- recommends that the ADM does not contact her counter-part at AC as it would accomplish little (if anything) and could strain their working relationship

- asks if they should request the Bureau of Policy Co-ordination to examine the implications to consumers of this change in interpretation

Nov. 3, 1983 - letter received from DG, Food Inspection Directorate

- will consult in the future

Non Removal of Poultry Kidneys on Evisceration

AC Administrative Decision: Meat Inspection Regulations

This case did not involve an immediate amendment to any regulations. At processors request, AC made an administrative decision that kidneys no longer had to be removed from young chickens before sale. The main reasoning was to facilitate the introduction of automatic evisceration equipment in the processing plants. This equipment is not designed to remove the kidneys and sex organs as Canada was apparently the only country that required their removal. AC consulted CAC before making their decision, and apparently CAC offered no objection. However, CAC became concerned after the change was implemented. CCAC learned of the decision 4 months after the change was implemented. AC felt that they were not required to consult CCAC since only AC enforced the removal of kidneys, and they were not amending a regulation. In reality, CCAC enforced the removal of kidneys at the retail level.

Initially, CCAC objected and stated that the decision contravened Section B.22.005 of the Food & Drug Regulations. AC did not agree with this interpretation and saw no conflict. CCAC legal advised that this practice is in violation of Section B.22.005.

Meetings were held between the three affected government departments (HPB, AC, CCAC) and industry. CCAC agreed that they would not fight the issue if consumers were informed by a label declaration "may contain kidneys".

Although no amendments have as yet been made, this administrative decision requires three separate regulations be amended. They are the Meat Inspection, Processed Poultry and Food and Drug Regulations. Present industry practice contravenes the latter two.

Since this was an administrative decision, not an amendment (yet), it was not printed in the Canada Gazaette. It was not included in any regulatory agenda. No communiqués were issued. No public consultation occurred. A chronology of events follows.

Chronology of Events

Sept. 1981	processors requested that the requirement for removal of kidneys (and sex organs) be waived
Nov. 1981	AC contacted CAC requesting their views
Nov. 19, 1981	CAC in a preliminary response expressed no immediate objections - felt consumers should be made aware through label or other declarations
Jan. 14, 1982	AC advised CAC that they had granted an administrative exemption from requirements under the Meat Inspection Regulations - allows chickens to be sold in a state of incomplete evisceration (kidneys not removed from the carcass)
Jan. 21, 1982	CAC expressed strong objections - want consumers alerted through label declarations, not by CAC publications

Feb. 1, 1982	AC informs CAC that additional labelling would be impractical
April 19, 1982	CAC advised AC that the decision should be reversed
	- labelling must be mandatory
May 5, 1982	- CCAC learned of kidney issue at an interdepartmental meeting (AC, H&WC, CCAC)
	- CCAC and H&WC expressed strong reservations
July 23, 1982	Policy Paper written by RFD forwarded to ADM, Consumer Affairs Bureau
July 26, 1982	letter from ADM, Consumer Affairs Bureau to ADM, Food Production and Inspection Branch, AC
	- informs him she has just become aware of their administrative decision concerning the Meat Inspection Regulation requirements
	- advises that the Food & Drug Regulations and the Processed Poultry Regulations also require that kidneys be removed

- since no administrative exemptions have been granted for these pieces of legislation, there is an enforcement problem (contradicting regulations)

- asks for an explanation and request a meeting (with HPB as well)

Aug 16, 1982 — response from AC

- have reviewed Division 22 of the Food & Drug Regulations and found no specific requirement that kidneys must be removed

- AC assumed there was no need to consult other government agencies since only AC enforced the requiremment (not true)

- states they consulted CAC and received a letter of concurrence in principle before they made the administrative decision. It was only after implementation of the change that they realized CAC were concerned.

Aug. 25, 1982 — CCAC requests that their legal branch examine the Food & Drug Regulations to detemine if they do state kidneys must be removed

Sept. 15, 1982 - CCAC legal opinion supported CCAC position

- if chicken kidneys are not commonly sold as food, poultry meat with kidneys attached is adulterated as per Section B.22.005 of the Food and Drug Regulations

- Section 2 of Processed Poultry Regulations refer to kidneys as "poultry refuse"

Sept. 28, 1982 ADM, CPB to ADM, Food Production and Inspection Branch

- presents CCAC's Legal Services opinion as to applicability of Section B.22 of Food and Drug Regulations and Section 2 of Processed Poultry Regulations

- no enforcement of above regulation requirements has taken place by CCAC at the retail level in order to avoid embarrassment to the government

- H&WC are also concerned, particularly from a health and safety standpoint and the contradiction/enforcement problems

Jan. 14, 1983 — meeting: CAC(3), AC(3), H.P.B.(1), CCAC(3), Canada Packers(1), Canadian Poultry and Egg Processors Council (C.P.E.P.C.)(1)

- general agreement that the presence of kidneys and sex organs in chicken does not present a health hazard

- AC is to examine the effect on shelf life and at what weight the sex organs of chickens become significant

- CAC wants informative labelling and consumer education

- the industry representative was to recommend to the industry as a whole that the statement "may contain kidneys" is to be used at all levels of trade

- agreed that the additional weight per bird is not significant, but the increased weight over a large number of birds would be significant

Aug. 10, 1983

meeting: Industry(2), CPEPC(1), CCAC(2)

- all parties agreed:

(1) Kidneys and sex organs could be permitted in eviscerated broiler chickens killed up to 8 weeks of age

(2) Both cut-op portions and whole birds containing kidneys will be labelled at plant level: "may contain kidneys" on individual birds and packages as well as bulk containers.

(3) Declaration not required on retai packed cut-up chicken.

(4) Declaration not required at the restaurant level.

- 6 months given for industry to comply with labelling requirements

Sept. 7, 1983

- CCAC informed industry of above final agreement

?

- informed AC of the above agreement

Opaque Packaging for Graded Poultry Products

Processed Poultry Regulations (C.A.P.S. Act)

The Processed Poultry Regulations require that processed poultry must be wrapped in transparent material only. In 1977, the Canadian Poultry and Egg Processors Council requested (to AC) that the (packaging) regulations be amended to permit use of completely opaque bags and wrappings for processed poultry. CCAC and CAC strongly opposed the amendment and the issue was subsequently shelved by industry (May 1978). (It appears that AC would have approved the amendment if this opposition had not been raised.) In 1979 industry made the same request. A company had a new product (Basted Stuffed Frozen Turkey) and wanted to use opaque packaging. Industry's arguments were no stronger than they had been in 1977/78 and CCAC and CAC again strongly opposed the proposal. (AC had been prepared to accept the proposal if no strong objections were received). The ADM, Consumer Affairs Bureau expressed CCAC's opposition to her counterpart at AC. He agreed with the consumers right to visually examine processed poultry before purchase, and the issue was again dropped.

This case is an example of the influence CCAC (and CAC) can exert upon AC. In both instances, AC was prepared to amend the regulations (at the request of industry) but, due to the strong opposition encountered, the proposal was dropped. Industry has a strong interest in opaque packaging, and the issue arises every year or two. AC now considers this a non-issue.

No S.E.I.A. was performed and the proposal was not pre-published. No information letters were distributed, and there was no general consultation. A chronology and time line follow.

Chronology of Events

?	poultry industry (Canadian Poultry and Egg Processors Council) requests they be allowed to use opaque packaging for Grade A chicken and turkey (reason: they could then print recipes and special instructions on the bag, colourful bags would enhance sales)
	- packaging regulations would have to be changed
Jan. 10, 1978	CAC informs AC that they oppose the use of opaque packaging
March 6 and 16, 1978	CCAC and AC exchange letters on this topic
	- CCAC strongly opposes the proposal
May 2, 1978	CAC informs AC that they did an informal survey (more than 175 people were contacted) to determine consumers reaction to opaque packaging
	- no support for it and CAC hopes the requested change will not be allowed

- one supermarket manager said he was opposed to opaque packaging because of the many complaints he would have to deal with.

- there was some indication that consumers would reduce their purchases if poultry was marketed in opaque packages (would hurt the producer)
- presents many arguments against

1977-'78 Verbal dialogue between AC, CCAC, CAC and industry

? 1978 As a result of the opposition by CAC and CCAC, the proposal was temporarily shelved by the industry

? industry verbally advised CCAC that possible new cost saving freezing methods would result in a less desirable looking product

- they want opaque bags to prevent consumers from changing their buying habits

? CCAC discussed the argument with AC officials

- AC feels that it is not a valid argument (costs would increase in other ways - doubt any significant net savings)

? CCAC contacted CAC

- they will continue to oppose the change

? contact with AC officials indicates that they would not oppose the proposal, and likely would have permitted it previously had CCAC not opposed it

? CCAC approached by industry at the official level for their views and position

? The Canadian Poultry and Egg Processors Council formally request that Government (AC and CCAC) and industry cooperate and conduct a market test to measure consumer reaction to opaque containers

Jan. 23, 1980 meeting between AC and industry to discuss the acceptability of completely opaque bags for a new product called "Basted and Stuffed Frozen Turkey"

- AC is prepared to agree to that proposal unless strong objections are raised by CCAC and CAC in the immediate future

Jan. 25, 1980 Retail Food Division, CCAC prepared a Policy Paper.

- provides background, statement of problem, considerations (pro/con), options, recommendation

- estimated dollars at risk for this class is 36 million

Jan. 30, 1980 - memo to ADM, Consumer Affairs Bureau

- policy paper included for her consideration and direction

- how should CCAC express their opposition (ADM to ADM or intervene at a higher level?)

Feb. 2, 1980 ADM, CAB agrees they must oppose all opaque packaging of poultry products

- ADM will issue a letter to her counterpart in A.C. - (if this does not suffice the D.M. will be asked to intervene)

March 3, 1980 meeting: industry (the company who wants to market the new product "Basted Stuffed Frozen Turkey", Canadian Poultry and Egg Processors Council, CAC (2 representatives), AC (2 representatives), CCAC

- the company had conducted a four-month consumer acceptance survey (with transparent bags)

- CAC reiterated their strong opposition (consumers should be allowed to examine the product before purchase) (also concerned about potential salmonella contamination)

- CCAC opposes (discussed the benefits of transparent packaging in preventing product damage and deterioration at retail through improper storage and handling practices) (also questioned if they encountered problems of stuffing visibility after vacuum sealing)

- agreement was reached that because of the general objections raised, the company could not use opaque packages for their new product

Feb. 26, 1980 ADM, CAB informs ADM, Food Production and Inspection Branch that CCAC strongly opposes opaque packaging

March 7, 1980 ADM, Food Production and Inspection Branch responds that after considering both consumer and industry positions, it is their opinion that there is no present justification for changing the Processed Poultry Regulations to permit opaque wrappings

- the issue will be dropped

Opaque Packaging for Graded Poultry Products

Time Line

1. Problem Identified
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued(*) & responses evaluated
4. Position Paper drafted
5. Proposed amendment sent to P.C. legal for approval
6. Printed in the Canada Gazette Part I
7. 30 to 90 day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment redrafted and submitted to PC legal
10. Revised amendment printed in Part I
11. 30 to 90 day period for public comment
12. Submission to PC legal for approval
13. Submitted for Ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette Part II

? (a) — approx. 1 year (dropped)

(b) — approx. 1 year

Status: Dropped
Time Elapsed: (a) 1 year
(b) approximately 1 year

CONSULTATION IN THE REGULATORY AMENDMENT PROCESS: LEGISLATION IN THE CONSUMER PRODUCTS SUBACTIVITY

(Input to the Regulatory Review Evaluation Study)

Prepared by:

B.E. Siegel
for
Program Evaluation Division

September 1985

This report is one of several prepared by independent consultants as input for the evaluation of the Consumer Products Regulation Review and Consultation process. All evidence, advice and recommendations represent the independent views of the consultant rather than the views of the Government of Canada or any of its departments or agencies.

Abstract

As part of the Reg. Review Evaluation Study, this report examines the consultation process undertaken by the Consumer Products Branch in the process of amending regulations subordinate to the statutes under their jurisdiction. These statutes include:

1. Consumer Packaging and Labelling Act
2. Textile Labelling Act
3. Precious Metal Marking Act
4. National Trade Mark and True Labelling Act
5. Food and Drugs Act
6. Canada Agricultural Products Standards Act.

The first four are under the sole jurisdiction of CCAC, while jurisdiction is shared with Health and Welfare for the Food and Drugs Act and with Agriculture Canada for the Canada Agricultural Products Standards Act.

This report traces the recommendations for a formalized consultation process within the federal government which have come from various bodies over the past several years. A review is then undertaken of the consultation function within the Consumer Products Brsnch based on the information collected in 29 case studies of the regulatory amendment process.

Another source of information on consultation utilized in this report comes from two series of interviews carried out by the Program Evaluation Division with industry associations and consumer groups in the food and textile sectors. These interviews gathered perceptions on the consultation process as undertaken by CCAC.

These case studies and interviews have been used to provide comments on the consultation process of a general nature and other comments specific to each set of regulations. These comments are presented in sections 3.2 and 3.3 of the report.

Some general conclusions are presented on the current process of consultation and finally four recommendations are presented for streamlining the consultation process within the Branch.

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Consultation in the Regulatory Amendment Process

1. Introduction

In recent years a number of authoritative bodies and commentators including the Standing Joint Committee on Regulations and Statutory Instruments, the Peterson Committee on Regulatory Reform, and the Economic Council of Canada have urged upon the Federal Government the adoption of formal consultation procedures with the public prior to promulgation of regulations. Three main reasons underlie these recommendations: public servants proposing regulations cannot reasonably be expected to have in their possession all relevant information or to foresee all consequences of a proposed regulation; participation by those outside the government may suggest a satisfactory alternative not requiring a new regulation; participation by the affected public goes some way to legitimizing the regulation which finally emerges.

These recommendations have been reiterated for over five years and no substantive objections have been raised. However, there is, at present, no federal policy on notice and comment procedures. Instead each department has requirements which stem from legislation, central agency directive or departmental policy.

As part of the evaluation study of the Traded Goods Component of the Consumer Products Branch, CCAC, a review was undertaken of the consultation process associated with the amendment of regulations administered by the Branch. These regulations which underlie the labelling, packaging, quality, quantity and composition standards aspects of the sale of consumer goods in Canada are derived from the following statutes:

1. Consumer Packaging and Labelling Act
2. Textile Labelling Act
3. Precious Metal Marking Act
4. National Trade Mark and True Labelling Act
5. Food and Drugs Act
6. Canada Agricultural Products Standards Act.

The first four are under the sole jurisdiction of CCAC, while jurisdiction is shared with Health and Welfare for the Food and Drugs Act and with Agriculture Canada for the Canada Agricultural Products Standards Act. Under the authority of each of these Acts there are sets of regulations which control specific areas of the marketplace.

In this paper, a review of the various recommendations for a formal federal consultation procedure will be presented. This will be followed by an analysis of the

consultation procedures which have been documented in a series of case studies of 29 amendments undertaken by the Branch, and a description of the results of extensive interviews with industry and consumer associations within the context of the food and textile sectors evaluation. The results of these consultations relate to their perceptions of the consultation function in the Consumer Products Branch.

Finally, recommendations will be made for streamlining the consultation process within the Consumer Products Branch of CCAC.

2. Background to the Current Policy on Consultation

2.1 Government Views on the Need for Consultation

For the purposes of analysis, the notice and comment or consultation procedures employed in undertaking regulatory amendment can be divided into two categories. The first category provides an "early warning" when the policy for a proposed regulation is still at the conceptual stage. This is generally carried out through government/industry meetings where informal industry input can be made. The second category follows when the government gives detailed notice at a later stage of development of a proposed amendment. This is usually carried out through trade information letters, communiqués and prepublication of the

proposal in Part I of the Canada Gazette. Most commentators have recommended undertaking both types of notice and comment procedures, arguing that prepublication will not substitute for earlier consultation.

The Economic Council in its interim report of 1979 entitled "Responsible Regulation" dealt with consultation in the regulation-making process. Their principal recommendation was that in the course of determining the need for and content of new regulations, governments should as early as possible consult with individuals and groups with an interest in each regulation. The report concluded that through consultation "governments are better able to assess whether intervention is necessary, gain a better understanding of the implications of their proposals and identify alternatives to the proposed form of intervention."[1]

A second area of recommendation dealt with advance notice. The Economic Council recommended that the Government should establish systems to ensure that advance notice is given for major new regulations; that notice of intent to propose a major new regulation should be published in a gazette at least 60 days prior to the next step in the regulation making process; and that governments should

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1. Responsible Regulation: An Interim Report of the Economic Council of Canada, November 1979, page 74.

consider adopting a device for the consolidation of notices in the form of an annual regulatory calendar.

These recommendations were echoed by the Peterson Task Force on Regulatory Reform in their Discussion Paper of August 1980. Their recommendations in this area were:

1) officials of federal departments and agencies should consult with interested individuals and groups as early as possible when regulatory intervention is contemplated
2) the federal government should establish a system to ensure that advance notice is given of new regulations made under federal statutes.

In the Peterson Report, several questions were highlighted to expand on the significance of the recommendation. These questions included: should there be formal internal rules imposing an obligation to consult? Should there be penalties for failure to follow the rules? Should consultation procedures be the same for every department?

The most thorough look at the notice and comment issue was undertaken by the Standing Joint Committee on Regulatory Instruments in its report delivered to the House of Commons and included in Votes and Proceedings of July 17, 1980. The Committee noted the deficiencies in the present regulatory system including inadequate notice of new regulatory ini-

tiatives to interested persons and inadequate consultation with interested persons during the development of new regulations. The committee also went on to recommend a mandatory notice and comment procedure similar to section 553 of The Administrative Procedures Act in the United States which required notice in the Federal Register and 30 days for comment. They also recommended that the notice of the proposed regulation be accompanied by a clear statement of the reasons for the proposed regulation, the policy to be furthered by it, and the associated socio-economic impact analysis where one has been developed. The preeminent recommendation of the Standing Joint Committee was that a new act entitled the Subordinate Legislation Act replace the Statutory Instruments Act and that a Standing Joint Committee on Regulatory Review be made a permanent feature.

2.2 Federal Government Policy on Consultation

Currently there are two procedures by which consultation through prepublication of new regulations, including amendments, is required of Departments. Firstly, since 1978 under a Treasury Board Directive, as set out in Chapter 490 of The Administrative Manual, prepublication is required for a narrow category of regulations. This category includes major new regulations or amendments to existing regulations relating to health, safety or fairness with cost implica-

tions of over $10 million. The text of the regulation together with a summary of the socio-economic impact analysis (SEIA) must be prepublished in Part I of the Canada Gazette at least 60 days before promulgation.

Secondly, certain other regulations are required to be prepublished in Part I of the Canada Gazette without any analysis, by virtue of the statute underlying the regulations which specifies this procedure. Of the 20 or so statutes which require this procedure for their subordinate regulations, only the Consumer Packaging and Labelling Act is included from the six statutes concerning the activities of the Consumer Products Branch.

Within these 20 statutes, there is no standard format for the legislated prepublication provisions. Some specify at least 60 days for comment while most require only a reasonable opportunity to comment, and some contain exemptions to the prepublication requirement.

Section 19 of the Consumer Packaging and Labelling Act requires that "reasonable opportunity shall be afforded to consumers, dealers and other interested parties to make representation."

Among federal statutes enacted in recent years, there is no obvious pattern as to the inclusion or exclusion of such a pre-publication provision. This reflects the fact that there is no formal mechanism by which the inclusion of such a provision is required to be considered when legislation is being devised, drafted, or approved by Cabinet. The Cabinet Directive on the Preparation of Legislation and the PCO Handbook on the preparation of Memoranda to Cabinet is silent on this issue. Typically, this question appears to be resolved at the working level and as a technical matter between the instructing officer of the sponsoring department and the legislative drafter in the Department of Justice.

Notwithstanding the lack of legislated prepublication, some departments, including CCAC, which are responsible for regulation-making powers have voluntarily adopted extensive procedures for soliciting comment on proposed regulations.

A new tool of the consultation process in regulatory amendment has been implemented in the past two years. Following a Cabinet decision (359-8200) in November, 1982, the federal government now produces on a semi-annual basis, the Regulatory Agenda which notes the intention of the government to amend certain pieces of legislation significantly in advance of the first draft of any proposed amendment. It also provides timely updates on the status of

current regulatory change proceedings and the regulatory program evaluation schedule of the department. In alerting industry and other readers to any upcoming changes, the Agenda offers an opportunity for interested parties to make their concerns known to the program staff and so ensures that any proposed amendments have had the benefit of significant input before prepublication in the Canada Gazette Part I.

A news release from the President of the Treasury Board on December 7th 1984 requested views on the value of the Regulatory agenda. The responses indicated that the agenda added a new dimension to the exchange of information between industry and government and that it was of considerable value. For these reasons, it was decided to retain the agenda for at least another two year period.

2.3 Consumer Products Branch Experience

Federal Departments with regulatory powers also differ on the role they see clients playing in the amendment process. This role varies from a partnership, where the clients are depended upon by the department for basic information, to a very dominant role for the regulating department in proposing new regulations and amendments.

Within the Consumer Products Branch, the partnership approach seems to be in place. Regulations under all statutes administered by the Consumer Products Branch area are subjected to prepublication in the Canada Gazette Part I. As well, before prepublication one or more rounds of communiqués are usually issued to an extended list of trade organizations, industries, and consumer groups concerned with the area to be regulated. In total 15 steps have been enumerated by the case studies in order to complete the amendments process. A more detailed review of the consultation function in the regulatory amendment process within the Consumer Products Branch will be presented in section 3 of this report.

3. A Review of the Consultation Function of the Consumer Products Branch

3.1 Methodology

3.1.1 Case Studies

Under the evaluation study of the Traded Goods component, two types of studies have been carried out by the Program Evaluation Division to investigate the role of consultation in regulatory amendments which have been undertaken by the Consumer Products Branch. The first was a

series of 29 case studies of amendments undertaken by the Branch. The purpose of detailing these case studies was to establish the main characteristics of the consultation process within the Branch. The detailed case studies are presented in a report entitled "Regulatory Amendment Process: Case Studies." The summary and analysis of these cases is presented in another report entitled "Process of Amending Regulation: Case Studies."

To develop these case studies, the Program Evaluation Division contracted with Gordon Cassidy and his assistant J. Johnstone from June to September of 1984. The preparation of these 29 case studies required the on-going participation of the officers of the Consumer Products Branch who were responsible for the different amendments. The officer responsible for each amendment was asked to verify the accuracy of the information presented in each case study.

The 29 case studies selected for the study were selected out of a possible 73 amendments that were undertaken by the Consumer Products Branch since the late 1960's. This list of amendments is provided in Appendix 3. The amendments examined are related to regulations under the following legislation:

National Trade Mark and True Labelling Act;

Precious Metals Marking Act;

Textile Labelling Act;

Consumer Packaging and Labelling Act;

Food and Drugs Act; and

Canada Agricultural Product Standards Act.

In order to select case studies that were as representative as possible of the entire universe of amendments, a list of characteristics that influenced the amendment process was developed. The characteristics that were examined for the selection of the amendments included the following:

The nature of the amendment;

The parties responsible for initiation;

The role of CCA;

The timing;

The current status of the amendment;

The nature of the regulation amended;

The industry sector; and

The statutory authority.

The most important characteristics in influencing the time lapsed were the nature of the amendment and the nature of the regulation being amended. The nature of the

amendment characterized the amendment as an extension of the regulation, the narrowing of the scope of the regulation, repeal, marginal modification, new regulation, or deregulation.

The nature of the regulation defined the character of the regulation as relating to labelling, composition standard, packaging, grading, or inspection.

Each of the 73 amendments were then categorized according to these characteristics. From this framework and following the advice of the C.P.B. officials, 29 case studies were selected. Although the universe of potential case studies comprised amendments dated as far back as the early 1960's, the availability of documents and files favored the selection of amendments that were undertaken since 1979.

The development of the case studies was carried out based on an intensive file review and interviews with program representatives. For each case study, the report[2] identified the nature of the amendment being proposed, the extent of consultation with interested parties, and presented a chronology of events that took place in relation

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2. Reference is made to the report entitled "Regulatory Amendment process: Case studies". CCAC, 1984

to the particular amendment and a time line tracing the steps undertaken to amend the regulation.

The following table indicates the number of case studies carried out for each statute.

Table 1

NUMBER OF CASE STUDIES REVIEWING THE CONSULTATION PROCESS, BY STATUTE

Statute	Case Studies
National Trade Mark and True Labelling Act	3
Precious Metals Marking Act	3
Textile Labelling Act	6
Consumer Packaging and Labelling Act	4
Food and Drugs Act	7
Canada Agricultural Products Standards Act	6

3.1.2 Interviews

The second source of information on consultation came from two series of extensive interviews carried out with manufacturers, associations, and consumers groups in the food and textiles sectors. One function of these interviews was to gather the perceptions of the respondents on the process of consultation as practiced by the Consumer Products Branch in relation to regulatory amendments in their sector.

Section 3.2 of this report will report on the case study findings and section 3.3 will report on the information gathered from the interviews.

A complete list of the case studies and extracts from the interview questionnaires are found in Appendix 2.

The complete results of the sector interviews are reported in two separate studies entitled "Food Sector Evaluation Study: Consultation Module" prepared by Nordicity Group Inc. and "Textile Sector Evaluation: Consultations Module" prepared by Price Waterhouse Associates.

3.2 Findings of Case Studies

3.2.1 National Trade Mark and True Labelling Regulations

With respect to two of the three cases reviewed under the National Trade Mark and True Labelling Regulations, consultation up to the time of the program evaluation study had taken more than three years and had only reached the preconsultation stage with no communiqués sent or proposed amendments drafted. In both cases, the amendments had been initiated by the department following Phase I of the regulatory review process and letters had been sent to manufacturers (re Turpentine Regulations) or to associations (re Measuring Cups and Spoons Regulations). About a 50% response rate had been achieved for these letters and most respondents did not express a continued need for these regulations. The relatively unenthusiastic response may have indicated the current unimportance of these sets of regulations in the marketplace.

The third case studied under these regulations was an amendment to the National Trademark Garment Sizing Regulations. Although no timeline was provided, this case outlined the fairly complex procedures which must be undertaken by the CGSB Committee on Standardization of Garment Sizes to adopt new or revised standards.

3.2.2 Precious Metals Marking Regulations

Of the three cases studied under the Precious Metal Marking Regulations, only one amendment had been completed and published in the Canada Gazette Part II after five years. In this case (Gold and Silver Tolerances) consultation procedures had taken place over four years and two communiqués had been issued. In the second case (Holloware marking) three information letters had been sent. Two responses were received in response to communiqué #25 regarding tolerances, and five and eight responses to the two holloware information letters. Although, there were relatively few respondents, the extensive process of consultation which was undertaken illustrated concern in answering the responses which were received.

3.2.3 Textile Labelling and Advertising Regulations

With respect to five of the six amendments studied for under the Textile Labelling and Advertising Regulations, all of the amendments had been completed and published in Part II of the Canada Gazette. In the case of Point of Sale Labels, over six years had passed between the time the problem was identified and the inclusion of this proposed amendment in the Branch workplan.

For these five cases, between two months and four years were spent in the preconsultation stage. While formal trade information letters and communiqués were not used, a CGSB committee was formed for the down and feathers amendment and the aramid amendment. A draft of the proposed amendment was distributed for comment in the point of sale amendment and the labelling of piece goods amendment. Both received no response. In none of these cases were the proposed amendments prepublished although it should be noted that they were all completed before 1980.

In general, the consultation for these regulations once commenced, seemed to require little time and proceeded without eliciting many comments. Perhaps due to the nature of the regulations which were being amended (labelling for diapers and piece goods) the few interested parties were

from the associations and firms directly affected and not consumer groups.

The sixth case studied under the Textile Labelling and Advertising Regulations concerned the change in the care labelling symbol used in the voluntary Care Labelling Program. This case indicated how the CGSB Care Labelling Committee amends a standard, and the process followed by CCAC to amend a Trade Mark. The total time elapsed was six years, including three years for the CGSB committee to reach a concensus, six months for Standards Review Board approval, and one year for Trade Marks approval.

3.2.4 Consumer Packaging and Labelling Regulations

Of the four cases studied under the Consumer Packaging and Labelling Regulations, all of the amendments studied had been completed and published in the Canada Gazette Part II. Nevertheless, the consultation period undertaken had varied considerably from one year in case of retail trade scale conversion amendment to over five years and, involving various consultation tools, for the case of dealer declaration on imported products amendment. The latter case received over sixty responses from associations and companies to a letter requesting inputs on the proposed amendment. Six responses were received to each of two prepubli-

cation steps and four responses to the final prepublication notice.

In the case of cookie container sizes, although there were no letters or communiqués, there were several initial meetings with industry and no responses were received following Part I prepublication.

Perhaps, due to the nature of the amendments (extension of the regulation) studied in these cases (the availability of container sizes for cookies and aerosal sprays) the industry seemed to show an active interest in the proposed amendments and, in fact, were the initiators of two of the four cases. The total time elapsed in the amendment process for industry initiated amendment was, on average, three years.

3.2.5 Food and Drugs Regulations

The six amendments studied for the Food and Drugs Regulations seemed to produce a more detailed and concerned response from the various interest groups including consumers, industry groups, and other federal departments and provincial governments. For several of the cases there were many rounds of government-industry and interdepartmental meetings. Of the cases studied, only one (ground beef) had been completed at the time of the program evaluation study.

For all others, only one proposed amendment had reached the prepublication stage (wine origin in 1974). For all the incompleted amendments, consultation had been going-on for five to fifteen years. In Case #23 (mineral water and spring water), a government-industry committee and subcommittee had been established and met frequently for over four years. In case #18 (natural), a consumer perception survey had been undertaken in the first year of the consultation process. In case #21 (sweetening agents) two communiqués had been sent to over 5 000 parties in the third and fifth years of consultation with low response rates.

The origin of wines amendment was seen as very controversial and involved aspects of trade mark protection, Consumer Packaging and Labelling Regulations, Food and Drugs Regulations, and compliance with international conventions.

The communiqués regarding the use of the term 'natural' gathered a large number of responses (63 for communiqué #22; 70 for communiqué #38).

In general, the amendment process for regulations under the Food and Drugs Regulations seemed the most complicated and protracted with respect to the consultation required. The consultation process seemed to be very effective in terms of attracting input, however it encountered greater

difficulty in resolving the differences in an attempt to reach consensus. Perhaps, for this reason, five of six amendments remained incomplete after many years.

3.2.6 Canada Agricultural Products Standards Regulations

Regarding the CAPS amendments which were reviewed, only two of the six had been published in Part II of the Canada Gazette. One involved a re-interpretation of an existing regulation, two were dropped before prepublication due to opposition from industry or consumers and one involved an administrative decision by Agriculture Canada to accommodate technological change. Because the Consumer Products Branch is only one of the parties consulted when these regulations are amended, it was difficult to document the complete extent of the consultation undertaken. However, it was clear that inputs from CCAC were of only a minor significance and that, in general, from this sample, consultation with a broad base of interest groups seemed to be accorded a lower priority within Agriculture Canada than within CCAC. It is also interesting that in almost all (5) cases industry was responsible for the initiation of the amendment and asked for it in order to facilitate production. Several of the cases also seemed to exhibit a lack of early involvement of the Consumer Products Branch resulting in later problems regarding conflict with other regulations administered by CCAC.

3.2.7 Summary Comments Based on Case Studies

In summary it would appear that the time taken for consultation in the regulation amendment process varies considerably but ranges from less than a year for some non substantive changes to over ten years for major amendments to the Food and Drugs Regulations. The National Trade Mark and True Labelling Regulations cases and the Textile Labelling and Advertising Regulations cases seem to attract fewer interested parties. This fewer number of actively interested parties may account for shorter consultation time. However, it may be that the nature of the amendments studied had less serious implications and required less consultation, or that for the textile regulations cases predating 1980, less active consultation was undertaken. It may also be that the Trade Mark regulations which were included in the case studies were no longer providing a useful function and therefore attracted little interest.

The Consumer Packaging and Labelling Regulation amendments in general were characterized by active involvement of various interest groups through responses to communiqués, prepublication notices, and government-industry meetings. Consultation seemed to be then an integral part of the amendment process in these regulations and significant time was required to adequately reach all interested parties.

When considering the nature of the amendment, those amendments seeking major extension or narrowing of a regulation seem to require the most time for consultation due to the seriousness of the impact. Most of this time is spent in the preconsultation stage or in drafting communiqués and evaluating responses.

These case studies also indicated that in most cases the actual amendment process varied considerably from the theoretical process and the 15 steps outlined (see Appendix 1). Often considerably fewer steps are involved since some of them are optional. As well, the number of times information letters and communiqués will be issued seemed unpredictable and therefore unplanned. The overall departmental position seems to be to meet comments from all client and interest groups as they arise to arrive at a form of consensus. No milestones or planning horizons are set to accomplish this.

3.3 Findings of Textile and Food Sector Consultation Modules

3.3.1 The Textile Sector

The interviews with representatives of associations or members of CGSB committees in the Textile Sector centered on

the textile labelling. Thirty-four interviewees were asked to rank their overall satisfaction with the processes which enable industry and consumer concerns to reach CCAC. Almost half of those expressing an opinion indicated high satisfaction levels. However as a group the consumer representatives ranked their satisfaction level at the low end of the scale.

With respect to the specific problems associated with CGSB as a mechanism for consumers and industry to express their concern, interviewees were asked to rate the effectiveness of each CGSB committee with which they were familiar. In general the committee members as a group ranked the effectiveness more highly than non-members.

As well, one specific aspect of CGSB committee's effectiveness was explored with interviewees - timeliness of decision making. In general, respondents who felt that the committee process was effective also thought that decisions were taken within a reasonable length of time. Some interviewees recognized that the process was lengthy but considered that this was to be expected given the concensus decision-making rule and the fact that committee members volunteered their time and effort. Others felt that the time taken by CGSB committees impeded their effectiveness. No one expressed the view that timeliness of decision was a serious problem.

Regarding the other methods of consultation used in the textile sector, 34 of the 53 interviewees could provide a description of at least some of the mechanisms. Of these, only 3 mentioned the use of departmental communiqués.

Most of the problems identified in general in relation to the consultation process were in regard to the direct complaints to the Department. Delays in response and lack of an identifiable contact point were mentioned as problems.

Regarding the use of inspections as a tool for consultation, although Departmental officials believed that this took place, respondents felt that inspectors did not provide the function of consulting about the problems or concerns of retailers or manufacturers.

3.3.2 The Food Sector

In the food sector study, fifty six interviews were held with individuals representing 64 government, industrial associations and consumer groups in Canada, and 8 interviews with U.S. government, trade and food industry officials.

Nine sectors were identified and the interview results were reported separately for each of the nine.

Respondants in the Dairy and Eggs Sector were in general pleased with the level of consultation undertaken by CCAC.

The Retail Sector as well found that their concerns received satisfactory hearings and that the Food Industry Liaison Committee worked well.

In the Fish Sector consultation takes place with only the Department of Fisheries and Oceans, while in the Produce Sector the Horticultural Council is the only group in contact with CCAC on a regular basis, so no comments were received regarding the Consumer Products Branch Consultation procedures.

Within the Meat Sector there were diverse reactions to the question of effectiveness of CCAC in consultation. Some respondants felt that sufficient time was permitted to respond to government proposals while others noted a lack of flexibility on the part of the Department to adopt proposals to meet the industry concerns. There were other comments that conditions were improving and others replied that CCAC was not sufficiently familiar with specific processes and made decisions "by the book". The Food Processing Sector found consultation with CCAC much improved. Respondents commented on the use of information letters, regulatory

agendas and the Food Industry Liaison Committee. There was also a suggestion from this sector for a working-level committee to solve smaller problems of inspection and compliance. Several comments were made in relation to the time required to deal with problems or develop solutions and there seemed to be some agreement that the system was not designed to deal with problems quickly.

In the Consumer/Professional Sector, the consumer respondents felt that the consultation by CCAC had been fairly good, while the professional (dieticians, diabetics) groups felt that there was some confusion in applying the appropriate regulations in a given situation.

Among the Peripherals Sector which was comprised of seven miscellaneous organizations, there were well considered views on the consultation process. They felt principally that industry should be involved at the conceptual stage of a regulation in order to minimize the compliance costs and encourage cooperation.

4. Conclusions

One obvious conclusion from these studies is that consultation in the regulatory amendment process takes place over long periods of time. Many reasons have been put

forward for the length of time consumed by the consultation process in regulatory amendments undertaken by Consumer Products Branch. These include:

1) the variety of competing views within government and industry on what constitutes "the problem";
2) the competing views on the appropriate method of handling the problem, whether through guidelines, new regulation, or re-definition of essential terms;
3) the involvement or influence of other external factors such as adherence to international definitions and conventions (e.g. origin of wines, Aramid - generic name) or the complex procedures of standards bodies such as CGSB and its committees in designing new standards (e.g. Canada Standard Sizing);
4) the lack of inter-departmental co-operation in initiating or assessing proposed amendments for regulations under shared jurisdiction;
5) delays specific to the approval process at PCO.

Within CCAC it appears that the constraints of other responsibilities of program staff largely account for the long periods of time which pass between steps in the consultation process (i.e. between the definition of the problem and the introduction of proposals for regulatory reform, or between issuing a communiqué, soliciting views on certain

proposals, and issuing the follow-up communiqué summarizing the responses received).

If it can be accepted that there is a definite value to consumers of having regulation in the Traded Goods area which reflect the greatest social benefits, the conclusion can be drawn that the speedy review and amendment of regulations should be accorded a high priority among the administrative functions of CCAC program staff.

The argument that the industry is currently a satisfied client has been put forward by the Consumer Products Branch as an explanation or justification of the lengthy time requirements for completion of the amendment process. This argument ignores the social costs of delay. Maintaining and enforcing outdated regulations or failing to regulate, as required, in areas as covered by the statutes has a social cost as well as a private cost to industry or the consumer. Although extensive consultation undoubtedly has the advantage of producing well drafted and well designed amendments, the lengthy inactive periods between each step contribute little to the quality of the product.

The interviews with industry showed that the perception is generally of a responsive system but one which does not deal with problems quickly. The recommendations which

follow are aimed at streamlining the consultation process and improving its efficiency within the Consumer Products Branch.

5. Recommendations for Streamlining the Consultation Process Within the Consumer Products Branch

Following upon the information presented in the previous sections this section will present four recommendations to streamline the consultation process within the Branch. The first two recommendations pertain specifically to the work of the Consumer Products Branch. The final two are relevant to consultation and the amendment process throughout government.

5.1 Recommendation 1: Rationalizing the Prepublication Policy

Consumer and Corporate Affairs should consider rationalizing its current policy requiring prepublication of all amendments in the Canada Gazette Part I. With the proper use of the Regulatory Agenda, departmental communiqués and government industry meetings, prepublication could be considered unnecessary for minor amendments since all interested parties would have been otherwise notified of the proposed change and given an opportunity for comment. Prepublication

should be retained for complex amendments or for those where controversy remains after the other tools of consultation have been utilized.

A Committee could be struck to determine whether pre-publication is required. Some of the variables which would be considered in deciding whether or not prepublication is required could include: the range of possible interests in the amendment; the socio-economic impact of the proposed amendment; the range of potential alternative ways of addressing the problem. At the outset it would appear that most Food and Drugs Regulations would continue to be prepublished while most Precious Metals Marking Regulations would not require prepublication.

The benefit of optional prepublication would be to expedite the amendment process for more routine amendments while retaining it as a tool to formally register comments after previous rounds of consultation have been undertaken. By defining different streams of consultation and approval for different amendments based on their complexity or degree of impact, the administrative tasks can be more predictable, the consultation stages can be readily identifiable by the industry, and the final product can be timed to have the least negative impact on industry schedules.

Making the various steps in the consultation process more visible or formally timed may also increase industry response to early communiqués where the intent of the communiqué is straightforward and the timing of the following steps is announced, and improving the credibility of the department's commitment to produce timely and appropriate regulation in the Traded Goods area.

5.2 Recommendation 2: Modify the Role of the Communiqué

Given the addition of the Regulatory Agenda to the tools used in the consultation process, it is possible to alter the role of the communiqué within the Consumer Products Branch. From the case study documentation, it appears that a communiqué is often used to alert the public to prepublication of a proposed regulation (see communiqué #32). This is a somewhat redundant step since it might be expected that by the time of prepublication all interested parties would have been alerted to the fact that changes are being proposed through earlier communiqués or information letters. If a communiqué is to be issued at the time of prepublication, it should complement the Canada Gazette with additional information or a review of the consultation process to date. Another possibility would be to issue a communiqué earlier in the process which outlines the various possible regulatory responses to the identified problem and

ask for input. This was the purpose of communique #22 regarding use of the term "natural" issued in August 1981.

Reviewing the use of communiqués in the "natural" case study, communiqué #22 was followed in July 1983 by communiqué #38 which contained proposed guidelines pertaining to the use of the term which reflected the decision to permit the industry to be self regulatory. There currently exists a draft of a third communiqué (#48) containing proposed new regulations. This suggests that the self regulatory attempt proposed in #38 may have proven unsuccessful. In all, since the publication of the first communiqué almost 4 years have passed and no solution has been reached.

In general it would appear more efficient to use a communiqué to present the skeletal structure of the proposed regulation if the prepublication stage is to be retained. Otherwise a communiqué may actually substitute for prepublication in the case of less critical amendments and possibly solicit the input that prepublication would have attracted. In any event the communiqué as a simple "notice" should not be necessary for Traded Goods Regulations and should not be used as a statement of intent or an announcement of prepublication. It should be designed to fit other more useful roles and rationalized to complement other tools of consultation.

If the Consumer Products Branch designed a process for consultation regarding regulatory amendments which included a series of communiqués, each meeting an explicit objective and following upon each other in a timely manner, this may also encourage early and informed industry and consumer input in response to what appears to be a well structured and constructive initiative.

5.3 Recommendation 3: Delegation of Central Agency Examination of Amendments

Another recommendation for streamlining the process has already been informally introduced by the Office of Regulatory Reform in their analysis of the PCO/Justice function. As has been mentioned in both the ORR draft report and the Program Evaluation Division case studies, major delays of up to a year have occurred in the regulation making process when the proposed regulation is sent for examination to PCO/Justice before Part I prepublication. Further delays occur here when approval is sought prior to Part II publication. Although these approvals are not part of the external consultation process as carried out by CCAC, they do constitute steps within the regulatory amendment process in which delay occurs. The ORR report recommended that operational changes take place within PCO/Justice to ensure speedier handling of these approvals. It also recommended that

authority be delegated to the Legal Services Division of departments to handle either all amendments or those of a less complex nature, on the grounds that departments and agencies should be responsible for their own regulations.

The benefit of such a delegation of authority to departments for drafting regulations would hopefully be to speed up the amendment process with no damage to the quality of the final product.

The classification of amendments as more or less complex could be carried out by a committee from within the department with an additional member from PCO/Justice. Those regulatory amendments which may seriously challenge the intent of the empowering legislation or have other complex legislative ramifications could continue to be referred to the central agency for review. These criteria and others would be considered by the committee in determining whether PCO/Justice approval should be sought.

The question of translation and editing of these "delegated" amendments has not been addressed here. However, it is most probable that departmental translation services could handle these tasks for minor amendments.

It should be noted that this recommendation could possibly require an amendment to the Statutory Instruments Act which could not be undertaken by CCAC alone.

Appendix 5 presents a model illustrating how recommendations one, two and three would change the current consultation process.

Recommendation 4: Setting of Milestones

Notwithstanding the validity of the first three recommendations for streamlining the process of consultation in regulatory amendment, the process will only be as efficient or effective as human resources permit.

For this reason, at the time of recognition of a regulatory problem, the imposition of timeframes or milestones to define the problem, identify solutions, solicit opinions and summarize them, draft an amendment or set of guidelines, solicit industry input, and finally give notice through publication in the Canada Gazette Part II would give some structure to the amendment process and perhaps add to the sense of importance attributed to it by government and industry officials. This may also have the effect of moving comments forward in time to become part of the design of the amendment, and avoiding rounds of Part I prepublication.

All of these recommendations have the effect of reinforcing the view that the consultation process in regulatory amendment should have a high priority among the tasks of Consumer Products officials. Each regulatory amendment project will be of greater or lesser urgency, will have an audience of a broader or narrower range of views, requiring more or less active solicitation of comments by CCAC staff.

Some feeling for these differences exist within program staff who are familiar with the amendment process. Their expertise could be used to determine the optimum use of the consultation tools and establish appropriate milestones for the process.

As a final note it should be added that consideration of a policy for consultation, especially notice and comment, is ongoing in the Public Law Division of the Department of Justice. The motivation for such consideration stems both from the reissue of the Standing Joint Committee Report last year and a renewed interest from the Nielsen Task Force, Study Team on Regulatory Programs Review this Spring.

The Justice view is likely to be that formalized procedures are desirable. This will be based on a generalized view that Departments do not obtain sufficient input from the regulated industry regarding regulatory amendments.

A review of the case studies should indicate that the Consumer Products Branch far exceeds the norm in the amount of effort spent in the consultation process. The Justice recommendations for this Department should not be to "do more" but perhaps to undertake consultation in a more efficient manner.

APPENDIX 1

STEPS IN THE CONSULTATION PROCESS

Appendix 1

15 Steps in the Promulgation of Regulations and Regulatory Amendments in the Consumer Products Branch

(as Developed for the Case Studies)

1. Problem identified
2. Pre-consultation held with interested parties
3. Communiqué drafted, issued, and responses evaluated
4. Position paper drafted
5. Proposed amendments sent to Privy Council legal for approval
6. Printed in Canada Gazettee, Part I
7. 30- to 90-day period allowed for public comment
8. Public comment evaluated and further consultation if necessary
9. If major revision, amendment re-drafted and submitted to Privy Council legal
10. Revised amendment printed in Part I, Canada Gazette
11. 30- to 90-day period for public comment
12. Submission to Privy Council legal for approval
13. Submitted for ministerial (CCA) approval
14. Submitted to Privy Council for approval
15. Amendment printed in Canada Gazette, Part II

Appendix 1

A Revised Model of the Process of Promulgation of Regulations and Regulatory Amendments in the Consumer Products Branch

(Adapted from the Case Study Model)

1) Problem identification
2) Preconsultation held with interested parties (industry, associations, consumers, other departments and governments)
3) Communiqué(s) drafted, approved, issued, responses evaluated
4) Position Paper drafted, approved
5) SEIA prepared if required
6) Proposed amendment drafted
7) Proposed amendment sent to PCO/Legal for approval
8) Proposed amendment printed in Canada Gazette Part I with SEIA if required)
9) 30 - 90 day comment period - (if many comments received in step 8, steps 6 to 8 may be repeated)
10) Submission of amendment to PCO/Legal for Part II approval
11) Submitted for Minister's (CCAC) Approval
12) Submitted for PCO approval
13) Amendment printed in Canada Gazette Part II

APPENDIX 2

29 CASE STUDIES BY STATUTORY AUTHORITY

EXTRACTS OF INTERVIEW QUESTIONNAIRE

USED IN FOOD/TEXTILE CONSULTATION MODULE

Appendix 2

29 Case Studies by Statutory Authority

National Trade Mark and True Labelling Act

1. Canada Standard Measuring Cups and Spoons Regulations
2. Turpentine Labelling Regulations
3. Garment Sizing Regulations

Precious Metal Marking Act

4. Tolerances on Gold and Silver Articles
5. Minimum plating thickness for watch cases et al
6. Mandatory Marking of Base Metal Content on Holloware Articles

Textile Labelling Act

7. New Generic Name-Aramid
8. Down and Feather Definition
9. Labelling of Diapers
10. Point of Sale Labels
11. Labelling of Piece Goods - Deregulation
12. Care Labelling Symbol

Consumer Packaging and Labelling Act

13. Retail Scale Conversion to Metric
14. Dealer Identity on Imported Products
15. Standardization of Sizes of Aerosol Containers
16. Standardization of Sizes of Biscuit and Cookie Containers

Food and Drugs Act

17. Nomenclature of Ground Beef
18. Use of the term "Natural"
19. Declaration of Origin for Wine
20. Declaration of Sausage Casings in List of Ingredients
21. Labelling of Sweetening Agents in List of Ingredients
22. Non-Retail Containers
23. Mineral Water and Spring Water

Canada Agricultural Products Standards Act

24. Label Declaration of Fat and Moisture in Cheese
25. Processed Poultry Grade Standard Changes
26. Knife Ribbing on Beef Carcasses
27. Sparkling Apple Juice
28. Non Removal of Poultry Kidneys on Evisceration
29. Opaque Packaging for Poultry Grade Products

Appendix 2

EXTRACTS FROM TEXTILE SECTOR

INTERVIEW QUESTIONNAIRE

Question 4: To what extent are you familiar with the Textile Labelling and Advertising Regulations?

Question 5: Has the need for fiber content/dealer identity changed over the last 10 years?

Question 6: Has Consumer and Corporate Affairs reacted appropriately to these changes? (For example, listening to the problems identified by the industry and liaising adequately with consumer and industry groups.)

Question 17: To what extent are you familiar with the Canadian Care Labelling System?

Question 18: Has the need for the care labelling system changed over the last 10 years?

Question 19: Has Consumer and Corporate Affairs reacted appropriately to these changes? (For example, listening to the problems identified by the industry and liaising adequately with consumer and industry groups.)

Question 29: To what extent are you familiar with the Canada Standard Sizing Program?

Question 30: Has the need for a garment sizing program changed over the last 10 years?

Question 31: Has Consumer and Corporate Affairs reacted appropriately to these changes? (For example, listening to the problems identified by the industry and liaising adequately with consumer and industry groups.)

Question 46: Are you familiar with the role and objectives of any of the Canadian General Standards Board (CGSB) Committees?

Question 47: Describe the objectives and role of the CGSB Committees with which you are familiar and rate their effectiveness in achieving their objectives?

Appendix 2

EXTRACTS FROM FOOD SECTOR

INTERVIEW QUESTIONNAIRE

Question 2: As regards Consumer and Corporate Affairs, has the regulatory process permitted you to:

Question 2.1: Highlight your problems with regulatory staff, and seek satisfactory accommodation within the regulations?

Question 2.2: Modify a regulation or requirement?

Question 2.3: Have your problems addreessed without excessive delay?

Question 2.4: With respect to all regulators and agencies, and not just CCAC, has the regulatory process permitted you to work out practical solutions to problems caused by having several different regulators and jurisdictions?

APPENDIX 3

73 AMENDMENTS IDENTIFIED FOR THE CONSULTATION PROCESS CASE STUDIES

Appendix 3

73 Amendments Identified for the Consultation Process Case Studies

1. National Trade Mark and True Labelling

Chamois Labelling Regulations
*The National Trade Mark and Garment Sizing Regulations
Watch, Jewels Regulations
*Canada Standard Measuring Cups and Spoons
Fur Garment Labelling Regulations
*Turpentine Labelling Regulations

2. Precious Metals Marking Act

Gemstone Standard Terminology (Guidelines)
*Marking the Base Metal Content on Hollow Ware Articles
*Modify Tolerances
*Lower Min. Thickness of Plating For Watch Cases
Express Metric Measurement in S.I. Terminology

3. Textile Labelling Act

Housekeeping Amendment
*New Generic Name - Aramid
Alternative Generic Name for Spandex Elastane
Correct Spelling of Elastane in French Version
*Correct Inconsistency in Labelling Diapers
*Revise Labelling of Down and Feather Products
Aprons and Bibs Added to Schedule III
Alternate Generic Name
Labelling of Ornamentation
*Labelling of Piece Goods
*Labelling of Schedule III Articles Preprinted List
Location of Seized Goods
Disposal of Forfeited Goods
*Care Labelling Symbol

4. Consumer Packaging and Labelling Act

Use of Indications of Geographic Origin
Provide for an Additional Standardized Container Size for Wine
Include Freezers in Energuide Program
Housekeeping Amendment
Provide Consistency with Weights and Measures Regulations (wallpaper and floor coverings)
Include Dishwashers and Clothes Washers in Energuide

4. Consumer Packaging and Labelling Act 'Continued'

Include Electric Ranges in Energuide Program
Biscuits and Cookies Container Standardization
*Amend Dealer Identity and Place of Business Declarations on Imported Products
Add Tolerance Tables
Add Certain Exemptions
Provide Established Trade Practice Manner of Declaring Net Quantity
Include Refrigerators in Energuide
Provide Exemptions from Metric Net Quantity Declaration
Include Clothes Dryers in Energuide
*Provide Consistency with Weights and Measures
*Standardize Container Sizes for Deodorants, Shave Creams and Hair Sprays
Provide for Disposition of Goods Seized Under CP&L Authority
*Revise Range of Container Sizes for Biscuits and Cookies
Definition of Catch Weight

5. Food and Drug Act

Mineral Waters
Mineral and Spring Waters
Declaration of Percentage of Alcohol on Alcoholic Beverages
Kosher Foods
Mixed Nuts
Declaration of Ingredients
Open Date Marking on Food Labels
Previously Frozen Meat, Poultry and Fish
Labelling of Irradiated Foods
*Labelling Regulations Pertaining to Mineral Water
*Declaration of Country of Origin on the Labels of Wines
Identification of Flavour Descriptives on Food Labels
Bulk Meat Advertising
*Nomenclature of Ground Beef, Common Names
Labelling of Product Processes with Liquid Smoke
*Labelling of Isommerized Glucose Syrups and Added Sweetening Agents
Sale and Use of Ice Milk and Ice Milk Products
*Labelling of Non-Retail Containers
*Use of Term "Natural"
Ingredients Derived from Milk
Durability Dating Requirements
*Sausage Casings

6. Canada Agricultural Products Standards Act

Provide Change to Prepared Mustard Net Quantity
*Poultry Kidneys
*Sparkling Apple Juice
*Poultry Flesh
*Knife Ribbing of Beef Carcasses
*Opaque Packaging for Poultry Graded Products
*Label Declaration of Fat and Moisture in Cheese

* Indicates a case study was completed.

APPENDIX 4

LIST OF TRADE COMMUNIQUÉS

IN THE

CONSUMER PRODUCTS BRANCH

Appendix 4

LIST OF TRADE COMMUNIQUÉS

NO.	SUBJECT	DATE
1	Declaration of Ingredients on Food Labels	Nov. 10, 1971
2	Mineral Waters	Feb. 28, 1973
3	Open Date Marking	Sept. 22, 1973
4	Mineral and Spring Waters	Oct. 15, 1973
5	Declaration of Ingredients on Food Labels	Oct. 26, 1973
6	Declaration of Percentage on Alcohol on Alcoholic Beverages	Nov. 7, 1973
7	Kosher Foods	Dec. 7, 1973
8	Mixed Nuts	Dec. 18, 1973
9	Proposed Regulation for Previously Frozen Meat, Poultry and Fish	Feb. 12, 1974
10	Declaration of Ingredients, Open Date Marking on Food Labels and Other Labelling Requirements	March 27, 1974
11	Proposed Regulations Concerning the Use of Indications of Geographic Origin	July 24, 1974
12	Proposed Regulations Concerning the Use of Indications of Geographic Origin	Sept. 25, 1974
13	Regulations for Previously Frozen Meat, Poultry and Fish	Nov. 1, 1974
14	Retail Meat Cuts - Beef	
15	Nomenclature of Ground Beef - Common Names	March 11, 1976
16	Retail Meat Cuts	Oct. 25, 1977
17	Labelling of Products Processed with Liquid Smoke	June 30, 1980

NO.	SUBJECT	DATE
18	Labelling of Isomerized Glucose Syrups Labelling of Added Sweetening Agents in the List of Ingredients of Foods	Sept. 26, 1980
19	Regulations Pertaining to the Sale and Use of Ice Milk and Ice Milk Products	Sept. 26, 1980
20	The Use of Registered Trade Marks on Labels or Packages Subject to the Requirements of Other Federal Statutes	Sept. 26, 1980
21	Labelling of Non-Retail Containers	Sept. 26, 1980
22	Use of the Term "Natural" to Describe a Food or its Ingredients	Aug. 28, 1981
23	Compliance with Labelling Provisions under the Food and Drug Regulations and the Consumer Packaging and Labelling Regulations	June 26, 1981
24	Ingredients Derived from Milk	May 15, 1981
25	Proposed Amendments to the Precious Metals Marking Regulations	May 25, 1981
26	The Use of Registered Trade Marks on Labels, Packages or in Advertisements Subject to the Requirements of Other Federal Statutes (Textiles)	July 1981
27	Proposed Amendments to the Regulations Respecting the Application of the National Trade Marks of Certain Articles of Wearing Apparel	June 10, 1982
28	The Use of Trade Marks on Articles, Labels, Packages or in Advertisements Subject to the Requirements of Other Federal Statutes (PMM)	July 1981
29	Amendment to Section 31, Consumer Packaging and Labelling Regulations	Jan. 1982
30	Consumer and Corporate Affairs Canada's Care Labelling Symbols	March 31, 1982

NO.	SUBJECT	DATE
31	Effective Dates of Revised Tolerances Under Precious Metals Marking Regulations	March 11, 1982
32	Energuide Labelling - Clothes Dryers	April 1982
33	Food and Drug Regulations B.14.018 - Advertisements for Meat	July 28, 1982
34	Use of Ingredient Name to Describe the Flavour of a Food in the Common Name of that Food	Feb. 18, 1983
35	Durability Dating Requirements - Food and Drug Regulations Section B.01.007	Sept. 16, 1982
36	Use of the Term "Natural" to Describe a Food or its Ingredients	June 30, 1982
37	Summarization of Responses and Actions Resulting from Communiqué No. 18 entitled "Labelling of Added Sweetening Agents in the List of Ingredients of Foods	Feb. 18, 1983
38	Proposed Guidelines Pertaining to the Use of the Term "Natural" or Variants Thereof to Describe a Food or the Ingredients of a Food	July 15, 1983
39	Labelling of Irradiated Foods	July 28, 1983
40	Schedle of Amendments #556	Draft format
41	Advertisements for Bulk Meat - Food and Drug B.14.018	Draft format
42	Labelling of Packages containing Hearing Aid Compatible Telephones	Jan. 15, 1985
43	Summarization of Responses to Communiqué No. 35 entitled "Durable Dating Requirements Food and Drug Regulations - Section B.01-007"	Draft format

NO.	SUBJECT	DATE
44	Replacement of the Term "Catch Weight by the Term "Individually Measured"	Draft format
45	Use of Flavour Descriptives in the Common Name of a Food when the Characterizing Flavour is provided by a Flavour Preparation or an Artificial Flavour Preparation	Draft format
46	Labelling of Added Sweetening Agents in the List of Ingredients of Foods	Draft format
47	Country of Origin of Wines	Draft format
48	Proposed Regulations pertaining to the Use of the Term "Natural" to Describe a Food or Its Ingredients	Draft format

APPENDIX 5

MODEL FOR THE CONSULTATION PROCESS

DERIVED FROM RECOMMENDATIONS

Appendix 5

MODEL PROCESS FOR CONSULTATION DERIVED FROM RECOMMENDATIONS

1) Problem identified

2) Preconsultation leading to identification of alternatives

3) Notice in Regulatory Agenda

4) Communiqué #1 issued - outlines alternatives

5) Responses Evaluated

6) Committee meets to decide on:
   1) steps in consultation stream
   2) desirability of need for prepublication
   3) milestones in consultation process

7) Position Paper drafted - approved

8) Communiqué #2 - issued - outlines possible amendment or guidelines

9) Responses Evaluated

   steps 8 and 9 may substitute for prepublication in minor amendments

10) If prepublication needed, amendment drafted and reviewed by CCAC/Justice or sent to PCO/Justice for review

11) Amendment prepublished in Canada Gazette Part I - comments received

    steps 8 and 9 or steps 10 and 11 may be repeated depending on comments received

12) If required, amendment sent to PCO/Justice for Part II review

13) Submitted for Ministerial approval (CCAC)

14) Submitted for PCO approval

15) Printed in Canada Gazette Part II

RESPONSE TO REPORT

"CONSULTATION IN THE REGULATORY AMENDMENT PROCESS: LEGISLATION IN THE CONSUMER PRODUCTS SUBACTIVITY"

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / A: Bob Lahey
Senior Program Evaluation Manager
Program Evaluation Branch

FROM / DE: Chief
Program Co-ordination Division
Consumer Products Branch

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	G594-1
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	November 21, 1985

SUBJECT / OBJET: REGULATORY REVIEW EVALUATION MODULE - DRAFT REPORT

This is further to your memorandum of November 14, 1985 and attached "note to file" which summarizes our meeting of October 10, 1985 to discuss the above-referenced report.

Your comments indicate that the Consumer Products Branch agreed with three of the four recommendations. My own recollection and related notes indicate that while Mr. McKay stated agreement in principle, there were several practical condiderations to be addressed before the recommendations could be considered feasible.

Recommendations 1 and 3, which refer to prepublication policy and the delegation of central agency examination of amendments, were accepted with the understanding that both items are outside the control of the Consumer Products Branch. Policy changes at the departmental and PCO/Justice levels would be required.

Recommendation 2 suggests altering the role of the Communiqué in view of the availability of other publications such as the Regulatory Agenda and Canada Gazette. I believe our response to this recommendation was that the idea was sound in theory but, given Consumer Products "partnership" approach with industry and other government departments in regulatory development and amendment, the step-wise system as suggested would be difficult to implement.

Recommendation 4, which calls for the setting of more stringent timeframes and milestones in the amendment process, was again accepted in principle. The report suggested that this was not currently done in the Branch; however, I believe you have now reviewed our Operational Workplan, M.Y.O.P., Project Sheets and quarterly reports, in this regard. I believe the important consideration here is that many of our regulatory initiatives are not controlled by the Branch but are subject to external influences from other government departments and industry/government committees. Similar to our comments on Recommendation 2, the regulatory amendment process does not lend itself to normal project control criteria.

I trust these comments will clarify our position on the recommendations contained in this draft report.

Carol LaBelle

PROCESS OF AMENDING REGULATION

IN THE CONSUMER PRODUCTS AREA

CASE STUDY FINDINGS

R. Gordon Cassidy
and
J. Johnstone
G. Cassidy Consulting Ltd.

Prepared for:

Program Evaluation Division
Bureau of Policy Coordination
Consumer and Corporate Affairs

October 1984

This report is one of several prepared by independent consultants as input for the evaluation of the Consumer Products Regulation Review and Consultation process. All evidence, advice and recommendations represent the independent views of the consultant rather than the views of the Government of Canada or any of its departments or agencies.

TABLE OF CONTENTS

Executive Summary

This report is a summary and analysis of some 66 regulatory amendments undertaken by the Consumer Products Branch and case studies of some 29 of these amendments. The primary objective in examining the amendments was to determine why differences occurred consultation and timing of the amendment process. This would then assist the department in improving the efficiency, and potentially the effectiveness, of the amendment process.

The amendments examined were related to regulations under six acts:

National Trademark and True Labelling Act;
Precious Metals Marking Act;
Textile Labelling Act;
Consumer Packaging and Labelling Act;
Food and Drug Act;
Canada Agricultural Products Standards Act.

A number of characteristics of the amendments were examined including:

The nature of the amendment;
The parties responsible for initiation;
The role of Consumer and Corporate Affairs Canada;
The timing;
The current status of the amendment;
Nature of the regulation amended;
Industry Sector;
Statutory authority.

A review of the characteristics of the 29 case studies indicated that the case studies were representative of the 66 amendments across these characteristics. While it is clear that

the majority of the amendments have occurred since 1979, in only 2 - 3 of the amendments was this clearly due to the regulatory review and reform process initiated in 1979/80. It is clear that the number of amendments facing the Consumer Products Branch is increasing and that attention to the amendment process and its improvement will become an important priority for the branch.

It is clear that the intended amendment process (by departmental policy) would include some 15 steps from the identification of the problem to the final printing of an amendment in Part II of the Canada Gazette with an elapsed time period of approximately 15 months. However, the actual amendment process varies considerably from this both in terms of the steps taken within the amendments as well as the elapsed time required for amendments. It becomes clear from a review of the case studies that 15 months is almost a minimum time for an amendment and certainly is a minimum time for any substantive amendments which are undertaken. As well it is also clear from documentation in the files that many, if not most, of the steps are frequently not explicitly (although they may be implicitly) undertaken as a part of the amendment process.

A review of the total amendments undertaken by the Consumer Products Branch indicates the same proportion of amendments across for each of the different natures of the amendment, whether it is a marginal one, a repeal of a regulation or other type of change. The department itself is responsible for over

half of the amendments (in terms of their initiation) and not surprisingly 90% of the amendments are for those acts which the Consumer Products Branch has sole jurisdiction. These acts are:

National Trademark and True Labelling Act;
Precious Metals Marking Act;
Textile Labelling Act;
Consumer Packaging and Labelling Act.

The majority of the regulations tend to be in the labelling category (62% of them) and 55% are in the food sector. Although the largest percentage is for those under the Consumer Packaging and Labelling Act (32%), all of the acts receive a fair amount of attention except for the Food and Drug Act and the Canada Agricultural Products Standards Act which only comprise a total of 10% of the amendments considered.

While only 10% of the amendments are for these two acts, it is clear that the length of time to complete them is significantly greater than for the other four acts under the sole jurisdiction of the Consumer Products Branch. While part of this extension of the amendment process may be due to the joint jurisdiction for these two acts, it may also be because of the seriousness of potential changes where amendments require, at least for the Food and Drug Act, 3 - 4 rounds of consultation and frequently 10 - 70 responses by interested parties. These responses are often quite detailed and require considerable discussion and debate.

For two of the acts, (The National Trademark and True

Labelling Act and the Precious Metals Marking Act), it is clear there is a fairly long period of time at the very beginning of the amendment process and even during consultation (although relatively few responses are received with respect to proposed amendments). These two acts, may need some further examination by the department with respect to their underlying rationale since they take a fairly long time but apparently not because of debate over the amendments from clientele.

One of the steps in the amendment process which appears to consistently take from four months to one year at two different stages in the process is the analysis of the amendments by the Privy Council Office. In one case that office lost the amendment and currently some 30 amendments have been awaiting prepublication in Part I of the Canada Gazette for over one year.

In the case of the two acts, The Textile Labelling Act and the Consumer Packaging and Labelling Act, the amendment process is completed with the total process taking 1 - 2 years for the Textile Labelling Act and 3 - 5 years for the Consumer Packaging and Labelling Act. However, the quickness of completion in the Textile Labelling Act may be due to the small number of responses received from the interested parties and the fact that the nature of the amendments seems to be less contentious.

For the Consumer Packaging and Labelling Act it is clear there is active consultation with many interested parties through several rounds of information letters and communiques.

The most extensive consultations take place for the Food and Drug Act with many responses which are frequently quite detailed and require significant deliberations. The CAPS Act also has substantial consultations although since Agriculture Canada has the lead role the information is not as complete as for other Acts.

For the Acts under the departments' jurisdiction the more significant consultation appears to take place for the Consumer Packaging and Labelling Act and the National Trade Mark and True Labelling Act. For the former the consultation can be quite lengthy although in only one case was there a large number of responses. For the latter most appear to have only 5 responses which do influence the amendment process. Finally, for the remaining two Acts for most of the cases studied there was relatively little active response from the interest groups.

A review of the timing in the different steps of the amendment process indicates that all of the amendments take 1 - 2 years at the problem identification and preconsultation phases. While this may be necessary in order to determine some potential alternatives for amending regulations, this stage may also be useful to examine with a view to improving efficiency and effectiveness.

Not surprisingly marginal amendments take only 1 - 2 years, whereas major substantive changes take between four and ten

years. However, new regulations or deregulation appear to take only 2 - 3 years to complete. This may be because in order to undertake such amendments (or changes) there is a need for a consensus for the initiative.

In summary, then, the amendment process takes a considerably longer period of time than was anticipated. The shortest amendment seems to take approximately a year with the longest taking 10 to 15 years for completion. While it is departmental policy that all amendments should go through all steps, documentation available from the files shows that while all steps may have been accomplished implicitly, there has not been an explicit documentation of the completion of all the steps in the amendment process.

While the amendment process takes longer than was originally anticipated, it is clear from the review of the files that this is due to the extensive consultation and the care with which responses to proposed amendments are reviewed by the Consumer Products Branch. Although it is not possible to determine the extent to which such responses influence the final form of amendments, it is clear that they are reviewed carefully and in some cases clearly affect the form and substance of the final amendment. Nevertheless, while consultation is an important and necessary part of the amendment process the department may wish, through the use of milestones in the amendment process to more explicitly define the specific expectations for time taken for

the various stages of consultation. It is clear that the nature of responses in the consultation phase and the timing of the various steps varies considerably across acts and types of amendments.

1 INTRODUCTION

This report is a summary and analysis of some 66 amendments and a subset of 29 case studies of the regulatory amendment process for the Consumer Products Branch of Consumer and Corporate Affairs. The report provides a detailed examination of regulatory amendments with the intent of then drawing some conclusions about the nature and effectiveness of the process of amending regulations.

In order to undertake an analysis of case studies of the regulatory amendment process it was necessary first to identify the regulatory amendments undertaken within the department since the late 1960s. Consumer Products Branch officers identified some 65 different regulatory amendments (see Table 1) contained within the six acts with which the Consumer Products branch is associated. These include:

- National TradeMark and True Labelling Act
- Precious Metals Marking Act
- Textile Labelling Act
- Consumer Packaging and Labelling Act
- Food and Drug Act
- Canada Agricultural Products Standards Act.

It should be noted that Consumer and Corporate Affairs Canada has complete jurisdiction and mandate for amendments of regulations only with respect to the first four of these acts. For the latter two, they are consulted on changes and in some cases may actually make amendments, but it is a joint jurisdiction for regulatory amendments. In the case of the Canada Agricultural Products Standards Act, the branch is simply consulted on

TABLE I

Amendments Identified by the Consumer Products Branch CCAC

1. National Trade Mark and True Labelling

Chamois Labelling Regulations
*The National Trade Mark and Garment Sizing Regulations
Gemstone Standard Terminology (Guidelines)
Watch, Jewels Regs
*Canada Standard Measuring Cups and Spoons
Fur Garment Labelling Regulations
*Turpentine Labelling Regulations

2. Precious Metals Marking Act

Gemstone Standard Terminology (Guidelines)
*Marking the Base Metal Content on Hollow Ware Articles
*Modify Tolerances
*Lower Min. Thickness of Plating For Watch Cases
Express Metric Measurement in S.I. Terminology

3. Textile Labelling Act

Housekeeping Amendment
*New Generic Name - Aramid
Alternate Generic Name for Spandex Elastane
Correct Spelling of Elastane in French Version
*Correct Inconsistency in Labelling Diapers
*Revise Labelling of Down and Feather Products
Aprons and Bibs Added to Schedule III
Alternate Generic Name
Labelling of Piece Goods Sold by Mail Order
Labelling of Ornamentation
*Labelling of Piece Goods
*Labelling of Schedule III Articles Preprinted List
Location of Seized Goods
Disposal of Forfeited Goods

4. Consumer Packaging and Labelling Act

Use of Indications of Geographic Origin
Provides for an Additional Standardized Container Size for Wine
Included Freezers in Energuide Program
Housekeeping Amendment
Provides Consistency with Weights and Measures Regulations (wallpaper and floor coverings)
Includes Dishwashers and Clothes Washers in Energuide

4. Consumer Packaging and Labelling Act 'Continued'

Includes Electric Ranges in Energuide Program
Biscuits and Cookies Container Standardization
*Amends Dealer Identity and Place of Business Declarations on Imported Products
Declaration of Country of Origin on the Labels of Wines
Identification of Flavour Descriptives on Food Labels
Added Tolerance Tables
Added Certain Exemptions
Provided Established Trade Practice Manner of Declaring Net Quantity
Included Refrigerators in Energuide
Provided Exemptions from Metric Net Quantity Declaration
Includes Clothes Dryers in Energuide
*Provides Consistency with Weights and Measures
*Standardized Container Sizes for Deodorants, Shave Creams and Hair Sprays
Provides for Disposition of Goods Seized Under CP&L Authority
*Revises Range of Container Sizes for Biscuits and Cookies
Definition of Catch Weight
Use of Term "Natural"

5. Food and Drug Act

Mineral Waters
Mineral and Spring Waters
Declaration of Percentage of Alcohol on Alcoholic Beverages
Kosher Foods
Mixed Nuts
Declaration of Ingredients
Open Date Marking on Food Labels
Previously Frozen Meat, Poultry and Fish
Labelling of Irradiated Foods
*Labelling Regulations Pertaining to Mineral Water
*Declaration of Country of Origin on the Labels of Wines
Identification of Flavour Descriptives on Food Labels
Bulk Meat Advertising
*Nomenclature of Ground Beef, Common Names
Labelling of Products Processed with Liquid Smoke
*Labelling of Isomerized Glucose Syrups and Added Sweetening Agents
Sale and Use of Ice Milk and Ice Milk Products

5. Food and Drug Act 'Continued'

*Labelling of Non-Retail Containers
*Use of Term "Natural"
Ingredients Derived from Milk
Durability Dating Requirements

6. Canada Agricultural Products Standards Act

Provides Change to Prepared Mustard Net Quantity Declarations and Additional Standardized Wine Sizes
*Poultry Kidneys
*Sparkling Apple Juice
*Poultry Flesh

* indicates a case study was completed.

amendments proposed by Agriculture Canada.

Having identified (through the officers) the set of amendments which have been started within the Consumer Products Branch, it was necessary then to identify the main characteristics of these amendments in order to ensure that any selected set of case studies would be representative across the different characteristics. Appendix 1 shows, for the regulations identified in Table 1, their characteristics across a number of dimensions, including:

A. Nature of Amendment

- regulations are extended
- regulations are narrowed in scope
- repeal
- marginal modification
- new regulations
- de-regulation

B. Parties Responsible for Initiation

- industry
- consumers
- Consumer and Corporate Affairs Canada Headquarters
- field staff

C. Role of Consumer and Corporate Affairs Canada

- control
- consultative
- facilitative

D. Timing (Pre/Post Regulatory Review)

- date initiated
- date completed

E. Current Status

- initial consultation
- communique issued
- response being evaluated
- at Privy Council waiting pre-publication
- published in Part I, Canada Gazette
- published in Part II, Canada Gazette

F. Nature of Regulation

- labelling
- standards
- packaging
- grading
- inspection

G. Sector

- textile
- food & beverage
- precious metals
- drugs
- pre-packaged non-food

H. Statutory Authority

- Consumer Packaging and Labelling Act
- Canada Agricultural Products Standards Act
- Food and Drug Act
- Textile Labelling Act
- National Trademark and True Labelling Act
- Precious Metals Marking Act.

Of the 65 amendments originally identified by the staff of the Consumer Products Branch, (see Table 1) a subset of 24 case studies was selected to be representative across the above characteristics and for which documentation still existed. In reviewing these particular cases, it was suggested that some others be included to obtain a broader representation. Specifically, it was agreed that the following might be included:

a) the Care Labelling Program, which is a standard setting rather

than a regulatory amendment process, should be represented by "changes in the iron in the trademarked CARE labelling symbols".

In addition, because of the type of relationship of Consumer Products Brand with Agriculture Canada, it was agreed that the following three regulatory amendments should be included:

b) knife-ribbing
c) percent fat and moisture in cheese, and
d) opaque packaging of chicken
should also be included as other examples.

Finally, a type of administrative change under the Food and Drug Act was included, namely:

e) sausage casings.

This brought the total number of cases to 29, (see Table 2).

Table 2 shows the frequency across the seven characteristics, identified earlier for both the total amendments as well as for the identified cases. It should be noted that the numbers across the different characteristics do not always sum to 29 or 66 because cases or amendments can appear in more than one category of a particular characteristic or there may not have been information on a particular characteristic.

An examination of Table 2 shows approximately the same distribution across the characteristics, particularly with respect to the nature of the amendment, the parties responsible for initiation, the role of Consumer and Corporate Affairs Canada, the status of the amendment, the nature of the regulations, the sector, and the statutory authority. In other words, the cases selected are fairly representative of the

amendments that have been initiated through the Consumer Products Branch.

The other characteristic not taken into account in the distribution of cases is the date that the amendments were initiated. Table 3 shows the distribution of timing for the total amendments as well as for the cases. Because of the small number of cases in any one year we have not included percentages, but an examination of the table shows approximately the same distribution across the years for both the total amendments and the cases selected for analysis. The majority of the amendments have occurred since 1979 and this is reflected in the case studies selected.

Before analyzing the case studies themselves, we describe the intended regulatory amendment process as it existed and exists within the Consumer Products Branch of Consumer and Corporate Affairs Canada. In the third section we provide an analysis of the actual amendment process based on the 66 proposed amendments and the case studies included in our sample. Finally, we draw some conclusions with respect to the regulatory amendment process in the Consumer Products subactivity.

It should be noted that a second volume of this report is available which provides the detailed case studies for the 29 cases identified in Table 1. This should be revoewed by anyone desiring either more detailed information on the cases or further elaboration of some of the analytical results presented here.

TABLE II
CHARACTERISTICS OF ALL AMENDMENTS VS CASES

CHARACTERISTICS	FREQUENCY	%	FREQUENCY	%
1. Amendment				
Extended	21	32	5	19
Narrowed	6	8	6	21
Repeal	4	6	2	7
Marginal	15	21	5	19
New	12	17	4	15
Deregulation	11	16	5	19
2. Parties				
Industry	25	31	11	40
Consumers	5	6	1	4
CCAC	46	58	14	52
Field	4	5	1	4
3. Role of CCAC				
Control	62	90	20	83
Consultative	3	7	4	17
Facilitative	2	3		
5. Status				
Initial	9	12	3	12
Communique	5	7	1	4
Response	10	14	5	22
PCO	6	8	2	9
Part I	1	1	1	4
Part II	42	58	11	49
6. Nature of Reg.				
Labelling	46	62	14	52
Standards	17	23	9	33
Packaging	5	7	2	7
Grade	1	1	1	4
Inspection	5	7	1	4
7. Sector				
Textile	16	24	6	25
Food	36	55	12	50
Precious Metals	4	6	3	13
Prepackaged	10	15	3	12
8. Statutory				
CPLA	23	32	6	22
CAPS	4	6	3	11
Food and Drug	21	29	7	26
Textile	14	19	5	19
National Trade Mark	7	10	3	11
Precious Metals	3	4	3	11

TABLE III
DATE INITIATED
ALL AMENDMENTS VS CASES

YEAR

	69	72	73	74	75	76	77	78	79	80	81	82
All Amend	1	3	5	3	2	3	3	7	10	4	10	10
Cases	1	1	1	0	0	2	2	2	2	2	6	

2 INTENDED REGULATORY AMENDMENT PROCESS

The activity of regulatory review and reform is and has been an ongoing concern in the Consumer Products Branch. As such, the focus which central agencies brought on this initiative (having a broad-based examination of the rationale and relevancy of various regulations and acts) was, in a sense at least, simply an extension of an ongoing concern already present within Consumer and Corporate Affairs, Consumer Products Branch.

In the event that regulations need amending, perhaps the most extensive and explicit process exists for the Consumer Packaging and Labelling Act which was passed in 1974/75. With respect to regulations under that Act the process can be extremely lengthy, as is shown in the following 15 steps for such amendments:

1. problem identified
2. pre-consultation held with interested parties
3. communique drafted, issued, and responses evaluated
4. position paper drafted for upper management and/or Ministerial approval.
5. proposed amendments sent to Privy Council legal for approval
6. printed in Canada Gazette, Part I
7. 30- to 90-day period allowed for public comment
8. public comment evaluated and further consultation if necessary
9. if major revision, amendment re-drafted and submitted to Privy Council legal
10. revised amendment printed in Part I, Canada Gazette
11. 30- to 90-day period for public comment
12. submission to Privy Council legal for approval
13. submitted for ministerial (CCA) approval
14. submitted to Privy Council for approval
15. amendment printed in Canada Gazette, Part II

Within that Act the department is directed to pre-publish in Part I of the Canada Gazette for consultation purposes. This is not a mandatory requirement for the other 5 acts addressed in this report, both those under the jurisdiction of Consumer and Corporate Affairs and under the jurisdiction of Health and Welfare and Agriculture Canada. However, the Department of Consumer and Corporate Affairs has a policy that all acts under its jurisdiction will pre-publish in Part I of the Canada Gazette. Thus, it is only for the Canada Agricultural Products Standards Act and the Food and Drug Act where this may not necessarily be undertaken. (In the case of certain parts of the Food and Drug Act, because the regulations are under the jurisdiction of Consumer and Corporate Affairs pre-publishing in the Canada Gazette is also done.)

A review of the 15 steps identified above indicates that even with relatively small time periods for each step, amendments would take at least a half-year to a year even for "pro forma" amendments (such as in the case of a typographical error in an amendment). Indeed departmental estimates from Jan. 1982 (Co-ordinator of Regulatory Reform) suggested that 15 months was a minimum time period. Thus, as we will see that for any of the substantive amendments sampled, the process can be extremely long (as much as 15 years). Particularly when there are significant consultations such as with different interest groups, or where there are legal issues with respect to the relevant mandate of

the department and the ability of the Crown to make regulations in certain areas, the discussions can continue without resolution for several years.

It should be noted, however, that while the intended process of 15 steps identified above makes even the smallest regulatory amendment take a significant time, there are types of amendments which are done administratively both by Consumer and Corporate Affairs Canada and other departments. Cases such as the poultry flesh requirements for Grade A chicken were done through a different interpretation of existing regulations rather than amending the regulations.

In other cases, where enforcement personnel in the field can agree on changes it may result in a change in enforcement without regulatory amendments. While these means circumvent the amendment process since they do not require all of the formal stages identified in the 15 steps, they nevertheless suffer from a lack of both legal as well as interested party scrutiny during the amendment process itself.

Having defined the intended amendment process, we will now examine the 29 cases studies with respect to their unique characteristics and the way, in general, the process actually works.

3 ACTUAL AMENDMENT PROCESS

Before examining the 29 cases in some detail, it is useful to examine Table 2 to see the characteristics of all Consumer

Products regulatory amendments and their amendment process.

After examining the general characteristics of the total amendments and those of the sample 29 cases, we will then review the amendment process. This will begin by identifying potential issues with respect to the government's response to needs for amendments. We then examine the consultation process both with respect to the time taken for consultation as well as the relative effectiveness of that consultation. Finally, we examine the total amendment time and the reasons why different types of amendments apparently take a longer or shorter time for completion.

3.1 General Characteristics of All Amendments and The Amendment Process

First, with respect to the nature of the amendment, it can be seen that the majority are to either extend a regulation or to make a marginal modification. This accounts for 53% of the total amendments made. With respect to the party responsible for initiation, the headquarters staff itself is responsible for initiating 58% of the amendments with industry second accounting for 31%. This proportion by itself suggests that a formal process regulatory review is probably not as necessary for the department, since it is directly reviewing and initiating new amendments or indirectly monitoring and reviewing clients interests. As well, it is interesting to note that consumers and the field staff in the regions account for only 11% of amendment initiation.

The role of Consumer and Corporate Affairs is further enhanced when one looks at the fact that 90% of the amendments which it makes are acts which it controls, whereas only 10% are amendments for which it has either a consultative role or a facilitative one.

As noted in the introduction, the majority of the amendments which have been initiated under the Consumer Products subactivity have occurred since the formal regulatory review began in 1979/80. It is probably partly due to the fact that the Consumer Packaging and Labelling Act had been in place for several years by the late 70s and it was only then that certain regulations falling within the scope of the Act were being reviewed for possible amendments. However, certainly a few of these amendments (i.e. since 79/80) were directly the result of the regulatory review, particularly those in the Precious Metals Marking Act.

With respect to the current status of the amendments, it can be seen from Table 2 that to date 58% of the amendments have been published in Part II of the Canada Gazette. While the regulatory amendment process clearly takes a great deal of time, nevertheless publication in Part II represents completion of their process.

By far the largest type of amendments refer to labelling (62%) and standards (23%) requirements. This is not surprising, as these are regulatory areas for which Consumer and Corporate

Affairs Canada has primary controls (as in the case of textiles and prepackaged food items). For other regulations dealing with grading and inspection the role of the Department is largely consultative or facilitative, and accordingly the department plays less of a lead role in initiating amendments to these types of regulations.

In the area of industry sector, 55% of the amendments are amendments to regulations in the food sector, 24% in textiles, 15% in prepackaged goods, and only 6% in precious metals. This is related to the fact that 32% of the amendments examined apply to regulations under the Consumer Packaging and Labelling Act, 29% under the Food and Drug Act, 19% under the Textile Labelling Act and the others 10% or less.

3.2 Government Response to Identified Problems

In looking at the 29 cases, there are two of the acts or sets of regulations which stand out in terms of having potential delays in responding to an identified problem. Both the Food and Drug Act and the Canada Agricultural Product Standards Act are shared jurisdiction with, in the first case, Health and Welfare, and in the second case, with Agriculture Canada. Perhaps because of this shared jurisdiction, response by the Federal Government to identified needs for amendments tends to be longer than for those acts directly under the control of Consumer and Corporate Affairs.

For example in the case of the Food and Drug Act (in cases

19, 21 and 22)[1], there was a lag of between half a year and six years (case 22) from the point of problem identification before action was taken by the government with respect to initiating an amendment. This may be partly due to a lack of urgency of the potential amendment, but also because of the shared jurisdiction and the need for coordinated response to making such a change.

In the case of the Canada Agricultural Products Standards Act, there are three cases in two of which the department was consulted after Agriculture Canada had already taken a position, and in one case had already made a different interpretation of a regulation (in Sampled cases 27 and 28[2], the department was informed up to four months after Agriculture Canada had already taken the initiative). However, Agriculture Canada clearly has the lead on such amendments and consults the Consumer Products Branch only on aspects which they feel may be of interest to CCAC or the Consumer (as determined by Agriculture Canada).

The amendments undertaken jointly with Health and Welfare and Agriculture Canada would therefore appear to take longer to respond to identified needs. This is probably because these amendments represent a greater variety of different interests

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1. Case 19 - Origin of Wines
   Case 21 - Sweetening Agents
   Case 22 - Non-Retail Containers

2. Case 26 - Knife Ribbing
   Case 27 - Poultry Grade Standard
   Case 28 - Opaque Packaging for Poultry

(departmentally as well as externally) and certainly in a number of cases are more potentially serious amendments where physical harm could be done to consumers if a regulation were not in a form which would provide adequate protection. Thus, while there may be no real means of making the amendment process more efficient the Department should be cognizant of the fact that these shared jurisdiction amendments may take longer and involve a more difficult manner of responding than for those acts directly under the control of the Department. It is important to state that the relationship between Consumer and Corporate Affairs Canada and Agriculture Canada is different from the relation of Consumer and Corporate Affairs Canada with Health and Welfare. In the latter case there is a shared jurisdiction and as a result it is frequently clearer who and how a particular problem should be addressed. However, because of shared jurisdiction it is necessary to coordinate and consult to determine the best means of responding. In the case of Agriculture Canada it is their sole jurisdiction to respond to identified problems. As such little or no control resides within Consumer and Corporate Affairs Canada to shorten or make more effective the response to an identified need.

3.3 Consultation

This area is certainly one of the most difficult to describe because of the significant variance in the type and amount of consultation which takes place with respect to amendments. Indeed, while it is possible to identify the time taken for consultation for the various proposed amendments, it is difficult from the file information to determine the relative effectiveness of that consultation. Many groups may have been consulted (for example as many as 70 responses under a Food and Drug Act amendment) but this does not speak directly to the relative effectiveness of that consultation process since this may have been too many or too few (and their responses may or may not have been adequately addressed by the department). Records within the department indicate simply the response and the final resolution without indicating the way in which interest groups' views may have been involved and affected the amendment process. Where possible for each of the acts, we will address the effectiveness of the consultation process, but this is necessarily limited by information available. It should be noted that short elapsed times for the amendment process are not necessarily desirable since consultation plays an important and necessary role in determining what amendment is most appropriate to address a given problem. Thus while we will identify why certain types of amendments or steps in the amendment process took a longer period of time, this is in many cases necessary and an important part of

the process. An example is in the Consumer Packaging and Labelling Act where the amendment process typically takes 5 years, but with the very active and useful involvement of various interest inputting to the proposed amendments. It is perhaps most useful to review the consultation process within each act rather than attempt to aggregate the consultation results across the acts.

First, with respect to the National Trademark and True Labelling Act, in the three cases reviewed consultation took approximately three years in each case. There were approximately 5 responses by interested parties during consultations in each case. (In the third case, it involved the Canadian General Standards Board and was a standard rather than an amendment per se.) For Cases #1 and #2,[3] while they appeared in the regulatory agenda, the process has not been completed. It is important to note that both of these cases were initiated as a part of the formal regulatory review. The consultation for this act, from the cases reviewed, would seem to be characterized by a small number of responses and approximately a three to four-year time period in order to identify the proposed amendment. Because of the lack of completion of any of the amendments except the sizing standard (Case #3),[4] it is difficult to determine precisely the time period for consultation to finish the amendment process.

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3. Case 1 - Measuring Cups and Spoons.
   Case 2 - Turpentine Labelling Regulations.

4. Case 3 - Sizing.

The small number of responses to this set of amendments would seem to be due to both the small number of interested parties and the relative insignificance of changes to these regulations. Responses were mainly from industries and those represented only a small proportion of the potentially affected industries and groups. Nevertheless responses were addressed by the department and a position taken utilizing those responses.

For the Precious Metals Marking Act only one of the cases examined (Case #4)[5] has experienced the complete amendment process, that is, ,had the amendment published in Part II of the Canada Gazette. Consultation tends to take two to four years (for the three cases reviewed) and involves the use of communiques (two in one case) and information letters (three in one case). Two of the cases published in Part I of the Canada Gazette (Case #4 published in 1981 and Case #5[6] published in 1983) and in one case Privy Council lost the amendment (Case #5). Once again, then, consultation would seem to take two to four years although the lack of completion of two of the amendments means it is difficult to determine precisely the time period.

Once again the relatively small number of responses would seem to indicate that only a few parties were seriously concerned about these amendments. The extensive process followed in the

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5. Case 4 - Tolerances on Gold and Silver.

6. Case 5 - Plating for Watch Cases.

issuing of information letters and communiques shows the seriousness with which responses are regarded. It is clear from the sequence of communiques and information letters issued that the responses, primarily from industry groups, had an effect in terms of the final amendment (in its form and substance).

The Textile Labelling Act has the largest number of cases finishing the amendment process, for the case amendments reviewed. In all of the cases sampled, the amendment has been published in Part II of the Canada Gazette. In one case (Case #10)[7] six years elapsed before a response was made by the branch to the problem at least partially due to the lack of although the importance of the amendment. The shortness of time once an amendment has been identified and included in the work plan may be partially due to the fact that there are frequently not many respondents or in some cases, none. While information letters and communiques are used regularly, in two of the cases there was no response to the information letter and there were only approximately 10 responses to the two communiques used in Case #8.[8] Thus, the consultation process for this act would tend to take one to two years and tends to need to address few, if any, respondents. Once the consultation has been undertaken, the amendment can be made fairly quickly, as is shown in the cases reviewed.

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7. Case 10 - "Multiple Choice Format" for "Point of Sale" Labels.

8. Case 8 - Down and Feathers.

Consultation for this act can be characterized by the use of information letters and communiques with relatively little response by interest groups to the amendments. The amendments are necessarily specific to certain types of firms and lack of response to these information letters and communiques may be in part due to this. It was impossible to determine the extent to which the responses influence the amendment process although given the relatively few number of respondents, their input may be easy to incorporate or address. Because of the nature of the act the respondents tended to be from industries and firms directly affected by the regulations.

For the Consumer Packaging and Labelling Act all of the cases sampled and reviewed were cases where the proposed amendment was ultimately published in Part II of the Canada Gazette. Nevertheless, the consultation process has varied significantly from relatively brief (Case #13[9] prolonged five-year consultation process as with Case #14.[10] This case also involved 60 responses to the proposed amendment. In Case #16, there were two to three negotiations between the branch and industry groups before an amendment could be defined. Thus, this act seems to be typified by more active consultation on the part of respondents and tends to take a longer time period of two to five years for

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9. Case 13 - Scale Conversion.

10. Case 14 - Declaration on Imported Products.

the consultation process. Nevertheless, as with the Textile Labelling Act, for the cases sampled and reviewed, it frequently obtains completion on the proposed amendments.

Perhaps due to the nature of these amendments, a much more active interest is shown by industry groups with respect to the proposed amendments. Indeed in one case the proposed problem was published three times in Part I of the Canada Gazette and had 60 respondents. Obviously with this amendment and one involving two to three negotiations with industry groups, there was a significant effect of the consultation process on the final amendment. Similarly in Case #15 there was an active role by the Consumer Association of Canada in the amendment process. Thus the consultation process would seem to influence the final amendments and have a significant effect on the amendment process in the Consumer Packaging and Labelling Act.

With respect to the Food and Drug Act, this perhaps has the longest time periods for consultation and the most involved responses. This can be partially attributed to the potential seriousness of amendments which might be made under this act. The consultation frequently involves three to four rounds and responses from five to ten to even 70 (Case #18).[11] The consultation times vary considerably between two and ten years (two years for Case #17[12] and ten years for Case #19)[13] with the

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11. Case 18 - Use of the Term "Natural" to describe Food or its ingredients.

12. Case 17 - Ground Beef.

13. Case 19 - Origin for Wines.

others being typically three to five years. In Case #23,[14] there were ten different meetings held with different departments and interest groups over a four-year period in order to attempt to come to some consensus on the proposed amendment. Case #21[15] had three communiques issued during four rounds of consultation over a three-year time period.

The Food and Drug Act amendments would therefore seem to be the most complicated and involved with respect to the consultation process. The case's reviewed indicated a detailed and concerned response from various interest groups including consumers, industry groups and other departments. There were frequently many rounds of discussion and consultation to deal with these. As a result, time frames for the consultation process for the Food and Drug Act vary between 5 and 10 years and in many cases have yet to reach resolution, (such as with case #23) because of serious differences between various groups with respect to the direction and form of amendments. The consultation process is thus very effective in the case of this act in obtaining inputs and identifying various interest group positions but encounters greater difficulty in resolving these differences in an attempt to reach a concensus with respect to amendments.

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14. Case 23 - Mineral Waters.

15. Case 21 - Sweetening Agents.

Finally for the Canada Agricultural Products Standards Act, 6 different cases were reviewed of which only 2, (cases #24 and #29)[16] have been published in Part II of the Canada Gazette. Because Consumer Products Branch is only one of the parties consulted for this act when regulations are amended, it was difficult to determine the extent and effective contribution of various interest groups to these amendments. However from the records available it is clear that in some cases there is quite active consultation with approximately 20 respondents to proposed amendments (see cases #24 and #26).[17] However it is also clear that the inputs from the Consumer Products Branch tend to have a relatively minor influence on the form and substance of the final amendment for this act possibly because the Department of Agriculture must take into account all respondents' positions in forming a final position with respect to amendments. In only 2 of the 6 cases reviewed were the amendments actually completed for these regulations. It is useful to note that in all cases, industry is heavily involved in these amendments, initiating or jointly initiating all of the sample cases reviewed. The consultation process for this act, then, tends to be characterized by inputs from a number of groups, primarily industry based, and frequently stimulated by those same groups.

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16. Case 24 - Fat and Moisture in Cheese.
    Case 29 - Graded Poultry.

17. Case 24 - Fat and Moisture in Cheese.
    Case 26 - Knife-ribbing.

Inputs by Consumer Products Branch appear to have a relatively minor influence on the form of the final amendments or on the actual consultation process itself.

In summary, then, it would appear that the time taken to complete the amendment process varies considerably across the acts and regulations reviewed. This goes from approximately 2 years for the Textile Labelling and Advertising Regulations to 5 to 10 years for the Food and Drug Regulations. It must be stated that with respect to all of the cases reviewed the consultation process attempts to involve as wide a group as possible. In the case of the National Trademark and True Labelling Regulations, the Precious Metals Marking Regulations and the Textile Labelling and Advertising Regulations, the consultation process is characterized by relatively few respondents who, while they may influence the amendment substantially, nevertheless are fairly easy to poll in terms of the proposed amendment and involve in the amendment process. Not surprisingly the total amendment time can therefore be efficiently undertaken in 2 to 3 years for most of these amendments (although all sampled cases are yet to be completed for the National Trademark and True Labelling Regulations). It is fair as well to say that most of the amendments contemplated for these regulations affect a fairly small number of industry groups with relatively less serious implications, except for the way in which those industries do their business.

With respect to the Consumer Packaging and Labelling Act it is characterized by a very active involvement of various interest groups, including industry and consumers, in the amendment process. This explains why it takes relatively longer to complete the amendment process (approximately 5 years) and that the number of respondents to proposed amendments is substantially higher than with respect to the first three acts. Responses tend to be from consumers and from industry groups and extensive discussions, information letters and communiques, characterize the consultation process.

The Food and Drug Act has the most extensive consultation process involving frequently 5 to 10 years of consultation with many different interest groups, including other departments, professional associations, industry sectors and consumer groups. The complexity of the regulations and the serious impact of these on individuals and groups undoubtedly accounts for the active consultation and the lengthy time period taken to involve those groups and identify a potential amendment.

Finally, the Canada Agricultural Product Standards Act has a fairly active but small clientele primarily representing industry groups. While the Consumer Products Branch is involved in such consultations, it is simply one party and would appear to have a relatively minor influence on the form and substance of such amendments. For the cases sampled and reviewed, the industry groups have an active and important role in identifying potential

areas for amendments and in the actual amendment process itself.

3.4 Total Amendment Time

In order to study the time required for amending regulations we will divide our discussion into four different topics:

- the statutory authority;
- nature of amendment;
- sector;
- nature of the regulation.

These appear to be the main categories of amendments which might significantly influence the timing (a review of Table II will indicate that for the other categories, amendments tend to group in one or two of the categories rather than being distributed across them).

If the case studies are grouped by statutory authority, Table IV shows the time periods required for each of the 15 steps identified in section 2. An examination of Table IV reveals that while all amendments tend to spend at least one to two years in the pre-consultation phase (step 2) it is significant that for both the Food and Drug Act and the Canada Agricultural Products Standards Act, there is also a significant time period for the step of drafting the communique and evaluating responses. This is consistent with the examination in section 3.3, which indicated for these acts (and particularly for the Food and Drug Act) there is typically a number of rounds of such consultation. Subsequent to this, as can be seen from the case studies, there tends to be a fairly quick processing of amendments through Privy Council legal office for publication in Part II of the Canada

TABLE IV
STATUTORY AUTHORITY
CASE NUMBER

Step	National Trademark 1	2	Precious Metal Marking 4	5	6	7	Textile Labelling & Advertising 8	9	10	11	Consumer Packaging and Labelling 13	14	15	16
1. Problem identified	1 yr	1 yr 7 mo	?	?	?	-	1½ yr	?	6 yrs		1 mo	1 yr	1 yr	-
2. Pre-consultation held with interested parties	2 yr 3 mo	1 yr ✓ 8 mo	2 yr 5 mo	4 yr +	2 yr	1 yr 10 mo	4 yr +	2 mo	5 mo	2 mo +	1 yr	1 yr	4 mo	9 mo
3. Communique drafted, issues (*) & responses evaluated			7 mo		8 mo ✓	8 mo	6 mo							
4. Position paper drafted	✓													6 mo
5. Proposed amendment sent to PC legal for approval			3 wk	7 mo					4 mo		2½ mo	2 mo	3 mo	4 mo
6. Printed in the Canada Gazette Part I												3 wk		
7. 30 to 90 day period allowed for public comment			4 mo	3 mo							2 mo	2 mo	5½ mo	3 mo
8. Public comment evaluated and further consultation if necessary												4 mo / 5 mo		
9. If major revision, amendment redrafted and submitted to PC legal												1 mo / 5 mo		
10. Revised amendment printed in Part I												2 wk / 2 wk		
11. 30 to 90 day period for public comment												2 mo / 2 mo		
12. Submission to PC legal for approval			3 wk	1 yr +		3 mo			2 mo		3 wk	2 mo	2 mo	1 yr 3 mo
13. Submitted for Ministerial (CCA) approval						1 mo	3 wk		1 mo	1 mo		1 mo	3 mo	2 mo
14. Submitted to Privy Council for approval				✓		3 wk	5 wk		3 da	3 da		1 wk	1 wk	
15. Amendment printed in Canada Gazette Part II			✓			1 mo ✓	1 mo ✓	✓	✓	✓	✓	3 wk ✓	✓	✓
Total Time	3 yr 3 mo	3 yr 3 mo	5 yr +	6 yr	2 yr 8 mo	2 yr 7 mo	5 yr	7 mo	6 yr 9 mo	11 mo	3 yr 3 mo	5 yr	2 yr 9 mo	3 yr 2 mo

TABLE IV
STATUTORY AUTHORITY
CASE NUMBER

Step	Food and Drug						CAPS	
	17	18	19	21	22	23	24	29
1. Problem identified	5 mo	?	?	1 yr	6 yr	?	1 yr	?
2. Pre-consultation held with interested parties	2 yr 1 mo			2 yr 3 mo	5 yr 4 mo		1 yr 6 mo	1 yr
3. Communique drafted, issues (*) & responses evaluated		3 yr ✓ 3 mo +	7 mo ✓ 3 yr 9 mo	3 yr 1 mo	2 yr 11 mo	4 yr + ✓	6 yr 4 mo	
4. Position paper drafted				1 yr 1 mo				
5. Proposed amendment sent to PC legal for approval				✓	1 yr +			
6. Printed in the Canada Gazette Part I					✓			
7. 30 to 90 day period allowed for public comment			3 mo					
8. Public comment evaluated and further consultation if necessary			5 yr 7 mo					
9. If major revision, amendment redrafted and submitted to PC legal								
10. Revised amendment printed in Part I								
11. 30 to 90 day period for public comment								
12. Submission to PC legal for approval								
13. Submitted for Ministerial (CCA) approval								
14. Submitted to Privy Council for approval								
15. Amendment printed in Canada Gazette Part II	✓						✓	dropped
Total Time	2 yr 11 mo	3 yr 3 mo	10 yr 7 mo	7 yr	15 yr	4 yr	10 yr	1 yr

TABLE V
NATURE OF AMENDMENT
CASE NUMBER

Step	Marginal Modification					New Regulations				Deregulation - Permissive				
	5	9	13	15	19	14	17	18	21	1	2	6	10	29
1. Problem identified			1 mo	1 yr		1 yr	5 mo		1 yr	1 yr	1 yr		6 yr	-
2. Pre-consultation held with interested parties	4 yr +	2 mo	12 mo	4 mo		1 yr	2 yr 1 mo		2 yr 3 mo	2 yr 3 mo	1 yr 8 mo	2 yr	5 mo	1 yr
3. Communique drafted, issues (*) & responses evaluated					7 mo / 3 yr 9 mo			3 yr 3 mo+	3 yr 1 mo			8 mo		
4. Position paper drafted									1 yr 1 mo					
5. Proposed amendment sent to PC legal for approval	7 mo		2½ mo	3 mo		2 mo							4 mo	
6. Printed in the Canada Gazette Part I						3 wk								
7. 30 to 90 day period allowed for public comment	3 mo		2 mo	5½ mo	3 mo	2 mo								
8. Public comment evaluated and further consultation if necessary					5 yr 7 mo	4 mo / 5 mo								
9. If major revision, amendment redrafted and submitted to PC legal						1 mo / 5 mo								
10. Revised amendment printed in Part I						2 wk / 2 wk								
11. 30 to 90 day period for public comment						2 mo / 2 mo								
12. Submission to PC legal for approval	1 yr+		3 wk	3 mo		2 mo							2 mo	
13. Submitted for Ministerial (CCA) approval			3 mo			1 mo							1 mo	
14. Submitted to Privy Council for approval			1 wk			1 wk							3 da	
15. Amendment printed in Canada Gazette Part II						3 wk								dropped
Total Time	6 yr	7 mo	3 yr 3 wk	2 yr 9 mo	10 yr 7 mo	5 yr	2 yr 11 mo	3 yr 3 mo	7 yr	3 yr 3 mo	3 yr 3 mo	2 yr 8 mo	6 yr 9 mo	1 yr

TABLE V
NATURE OF AMENDMENT
CASE NUMBER

		Extended						Narrowed		Repeal	
	Step	4	5	7	8	11	16	23	24	10	22	5	22
1.	Problem identified				1½ yr				1 yr	6 yr	6 yr		6 yr
2.	Pre-consultation held with interested parties	2 yr 5 mo	4 yr +	1 yr 10 mo	4 yr +	2 mo +	9 mo		1 yr 6 mo	5 mo	5 yr 4 mo	4 yr +	5 yr 4 mo
3.	Communique drafted, issues (*) & responses evaluated	7 mo		8 mo	6 mo			4 yr +✓	6 yr 4 mo		2 yr 11 mo		2 yr 11 mo
4.	Position paper drafted						6 mo						
5.	Proposed amendment sent to PC legal for approval	3 wk	7 mo				4 mo			4 mo	1 yr +✓	7 mo	1 yr +✓
6.	Printed in the Canada Gazette Part I												
7.	30 to 90 day period allowed for public comment	4 mo	3 mo				3 mo					3 mo	
8.	Public comment evaluated and further consultation if necessary												
9.	If major revision, amendment redrafted and submitted to PC legal												
10.	Revised amendment printed in Part I												
11.	30 to 90 day period for public comment												
12.	Submission to PC legal for approval	3 wk	1 yr +	3 mo						2 mo		1 yr +	
13.	Submitted for Ministerial (CCA) approval			1 mo	3 wk	1 mo	1 yr 3 mo			1 mo			
14.	Submitted to Privy Council for approval		✓	3 wk	5 wk	3 da	2 mo			3 da		✓	
15.	Amendment printed in Canada Gazette Part II	✓		1 mo ✓	1 mo ✓	✓	✓		✓	✓			
	Total Time	5 yr +	6 yr	2 yr 7 mo	5 yr	11 mo	3 yr 2 mo	4 yr	10 yr	6 yr 9 mo	15 yr	6 yr	15 yr

Gazette. This usually takes one to four months (although in one case taking over a year) with the final four steps (for those amendments which have been completed) taking a week to a month each.

If we examine the timing in the amendment process broken down by the nature of the amendment (see Table V), as would be expected, marginal modifications have generally the shortest time period of seven months to about 3 years (one exception was 6 years because of a long pre-consultation phase). When one looks at new regulations or de-regulation, the period tends to be 2 - 3 years (with a couple of exceptions that were 5 and 6 years respectively). Moving to an extension of regulations, their narrowing or repealing them extends the time period for the amendment process to between 4 and 10 years in most cases. This apparently occurs because of the seriousness of the change and the consequent need for extensive consultation. Once again the bulk of the time for this processing occurs at the pre-consultation phase with, in some respects (for the Food and Drug Act and the Canada Agricultural Products Standards Act) a significant period of time in drafting communiques and evaluating the responses. These elapsed time periods are not surprising since one would expect that marginal modifications would take less time and that those where one is extending a regulation, narrowing it or repealing it - major substantive changes - would take a significant period of time for the necessary consultation.

Moving then to an examination of the amendments broken down by the industrial sector, Table VI shows the elapsed time period for the different steps and for the total process. While it is clear that food amendments have the most extended time period, nevertheless there is considerable variability within the different sectors of between two and five years. Thus there would not appear to be a significant difference in the time for the amendment process with respect to the industrial sector. With respect to the individual steps however, it is clear that in the food sector a significantly greater time period is required at the communique and drafting stage and for responses to proposed amendments to be evaluated. Nevertheless this does not seem to cause a significant extension of the total time for these amendments (although some of them take the longest time to amend).

Similarly, when one examines the amendments broken down by the nature of the regulation there does not appear to be a significant difference except for packaging amendments. Here the amendments take approximately one to three years, whereas for Labelling and Standards Regulations, the period would appear to normally be from two to six years Once again, the major difference between standards and labelling regulations versus those which are packaging would appear to be time taken at the communique drafting stage plus longer periods of preconsultation.

In summary, Diagram 1 presents a description of what appears

TABLE VI
SECTOR
CASE NUMBER

Food

Step	13	14	16	17	18	19	21	22	23	24	29
1. Problem identified	1 mo	1 yr		5 mo	?	?	1 yr	6 yr	?	1 yr	?
2. Pre-consultation held with interested parties	1 yr	1 yr	9 mo	2 yr 1 mo			2 yr 3 mo	5 yr 4 mo		1 yr 6 mo	1 yr
3. Communique drafted, issues (*) & responses evaluated					> 3 yr 3 mo ✓	7 mo / 3 yr 9 mo ✓	3 yr 1 mo	2 yr 11 mo	4 yr + ✓	6 yr 4 mo	
4. Position paper drafted			6 mo				1 yr 1 mo				
5. Proposed amendment sent to PC legal for approval	2½ mo	2 mo	4 mo				✓	1 yr +✓			
6. Printed in the Canada Gazette Part I		3 wk									
7. 30 to 90 day period allowed for public comment	2 mo	2 mo	3 mo			3 mo					
8. Public comment evaluated and further consultation if necessary		4 mo / 5 mo				5 yr 7 mo					
9. If major revision, amendment redrafted and submitted to PC legal		1 mo / 5 mo									
10. Revised amendment printed in Part I		2 wk / 2 wk									
11. 30 to 90 day period for public comment		2 mo / 2 mo									
12. Submission to PC legal for approval	3 wk	2 mo	1 yr 3 mo								
13. Submitted for Ministerial (CCA) approval		1 mo	2 mo								
14. Submitted to Privy Council for approval		1 wk									
15. Amendment printed in Canada Gazette Part II	✓	3 wk ✓	✓	✓						✓	dropped
Total Time	3 yr 3 mo	5 yr	3 yr 2 mo	2 yr 11 mo	3 yr 3 mo	10 yr 7 mo	7 yr	15 yr	4 yr	10 yr	1 yr

TABLE VI
SECTOR
CASE NUMBER

		Textile					Precious Metals			Prepackaged Non-Food				
	Step	7	8	9	10	11	4	5	6	1	2	14	15	22
1.	Problem identified		1½ yr		6 yr					1 yr	1 yr 7 mo	1 yr	1 yr	6 yr
2.	Pre-consultation held with interested parties	1 yr 10 mo	4 yr +	2 mo	5 mo	2 mo	2 yr 5 mo	4 yr +	2 yr	2 yr 3 mo	1 yr 8 mo ✓	1 yr	4 mo	5 yr 4 mo
3.	Communique drafted, issues (*) & responses evaluated	8 mo	6 mo				7 mo		8 mo ✓					2 yr 11 mo
4.	Position paper drafted									✓				
5.	Proposed amendment sent to PC legal for approval				4 mo		3 wk	7 mo				2 mo	3 mo	1 yr + ✓
6.	Printed in the Canada Gazette Part I											3 wk		
7.	30 to 90 day period allowed for public comment						4 mo	3 mo				2 mo	5½ mo	
8.	Public comment evaluated and further consultation if necessary											4 mo / 5 mo		
9.	If major revision, amendment redrafted and submitted to PC legal											1 mo / 5 mo		
10.	Revised amendment printed in Part I											2 wk / 2 wk		
11.	30 to 90 day period for public comment											2 mo / 2 mo		
12.	Submission to PC legal for approval	3 mo			2 mo		3 wk	1 yr +				2 mo	3 mo	
13.	Submitted for Ministerial (CCA) approval	1 mo	3 wk		1 mo	1 mo						1 mo	3 mo	
14.	Submitted to Privy Council for approval	3 wk	5 wk		3 da	3 da		✓				1 wk	1 wk	
15.	Amendment printed in Canada Gazette Part II	1 mo ✓	1 mo ✓		✓	✓	✓					3 wk ✓	✓	
	Total Time	2 yr 7 mo	5 yr	7 mo	6 yr 7 mo	11 mo	5 yr	6 yr	2 yr 8 mo	3 yr 8 mo	3 yr 3 mo	5 yr	2 yr 9 mo	15 yr

to be the typical amendment process for each of the different Acts. From that diagram it can be seen that both the steps and the time taken vary considerably. This is to be expected given the different natures of the Acts and the requisite consultation which must therefore be undertaken.

4. Conclusions

In examining the actual regulatory amendment process, perhaps the most significant overriding conclusion is the fact that the actual process differs substantially from the intended one, both in the steps undertaken as well as the length of time for completion of the amendment process. While it was anticipated that the regulatory amendment process would consist of 15 steps with a time period of 15 months to complete it, it becomes clear from a review of the 29 sample case studies that the steps vary between three or four steps and nine or ten steps (with the middle stages of interim communiques and information letters and review of proposals frequently unnecessary). As well, time periods have a minimum of approximately seven months to a year for marginal amendments and typically take three to six years for more major substantive amendments because of the extensive consultation required. It is important to state that the information in the files did not allow inferences to be drawn about the extent to which consultation influenced the form and substance of the final amendment, although on several occasions it is clear that input from industry and interest groups was

TABLE VII
NATURE OF REGULATIONS
CASE NUMBER

Labelling

Step	2	6	8	9	10	11	13	14	18	19	21	22	23
1. Problem identified	1 yr 7 mo	?	1½ yr	?	6 yr		1 mo	1 yr			1 yr	6 yr	
2. Pre-consultation held with interested parties	1 yr 8 mo	2 yr	4 yr	2 mo	5 mo	2 mo +	1 yr	1 yr			2 yr 3 mo	5 yr 4 mo	
3. Communique drafted, issues (*) & responses evaluated		8 mo ✓	6 mo						>3 yr 3 mo ✓	7 mo / 3 yr 9 mo ✓	3 yr	2 yr 11 mo	4 yr +✓
4. Position paper drafted											1 yr 1 mo		
5. Proposed amendment sent to PC legal for approval					4 mo		2½ mo	2 mo			✓	1 yr +✓	
6. Printed in the Canada Gazette Part I								3 wk					
7. 30 to 90 day period allowed for public comment							2 mo	2 mo		3 mo			
8. Public comment evaluated and further consultation if necessary								4 mo / 5 mo		5 yr 7 mo			
9. If major revision, amendment redrafted and submitted to PC legal								1 mo / 5 mo					
10. Revised amendment printed in Part I								2 wk / 2 wk					
11. 30 to 90 day period for public comment								2 mo / 2 mo					
12. Submission to PC legal for approval					2 mo		3 wk	2 mo					
13. Submitted for Ministerial (CCA) approval			3 wk		1 mo	1 mo		1 mo					
14. Submitted to Privy Council for approval			5 wk		3 da	3 da		1 wk					
15. Amendment printed in Canada Gazette Part II			4 wk ✓	✓	✓	✓	✓	3 wk ✓					
Total Time	3 yr 3 mo	2 yr 8 mo	5 yr	7 mo	6 yr 9 mo	11 mo	3 yr 3 mo	5 yr	3 yr 3 mo	10 yr 7 mo	7 yr	15 yr	4 yr

TABLE VII
NATURE OF REGULATIONS
CASE NUMBER

Step	Labelling	Standards								Packaging		
	24	1	2	4	5	7	8	17	23	15	16	29
1. Problem identified	1 yr	1 yr	1 yr 7 mo				1 yr 6 mo	5 mo		1 yr		
2. Pre-consultation held with interested parties	1 yr 6 mo	2 yr 3 mo	1 yr 8 mo ✓	2 yr 5 mo	>4 yr	1 yr 10 mo	4 yr +	2 yr 1 mo		4 mo	9 mo	1 yr
3. Communique drafted, issues (*) & responses evaluated	6 yr 4 mo			7 mo		8 mo	6 mo		4 yr + ✓			
4. Position paper drafted		✓									6 mo	
5. Proposed amendment sent to PC legal for approval				3 wk	7 mo					3 mo	4 mo	
6. Printed in the Canada Gazette Part I												
7. 30 to 90 day period allowed for public comment				4 mo	3 mo					5½ mo	3 mo	
8. Public comment evaluated and further consultation if necessary												
9. If major revision, amendment redrafted and submitted to PC legal												
10. Revised amendment printed in Part I												
11. 30 to 90 day period for public comment												
12. Submission to PC legal for approval				3 wk	1 yr +	3 mo				3 mo	1 yr 3 mo	
13. Submitted for Ministerial (CCA) approval						1 mo	3 wk			3 mo	2 mo	
14. Submitted to Privy Council for approval					✓	3 wk	5 wk					
15. Amendment printed in Canada Gazette Part II	✓			✓		1 mo ✓	4 wk ✓	✓		1 wk ✓	✓	dropped
Total Time	10 yr	3 yr 3 mo	3 yr 3 mo	5 yr +	6 yr	2 yr 7 mo	5 yr	2 yr 11 mo	4 yr	2 yr 9 mo	3 yr 2 mo	1 yr

DIAGRAM 1

"TYPICAL" AMENDMENT PROCESS

NATIONAL TRADEMARK

Problem Identified	Pre Consultation
1 Year	1-1/2 Years

PRECIOUS METAL MARKING ACT

Problem Identified	Pre Consultation	Commique Drafted	Printed Part II Canada Gazette
?	3 years	5 mo.	2 mo

TEXTILE LABELLING AND ADVERTISING

Problem Identified	Pre Consultation	Part II Canada Gazette
1 year	6 months - 1 year	

CONSUMER PACKAGING AND LABELLING ACT

Problem Identified	Pre Consultation	Proposed Amendment	Consultation	Submission to PC Legal	Part II Canada Gazette
1 year	6 months	4 months	2 months	2 months	

FOOD AND DRUG ACT

Problem Identified	Pre Consultation	Commique Drafted	Proposed Amendment	Part II Canada Gazette
6 months	3 years	3 years	?	

CANADA AGRICULTURAL PRODUCTS STANDARDS ACT

Problem Identified	Pre Consultation	Commique Drafted	
6 months	1 year	3 years	?

influential in terms of the final form and substance of the amendment.

However, the variation in time frames for the completion of regulatory amendments does suggest that the use of milestones and concrete plans for the completion of the amendment process for specific regulations might assist the branch in future resource allocation and workload assignment.

Perhaps the strongest conclusion which arises from both the study of the total amendments made as well as the case studies is a significant difference in the amendment process for the Food and Drug Act and the Canada Agricultural Products Standards Act. While only 10% of the amendments are related to these acts, it is clear that both the time periods required for amendments as well as the time at the preconsultation phase, during the issuing of the communique, and evaluation of responses is significantly greater for these acts.

For the Canada Agricultural Product Standards Act, while these phases may take a considerable period of time, it is clear that the involvement of the Consumer Products Branch is sometimes late and relatively minor, notwithstanding a desire on the part of Consumer Products Branch to be more heavily involved. Some of the length of this amendments process may be due to the joint jurisdiction for amendments with respect to both of these acts (and their associated regulations) or because of the seriousness or health hazard associated with the amendments (which frequently

require for the Food and Drug Act three to four rounds of consultation and review of between 10 and 70 responses. Nevertheless the significant difference in the amendment process and the timing of that process for these acts probably means that further scrutiny should be made of them.

Notwithstanding the long time for the amendment process it has been completed in the majority (58%) of the cases. It is clear, however, from a review of the cases that it is easier to achieve completion for those acts which are directly under the control of Consumer Products Branch, as would be expected.

With respect to the National Trademark and True Labelling Act and the Precious Metals Marking Act, from the cases reviewed it takes three to four years simply to identify the amendments and even with only a small number of responses (approximately five) the process seems to take a long time. This may be because of a lack of priority of these changes (for example the Canada Standards Measuring Cups and Spoons Regulations which had not been used by any organization), however, it may also be because these acts and the associated regulations need a fundamental review.

An examination of the timing for the different steps of the amendment process indicates that the Privy Council Office has in some cases been a major stumbling block, either at initial stages or at the final stage. In one case (#5) The Privy Council Office lost the amendment and in the case of those currently with the

Privy Council Office, they have been awaiting publication in Part I of the Canada Gazette for over one year. While these delays in the Privy Council Office may be a necessary part of a detailed review of proposed amendments, nevertheless the consistent delay which is encountered in that office should probably be examined.

Both the Textile Labelling Act and the Consumer Packaging and Labelling Act have a high rate of completion of the amendment process for the cases examined. However, in the case of the Textile Labelling Act, this is done relatively quickly at least partially because there are frequently few, if any, responses from interested parties. The elapsed time is usually 1 - 2 years for this act, versus 3 - 5 years for the Consumer Packaging and Labelling Act.

The amendment process for this Act is characterized by active consultation with several rounds of communiques or information letters and responses from interested parties. Thus consultation in this case obviously forms an important and integral part of the amendment process and takes time to review and incorporate changes suggested.

Turning then to an explicit examination of the timing, it is clear that for all of the amendments they take approximately 1 - 2 years at the problem identification and preconsultation phases. The Food and Drug and the Canada Agricultural Product Standards Act take a significantly longer time at step 3 (drafting the communique and evaluating responses). This, however, may simply

be because of the more diverse responses which they receive. The significant period of time, however, taken at the very beginning of the process may be something where the Consumer Products Branch can realize some improvements in the future.

It is perhaps not surprising that marginal modifications take only 1 - 2 years whereas major changes require 4 - 10 years in the amendment process. Interestingly enough however, new regulations and deregulation require only 2 - 3 years (with one exception). This may be because initiation of these type of changes (for a new regulation or deregulation) needs some kind of initial consensus and pressure from groups either within or outside the department.

A review of industrial sector and the nature of the regulation reveals few significant differences in the timing for processing amendments. Packaging regulations do take a shorter period of time than labelling or standards type regulations but the number of these regulations were sufficiently small that it probably cannot be generalized to the total amendments for the department.

In summary, then, it is clear the actual amendment process differs significantly from the "theoretical" amendment process in that significantly fewer steps are involved but a significantly longer period of time is taken for the completion of the amendment process. Because of a lack of information in the files it is not possible to determine exactly how the consultation

influences the form of the final amendments, although it is possible to identify that consultation is an important and integral part of the amendment process, and the department attempts to meet and incorporate comments from various client and interest groups with respect to the amendments. The above conclusions have suggested some areas where the department may wish at the very least to examine the possibility of changes, or indeed make changes with respect to the amendment process.

APPENDIX I

CHARACTERISTICS OF REGULATORY AMENDMENTS

TEXTILE LABELLING ACT

	Housekeeping Amendment	* New Generic Name - Aramid	Alternate generic name for spandex-elastane	Correct spelling of elastane in French version	* Correct Inconsistency in labelling Diapers	* Revise Labelling of Down and Feather Products	Aprons and Bibs Added to Schedule III	Alternate Generic Name	Labelling of Piece Goods Sold by Mail Order
1. Nature of Amendment									
Regulations are extended		X	X			X	X	X	
Regs are narrowed in scope									
Repeal									
Marginal Modification	X			X	X				
New Regulations									
Deregulation - Permissive						widen tolerance	X		X
2. Parties Responsible for Initiation									
Industry	X	X				X	X		X
Consumers									
CCAC		X	X	X	X			X	
Field Staff				X	X		X		
3. Role of CCAC									
Control	X	X	X	X	X	X	X	X	X
Consultative									
Facilitative									
4. Pre/Post Regulatory Review									
Date Initiated									
Date Completed	May '73	Sept '76	Feb '78	June '78	June '78	Jan '79	Feb '79	May '79	Sept '79
5. Status									
Initial Consultation									
Communiqué issued									
Response being evaluated									
At P.C. waiting prepublication									
Published in Part I									
Published in Part II	X	X	X	X	X	X	X	X	X

TEXTILE LABELLING ACT

	Housekeeping Amendment	* New Generic Name- Aramid	Alternate generic name for spandex elastane	Correct Spelling of elastane in French version	* Correct Inconsis-tency in labelling diapers	* Revise Labelling of Down and Feather Products	Aprons and Bibs Added to Sechedule III	Alternate Generic Name	Labelling of Piece Goods Sold by Mail Order
6. Nature of Regulation									
Labelling					X	X	X	X	X
Standards		X	X			X		X	
Packaging									
Grade									
Inspection	General			Correct Error					
7. Sector									
Textile	X	X	X	X	X	X	X	X	X
Food & Beverage									
Precious Metals									
Drugs									
Prepackaged non-food									
8. Statutory Authority									
Consumer Packaging & Labelling Act									
CAPS Act									
Food and Drug Act									
Textile Labelling Act	X	X	X	X	X	X	X	X	X
National Trade Mark and True Labelling Act									
Precious Metals Marking Act									

	TEXTILE LABELLING ACT					CONSUMER PACKAGING AND LABELLING ACT				
	Labelling of Ornamentation	* Labelling of Piece Goods	* Labelling of Schedule III articles pre-printed list	Location of Seized Goods	Disposal of Forfeited Goods	Added Tolerance Tables	Added Certain Exemptions	Provided Established trade practice manner of declaring net quantity	Included refrigerators in Energuide	Provided exemptions from metric net quantity declaration
1. Nature of Amendment										
Regulations are extended				X	X				X	
Regs are narrowed in scope		X	X							
Repeal										
Marginal Modification										X
New Regulations						X				
Derequlation - Permissive	X						X	X		
2. Parties Responsible for Initiation										
Industry	X	X	X				X			
Consumers										
CCAC			X	Dept. of	X	X		X	X	
Field Staff		X	X	Justice						X
3. Role of CCAC										
Control	X	X	X	X	X	X	X	X	X	X
Consultative										
Facilitative										
4. Pre/Post Regulatory Review										
Date Initiated		June '79	Oct '73		'83					
Date Completed	Sept '79	May '80	May '80	July '82		Mar '75	Nov '75	Feb '78	Aug '78	Oct '78

	TEXTILE LABELLING ACT					CONSUMER PACKAGING AND LABELLING ACT				
	Labelling of Ornamentation	* Labelling of Piece Goods	* Labelling of Schedule III articles pre-printed list	Location of Seized Goods	Disposal of Forfeited Goods	Added Tolerance Tables	Added Certain Exemptions	Provided Established trade practice manner of declaring net quantity	Included refrigerators in Energuide	Provided exemptions from metric net quantity declaration
5. Status										
Initial Consultation										
Communiqué issued										
Response being evaluated										
At P.C. waiting prepublication					X					
Published in Part I										
Published in Part II	X	X	X	X		X	X	X	X	X
6. Nature of Regulation										
Labelling	X	X	X			X	X	X	X	X
Standards										
Packaging										
Grade										
Inspection				Seized Goods on inspection	Disposal of Forfeited goods					
7. Sector										
Textile	X	X	X	X	X					
Food						X		X		X
Precious Metals									Household Appliances	
Drugs										
Prepackaged goods - non food						X	X	X		X
8. Statutory Authority										
Consumer Packaging & Labelling Act						X	X	X	X	X
CAPS Act										
Food and Drug Act										
Textile Labelling Act	X	X	X	X	X					
National Trade Mark and True Labelling Act										
Precious Metals Marking Act										

	CONSUMER PACKAGING AND LABELLING ACT						PRECIOUS METALS MARKETING ACT	NATIONAL TRADE MARK AND TRUE LABELLING ACT		
	Includes Clothes Dryers in Energuide	* Provides Consistency with Weights & Measures	* Standardized Container sizes for Deodorants, Shave Creams & Hair Sprays	Provides for Disposition of Goods Seized under CP&L authority	* Revises range of container sizes for biscuits and cookies	Definition of catch weight	* Marking the Base Metal content on Hollow Ware Articles	* Canada Standard Measuring Cups and Spoons	Fur Garment Labelling Regulations	* Turpentine Labelling Regulations
1. Nature of Amendment										
Regulations are extended	X									
Regs are narrowed in scope					X					
Repeal						X				
Marginal Modification		X	X	X						
New Regulations										
Deregulation - Permissive							X	X		X
2. Parties Responsible for Initiation										
Industry			X		X					
Consumers										
CCAC	X	X		X		X	X	X	X	X
Field Staff										
3. Role of CCAC										
Control	X	X	X	X	X	X	X	X	X	X
Consultative										
Facilitative										
4. Pre/Post Regulatory Review										
Date Initiated			May '80	March '81	April '80	2/4 1983	1982	April 1983	April 1983	Nov '82
Date Completed	April '82	April '82	Dec '82	May '83	Feb '84					

	CONSUMER PACKAGING AND LABELLING ACT						PRECIOUS METALS MARKETING ACT	NATIONAL TRADE MARK AND TRUE LABELLING ACT		
	Includes Clothes Dryers in Energuide	* Provides Consistency with Weight & Measures	* Standardized Container sizes for Deodorants, Shave Creams & Hair Sprays	Provides for Disposition of Goods Seized under CP&L authority	* Revises range of container sizes for biscuits and cookies	Definition of catch weight	* Marking the Base Metal Content on Hollow Ware Articles	* Canada Standard Measuring Cups and Spoons	Fur Garment Labelling Regulations	* Turpentine Labelling Regulations
5. Status										
Initial Consultation						X	X		X	X
Communiqué issued							X		X	
Response being evaluated							X	X		
At P.C. waiting prepublication										
Published in Part I										
Published in Part II	X	X	X	X	X					
6. Nature of Regulation										
Labelling	X	X				X	X		X	X
Standards								X	X	X
Packaging			X		X					
Grade										
Inspection										
				Administrative					Advertising	
7. Sector										
Textile				All Sectors						
Food		X			X	X				
Precious Metals							X			
Drugs										
Prepackaged non-food	Household Appliances		X					X	Furs	X
8. Statutory Authority										
Consumer Packaging & Labelling Act	X	X	X	X	X	X				
CAPS Act										
Food and Drug Act										
Textile Labelling Act										
National Trade Mark and True Labelling Act								X	X	X
Precious Metals Marking Act							X			

	Provides for an additional standardized - container size for wine	Included freezers in Energuide Program	Housekeeping Amendment	Provides consistency with Weights & Measures Regulation (wallpaper and floor coverings)	Includes Dishwashers and Clothes washers in Energuide	Includes electric ranges in Energuide Program	Provides change to prepared mustard net quantity declarations & additional standardized wine sizes	Biscuits and Cookies Container Standardization	* Amends Dealer Identity and Place of Business Declarations on Imported Products
1. Nature of Amendment									
Regulations are extended		X			X	X			
Regs are narrowed in scope									
Repeal									
Marginal Modification	X		X	X			X	X	
New Regulations									X
Deregulation - Permissive									
2. Parties Responsible for Initiation									
Industry	X			X			X	X	
Consumers									X
CCAC		X	X		X	X			
Field Staff									
3. Role of CCAC									
Control	X	X	X	X	X	X		X	X
Consultative							X		
Facilitative									
4. Pre/Post Regulatory Review									
Date Initiated				Dec '79				1st 1/4 '81	
Date Completed	Sept '79	Nov '79	Nov '79	Oct '80	Oct '80	Dec '80	July '81	July '81	Nov '81
5. Status									
Initial Consultation									
Communiqué issued									
Response being evaluated									
At P.C. waiting prepublication									
Published in Part I									
Published in Part II	X	X	X	X	X	X	X	X	X

CONSUMER PACKAGING AND LABELLING ACT

	Provides for an additional standardized container size for wine	Included freezers in Energuide Program	Housekeeping Amendment	Provides consistency with Weights & Measures Regulation (wallpaper and floor coverings)	Includes Dishwashers and Clothes washers in Energuide	Includes electric ranges in Energuide Program	Provides change to prepared mustard net quantity declarations & additional standardized wine sizes	Biscuits and Cookies Container Standardization	* Amends Dealer Identity and Place of Business Declarations on Imported Products
6. Nature of Regulation									
Labelling		X		X	X	X			X
Standards	X								
Packaging							X	X	
Grade									
Inspection									
7. Sector									
Textile									
Food	X						X	X	X
Precious Metals									
Drugs									
Prepackaged goods - non food		Household Appliance		X	Household Appliance	Household Appliance			X
8. Statutory Authority									
Consumer Packaging & Labelling Act	X	X	X	X	X	X		X	X
CAPS Act							X		
Food and Drug Act									
Textile Labelling Act									
National Trade Mark and True Labelling Act									
Precious Metals Marking Act									

NATIONAL TRADE MARK AND TRUE LABELLING ACT | FOOD AND DRUG ACT

	Chamois Labelling Regulations	* The National Trade Mark and Garment Sizing Regulations	Gemstone Standard Terminology (Guidelines)	Watch Jewels Regs	Labelling of Irradiated Foods	* Labelling Regulations Pertaining to Mineral Water	* Declaration of Country of Origin on the Labels of Wines	Identification of Flavour Descriptives on Food Labels
1. Nature of Amendment								
Regulations are extended						X		
Regs are narrowed in scope								
Repeal			Guidelines					
Marginal Modification							X	
New Regulations					X			X
Deregulation - Permissive	X	X						
2. Parties Responsible for Initiation								
Industry		X			X	X		
Consumers					X			X
CCAC	X	X	X	X	X		X	X
Field Staff								
3. Role of CCAC								
Control	X	X		X	X		X	X
Consultative						X		
Facilitative			X					
4. Pre/Post Regulatory Review								
Date Initiated	Mar '83	1978	1982	April '83	1st of '83	'83	'72	1st comm. '83
Date Completed								
5. Status								
Initial Consultation	X		X	X		X		
Communiqué issued			X	X				
Response being evaluated					X		X	X
At P.C. waiting prepublication							Consulting again	Starting over due to negative responses
Published in Part I		X						
Published in Part II								

	NATIONAL TRADE MARK AND TRUE LABELLING ACT				FOOD AND DRUG ACT			
	Chamois Labelling Regulations	* The National Trade Mark and Garment Sizing Regulations	Gemstone Standard Terminology (Guidelines)	Watch Jewels Regs	Labelling of Irradiated Foods	* Labelling Regulations Pertaining to Mineral Water	* Declaration of Country of Origin on the Labels of Wines	Identification of Flavour Descriptives on Food Labels
6. Nature of Regulation								
Labelling	X	X		X	X	X	X	X
Standards	X	X		X		X		
Packaging								
Grade								
Inspection			Voluntary Guidelines					
7. Sector								
Textile		X						
Food					X	X	X	X
Precious Metals								
Drugs								
Prepackaged goods - non food	X		Gemstone	Watches				
8. Statutory Authority								
Consumer Packaging & Labelling Act							X	X
CAPS Act							or	or
Food and Drug Act					X	X	X	X
Textile Labelling Act								
National Trade Mark and True Labelling Act	X	X	X	X				
Precious Metals Marking Act			or X					

	Mineral Waters	Mineral and Spring Waters	Declaration of Percentage of Alcohol on Alcoholic Beverages	Kosher Foods	Mixed Nuts	Declaration of Ingredients	Open Date Marking on Food Labels	Use of Indications of Geographic Origin	Previously Frozen Meat, Poultry and Fish
1. Nature of Amendment									
Regulations are extended		X				X			
Regs are narrowed in scope									
Repeal									
Marginal Modification									
New Regulations	X		X	X	X		X		X
Deregulation - Permissive									
2. Parties Responsible for Initiation									
Industry	X	X							
Consumers				X		X			
CCAC	X	X	X	X		X	X	X	X
Field Staff					X				and H&W and F&D
3. Role of CCAC									
Control	X	X	X	X	X	X	X	X	X
Consultative									
Facilitative									
4. Pre/Post Regulatory Review									
Date Initiated								before July '74	
Date Completed	Dec 21/72	Oct 4/73	'73	Oct 23/73	'72	Mar 12/74	Mar 12/74	'76	Oct /74
5. Status									
Initial Consultation								X	
Communiqué issued								X	
Response being evaluated								X	
At P.C. waiting prepublication									
Published in Part I									
Published in Part II	X	X	X	X	X	X	X	Dropped	X

FOOD AND DRUG ACT

	Mineral Waters	Mineral and Spring Waters	Declaration of Percentage of Alcohol on Alcoholic Beverages	Kosher Foods	Mixed Nuts	Declaration of Ingredients	Open Date Marking on Food Labels	Use of Indications of Geographic Origin	Previously Frozen Meat, Poultry and Fish
6. Nature of Regulation									
Labelling	X	X	X	X	X	X	X	X	X
Standards		X							
Packaging									
Grade									
Inspection									
7. Sector									
Textile									
Food & Beverage	X	X	X	X	X	X	X	X	X
Precious Metals									
Drugs									
Prepackaged non-food									
8. Statutory Authority									
Consumer Packaging & Labelling Act								X	
CAPS Act									
Food and Drug Act	X	X	X	X	X	X	X		X
Textile Labelling Act									
National Trade Mark and True Labelling Act									
Precious Metals Marking Act									

FOOD AND DRUG ACT

PRECIOUS METALS MARKING ACT

	* Nomenclature of Ground Beef, Common Names	Labelling of Products Processed with Liquid Smoke	* Labelling of Isomerized Glucose Syrups and Added Sweetening Agents	Sale and use of Ice Milk and Ice Milk Products	* Labelling of Non-Retail Containers	* Use of Term "Natural"	Ingredients Derived from Milk	Durability Dating Requirements	* Modify Tolerances	* Lower Min. thickness of plating for watch cases. Express metr measurement S.I. termina
1. Nature of Amendment										
Regulations are extended		X					X	X	X	X
Regs are narrowed in scope					X					
Repeal				X	X					X
Marginal Modification										X
New Regulations	X		X			X				
Deregulation - Permissive										
2. Parties Responsible for Initiation										
Industry							X	X		X
Consumers										
CCAC	X	X	X	X	X	X	X		X	
Field Staff										
3. Role of CCAC										
Control	X	X	X	X	X	X	X	X	X	X
Consultative	with AC						with AC	with AC		
Facilitative										
4. Pre/Post Regulatory Review										
Date Initiated		June 1977	1977	July, Aug '81	Codex 1969	1st comm. '81	'81	'82	April '77	1982
Date Completed	July '76								Mar '82	

	FOOD AND DRUG ACT								PRECIOUS METALS MARKING ACT	
	* Nomenclature of Ground Beef, Common Names	Labelling of Products Processed with Liquid Smoke	* Labelling of Isomerized Glucose Syrups and Added Sweetening Agents	Sale and use of Ice Milk and Ice Milk Products	* Labelling of Non-Retail Containers	* Use of Term "Natural"	Ingredients Derived from Milk	Durability Dating Requirements	* Modify Tolerances	* Lower Min. thickness of plating for watch cases. Express metric measurement in S.I. termin
5. Status										
Initial Consultation										
Response being evaluated			X			X		X		
At P.C. waiting prepublication		X		X	X		X	New comm. being prepared		X
Published in Part I										
Published in Part II	X								X	
6. Nature of Regulation										
Labelling		X	X		X	X	X	X		
Standards	X								X	X
Packaging				X						
Grade										
Inspection										
									Tolerances	
7. Sector										
Textile										
Food	X	X	X	X	X	X	X	X		
Precious Metals									X	X
Drugs										
Prepackaged goods - non food					X					
8. Statutory Authority										
Consumer Packaging & Labelling Act						X				
CAPS Act						or				
Food and Drug Act	X	X	X	X	X	X	X	X		
Textile Labelling Act										
National Trade Mark and True Labelling Act										
Precious Metals Marking Act									X	X

	Bulk Meat Advertising	* Poultry Kidneys	* Sparkling Apple Juice	* Poultry Flesh
1. Nature of Amendment				
Regulations are extended	X			
Regs are narrowed in scope		X		X
Repeal				
Marginal Modification	X			
New Regulations				
Deregulation - Permissive				
2. Parties Responsible for Initiation				
Industry		X	X	X
Consumers				
CCAC	X			
Field Staff				
3. Role of CCAC				
Control				
Consultative		X	X	X
Facilitative	X			
4. Pre/Post Regulatory Review				
Date Initiated			1982	
Date Completed		Jan 1982		Aug '83
5. Status				
Initial Consultation				
Communiqué issued				
Response being evaluated	X			
At P.C. waiting prepublication				
Published in Part I				
Published in Part II		Changed interpretation		Change in interpretation only

CANADIAN AGRICULTURAL PRODUCTS STANDARDS ACT

	Bulk Meat Advertising	* Poultry Kidneys	* Sparkling Apple Juice	* Poultry Flesh
6. Nature of Regulation				
Labelling				
Standards			X	
Packaging				
Grade				X
Inspection	Bulk sales at retail	Administrative		X
7. Sector				
Textile				
Food	X	X	X	X
Precious Metals				
Drugs				
Prepackaged goods - non food				
8. Statutory Authority				
Consumer Packaging & Labelling Act				
CAPS Act		X	X	X
Food and Drug Act	X			
Textile Labelling Act				
National Trade Mark and True Labelling Act				
Precious Metals Marking Act				

APPENDIX II

Case Studies Completed and the CPB Officer Who Verified

National Trade Mark and True Labelling Regulations

1.	Canada Standard Measuring Cups and Spoons Regulations	Bill Lowe
2.	Turpentine Labelling Regulations	Bill Lowe
3.	Canada Standard Sizing	Valerie Cosman

Precious Metals Marking Regulations

4.	Tolerances on Gold and Silver Articles	Geoff Lowe
5.	Lower Minimum Thickness of Plating for Watch Cases	Geoff Lowe
6.	Mandatory Marking of the Base Metal Content on Holloware Articles	Geoff Lowe

Textile Labelling and Advertising Regulations

7.	New Generic Name - Aramid	Diane Law
8.	Down and Feathers	Diane Law
9.	Labelling of Diapers	Diane Law
10.	Use of "Multiple-Choice Format" for "Point of Sale" Labels	Diane Law
11.	Labelling of Piece Goods - Deregulation	Diane Law
12.	Changes in the Iron in the Trade Marked Care Labelling Symbols	Diane Law

Consumer Packaging and Labelling Regulations

13.	Retail Trade Scale Conversion to Metric Units of Measurement	Bill Lowe
14.	Dealer and Place of Business Declaration on Imported Products	Bill Lowe

15. Standardization of Sizes of Aerosol Containers	Bill Lowe
16. Standardization of Biscuit and Cookie Container Sizes	Bill Lowe and Joanne Robert-Stolow

Food and Drug Regulations

17. Nomenclature of Ground Beef	Paul Thibodeau
18. Use of the Term "Natural" to Describe a Food or Its Ingredients	Joanne Robert-Stolow
19. Declaration of Origin for Wines	Joanne Robert-Stolow
20. Declaration of Sausage Casings in the List of Ingredients	Joanne Robert-Stolow
21. (a)Labelling of Isomerized Glucose Syrups (b)Labelling of Added Sweetening Agents in the List of Ingredients of Foods	Joanne Robert-Stolow
22. Labelling of Non-Retail Containers	Joanne Robert-Stolow
23. Mineral Waters	Ron Siwicky

Canada Agricultural Products Standards Regulations

24. Label Declaration of Percentage Fat and Moisture in Cheese	Gerry Reasbeck
25. Sparkling Apple Juice	Gerry Reasbeck
26. Knife-ribbing on Beef Carcasses	Gerry Reasbeck
27. Processed Poultry Grade Standard Changes	Gerry Reasbeck
28. Non-Removal of Poultry Kidneys on Evisceration	Gerry Reasbeck
29. Opaque Packaging for Graded Poultry Products	Gerry Reasbeck

EVALUATION MODULE

PRIOR REGULATORY REVIEW WORK

UNDERTAKEN BY

CONSUMER PRODUCTS SUBACTIVITY

(Input to the Regulatory Review Evaluation Study)

Prepared by
B.E. Siegel
for
Program Evaluation Division

June 1985

This report is one of several prepared by independent consultants as input for the evaluation of the Consumer Products Regulation Review and Consultation process. All evidence, advice and recommendations represent the independent views of the consultant rather than the views of the Government of Canada or any of its departments or agencies.

TABLE OF CONTENTS

Traded Goods Evaluation Study

Prior Regulatory Review

1. Introduction

Under the Treasury Board directive 77-47, each department must make provision for evaluation of its expenditure programs and regulations on a regular basis. In the fiscal years 1983-1985, Consumer and Corporate Affairs is undertaking a comprehensive evaluation of the Traded Goods component of the departments' activities. The Traded Goods component is comprised of activities which are intended to protect consumers against product misrepresentation, deception and fraud in the marketplace, to ensure that accurate and necessary information is provided, to enhance the ability of consumers to differentiate among product choices and maintain equity in the marketplace. These activities are mandated by legislation which has been implemented to allow the federal government to have jurisdiction in certain regulatory dimensions of the marketplace -- specifically, labelling, advertising, packaging, composition, quality and quantity. Within CCAC, these activities are carried out and the legislation is administered by the Consumer Products Branch of the Consumer Affairs Bureau.

The Evaluation Assessment Report for the Traded Goods program evaluation component was completed in December 1983. It provided for a specific evaluation of the regulations

which are administered by the Consumer Products subactivity. The regulations being examined are covered under the following acts:

(1) Consumer Packaging and Labelling Act
(2) Textile Labelling Act
(3) National Trade Mark and True Labelling Act
(4) Precious Metals Marking Act
(5) Food and Drugs Act
(6) Canada Agricultural Products Standards Act (CAPS).

CCAC has sole jurisdiction for the first four acts and shares jurisdiction with Health and Welfare for the Food and Drugs Act and with Agriculture Canada for the CAPS Act.

As part of the regulatory evaluation, this report will review the history of regulatory review in the federal government, assess the regulatory review work already undertaken by the Consumer Products subactivity, and outline the approach to regulatory review that is being taken by the Program Evaluation Division.

2. Background: Terms of Reference for Regulatory Review

2.1 Government-Wide Initiatives

Legislation administered by the Consumer Products Branch has been the subject of regulatory review prior to the

evaluation now being undertaken by the Program Evaluation Division. The regulatory review activities in the Consumer Products Branch have originated from a number of sources (see Chart I) including the Treasury Board Circular 77-47 entitled "Evaluation of Programs by Departments and Agencies." This circular was intended to cover both expenditure and regulatory programs.

The general area of regulatory review and reform was discussed at a meeting of First Ministers in February 1978. Following this meeting, a reference for a study of regulatory review and reform was made by the Prime Minister to the Economic Council of Canada.

The terms of the Economic Council Regulatory Reference of July 12, 1978 asked the Council to undertake a series of studies regarding both federal and provincial regulations and an examination of the areas of consultation, prior assessment, and periodic evaluation. In its interim report of November 1979 entitled "Responsible Regulation", the ECC concluded that every evaluation of regulation should address questions of the original and current objectives, the effects (economic and non-economic), and the alternative means of achieving the objectives.

Chart I

The Timing of Influential Events in the Development of the Formalized Regulatory Review and Reform Program in the Federal Government

	1977	1978	1979	1980	1981	1982
Treasury Board Policy Circular 1977-47 issued	x					
First Minister's Meetings		x	x			
Economic Council of Canada: Regulatory Reference Study			x———	———x———	———x	
Office of Co-ordinator, Regulatory Reform				x———	———	———→
House of Commons Special Committee on Regulatory Reform				x———	———x	
"Government Regulation: A Situation Report and Work Plan" approved by Cabinet					x	
Ministers agreement to a work plan						x
CCA - "Departmental Program of Regulatory Review and Reform"				x		
CCA - "Phase I report on Departmental Plan of Regulatory Review and Reform" issued						x

Another input guiding the focus of the CCAC regulatory review program was the final report of the House of Commons Special Committee on Regulatory Reform (The Peterson Task Force). The recommendations issued in the report of December 1980 were that all proposed regulations should be subject to an appropriate impact assessment by the sponsoring agency. The report also recommended that each department should periodically review and evaluate its existing regulations to identify those which are unnecessary and outdated. They further recommended that, where overlap, duplication or conflict of regulatory requirements existed within the federal government or between federal and provincial jurisdictions, actions should be taken to remove the conflict and reduce the burden on the private sector. Immediate action was to be focussed on three areas to include food, labelling and advertising.

In 1979, the Office of Regulatory Reform was established by the government to act as a catalyst for these activities in the regulatory review and reform area.

During this period as well, the Cabinet approved a memorandum entitled "Government Regulation: A Situation Report and Work Plan" which identified the three basic components to regulatory review:

1) a review and housecleaning of existing statutes and subordinate regulations
2) further improvements to the federal regulatory process
3) a selective deregulation of industries or activities.

In January 1981, after studying the recommendations of the Economic Council Reference Interim Report and The Peterson Task Force Report, the Minister of the Treasury Board sought and obtained agreement of Ministers to a work-plan on Regulatory Review. As a major regulatory department, CCAC was requested to participate in this review process.

While the activities from 1977-1981 provided some direction for the regulatory review work to be undertaken by Departments, there were differences between the approach suggested by the ECC and that of the Peterson Task Force. Perhaps as a result, the Treasury Board directive left it up to each Department to determine the scope of the review to be undertaken.

2.2 Terms of Reference for CCAC Regulatory Review

The CCAC regulatory review process commenced in early 1980 prior to the Treasury Board Directive. It was co-ordinated centrally on behalf of the Deputy Minister and implemented by a Departmental Task Force comprised of repre-

sentatives of each bureau and the Special Advisor, Regulatory Review and Liaison.

A three phase action plan was developed by the Departmental Task Force and presented in a paper in February 1980 entitled "Departmental Program of Regulatory Review and Reform". It was approved by the Departmental Management Committee in May 1980. The first phase was to consist of the development of a "cataloguing matrix", the cataloguing of regulations by product group, and the preparation of a preliminary analysis of regulations indicating proposed action. The catalogue was to include an assessment of the "currency, effectiveness, clarity, and simplicity" of each regulation and an assessment of the costs of implementation, costs to consumers, and duplication or overlap. (See Annex A)

Phase II was to "concentrate on finding a process through which the interests of regulatees and beneficiaries can be heard"[1] regarding the appropriateness of various modes of regulation, and recommendations for specific regulatory reform. Phase II was also to "identify areas of industry consensus and of disparate interests relating to deregulation and other aspects of regulatory reform"[2].

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1. Consumer and Corporate Affairs Canada, Departmental Program of Regulatory Review and Reform, February 1980, Phase II, page 1.

2. Ibid.

Phase III was to be the most complex. All the catalogued regulations and standards were assigned to one of the six categories identified in Phase I; retain, eliminate, further study, detailed revision, transfer, or sunset clause. Regulations would then be given priorities for action. Phase III would undertake the actual development of changes to the regulations and standards that had been identified as requiring modification or some form of follow-up action.

The CCAC Management Committee also agreed in May 1980 that phase I would be completed by March 31, 1981 and, by that date, Phase II would be 20% complete. As the review evolved, it seems to have become understood that it was, in reality, a two-phase process: the first phase to identify the required amendments and the second to introduce proposed amendments and guide them through the consultation and approval process.

3. Findings

3.1 Consumer Products Branch and the Regulatory Review Workplan

The review carried out by the Consumer Products Branch of its regulations in Phase I was dependent upon the expertise and personal knowledge of the program officers in the Branch. Although a checklist of relevant issues had been

prepared by the Regulatory Review officer, due to time and cost constraints within the Branch, these questions became "something to be kept in the back of the mind while reviewing regulations in house and is not to be used as a rigid formula for generating busy work responses."[3]

Due to the lack of documentation regarding the nature of the review actually carried out under Phase I, it is impossible to confirm that these questions were actually addressed by the program officers in their review. However the program officers who reviewed the regulations were well aware of the ongoing concerns related to each regulation.

No direct industry consultations were to be held in Phase I, since consultations with interested parties were scheduled to be held in Phase II. However, input dealing with certain regulations was received from some regional offices, and, through these regional files, some industry input would have been considered. In this manner, some aspects of the Textile Labelling and Advertising Regulations and the Consumer Packaging and Labelling Regulations were considered in all regions, while the Food and Drugs Regulations were considered by the Ontario regional office in Phase I.

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3. Memo from J.L. Armstrong, Regulatory Review Officer, CCAC, dated July 10, 1980.

3.2 Regulations Not Included in the Formal Review

Within the Consumer Products Branch, certain specific exclusions were made to the review process undertaken in 1980. The Precious Metals Marking Regulations were not included since a review had already been initiated in conjunction with the Canadian Jewellers Association in 1979 and the first round of proposed amendments was scheduled for prepublication in the Canada Gazette Part I in May 1981.

Two facets of the Consumer Packaging and Labelling Regulations and the Food and Drugs Regulations were explicitly not subjected to the formal review exercise. These were the bilingual requirements for labelling of products and the metric conversion requirements. The bilingual requirements had recently been assessed by the department and as a result the Minister made a decision not to propose any changes. Regarding the metric measurement provisions, a separate initiative was underway to ensure that all regulations were expressed in metric units of measurement.

As well, the Energuide Provisions, and the Canada Care Labelling Program were not considered in this review. The Energuide Regulations were relatively new and a sunset clause was being considered, while the Care Labelling Program was to be subjected to a review in conjunction with the CGSB in 1981/82. Other than these noted exceptions, all

regulations under the jurisdiction of the Consumer Products Branch were to be reviewed.

3.3 Results of Phase I Review

The result of the Phase I review work was a section-by-section review of the regulations under five acts administered by the Branch. (See tabular summaries in Annex B)

With respect to all the regulations reviewed, there were no regulations which were so clearly seen as a nuisance, unenforceable, or contradictory that they were recommended for immediate repeal through the annual omnibus bill. The recommendations were mostly to retain the regulations as written or for further study of a substantive nature. The recommendation for further study could involve many types of follow-up, from consultation with other departments, governments, consumers, or experts, to a cost-benefit or impact study.

According to the Phase I Report of July 1981, the number of regulations which were scheduled for further study following Phase I comprised less than 10% of the CAPS Regulations, 30% of the Consumer Packaging and Labelling Regulations, 70% of the Textile Labelling and Advertising Regulations, and 80% of the Food and Drugs Regulations (see Table I. These sections requiring further study were

Table II
CCA Regulatory Review Phase I,
Summary of Recommended Action by Act

Recommendation**	Food and Drugs Act	CAPSA	Consumer Packaging and Labelling Act	Textile Labelling Act	National Trade Mark and True Labelling Act	Precious Metals Marking Act
Retain as Written	290*	536	29	13	8	10
Further Study-housekeeping	135	15	-	1	-	-
Further Study-substantive	155	21	9	31	53	-
Amend	7	-	2	-	11	6
Repeal	2	-	1	-	-	-
Total Section Examined	589	572	41	45	72	
Total Sections in Act			44	45		16
Total Schedules	8		3	3		-

Source: Phase I Results - Summary sheets.

* Numbers indicate number of sections.
** Definitions of each recommended action are indicated in Appendix G.

assigned target dates for completion under Phases II and III. Examples of the regulations needing further study were labelling of piece goods, generic names for textile fibres, and standardization of container sizes. For the most part these regulations noted for further study had already been brought to the attention of Branch officers and were in some cases, already under review by the Branch prior to commencing the formal Regulatory Review.

With respect to the Consumer Packaging and Labelling Regulations, the National Trade Mark and True Labelling Regulations and the Textile Labelling Regulations, the Phase I review resulted in a set of summary sheets for each set of regulations. For each regulation a recommendation for action was made from five designated categories: retain as written, further study (substantive), further study (housekeeping), amend, repeal. The type of consultation to be undertaken, and the estimated completion date were also specified.

Many of the sets of regulations under the National Trade Mark and True Labelling Act such as the Chamois Labelling Regulations, Turpentine Labelling Regulations, and Fur Garment Labelling Regulations were reviewed as a whole, and not on a section-by-section basis. For these, it was indicated in the Phase I Report that the need for such regula-

tions had been questioned by the Review Officer and that coverage may be otherwise available under the Consumer Packaging and Labelling Regulations. Examination of other regulations, such as the Watch Jewels Marking Regulations concluded that voluntary standards should be considered as an alternative for the future.

With respect to the review of the Consumer Packaging and Labelling Regulations and Textile Labelling Regulations, specific sections were noted for further work and some explanation was given of the problems identified and study required. Further work as defined in the Phase I Report could include further consultation, impact assessment or cost-benefit studies.

3.4 Issues Unresolved or Outstanding

In general, the Phase I review for these regulations did not constitute a comprehensive regulatory evaluation as envisioned by the Peterson Task Force or the Economic Council. No specific mention was made of the evaluation issues of on-going rationale, objectives achievement, impacts or alternatives. Furthermore, it seems unlikely, though no documentation exists, that these broad evaluation issues were not explicitly raised nor examined in this review.

During this 1981 CCAC regulatory review, the CAPS and Food and Drugs Regulations over which the Department does not have sole jurisdiction were examined at a technical level looking at the specific subsections. When examined at the technical level, each regulation appeared legitimate and useful to the reviewing officer. However, part of the review mandate was to consider the broader issues -- for example, could this area be transferred to the industry for self-regulation? Does the original problem which this regulation was designed to correct still exist in the marketplace?

This level of evaluation was not undertaken for these regulations. Basically, the Phase I review process for these regulations resulted in an inventory of existing regulations and proposed some technical changes. This prior work provided a foundation on which a broader or more in-depth analysis and follow-up action could be undertaken by Agriculture Canada, Health and Welfare or CCA for the Food and Drugs regulations or CAPS regulations under their jurisdiction.

It seems that a comprehensive regulatory evaluation work as outlined in the 1980 Departmental Plan is no longer

ongoing in the Branch. According to Branch memos,[4] there has never been formal approval to proceed with the comprehensive consultation as originally specified in Phase II. There also appears to be lack of agreement by senior managers regarding whom should take responsibility for follow-up in this formal regulatory review process and what the nature of this follow-up should be. One of the recommendations of the Phase I report of July 1981 was that regulatory evaluation should be integrated with the other evaluation tasks and be carried out by the Program Evaluation Division.

3.5 Follow-up to Phase I of the Regulatory Review Plan

Although the consultation envisioned under Phase II of the Departmental plan which was to look at broad areas of rationale, objectives impacts, and effects has not been undertaken, some of the follow-up work recommended in Phase I has begun. This includes:

1) Textile Labelling Regulations; consultation is ongoing on:

   a) definition of country of origin

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4. Series of memos on subject of Phase II: Nov. 5, 1981 T.R. Robinson to M.F. Hendricks; Jan. 22, 1981, M.F. Hendricks to T.R. Robinson; Feb. 9, 1982, R. McKay to M.F. Hendricks; Feb. 15, 1982, T.R. Robinson to M.F. Hendricks, March 1, 1982, M.F. Hendricks to T.R. Robinson; March 16, 1982, H. McIllroy to T.R. Robinson.

b) down and feather labelling regulations

c) stuffed articles labelling

2) National Trade Mark and True Labelling Regulations:

a) decision to retain Babcock Test Bottle and Pipette regulations has been made

b) Canada Standard Measuring Cups Regulations is in final consultation phase regarding repeal

c) Chamois and Turpentine Regulations are under consideration for repeal

3) Food and Drugs Regulations:

a) Further study recommended by the review is now included in the Branch workplan, including:

i) nutritional labelling for food

ii) durability dating

b) Consultation begun before 1980 continues on:

i) use of the term natural

ii) declaration of sweeteners in the list of ingredients

4) CAPS Act Regulations

The reponsibility of CCAC in the review process terminated with the completion of Phase I and the forwarding of the recommendations to Agriculture Canada. To date CCAC has been consulted regarding revisions to Processed Eggs and Poultry Regulations.

Regulatory review work is undertaken through the ongoing process of consumer and industry liaison within the Consumer Products Branch in which program officers deal mainly with complaints which arise on a daily basis. No specific regulatory amendments which were identified as a result of the 1980 review have been completed and approved. As noted above, some proposals arising from this review have been introduced to the interested parties through departmental communiqués and other consultation and are included in the Branch workplan.

A formal process for the evaluation of new regulations was put in place by Treasury Board in 1978. According to Chapter 490 of the Treasury Board Administrative Manual, the introduction of a "major" regulation in the areas of health, safety and fairness with cost implications for the private sector of over $10 million must now be subjected to a formal socio-economic impact assessment. In this assessment, a cost-benefit analysis is to be carried out. This new requirement meets the recommendations of the Economic Council and others for the evaluation of new regulations.

To date no SEIAs have been required for regulations administered by the Consumer Products Branch. For minor regulations, any socio-economic evaluation is completed on an informal basis since no SEIA is required. The broader

questions identified by the Economic Council regarding objectives, consequences and alternatives to new regulations may also be implicitly addressed by the Branch and interested parties during the consultation regarding regulatory amendments of a major or minor nature.

In addition to the ongoing Consumer Products Branch regulatory review which deals with day-to-day problems arising from enforcement of regulations in a constantly changing market, there still remains the need to undertake a more comprehensive regulatory review, as envisaged by the Departmental Plan in Phase II and III, addressing the role of regulation, its objectives achievements, impacts and alternatives.

As noted, the Phase I report recommended that this responsibility for regulatory review be integrated with the other evaluation tasks and carried out by the Program Evaluation Division of the Department as part of its ongoing responsibility in the course of evaluating Departmental programs. As a result, in the design of the Evaluation Framework for the Traded Goods component a regulatory review has been included.

4. The Program Evaluation Division Traded Goods Evaluation Study and Regulatory Review

Within the Traded Goods Evaluation Study it has been proposed to assess the rationale, impacts and effects of specific regulations administered by the Consumer Products Branch and relating to the textile and food sectors.

Several independant study modules have been designed including interviews and case studies. Through these different approaches information will be collected principally on the rationale but additionally on the impacts of these regulations. The ongoing rationale issue may address such questions as: the current socio-economic conditions compared with the original conditions which lead to the institution of the regulations; who benefits from and who pays for the regulations; and the current perception of the government's role in the marketplace with respect to packaging, labelling and composition regulations.

Since it is acknowledged to be difficult to accurately measure the impacts of such regulations in a quantitative manner, the data to be collected on impacts will be mostly of a qualitative nature.

In general the evaluation study modules will undertake to assess the role of these regulations and their impacts on

a relatively more comprehensive and less technical level than was done by the regulatory review within the Consumer Products Branch in 1980-81.

Although the need continues for an ongoing day-to-day review of specific regulations by Branch officers, this evaluation study will provide a unique opportunity to examine the concepts and rationale which underlie the regulations, and enquire more deeply into the perceptions of the need for and impact of the regulations.

5. Conclusions

This paper has sought to document the history of regulatory review initiatives within the federal government and the implementation of such a review process by the Consumer Products Branch of CCAC.

Following the major review undertaken in 1980, there has been no formal follow-up. In an informal sense, review of regulations is undertaken on a daily basis by Branch officers who deal with industry and consumers to assess regulatory problems and design specific amendments. The responsibility for a comprehensive review of the role of regulation in CCAC activities has been delegated to the Program Evaluation Division to be included as part of the formal evaluation process. Building on the technical

reviews carried out by the Consumer Products Branch in 1980, the Traded Goods Evaluation is attempting to assess the rationale for specific regulations and their impacts, in a manner recommended by the Economic Council, Peterson Task Force, and the Minister of the Treasury Board.

The guidelines set out by the Office of the Comptroller General in the "Principles for the Evaluation of Programs by Federal Departments and Agencies" are also applicable to regulatory evaluation. An evaluation undertaken by the Program Evaluation Division according to these principles will be credible and acceptable to the central agencies which are interested in the results.

ANNEX A

PHASE I REGULATORY REVIEW

PROPOSED CATALOGUING PROCEDURE

Annex A

Phase I Regulatory Review

Proposed Cataloguing Procedure

A. Nature and purpose of the regulationn

1. Identify the nature of the conditions that brought about regulatory intervention.
2. Do the conditions still pevail, or would they prevail in the absence of regulation?
3. Do you anticipate that any exogenous factors, e.g., economic, technological, will render the regulation superfluous in the near future?
4. What are the explicit objectives of the regulation?
5. Have there been any unwanted consequences not envisioned in the legislation?
6. Does the regulation conflict with or overlap any other federal or provincial regulations?
7. Provide a brief outline history of the legislation.

B. Scope of the Regulation

1. Estimated value of the goods and/or services subject to the regulation.

2. Estimated number of individuals or firms subject to the regulation.
3. Estimated number of beneficiaries.*
4. Estimated value of the regulation to the beneficiaries; high, medium, low.**

* Consumers of the regulated product or service

** An appropriate dollar range will be assigned at a later date.

C. Cost of Regulation

1. Budget of the regulatory authority.
2. Cost of compliance, high medium, low.
3. Cost of the regulation to the beneficiaries; high, medium, low.
   This category should be restricted to higher prices that may be directly attributed to the regulation.

D. Perceptions of the Regulation***

1. Identify the primary benefit(s) of the regulation as seen by:
   (a) regulators
   (b) regulatees
   (c) beneficiaries

2. Identify the primary disadvantage(s) of the regulation as seen by:

   (a) regulators

   (b) regulatees

   (c) beneficiaires

*** It is important that these points represent to the extent possible positions or stated feelings of the different parties.

ANNEX B

TABULAR SUMMARIES OF RESULTS

OF PHASE I REVIEW

Annex B

Tabular Summaries of Results of Phase I Review

These summaries were produced by the Regulatory Review and Liaison Officer for each set of regulations. They were attached to the Phase I Report of July 1981. They contain a section-by-section recommendation for follow-up work and a suggested approach for the consultation process. These summaries are derived from the Regulatory Review Summary Sheets which were prepared by the Consumer Products Branch Officers.

As mentioned, the seven sets of National Trade Mark and True Labelling Regulations were reviewed as sets and not on a section-by-section basis.

TEXTILE LABELLING AND ADVERTISING REGULATIONS

SECTION	SUB-HEADINGS OF REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	PH. III
1	SHORT TITLE	Retain	-----	-----	-----	-----	-----
2	INTERPRETATION	Further Study Required	Mail	-----			
3	LABELLING REQUIREMENTS	Further Study Required	Mail	-----			
4	ARTICLES TO BE LABELLED AS REQUIRED	Retain	-----	-----	-----	-----	-----
5	Articles to be labelled as required	Further Study Required	Mail				
6	Exemption for labelling requirements	Retain	-----	-----	-----	-----	-----
7	Exemptions for education, public utilities, etc.	Further Study Required	Mail	-----			
8	Labelling of Imports	Retain	-----	-----	-----	-----	-----
9	Second-hand articles	Further Study Required	Mail	-----	-----	-----	-----
9.1	Piece goods by mail order	Retain	-----	-----	-----	-----	-----
10	Stuffed articles - provincial	Further Study Required	Mail	-----			
	INFORMATIONS TO BE SHOWN IN LABEL						
11	Information	Further Study Required	Mail	-----			
12	Dealer Identification	Further Study Required	Mail	-----			

TEXTILE LABELLING AND ADVERTISING REGULATIONS

SECTION	SUB-HEADINGS OF REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	MANNER IN WHICH INFORMATION IS TO BE SHOWN						
13	Legibility and size type	Retain	-----	-----	-----	-----	-----
14	Manner of display	Further Study Required	Mail	-----			
15, 16, 17	Readily accessible	Retain	-----	-----	-----	-----	-----
18	Remnants	Further Study Required	Mail	-----			
19	Piece Goods	Further Study Required	Mail	-----			
	FORM OF LABEL AND MANNER OF APPLICATION						
20	Thread, yarn, twine	Retain	-----	-----	-----	-----	-----
21	Wrappers, packages, containers	Retain	-----	-----	-----	-----	-----
22, 23, 24	ADVERTISING REQUIREMENTS	Further Study Required	Mail	-----			
25	MANNER IN WHICH TEXTILE FIBRE CONTENT IS TO BE SHOWN	Further Study Required	Mail	-----			
26	GENERIC NAMES FOR TEXTILE FIBRES	Further Study Required	Mail	-----			
27	TEXTILE FIBRE FOR WHICH NO GENERIC NAME HAS BEEN PRESCRIBED	Further Study Required	Mail	-----			

TEXTILE LABELLING AND ADVERTISING REGULATIONS

SECTION	SUB-HEADINGS OF REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
28, 29, 30	AMOUNT OF TEXTILE FIBRE	Further Study Required	Mail	------			
	TEXTILE FIBRE CONTENT						
31	Textile fibre content	Further Study Required	Mail	------			
32, 33	Unknown & reprocessed fibres	Retain	-----	-----	-----	-----	-----
34	SECTIONS	Further Study Required	-----	-----	-----	-----	-----
35	PILE FABRICS	Further Study Required	Mail	-----			
36	TRIMMINGS	Further Study Required Housekeeping	-----	-----			
37, 38	LININGS, INTERLININGS, PADDINGS AND FINDINGS	Further Study Required	Mail	-----			
39	FINDINGS	Further Study Required	Mail	-----			
40	TRADE MARKS & DESCRIPTIVE TERMS	Further Study Required	Mail	-----			
41 - 45	FALSE OR MISLEADING REPRESENTATION	Further Study Required	Mail	Yes			
					12	82/83	83/84

NOTE: As a result of the initial mailing in the consultation phase, meetings may be required.

CONSUMER PACKAGING AND LABELLING REGULATIONS

SECTION	REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
1, 2	Short Title & Interpretation	Retain	-	-	-	-	-
3	Exemptions from all provisions of the Act	Further Study Required	mail	-			
4	Exemptions from sections 4, 5, 6, 8 and 10 of the Act	Retain	-	-	-	-	-
5	Exemptions from section 4 and Subparagraph 10(b)(ii) of Act	Further Study Required	mail				
6	Bilingual Requirements and Exemptions	(Test Market Provisions only)	mail	-			
7, 8, 9, 10, 11	Application of label to Prepackaged Product	Retain	-	-	-	-	-
12, 13	Part of label on which information is to be shown	Retain	-	-	-	-	-
14, 15, 16	Size of Type in which Information to be Shown	Retain	-	-	-	-	-
17	Declarations of Net Quantity	Retain	-	-	-	-	-
18	Exemption from Net Quantity Declaration	Retain	-	-	-	-	-
19	Exemption from Metric Net Quantity Declaration and Type Size Requirement	Retain	-	-	-	-	-

CONSUMER PACKAGING AND LABELLING REGULATIONS

SECTION	REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
21, 22	Manner of Declaring Net Quantity	Further Study Required (section 23 only)					
23	Manner of Declaring Net Quantity	Repeal (Item 10 of Table to 22(1) only)	mail	-			
24, 25, 26 27, 27.1	Units of Measurement	Retain	-	-	-	-	-
28	Prepackaged Products Consisting of Prepackaged Products Packaged Separately	Retain	-	-	-	-	-
29	Advertisements	Repeal 29(2) only Amend 29(1) only					
30, 31	Name and Other Information	Amend 31(2) only					
32	Exemption from Subparagraphs 10(b)(i) and (ii) of the Act	Retain	-	-	-	-	-
33	Representation as to Number of Servings	Further Study Required	mail	-			
34	Pictorial Representations on Food Labels	Further Study Required	mail	-			
35	Declaration of Nominal Volume	Retain	-	-	-	-	-
36	Standardization of Container Sizes	Further Study Required (all) Amend (36(1)(i)(i) and 36(5) only	mail	-			

CONSUMER PACKAGING AND LABELLING REGULATIONS

SECTION	REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	PH. III
37	Capacity of Receptacles	Further Study Required	mail	-			
38	Tolerances	Retain	-	-	-	-	-
39, 40	Inspectionn	Further Study Required (section 39 only)	mail	-			
					12	82-83	84-85

NOTES: 1) Section 20 has been revoked and the number remains unused.
2) As a result of the initial mailing in the consultation phase, meetings may be required.

NATIONAL TRADE MARK & LABELLING REGULATIONS

SECTION	REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	National Trade Mark Greament Sizing Regulations	Amend	Mail	-			
	Babcock Test Bottles and Pipettes Regulations	Retain	-	-	-	-	-
	Canada Standard Measuring Cups and Spoons Regulations	Further Study Required	Mail	Yes			
	Chamois Labelling Regulations	Further Study Required	Mail	Yes			
	Turpentine Labelling Regulations	Further Study Required	Mail	Yes			
	Fur Garment Regulations	Further Study Required	Mail	Yes			
	Watch Jewels Marking Regulations	Further Study Required	Mail	Yes			
					9	82-83	84-85

NOTE: As a result of the initial mailing in the consultation phase, meetings may be required.

FOOD AND DRUGS REGULATIONS

SECTION	REGULATIONS	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	PH. III
	Part A	Further study	Mail & Meetings	No	0.5	1982	1983
	Part B Division 1	Further study	Mail & Meetings	Yes	6.0	1983	1985
	Part D	Further study	Mail & Meetings	Yes	6.0	1984	1985
	Part E	Further study	Mail & Meetings	No	0.5	1982	1984

FOOD AND DRUGS REGULATIONS

REGULATION FOOD & DRUG REGULATIONS	RECOMMENDATION	CONSULTATION PROCESS	C.R.E.B. SUPPORT	EST. P.M. C.P.B.	EST. COMPLETION PH. II	 PH. III
Part B:						
Division 2	Further study	Mail & meetings	No	0.75	1983	1984
Division 3	Further study	No label changes				
Division 4	Further sutudy	Mail & meetings	No	0.5	1984	1985
Division 5	Further study	Mail & meetings	Yes	0.75	1983	1985
Division 6	Further study	No label changes				
Division 7	Further study	Mail & meetings	Yes	2	1983	1985
Division 8	Further study	Mail & meetings	Yes	6	1983	1985
Division 9	Further study	Mail & meetings	No	2	1982	1984
Division 10	Further study	Mail & meetings	No	6	1983	1985
Division 11	Further study	Mail & meetings	No	6	1983	1985
Division 12	Further study	Mail & meetings	No	2	1983	1984
Division 13	Further study	Mail & meetings	Yes	5	1983	1985
Division 14	Further study	Mail & meetings	Yes	5	1983	1985
Division 15	Retain					
Division 16	Retain					
Division 17	Further study	Mail & meetings	No	2	1983	1985
Division 18	Further study	Mail & meetings	No	4	1983	1984
Division 19	Further study	Mail & meetings	No	3	1983	1984
Division 20	Further study	Mail & meetings	Yes	2	1983	1984
Division 21	Further study	No label changes				
Division 22	Further study	Mail & meetings	Yes	4	1983	1985
Division 23	Retain					
Division 24	Further study	Mail & meetings	Yes	6	1983	1985
Division 25	Further study	Mail & meetings	No	4	1984	1985

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	Fresh Fruit & Vegetables				1.6		
1-2	Short Title & Interpretations	Retain	-	-	-	-	-
3	Part I: Grades & Standards	3(1) Retain, 3(2) & 3(3) Further Study (substantive)		-		83-84*	84-85
4-8	Part II: Packaging	4(2) Further Study (substantive) 4(1) & 5-8 Retain					
9-26	Part III: Application Marking	9-23 & 25-26 Retain 24 Further Study (housekeeping)		-		82-83*	83-84
27-29	Part IV: Interprovincial Trade	Retain	-	-	-	-	-
30-34	Part V: Exports	Retain	-	-	-	-	-
35-39	Part VI: Imports	Retain	-	-	-	-	-
40-43	Part VII: Inspection	Retain	-	-	-	-	-
44-48	Part VIII: Seizure and Detention	Retain					
49-55	Part IX: Fees	Retain	-	-	-	-	-
59-65	Part X: Registered Produce Warehouses	Retain	-	-	-	-	-

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
1-66	Schedule I - Table I	Retain	-	-	-	-	-
1-80	Schedule I - Table II	1-66 and 71-80 Retain 67-70 Further Study (substantive)		-		83-84*	84-85*
	Schedule II - Standard Packages	Retain	-	-	-	-	-

* Phase II and III activities turned over to Agriculture Canada with revision recommendations for their implementation at the conclusion of Phase I. Completion dates represent our estimate of likely A.C. implementation timing.

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	Processed Fruit & Vegetables				.8		
1-2	Short Title and Interpret.	Retain	-	-	-	-	-
3-9	Part I: Grades & Standards	3-8 Retain, 9 Further study (substantive)		-			
10-19	Part II: Registration of Establishments	Retain	-	-	-	-	-
20-30	Part III: Packing	Retain	-	-	-	-	-
31-47	Part IV: Marking	Retain	-	-	-	-	-
48-51	Part V: Inspection and Certification	Retain	-	-	-	-	-
52-55	Part VI: Export and Interprovincial Trade	Retain	-	-	-	-	-
56-64	Part VII: Imports	Retain	-	-	-	-	-
65-69	Part VIII: Seizure and Detention	Retain	-	-	-	-	-
	Schedules I & II	Retain	-	-	-	-	-

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	PH. III
	Dairy Products Regulations				1.7		
1-2	Short Title & Interpretation	1 Retain 2 Further Study (substantive)		-		83-84*	84-85
3-23	Part I: Standards	3-11 & 14-15 & 17-18 & 20-21 & 23 Retain 12, 13, 16, 19, 22 Further study (substantive)		-		83-84*	84-85
24-73	Part II: International and Interprovincial Trade	Retain	-	-	-	-	-
74-81	Part III: Administration	74-76 and 80-81 Retain 77-79 Further study (housekeeping)		-		83-84*	83-85
	Schedules I - VII	Retain	-	-	-	-	-

* see note Fresh Fruit & Vegetables table

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	Egg Regulations				3.2		
1-2	Short Title & Interpretation	Retain	-	-	-	-	-
3-9	Part I: Grade Names Grading	3 Further Study (substantive) 4-9 Retain		-		83-84*	84-85*
10-13	Part II: Packing	Retain	-	-	-	-	-
14-22	Part III: Marking	Retain	-	-	-	-	-
23-25	Part IV: Inspection and Certification	Retain	-	-	-	-	-
26-29	Part V: Export and Interprovincial Trade	26-29 Retain 27-28 Further study (substantive)		-		83-84*	84-85*
30	Part VI: Imports	Retain	-	-	-	-	-
31-32	Part VII: Reports	Retain	-	-	-	-	-
33-37	Part VIII: Seizure & Detention	33 Further Study (housekeeping) 37-37 Retain		-		82-83*	83-84*
	Schedule I	Further study (subst.)		-		83-84*	84-85*
	Schedule II	Further study (subst.)		-		83-84*	84-85*
	Schedule III	Further study (subst.)		-		83-84*	84-85*
	Schedule IV	Further study (subst.)		-		83-84*	84-85*

*See note Fresh Fruit & Vegetables table

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	PH. III
	Processed Poultry Regulations				.8		
1-2	Short Title & Interpretation	Retain	-	-	-	-	-
3-26	Part I: Standards	3 & 5-8 & 10-19 & 23-26 Retain 4 & 9 & 20-22 Further study (housekeeping)		-		82-83*	83-84
27-31	Part II: International and Interprovincial Trade	27-30 Retain 31 Further Study (housekeeping)		-		82-83*	83-84
32-38	Part III: Administration	Retain	-	-	-	-	-

*See note Fresh Fruit & Vegetables Table

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	Maple Products Regulations				1.6		
1-3	Short Title, Interpretation and Application	Retain	-	-	-	-	-
4-8	Part I: Grades and Grading	Retain	-	-	-	-	-
9-10	Part II: Packing	Retain	-	-	-	-	-
11-12	Part III: Marking	Retain	-	-	-	-	-
13-14	Part IV: Inspection and Certification	Retain	-	-	-	-	-
15-19	Part V: Export and Interprovincial Trade	Retain	-	-	-	-	-
0-23	Part VI: Seizure, Detention and Forfeiture	20-21 Further study (housekeeping) 22-23 Retain		-		82-83*	83-84
	Schedule I	Further study (subst.)		-		83-84*	84-85
	Schedule II -n IV	Retain	-	-	-	-	-
	Schedule V	Further study (housekeeping)		-		82-83*	83-84

*See note Fresh Fruit & Vegetables

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	Processed Egg Regulations				.4		
1-2	Short Title & Interpretation	Retain	-	-	-	-	-
3-16	Part I: Grades and Grade Requirements	Retain	-	-	-	-	-
17-22	Part II: Interprovincial and International Trade	Retain	-	-	-	-	-
23-29	Part III: Administration	23-24 and 26-29 Retain 25 Further Study (housekeeping)		-		82-83*	83-84
	Schedule I	Retain	-	-	-	-	-
	Schedule II	Retain	-	-	-	-	-

*See note Fresh Fruit & Vegetables table

CANADA AGRICULTURAL PRODUCTS STANDARDS REGULATIONS

SECTION	REGULATION	RECOMMENDATION	CONSULT. PROCESS	CREB SUPPORT	EST.PM, CPB	EST. COMPLETION PH. II	EST. COMPLETION PH. III
	Honey Regulations				-		
1-4	Short Title, Interpretation, Delegation of Power and Application	Retain	-	-	-	-	-
5-27	Part I: Grading	Retain	-	-	-	-	-
28-34	Part II: Packing	Retain	-	-	-	-	-
35-37	Part III: Marking	Retain	-	-	-	-	-
38-45	Part IV: Inspection and Certification	Retain	-	-	-	-	-
46-54	Part V: Imports and Exports	Retain	-	-	-	-	-
55-59	Part IV: Seizure & Detention	Retain	-	-	-	-	-
	Schedule I	Retain	-	-	-	-	-

ANNEX C

BACKGROUND DOCUMENTS

Annex C

Background Documents

Economic Council of Canada, Responsible Regulations Interim Report, November 1979.

Economic Council of Canada, Working Paper #2, Regulation Reference, Rationalizing the Regulatory Decision Making Process: The Prospects for Reform. G.B. Doern, September 1979.

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REVIEW OF REGULATORY REFORM ACTIVITIES IN THE CONSUMER PRODUCTS AREA, 1979-1983

R. Gordon Cassidy
and
J. Johnstone
G. Cassidy Consulting Ltd.

Prepared for:

Program Evaluation Division
Bureau of Policy Coordination
Consumer and Corporate Affairs

October 1984

This report is one of several prepared by independent consultants as input for the evaluation of the Consumer Products Regulation Review and Consultation process. All evidence, advice and recommendations represent the independent views of the consultant rather than the views of the Government of Canada or any of its departments or agencies.

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LIST OF APPENDICES

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Executive summary

This report reviews the genesis for the regulatory reform process which occurred from 1979 to 1983 (and is ongoing) and then examined specifically for the the progress which has been made for the specific acts and regulations included in the review.

The regulatory reform process originated from a number of sources including a Treasury Board circular which required each department to review all of its programs (including regulations and acts) on a 3 to 5 year cycle. Subsequent work by the Economic Council of Canada and a special House of Commons Committee proposed departments undertake a broad review of regulations under their jurisdiction in order to ensure that regulations were only used where appropriate and were of a form and substance most amenable to the original purposes of those acts and regulations.

The Department of Consumer and Corporate Affairs as a result of a work plan proposed in January 1981 by the President of the Treasury Board undertook to do a comprehensive review of its regulations and acts in a 3 phase process. Phase 1 was to be an inventory of regulations and identification of possible changes to Acts and regulations; Phase 2 a consultation with interested and concerned parties in public and private sectors; and Phase 3

the actual passing of changes either to acts or regulations or both.

In 1981 the Department proposed a very ambitious plan for the review of regulations directly under its jurisdiction and about which it had concerns. The proposal was that phases 1, 2, and 3 would be completed by 1983/84. The Consumer Products Branch subsequently undertook a review and some examination of the underlying rationale for the Acts it directly controlled, including:

Consumer Packaging and Labelling Act
Textile Labelling Act
National Trademark and True Labelling Act
Precious Metals Marking act

where the acts had not been reviewed in the immediate past. This review consisted primarily of officers within the division using their own knowledge from previous review of regulations and consultation with industry to determine areas where changes might be made. Because of resource limitations it was not possible to explicitly examine all regulations in all of the acts to determine if the rationale was still valid and that the impacts justified the current form and function of those regulations. As such, the progress consisted primarily of an identification of potential changes without any completion at this point with respect to actual amendments to the various acts.

In the case of the two acts for which it does not propose amentments (but on which it is consulted and to which the Minister has significant input) the Food and Drug Act and the

Canada Agricultural Products Standards Act, the Department undertook a more specific review of problems which had occurred and regulations which, from a departmental perspective, needed revision. During the subsequent three years the Department has identified a number of changes and proposed amendments to all of the acts and regulations, but at this point has completed only phase 1 of the regulatory review in identifying problems and proposed changes.

A number of the proposed amendments are to be published in the near future in Part I of the Canada Gazette and will subsequently require extensive consultation with interested parties and groups in the case of major substantive changes to regulations. Many of the other regulations and problems (e.g. in the Food and Drugs Act), because of the time delay will require a re-examination to determine whether changes should, or could be made. Thus the Department is currently proceeding with specific changes in a number of areas to phases II and III and in other cases, particularly with respect to food packaging and labelling, may re-initiate much of the phase I regulatory reform process in order to determine changes which must be made to acts and regulations.

The regulatory reform permitted the department to undertake a broad examination of the rationale and purposes of the acts and regulations directly under its control. This was basically done through officers' own knowledge of the acts and regulations and

based on their prior experience, an identification of potential changes. Due to resource limitations and the timing involved it was not possible to review every regulation in the acts to determine if the underlying rationale and impact was as originally anticipated. A more comprehensive review would consist of an identification of all the regulations and an examination of their underlying rationale and impact. The department must decide whether this is necessary to undertake in the future.

Amendments will continue to be made to these acts and regulations by the department and recommendations made to other departments, specifically Health and Welfare Canada and Agriculture Canada for changes to those acts and regulations consistent with the mandate and interest of Consumer and Corporate Affairs. While the regulatory reform process permitted a broader examination of regulations and acts, it will be some years before amendments themselves are realized and changes consistent with the purpose of those acts are implemented.

1. Introduction

The purpose of this paper is to review the regulatory reform activities of the Consumer Products Branch from 1979 to 1983. While the review will focus on the process undertaken by the different divisions within the Consumer Products Branch, the primary aim is to identify what actually occurred in terms of the regulatory review. In order to undertake this review we will first begin with broad background description of the rationale for regulatory review in the government generally, and then with respect to CCA. We will review prior regulatory review work conducted by Departmental line management, to determine the process followed, which issues were addressed, which issues are outstanding and as a result what remains to be done in the Regulatory Review of regulations by Consumer Products Branch. Finally, we will examine what actually happened in The Consumer Products Subactivity in the regulatory review and reform process and the issues which remain outstanding.

Six Acts and their corresponding regulations will be considered in this report. In differing degrees they are the jurisdiction of the Consumer Products Branch and are:

Food and Drug Act
Canada Agricultural Products Standards Act
Consumer Packaging and Labelling Act
Textile Labelling Act
National Trade Mark and True labelling Act
Precious Metals Marking Act

Consumer and Corporate Affairs possesses different degrees of authority for these Acts. The Consumer Packaging and Labelling Act, Textile Labelling Act, National Trade Mark and True Labelling Act and the Precious Metals Marking Act are the sole jurisdiction of CCA and they are empowered to make any necessary changes.

The Food and Drug regulations are administered jointly by Health and Welfare Canada and Consumer and Corporate Affairs Canada. CCA's jurisdiction is:

(a) The administration of the labelling, advertising and packaging of foods and the interpretation of regulations relating to food composition as required for these purposes;

(b) The interpretation, development, amendment and enforcement of Food and Drug regulations, concerning labelling, advertising and packaging of foods;

(c) The enforcement of regulations dealing with economic fraud in foods.

CCA's role is primarily consultative for the other Food and Drug regulations. That is, while Health and Welfare Canada retains the authority to propose amendments to the Food and Drug Act and associated regulations, Consumer and Corporate Affairs is consulted and may bring forward proposed amendments. Such amendments, if they are to the Act itself, must obtain Parliamentary approval and if to the Regulations, must go through the Privy Council where the Minister for Consumer and Corporate Affairs may also make an input. Thus while the legislative and regulatory authority rests with Health and Welfare Canada, there is a joint consultative nature in both the proposing of amendments and changes within the departments and between them,

and also a joint consultative approval process either through Parliament (changes in the Act) or the Privy Council.

The Canada Agricultural Products Standard Act (CAPS Act) is administered jointly by Agriculture Canada and CCA. By interdepartmental agreement, Agriculture Canada retains the authority to develop amendments to the regulations. In the case of the Department of Agriculture, it takes the initiative for each of the potential amendments or changes and as it deems necessary, consults with Consumer and Corporate Affairs and other interested groups.

2. General Background and Rationale of Regulatory Review and Reform

The formalized regulatory review and reform process has evolved as a result of various committees, reports, and studies. This section outlines the historical development of regulatory review and reform in Canada.

In 1977, the Treasury Board issued a Policy Circular entitled "Evaluation of Programs by Departments and Agencies." The general statement of the policy is that:

> "Departments and agencies of the federal government will periodically review their programs to evaluate their effectiveness in meeting their objectives and the efficiency with which they are being administered."[1]

Four general classes of Evaluation Issues and seven basic evaluation questions are provided. The distinguishing features of program evaluation are that this function:

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1. The Treasury Board of Canada, Office of the Comptroller General of Canada, Guide on the Program Evaluation Function, May 1981, p. 5.

- focuses on the impacts and effects of programs, not on the ongoing operations of programs; and

- does not take the program as given but questions its very existence and considers alternatives.[2]

This Policy Circular is intended to cover both expenditure and regulatory programs.[3]

> "Under Treasury Board Policy Directive 1977-47, federal departments are required to carry out periodic evaluation of all departmental activities, including regulatory activities."[4]

The specific concept of regulatory review was initiated at the meeting of First Ministers in February 1978. It should be noted that regulatory reform has a narrower focus than program evaluation, although it is a necessary part of any such evaluation. Regarding "The Business Environment," the communique issued at the close of the meeting said, in part,

> "The burden of government regulation on the private sector should be reduced and the burden of overlapping federal and provincial jurisdictions should be eliminated. Procedures will be instituted to review the effects of regulatory action on jobs and costs. First Ministers agreed that the whole matter of economic regulation at all levels of government should be referred to the Economic Council of Canada for recommendations for action, in consultation with the provinces and the private sector."[5]

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2. Ibid, p. 21.

3. Chairman, Economic Council of Canada, An Interim Report by the Economic council of Canada, Nov 1979,p.115 footnote 34

4. Department of Consumer and Corporate Affairs, Regulatory Agenda, May 1983, p. 3.

5. First Minister's Conference on the Economy, Nov. 27-29, 1978. Progress Report on Commitments undertaken by first Ministers at the Feb 1978 Conference on the Economy, p. 10.

Terms of reference were incorporated into a July 12, 1978 letter from the Prime Minister to the Chairman of the Economic Council, which asked the Council to undertake a series of studies and provide concrete recommendations on regulation in Canada (text of letter is Appendix A).

By November 1978 work was underway in various departments: "most major federal regulatory departments have underway projects or studies on regulatory reform. These activities range...to reviewing food and drug regulations with a view to eliminating redundant, obsolete or inconsistent requirements...."[6]

In the first of three reports issued, in November 1978, the Economic Council of Canada states "it would be most useful if each province and the federal government would take responsibility for compiling an inventory and analysis of its regulatory statutes, pursuant regulations, regulatory agencies, etc., within a common framework to be developed by the staff of the Council."[7]

Although the Economic Council reports do not have the force of a Cabinet decision, the directives resulting from this 3 year, two million dollar study had a large impact on Consumer and Corporate Affairs.[8] A three-phase regulatory review and reform workplan was developed by Consumer and Corporate Affairs in 1980.

6. Ibid, p. 12.

7. Chairman, Economic Council of Canada, Regulation Reference: A Preliminary Report to First Ministers, November 1978, p. 27.

8. Senior Policy Advisor, Consumer Affairs Policy on Regulation - a Discussion Paper, Mar 1980, p.2.

The Deputy Minister stated that this "was an endeavour to make sure that it complied with the general directives of government on the matter and especially with those of the Economic Council of Canada: the program was expected to meet the standards of the Program Branch of Treasury Board and the Office of the Comptroller General."[9]

Further direction for the regulatory review and reform program was provided in the final report of the House of Commons Special Committee on Regulatory Reform (the Peterson Task Force). Their terms of reference follow, and were approved by the House on May 23, 1980:

> "to examine and report upon government regulation in order to minimize the burden on the private sector, including:
>
> - the objectiveness, effectiveness and economic impact and expanding scope of such regulations;
> - alternative techniques for achieving regulatory objectives;
> - ways by which overlap of federal and provincial jurisdictions may be eliminated."[10]

Relevant recommendations issued in this Special Committee's final December 1980 report were:

> Rec. 6: We recommend that all proposed regulations be subjected to an appropriate impact assessment to be performed by the sponsoring department or agency.[11]

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9. George Post, DM CCA, "Minutes-Management Committee" Wednesday, March 19, 1980, p. 4.

10. Report of the Special House of Commons Committee on Regulatory Reform, December 1980, p. 1.

11. Ibid, p. iii.

The Peterson Task Force stressed that assessment of any regulation, existing or proposed, should include the consideration of basic questions:

> What is the problem?
> What alternative solutions have been considered?
> How will this proposal help?
> What are its drawbacks?
> What are its advantages?
> Who will gain and who will lose?
> Why is it the best means of dealing with the problem?[12]

In direct contrast to these specific questions, the ECC stated that either of the following 2 sets of broad questions should be answered for an effective review:

1. i) What are the objectives of government regulation?
   ii) What are the alternatives?
   iii) What are the consequences of each alternative?
   iv) Which is the preferred alternative?
   v) Has regulation been effective?[13]

2. i) What are the present objectives?
   ii) Are the original objectives still relevant?
   iii) What are the priorities and trade-offs if multiple objectives exist?
   iv) What means are used to achieve the objectives?
   v) What are the effects, intentional or unintentional of the program? (includes economic and non-economic considerations)
   vi) What other means could be used to achieve the same objectives?[14]

Additional recommendations from the House of Commons Special Committee are as follows:

> Rec. 7: We recommend that each department and agency review immediately its regulatory statutes and regulations to:
>
> a) identify unnecessary and outdated regulatory statutes and regulations; and
>
> b) set a schedule for more detailed review and further action.

12. Ibid, p. 9.

13. Chairman, Economic Council of Canada, Responsible Regulation: An Interim Report, November 1979, p. 32.

14. Ibid, p.79

Rec. 8: We recommend that departments and agencies ensure that all their regulatory activities are evaluated periodically under the program evaluation system administered by the Office of the Comptroller General.

Rec. 29: We recommend that where overlap, duplication or conflict of regulatory requirements exist within the federal government or between federal and provincial jurisdictions, the Government take action to reduce or eliminate the burden on the private sector. In particular, immediate action should be taken in the areas of occupational health and safety, food labelling, advertising, and food production and processing.[15]

The Office of the Co-ordinator, Regulatory Reform was established in October 1979 within the Treasury Board to act as a catalyst for regulatory reform, to aid and encourage departments and agencies in their efforts, and to co-ordinate the Government's overall initiatives. The mandate was three-fold. The first aspect was the review and housecleaning of existing statutes and regulations, which led to an omnibus bill to repeal obsolete federal legislation. Related steps are the review of additional legislation with a view to rationalization, i.e. amendment, consolidation, and elimination of unused parts of statutes, and the review with federal agencies and departments of contradictory and duplicative regulations. The second aspect was reform of the existing process of regulation. The third aspect was selective changes in the framework to reduce the burden on the private sector.[16]

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15. Report of the Special House of Commons Committee, p. iii, vi.

16. Administrative Policy Branch, Treasury Board of Canada, 1980: Fourth Annual Report p. 30, 31.

Because the Office of Regulatory Reform was established to co-ordinate and facilitate regulatory reform, not implement the programs, apparently no directives were issued from the Treasury Board detailing what questions were to be addressed and answered. Each Department had the authority to develop their own format and implement the program accordingly.

In October, 1980, Cabinet approved a memorandum "Government Regulation: A Situation Report and Work Plan." Because the Peterson Task Force had not yet reported, it contained few details on specific reform activities, but identified three basic components of a work plan:

(1) a review and housecleaning of existing statutes and subordinate regulations;

(2) further improvements to the federal regulatory process;

(3) selective deregulation of industries or activities.

In January 1981, after studying the recommendations of the Peterson Task Force, the Lambert Report, and the ECC Regulation Reference Interim Report, the President of the Treasury Board asked for and obtained agreement of Ministers to a work plan. A directive from the Prime Minister through the Minister of State for the Treasury Board required CCAC, as a major regulatory department, to undertake a concerted program of regulatory review and reform.

A related activity of many of the above committees was to change the regulatory amendment process. Appendix B briefly describes how this process has been changed, and what is presently required to pass an amendment.

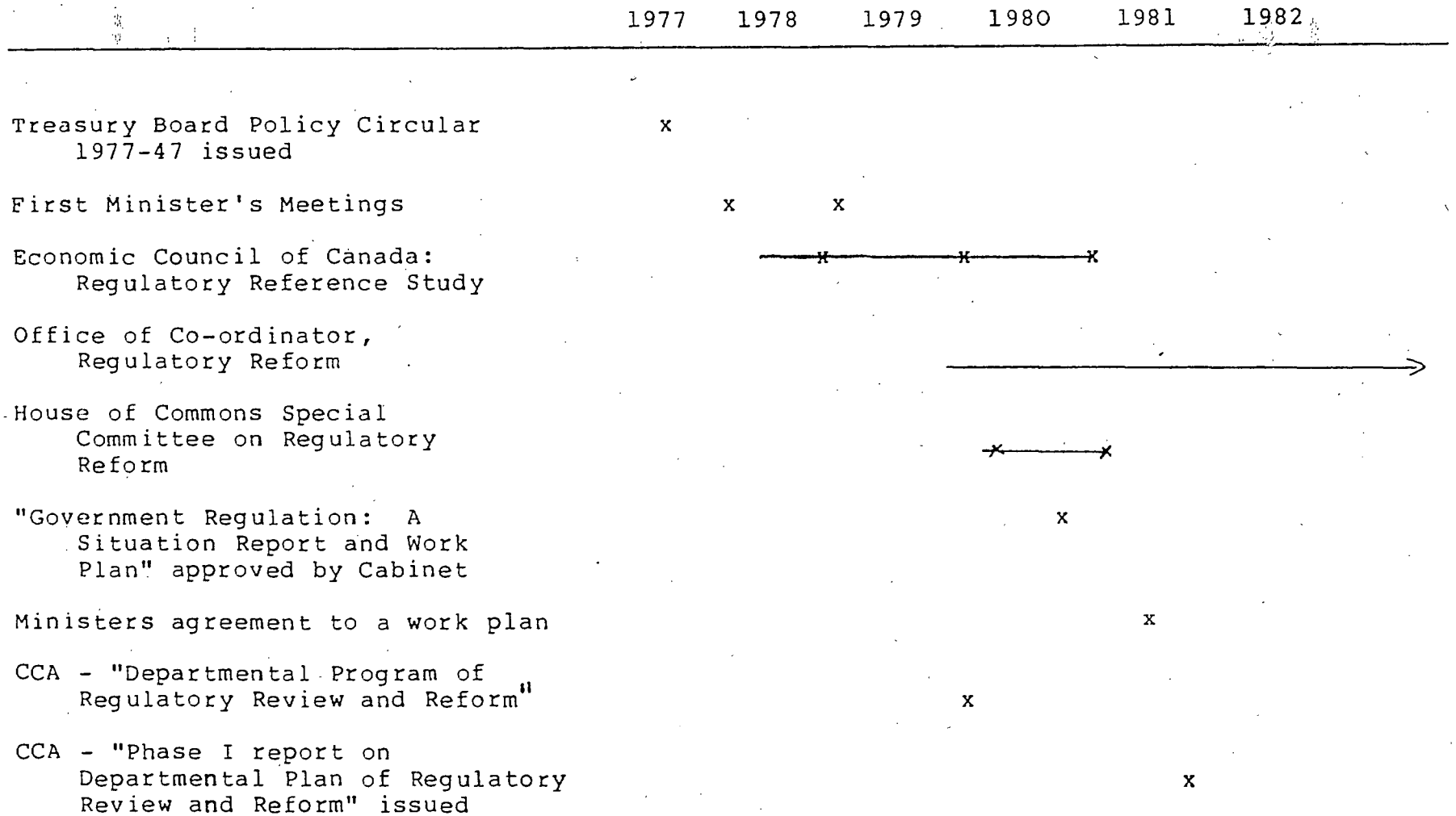
Chart I (p. 11) illustrates the relative order of the activities associated with regulatory review.

The genesis then of regulatory reform had several different origins including the large study in the later 1970s by the Economic Council of Canada, recommending a review of the existing regulations as well as recommendations by first ministers in 1978 and the Report of the House of Common Special Committee on Regulatory Reform in 1980. All of these also built upon the thrust for program evaluation in government, made explicit by the issuing of the TB Directive 77-47. As a result a work plan was approved in January 1981 for the undertaking of regulatory reform in different departments but departments were left on their own as to the scope and direction of such reform. Some departments, such as Agriculture, decided to explicitly not review certain acts or regulations, whereas other departments, such as Consumer and Corporate Affairs, undertook to review the regulations, not only completely within their jurisdiction but also those which were of particular interest to them and related to their mandate (such as the Food and Drug Regulations and the Canada Agricultural Products Standard Act).

As a result the impetus for the review took place over a period of approxaimtely four years from 1977 to 1981. While these provided some direction for the regulatory reform work to be undertaken, there were obvious differences between the recommended approach suggested by the Economic Council of Canada versus the House of Commons Special Committee versus the circular on program evaluation. Because the Treasury Board left it largely to departments to determine the scope of the review to be undertaken,

CHART I

The Timing of Influential Events in the Development of the Formalized Regulatory Review and Reform Program



as a consequence quite different reviews were undertaken in the different departments. We will now examine specifically what was done in the Department of Consumer and Corporate Affairs.

3. Regulatory Review and Reform - CCA

In this section we will review at a very general level the underlying rationale and steps undertaken by Consumer and Corporate Affairs in the regulatory review and reform process.

CCA departmental regulatory review and reform starting in 1980 was coordinated centrally on behalf of the Deputy Minister and implemented by a Task Force comprising representatives of each bureau and by the Special Advisor, Regulatory Review and Liaison. This task force has been inoperative for three years. While the responsibility for the daily amending of regulations remains with the Consumer Products Branch, nevertheless the overall regulatory review process is now coordinated by the Program Evaluation Division.

Their specified strategy was as follows: the principal activity was to simplify and modernize existing regulations; identify departmental regulatory activity which could be wholly or partially assumed by industry in the form of self-regulation; and identify and remove duplication, overlap and contradiction among regulations.

A three phase action plan developed by a departmental task force was devised and approved by the Departmental Management Committee in May 1980. The following quotation by the deputy minister outlines the basic plan:

"The first phase of the program will consist of an introspective analysis of departmental regulations and standards by departmental personnel. The purposes of this phase will be: to tabulate all regulations and standards on a product or services basis; to indicate regulatory overlap, duplication or contradictions; and to identify any unnecessary regulations which either are clearly ineffective, obsolete, inordinately expensive to apply, or whose "nuisance value" to those complying with such regulations far exceeds their imputed value. It is hoped that some, probably few, regulations or standards, can be abolished following phase I of the program.

Phase two of the regulatory review and reform program is designed to provide a process through which a sampling of those required to comply with regulations will have an opportunity on a product group basis to contribute their views, concerns and specific recommendations relating to the need for change and the specific changes to existing regulations they propose. It is proposed to include full consultation with representatives of those on whom the burden of compliance falls, with the beneficiaries of the department's regulations, and with others with whom the Department shares responsibility for regulation. A meaningful process of industry involvement on a tightly focused basis will help to transform the generalized expressions of concern about regulations into specific actionable recommendations for improvement.

Phase three of the program will be the most protracted. During this part of the program, the results of the introspective phase one work will be combined with the input received in phase two to provide the basis for tackling the more difficult-to-modify regulations which may have been identified as requiring improvement, but for which no easy solutions have been found. It is expected that these regulations will include those for which we will have received strong, but possibly contradictory recommendations in phase two, or those which are particularly onerous in their application, but for which no easy method of streamlining has been found. In phase three, therefore, a program of priorities must be established for review. This program will have to take into account the fact that most of the easy changes will have been made during the early phases, and that significant resource applications will be required to reform and improve the remaining regulations and standards which will have been identified as requiring improvement.[17]

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17. George Post, ibid, p.3,4

The official CCA terms of reference for regulatory review and reform are provided in Appendix C.

The CCAC Departmental Program of Regulatory Review and Reform (February 1980) proposed the completion schedule shown in Table I:

Table I
Completion Schedule

	Phase I	Phase II	Phase III
1980-81	100%	20%	5%
1981-82	-	50%	20%
1982-83	-	75%	45%
1983-84	-	100%	75%

(% represents percentages of regulations completed in each phase)

On May 29, 1980, the Senior Management Committee agreed that targets would be set for Phase I to be completed by March 31, 1981 and that Phase II would be 20% completed. As this process continued, however, it became that Phases 2 and 3 were essentially the same and therefore, in reality, the process evolved into a two-phase one; the first, the identification of potential amendments and the second, consultation proposal and passing of the amendments which were necessary.

4. Consumer Products Regulatory Review and Reform Process and Results

In this section we will review the activities undertaken by Consumer Products Branch in phases 1, 2, and 3 of the Regulatory Review and Reform Process. We first identify the methodology and data sources used, the regulations which were to be addressed, including overlaps and contradictions between various regulations. Finally, we will examine in detail the activities

within the Branch during phase one which has been largely completed for all regulations included in the review. We will also examine the anticipated developments in phases 2 and 3 which are now begun for some of the regulatory amendments included within the formal regulatory review process.

4.1 Methodology and Data Sources Used

Phase I of the CCA departmental regulatory review and reform activity was dependent upon the expertise and personal knowledge of the regulators, since they were the most familiar with all aspects of each regulation.[18]

There is a lack of documentation regarding the review process and activities undertaken in Phase 1. Although a check list of relevant issues had been prepared (see Appendix D), due to time and cost constraints, these questions became "something to be kept in the back of the mind while reviewing regulations in-house, and is not to be used as a rigid formula for generating busy-work responses."[19] There is a lack of documentation regarding the review process of Phase I, and it is impossible to substantiate if these questions were considered internally by the regulators in deciding which regulations should be examined. "A relatively few meaty and self-explanatory notes would suffice for completion of Phase I."[20]

18. Consumer and Corporate Affairs Canada Departmental Program of Regulatory Review and Reform Feb. 1980, Phase I, p. 2.

19. Memorandum from J.L. Armstrong, (Regulatory Review Officer, Consumer Affairs) July 10, 1980

20. Memorandum from J.L. Armstrong, (Regulatory Review Officer, Consumer Affairs) Sept 11, 1980

While there were no direct industry consultations held during Phase I, consultations with interested parties and other departments were intended to be held during Phase II.[21] However, as noted below, input dealing with certain regulations was received from some regional offices, and files were examined to determine which regulations were troublesome and should be studied in the follow-up phases. Industry, then, did have some input into Phase 1 through the feedback mechanisms at the regional level. However, since it is usually the regional specialist within the region who makes input to headquarters, he would have received input from district offices only to the extent problems were actually encountered in the enforcement of regulations. Thus there was not an explicit initiative at the regional level to solicit new problems or issues from the districts. Industry expressed their concerns to the regional offices, which relayed these comments to Head Office.

Sets of regulations which the regional offices did address include:

Food and Drug Regulations - Ontario

Consumer Packaging and Labelling Regulations -

-comprehensive written response from Ontario
-verbal comments from Atlantic, Quebec, Prairie, Pacific
-regulatory review was discussed at Annual Specialists' Meeting

Textile Labelling and Advertising Regulations

-Ontario, Quebec, Atlantic, Prairie, Pacific
-discussed at the Annual Specialists' Meeting

21. Memorandum from J.L. Armstrong, Jan. 27, 1981.

There was no feedback on the C.A.P.S. regulations nor the National Trademark and True Labelling regulations. With respect to the latter the field offices implement these on an ad hoc basis and only respond to specific complaints.

4.2 Regulations Not Included in Review

Precious Metals Marking Regulations were not included in the regulatory review process since a review had already been initiated in conjunction with the Canadian Jewellers Association in 1979. The proposals were published in the May 1981 Canada Gazette part I and dealt mainly with substantive amendments to the tolerances for gold, silver and plated articles and included minor amendments to correct certain anomalies.

Two facets of acts or regulations were not subjected to the formal regulatory review exercise. They are bilingual labelling requirements for consumer pre-packaged products and metric conversion.

The bilingual labelling requirements had been recently reassessed by the Department in the late 1970s and, as a result, the Minister made a decision not to propose any changes to the Consumer Packaging and Labelling Regulations. The bilingual labelling requirements were, however, examined for the Textile Labelling Act. Regarding metric conversion, separate government-wide initiative (the Metric Commission) was then underway to convert all regulatory requirements to metric designations.

The Energuide provisions under the Consumer Packaging and Labelling Regulations were relatively new (1978 and later). No recommendations were made in this area since the government was considering a sunset proposal after a 5-year lifespan.

The Canada Care Labelling Program (Textile Labelling Act) is non-mandatory in nature (voluntary program - standards only). It was to be subject to review in conjunction with C.G.S.B. during 1981/82, and was therefore not included.

Section B.24.016 of the Food and Drug Regulations which defines and sets labelling requirements for fat modified foods, was considered too new to be evaluated (no such foods were yet on the Canadian market as of 1980).

The Food and Drug regulations stated that any section then under review was not included in the regulatory review program (B.12.001-B.12.005, B.13.005, B.14.072-B14.079, B.24.004-B.24.013, B.01.007). All other regulations falling under the acts which were being reviewed at the time of this formal review were considered to be included in the formal regulatory review program.

4.3 Duplication/Overlap/Contradiction Noted in Review

Each federal Act and its regulations are written with a different purpose, perspective, objective, goal and clientele. CCA is concerned with protecting the consumer and facilitating effective consumer choice (fraud and quality). Agriculture Canada's main interest is to establish national standards for agricultural products, to regulate international and interprovincial trade, and to assist in the production and sale of agricultural products (help the producer). Health and Welfare is concerned with the health aspects of products. Therefore, joint jurisdiction is a necessary condition to balance these conflicting and competing interests.[22]

22. This question of duplication/overlap is presently being studied at the Assistant Deputy Minister level (CCA, HW, AC).

During Phase I, regulators examined amongst other factors their regulations noting duplication/overlap and contradiction within their Act. They did not do a systematic comparison of their regulations with the regulations arising from other Acts. One explanation offered as to why this approach was taken for the Food and Drug regulations is that they were awaiting the resolution of the Labatt Supreme Court decision.

Appendix E lists the duplicating/overlapping and contradictory regulations noted as a result of Phase I.

Following Phase I, the CCA completed the C.A.P.S. Act review and these standards were compared with the parallel recommendations completed for the Food and Drugs Act to ensure that these reviews were consistent. They noted duplication in the Acts and both the Departments of Agriculture and Health and Welfare were informed of the problems identified by C.C.A. However, at the time of this paper, CCAC is not aware if this has resulted in the elimination of any duplications in regulations.

4.4 Results of Phase I

Appendix F summarizes the results of the review work completed in Phase I by broad category for the following Acts:

Food and Drugs Act
Canada Agricultural Products Standards Act
Consumer Packaging and Labelling Act
Textile Labelling Act
National Trade Mark and True Labelling Act

The Phase 1 results are also summarized in Table 2 below where the numbers indicate the number of sections for which recommendations were made.

Table II
CCA Regulatory Review Phase I,
Summary of Recommended Action by Act

Recommendation**	Food and Drugs Act	CAPSA	Consumer Packaging and Labelling Act	Textile Labelling Act	National Trade Mark and True Labelling Act	Precious Metals Marking Act
Retain as Written	290*	536	29	13	8	10
Further Study-housekeeping	135	15	-	1	-	-
Further Study-substantive	155	21	9	31	53	-
Amend	7	-	2	-	11	6
Repeal	2	-	1	-	-	-
Total Section Examined	589	572	41	45	72	
Total Sections in Act			44	45		16
Total Schedules	8		3	3		-

Source: Phase I Results - Summary sheets.

* Numbers indicate number of sections.
** Definitions of each recommended action are indicated in Appendix G.

All recommendations made concerning the CAPS Act and regulations called for either retention or further study for possible amendments by Agriculture Canada rather than repeal or amendment since the latter actions can, by interdepartmental agreement, be effected only by Agriculture Canada.

With respect to all the regulations reviewed no one specific course of action was implied when it was recommended that a regulation receive further study. Further study could imply any of the following actions (or any combination thereof):

. further analyze available data

. consultation with other departments who administer similar regulations, or who could be affected

. consultation with other levels of government (eg. provincial)

. consultation with other branches (eg. Product Safety)

. consultation with the legal department

. consultation with experts (technical questions)

. search of literature, or files, or consultation with field offices

. impact assessment

. cost/benefit study

. consultation with professional associations (eg. Diabetic Association, Medical Association) to get their opinion

. consultation with consumer groups

It should be noted that there were no acts or regulations which were seen as so clearly a nuisance, or unenforceable or contradictory that they could be repealed through the annual omnibus bill passed through Parliament. In summary, then, as a result of Phase 1, a variety of recommended actions were taken

for the different sections of the acts of concern to Consumer and Corporate Affairs. We will now examine the anticipated activities for Phases 2 and 3.

4.5 Phases II and III

In this section we will review each specific Act and where necessary regulation to be included in Phase 2 and 3 of the Regulatory Review Process. We will examine the current status of those reviews and the likely future changes which may be made in cases where direction has ben explicitly identified. As will be seen, while progress has been considerably slower than originally anticipated in 1980-81 when the work plan was originally identified, progress has nevertheless been made and it is likely that some of those originally included will be amended at some future point. Nevertheless the nature of activity within the Consumer Products Subactivity has meant a considerable slowing and it is likely that Phases 2 and 3 will take a number of years before they are completed for all regulations and acts originally included in the review.

Phase I results indicate that, in the regulators' opinion, 30% to 70% of the individual regulations studied in these six acts required more detailed study and consultation in Phase II prior to possible reform action in Phase III. Table 3 shows the timetable given for follow-up to the recommended actions in Phases 2 and 3 as approved in 1980. It will be noted that the number of regulations reviewed as identified in Table 3 is in some cases less for specific acts than those appearing in Table 2. This is because some of the regulations have not progressed to phases II or III but are still being studied in Phase I to determine if changes are necessary.

Table III

Timetable Given for Phases II and III Follow-up

Number of regulations which were to be completed

	Phase II		Phase III	
Act	# Reg.	Target Date	# Reg.	Target Date
Food and Drug Act	1	81/82	6	83/84
	15	82/83	12	84/85
	2	83/84		
CAPS Act	8	82/83	8	83/84
	12	82/84	12	84/85
Consumer Packaging & Labelling Act	12	82/83	12	84/85
Textile Labelling Act	12	82/83	12	82/84
National Trade Mark & True Labelling Act	9	82/83	9	84/85
Precious Metals Marking Act			81/82[23]	

23. Regulatory Review Binders, Consumer Product Branch, May 1981.

No revised timetable of completion has been approved since 1980, and work is behind schedule. Still, there is a committment to Regulatory Review within the Branch. "Regulatory Review and Reform will continue to be a priority through the assessment of regulations to determine their relevancy in an evolving marketplace. Consultation with industry, consumers and other government departments on matters of a regulatory nature will continue to be regarded as a priority throughout 1984/85."[24] Consumer Products has allotted 101 person days to regulatory review for 1984/85.[25]

Appendix H shows the Implementation Plans for 1982/83 and 1984/85 regarding regulatory review. Appendix I is an excerpt from the Operational Workplan for 1983/84, and identified the regulations in Phases II and III for the consumer Products Branch. Many problems were identified during regulatory review, but some changes had begun prior to it. As a part of these plans consultation must be undertaken.

Appendix J provides a list of parties consulted for each Act. The food sector mailing list contains over 8,000 names, and is not included in full. An individual will be added to any mailing list upon request. Information letters and communiques are

24. Consumer Affairs Bureau, Consumer Products, Operational Workplan 1984/85; p. 5.

25. Consumer Affairs Bureau, Consumer Products, Operational Workplan, 1984/85, Appendix I, p. 11.

sent to everyone on the mailing list for that specific Act. The consumer Packaging and Labelling Regulations use a food, non-food split for certain proposals. If a party is not affected by the proposal, they may simply ignore it. This negates the possibility of failing to notify an interested party. Consultation includes communiques, information letters, correspondence, meetings and telephone conversations and Part I publication in the Canada Gazette.

No amendments have yet been completed to any regulation as a result of this formalized process.

The Consumer Packaging and Labelling Act, the Textile Labelling Act, and the National Trade Mark and True Labelling Act are at various stages of Phase II. Each of these acts is the sole jurisdiction of CCA and administered by the Merchandise Standards Division (MSD) of the Consumer Products Branch.

Although regulatory review work has been planned yearly on a project basis, Phase II work has had to be priorized, regulation by regulation, due to the magnitude of the project and strict limitations on resources. In the MSD, staff turnover and resulting manpower shortages have prevented this planned work from being totally achieved.

Regulations which are currently under study (or have completed study) as a result of the formal regulatory review process are as follows:

(a) The consumer Packaging and Labelling Regulations were enacted in 1974 and approximately 20 amendments were passed prior to regulatory review. These regulations were current and as such are considered a lower priority than other regulations under that division. No Phase II work has been completed.[26]

(b) The National Trade Mark and True Labelling Act was promulgated in 1949 and separate sets of related regulations, on a specific commodity basis were passed during the period from May 1951 to June 1965. Although they had been in existence for years virtually without being used, they were not causing any problems, so no initiative to remove them had been undertaken. Therefore, these particular regulations were cited as high priority candidates for phases II and III.

(c) After discussions with Agriculture Canada staff it was decided to retain the Babcock Test Bottle and Pipette Regulations.

(d) After consultation with industry it was decided that even though few watches are no longer sold by "Jewels", the Watch Jewels Marking Regulations would be retained. Industry felt this was needed to protect against possible fraud if the market conditions reverted to the use of jewels.

(e) The final Regulatory Review Report respecting the ultimate disposition of the Canada Standard Measuring Cups and Spoons Regulations is now in the final draft stage for amendment. Parties consulted are listed in Appendix J, although the standard

26. The Textile Labelling Act and the National Trade Mark and True Labelling Act impact upon a very concentrated sector of the market, and changes to these acts basically affect only the manufacturer.

is not of great interest to most potentially affected parties (since they simply leave the CSA stamp off the utensil). It is proposed that these regulations be repealed, as protection is provided under the Consumer Packaging and Labelling Act.

(f) Consultations have been completed for both the Chamois and Turpentine Labelling Regulations. A proposal is expected by December 1984. At this point repeal is proposed, since protection is offered under the Consumer Packaging and labelling Act. (See Appendix J for parties consulted.)

(g) The Textile Labelling Act was promulgated in the early 1970s and is relatively current. This year a study has begun by the Division on the following regulations:

(i) The definition of country of origin is inconsistent with other definitions in other regulations (i.e. CP&L Regulations). It is presently being studied by program staff.

(ii) Consultation on stuffed articles is underway to make the federal and provincial regulations consistent.

(iii) CCA met with the Down and Feather Association (expert committee) in April 1984. Federal and provincial legislation is inconsistent. Federal regulations state that fibres must be listed by percentage of composition. Provincial regulations allow different categories to be declared (down, down/feather, feather/down, feather). Once agreement has been reached between CCA and the Down and Feather Association, a general communique will be issues to parties on the Textile Labelling Acts, mailing list.

(iv) Examination of regulations regarding the disposal of forfeited goods was initiated prior to regulatory review. consultation has been held with provinces and interested industry parties, and a proposal is presently at the Privy Council prior to publication in Part I of the Canada Gazette. This amendment would make these regulations consistent with those found in the Consumer Packaging and Labelling Regulations.

(h) The majority of the changes suggested in the Phase I review by H&W in the Food and Drug Act do not concern the labelling, advertising and packaging of foods, and accordingly fall under the jurisdiction of Health and Welfare Canada. The Food and Drug regulations have been constantly reviewed and updated. Two hundred and forty amendments were passed between 1954 and 1978.[27] Nothing has passed since 1978 primarily because of the Labatts case referenced earlier. Fifty percent of the regulations examined in Phase I were retained as written. The proposed substantive changes had been identified and planned before the formal exercise was undertaken.[28] Since formal approval by management to commence Phase II has not been received, no action has been taken. However, regulations are reviewed on an on-going basis. Completion of the formal process is interdependent with Health and Welfare Canada. As a result of the Labatt Lite Supreme Court decision, which questioned the constitutionality of standards, nothing has been amended in the Food and Drug Standards since 1978. Program personnel feel the market has changed considerably since Phase I was completed, and that all standards may have to be reviewed again.

(l) No amendment work has been undertaken by the Manufactured Food Division since Schedule of Amendments 556 (contains 31 proposed amendments) was submitted in July 1983 to the Privy Council for publication in Part I of the Canada Gazette in July

27. Regulatory Review Binders, Consumer Product Branch, Food and Drug Act, May 1981, Summary.

28. Regulatory Review Binders, CPB, Food and Drug Act, May 1981, Summary.

1983. A file exists of regulations which need to be examined once this Schedule of Amendments is passed, but it does not contain anything identified in Phase I, although work has been completed at the consultation stage.

(m) Agriculture Canada did not participate in the formal regulatory review and reform process. Their explanation was that there was no need to, since CAPS is continuously reviewed and updated. According to Agriculture Canada the food industry is dynamic with active lobby groups. This facilitates regulatory review since it is only necessary to consult with a small number of interest groups in order to identify problems and review potential changes to the regulations.

Since Agriculture Canada possesses the authority to amend the C.A.P.S. Act, the responsibility of CCA in the review of regulations terminated with the completion of Phase I and the forwarding of their results, recommendations, etc. to the Department of Agriculture.[29] Agriculture Canada is solely responsible for these regulations and will decide when, with whom, and on what subjects they may wish to open consultation.[30] They may feel some responsibility to involve CCA in the consultation process, however, they are not obliged to do so. They do not inform CCA of whom they have consulted since it is their own regulations they are changing. At present, CCA has been consulted regarding Eggs, Processed Eggs and Processed Poultry Regulations. No consultation has been held for: Fresh

29. Memorandum from R.H. McKay, Director, Consumer Products Branch, to Don Murphy, Co-ordinator, Regulatory Review and Liaison, May 28, 1981.

30. The Retail Food Division is not privy to information concerning whom the Department of Agriculture has consulted. For further information contact: Peter Brankeridge, Director, Dairy, Fruit & Vegetable Division, Agriculture Canada.

Fruit and Vegetables, Processed Fruit and Vegetables, Dairy Products, Maple Products or Honey Regulations. Completion of Phases II and III is completely under the control of Agriculture Canada and CCA cannot influence their progress.[31] However, since Agriculture Canada did not participate in the Regulatory Review activity the status of these reforms is not clear.

5. Issues Raised/Outstanding

In this section we examine the issues which were included in the regulatory review for the various Acts and regulations. As will be seen for those Acts directly under the control and within the mandate of Consumer and Corporate Affairs, the Consumer Products Branch examined the existing acts and regulations using their own indepth knowledge and experience with those regulations as well as information from consultation with industry. Thus rather than making an explicit analysis of each act and regulation with respect to its rationale and objective, because of the limited resources available and their own knowledge and expertise, it was possible for them to make a review of the acts and regulations from their prior knowledge of issues which had been raised and problems which had occurred. Thus, implicitly, they had considered all of different regulations and acts and from that identified the ones which apparently needed closer attention for potential changes.

31. CCA Phase I Report on Departmental Plan of Regulatory Review and Reforms, July 1981, p. 20.

However, for the Canadian Agricultural Products Standards Act and the Food and Drug Act, a more technical and specific review was undertaken. This was done because Consumer and Corporate Affairs is not the Department to propose amendments to these acts and as such could only make proposals to Agriculture Canada and Health and Welfare Canada for specific amendments. Therefore the review undertaken of those acts was a more specific one related to the existing regulations and problems and ways in which these could be handled by amendments to the Acts and regulations.

5.1 Issues Raised

Phase I results, reviewed in the previous section, indicate that the regulations were examined on two distinct levels. One method examined each section or subsection on a technical, detailed basis. The second approach grouped similar regulations and reviewed them together, asking broader questions.

The following matrix identifies the issues proposed for consideration by four different bodies: the Treasury Board, the Economic Council of Canada, the House of Commons Special Committee on Regulatory Reform and CCA. Several other lists of questions were also distributed to the Regulatory Review Officers (eg. appendix D). It is quickly apparent that each body recommended that regulatory review be undertaken with a different depth of coverage.

It should be noted that the Treasury Board directive and evaluation focussed on programs rather than regulations per se.

As such, the questions addressed by Treasury Board policy circular are of a broader and more macro perspective than might be anticipated in the review of microregulations themselves. Nevertheless, we have included these for completeness in terms of questions addressed in the different areas.

A review of files and the summary report sheets found in the regulatory review binders do not provide any documentation of how each regulation was examined, or what questions were considered.

CAPS and Food and Drug regulations were examined only on a very detailed technical level, often looking at specific subsections. Product or sector summary reports were compiled by aggregating the detailed review. When performed at this level, each regulation appears to be legitimate and useful. However, part of the mandate was to consider broader issues (ie could this facet be transferred to the industry for self-regulation? Does the original problem this regulation was to correct, still exist in the market place?) This level of questions does not appear to have been answered for these Acts' regulations. The process has resulted in an inventory of the existing regulations, and has proposed some technical changes. This prior work provides a foundation on which to perform a broader analysis, which would enable all relevant issues to be addressed.

The Consumer Packaging and Labelling, National Trade Mark and True Labelling, and Textile Labelling Acts were reviewed by

program personnel based on their experience and knowledge of the acts. There was not an explicit review of every regulation to determine whether the underlying rationale and objectives were still satisfied. Rather personnel identified those areas where they felt changes were necessary, based on their experience and prior consultations. The "recommended actions" included on the summary sheets of problems indentified indicate that the regulations were grouped on a sector/product basis and analyzed in aggregate at a very broad level. Many sectors of the National Trade Mark and True Labelling Regulations report that "The need for these regulations has been questioned" (potentially leading to repeal of certain regulations) and "may be available under the Consumer Packaging and Labelling Act" (shifting the onus to another Act because of duplication). The summary report of problems identified suggests that voluntary standards should be examined to replace the Watch Jewels Marking Regulations.[32]

The Textile Labelling and Advertising Regulations were examined with a similar perspective. Contradictory sections are highlighted (for example, Sections 2 and 40) and correcting changes are proposed. Section 10 is identified for further study because it may be creating an unnecessary burden on industry (ie the costs imposed on industry appear to exceed the benefits provided).

32. Regulatory Review Binders, National Trade Mark and True Labelling Regulations.

The Consumer Packaging and Labelling regulations were also analyzed based on officers' experience and prior consultation. An example is the standardization of container sizes which some importers see as a non-tariff trade barrier. This was to receive major further study in subsequent Phase II and III review process.

5.2 Issues Outstanding

Because the Canada Agricultural Product Standards Act was not reviewed in the same way as those acts under the control of Consumer and Corporate Affairs, and the food and drug regulations were also not reviewed in that depth, it is suggested that these regulations should be examined from a broader perspective.

As well, for the acts completely under the jurisdiction of the Consumer Products Branch, it is likely that a more explicit review of the underlying rationale and impact of all the regulations should be undertaken. While this was done implicitly by program personnel during the regulatory reform and review activity, nevertheless because of the lack of resources, it was impossible to do this on an explicit basis. For example, program binders identify simply those areas where changes may be necessary rather than identifying why changes are not necessary or why the rationale continues to hold for those regulations which have not been identified for change.

Regulations for each of these Acts should be grouped on a sector/product basis and examined objectively. A complete evaluation would address most, if not all, of the following issues:

i) Original intent of the regulation

What are the objectives (both formal and informal) of the regulations under study?

Is the problem these regulations were initially designed to correct, still a potential threat in the marketplace, or have conditions changed?

ii) Relation to other regulations

Do other regulations in the marketplace (i.e. under another Act) attempt to correct this same problem? Do these regulations complement, contradict or duplicate each other? Does this create confusion for traders and/or consumers?

iii) Impact of regulation

Who benefits from these regulations and who bears the costs (both direct and indirect)? Can total costs and benefits be quantified?

iv) Alternatives to regulations

Do these regulations have a large impact on the marketplace? What is the magnitude of the value of goods and commodities subject to these regulations? Has it changed over time? How many parties are affected?

Are there viable, preferred alternatives to achieve the objectives of these regulations and/or improve the effectiveness of the existing regulations? In considering alternatives, the structure of the industry should be examined. Has this changed since the regulations were created? If so, how?

If the questions listed in Appendix D (the original checklist of questions to be addressed in the CCA regulatory review) could be answered, this would provide an excellent evaluation of regulations as they affect a product/sector.

This study to address the above questions would include:

consultation with all interested parties (for an extensive list consult Appendix J)
consult other departments who may be affected
consult different levels of government
consult other branches of the department
consult expert committees
conduct impact studies
examine similar legislation
conduct consumer/industry surveys to determing if a problem exists

At a detailed level, there is a set of issues which have already been raised which could merit further examination and evaluation to determine what, if any, action should be taken by the department to change or revise existing acts or regulations.

The following alternatives were suggested for further study during interviews and in the review of files. Asterisks indicate an issue which may be of more immediate priority because of the size of the problems or pressures being exerted on the department.

A. Food and Drug Act

* 1. Declaration of tartrazine on labels
- approximately 10,000 Canadians are allergic in varying degrees to this food additive, and in the extreme some people could die
- a cost/benefit study (SEIA) should be performed to determine what degree of declaration should be mandatory

2. Composition of chocolate
- Canadian regulations are not consistent with the rest of the world - non tariff trade barrier
- An analysis should be undertaken of the cost and quality implications of this difference

* 3. Phosphates in meat (cooked meats, deli, etc.)
- adding phosphate to meat makes it maintain more water, which makes the meats more tender and tastier
- problem - with increased moisture content consumers are now paying for more water, less meat

* 4. Labelling of products packed in pressurized containers
- inconsistent with Hazardous Products Regulations

B. Canada Agricultural Products Standards Act

* 1. Recent changes in the interpretation of poultry flesh requirements for grade A has put an additional 70 million pounds of grade A chicken on the market that would have otherwise been considered Grade B.

- Agriculture Canada did not amend a regulation to accomplish this, they merely changed an interpretation. A further analysis of the change and its implications should be undertaken.

2. Fat level changes for turkeys

3. Egg grading standards

- broader tolerances are proposed by Agriculture Canada.

* 4. Knife-ribbing for cattle

- made international trade easier (now consistent with U.S. standards) but results in more beef of cheaper cuts being sold as "top of the line" cuts of meat.

5. Juice in hermetically sealed containers

- this reduces choice to consumers, increases cost and automatically requires non-standardized containers to become standardized

* 6. An analysis of the influence of lobby groups eg. Canadian Horticultural Council, to determine their role in the process and relative leverage to CCA input.

C. Consumer Packaging and Labelling Act

1. Standardization of container sizes

- some importers perceive this as a non-tariff trade barrier, other members of industry complain of the restrictiveness imposed.

6. Conclusions

The formal regulatory review and reform program is presently in Phase 2 for all the regulations considered by Consumer and Corporate Affairs during that period. No amendments have passed as a result of that process at this time. Furthermore, it is clear that several broad issues and some more specific ones which were to be addressed have yet to be examined as a part of regulatory review. Indeed, the formal central agency directed Regulatory Review and Reform as a "new" formal process is not new to Consumer Products Subactivity. The Consumer Products Branch regularly reviews both the acts and the amendments when problems occur and new or different regulations are needed. We can now examine each of the specific acts and their regulations with respect to the progress made and our conclusions about that progress.

First, and perhaps most important, the Consumer Products Branch has very different jurisdictions and information on the acts and regulations with which it is concerned. With respect to the Consumer Packaging and Labelling Act, the Textile Labelling Act, the National Trademark and True Labelling Act, and the Precious Metals Marking Act, the department has control and complete jurisdiction over these acts and their associated regulations. In the case of the Food and Drug Act, there is a joint coordinated responsibility with Health and Welfare Canada

and the department (Consumer and Corporate Affairs) has a responsibility for the labelling and packaging aspects of that act. As well, it is consulted on further amendments and changes necessary there.) Finally, for the Canada Agricultural Products Standards Act, the department is simply consulted as one of many constituencies concerned with any amendments for which Agriculture Canada has complete responsibility and authority.

These differing jurisdictions have a major influence on the role and focus in any regulatory review for the Consumer Products Branch. As such, a comprehensive review and identification of changes can be made for those acts for which the department has complete jurisdiction but less so for the Food and Drug Act for which there is joint jurisdiction and even less still for the Canada Agricultural Product Standards Act for which Agriculture Canada has sole jurisdiction.

As a result of this, during the regulatory review and reform, the department identified changes needed in the acts as a part of the Phase 1 process. With respect to the first four acts, Officers within the Consumer Products Branch implicitly reviewed the regulations and from their experience and knowledge (as well as previous consultations) identified a set of potential areas for change. As such, while this meant examining all of the regulations and acts, most of this was done implicitly rather than explicitly as would be expected in a full comprehensive review of the underlying rationale and impact of regulations.

The reason for this of course was the level of resourcing available for the regulatory reform and review.

However, this was not done for the Food and Drug Act and the Canada Agricultural Standards Act where primarily because of their limited jurisdiction, the department looked only at immediate and specific changes which might be necessary given the interest which it represents. For the Food and Drug Acts, there is some information on amendments which has been put forward as a part of Bill 556 but this has been stalled for one year in the Privy Council Office for publication in the Canada Gazette, Part I. For the Agricultural Products Standards Act, there has been little response from Agriculture Canada to the proposed specific changes which the Consumer Products Branch has put forward.

Thus, no amendments have yet resulted from the regulatory review and reform which was undertaken by the department. What was originally seen as three phases has become two phases consisting of identification of changes and the passage of these. This lack of progress can be attributed to a number of factors:

- conflicting direction which was given from different sources as to the depth and breadth of the review to be undertaken (see Section 4);
- other, more immediate needs of reform being addressed by the division (an old, unused regulation becomes very low priority to renew when an interest group proposes an immediate change to alleviate a current problem;
- program staff have many other duties than amendments, including advisory roles, new line responses to the public, new line policy changes, new line program administration and interpretation;

- the consultation which is necessary (by departmental policy) for most of the acts consists of a list of 8,000 different groups and individuals. There are 10 to 20 groups which are consulted in Agriculture Canada;

- the Privy Council Office has made a one-year delay for publication of Part I of the Canada Gazette (a step which is necessary and stated for the Consumer Packaging and Labelling Act).

In total, then, we would conclude

- An explicit comprehensive review of the Consumer Packaging and Labelling Act, Textile Labelling Act, National Trade Mark and True Labelling Act, Precious Metals Marking Act to explicitly identify and assess the underlying rationale for these acts and their associated regulation, the relevance of that rationale currently, and the impact both positive and negative of the regulations on those regulated as well as the regulators. While this has implicitly been done during phase I of the regulatory reform and review an explicit consideration of all parts of the acts and regulations has not been made. In order to fully carry out the original mandate of the regulatory review and reform it would be necessary to undertake this explicitly and document where rationales and impacts are accepted or rejected and potential changes.

- The Food and Drug Act and the Canada Agricultural Product Standards Act should be examined at a broader level interdepartmentally than was done during Phase 1 of the process. The questions addressed as identified in Section 5 should include the original intent of the regulation, the relation to other regulations, the impact of the regulation, alternatives to the acts and regulations. As stated there, this would include consultation with a variety of different interests and an analysis of the potential changes which might be made and their impacts.

- A number of specific areas should be examined as identified as well in Section 5, including under the Food and Drug Act

  i) <u>Food and Drug Act</u>

  - Declaration of Tartrazine on Labels
  - Composition of Chocolate
  - Phosphates in Meat
  - Labelling of Products Packed in Pressurized Containers

  ii) <u>Canada Agricultural Standards Act</u>

  - Poultry Flesh Requirements
  - Fat Level for Turkeys

- Egg Grading Standards
- Knife Ribbing for Cattle
- Juice in hermetically sealed containers
- Consultation Process

iii) Consumer Packaging and Labelling Act

- Standardization of Container Sizes
- Textile Labelling Act
- Section 10

Each of these areas, both from documentation in files and interviews with knowledgeable professionals, could usefully benefit from a comprehensive evaluation and examination of alternative means of changing them to respond to current problems encountered with both their form and implementation.

- Consumer and Corporate Affairs has developed a consultation process published in 1981 and subsequently adopted by the Office of Regulatory Review and the Treasury Board. This process is intended to ensure extensive and complete consultation with all interested parties but to some extent at least has resulted in a relatively extended and difficult process for amending regulations. Given the delay in passing an amendment, either to regulations or changes to the acts, it could be useful to review this consultation process with a view to increasing its efficiency while not decreasing the intended coverage for which it was drafted.

- The one-year delay in the Privy Council Office should be at least examined in some form to ensure that such extraneous delays do not extend the time for passing of amendments.

Appendix A

A Text of the Prime Minister's Letter to the Chairman of the Economic Council of Canada, July 12, 1978

Dear Dr. Ostry:

I am writing to request that the Economic Council of Canada undertake a number of studies of specific areas of government regulation which appear to be having a particularly substantial economic impact on the Canadian economy. As you know, there has developed in Canada a strong concern that increasing government regulation might be having serious adverse effects on the efficiency of Canadian firms and industries and on the allocation of resources and distribution of income. You will recall that First Ministers, in February 1978, "...agreed that the whole matter of economic regulation at all levels of government should be referred to the Economic Council for recommendations for action, in consultation with the provinces and the private sector." In addition, First Ministers expressed concern about the overlapping of federal and provincial regulatory jurisdictions. You will find the relevant paragraph from the communiqué issued from the First Ministers Conference appended to this letter.

I understand that subsequent to the First Ministers' meeting, you consulted with the members of the Federal-Provincial Committee of officials representing all 11 governments which was constituted as a result of this agreement to study government regulation and that you have discussed the terms of this reference with them.

In the evaluation of specific areas of government regulation, including regulation of price, supply, entry, product standards and environmental and safety standards, the studies should, among other things, focus on:

— an analysis of the objectives of regulation;
— an analysis of the nature and magnitude of the economic impact of regulation;
— an examination of the regulatory responsibilities of the different levels of government and their rationale;
— an analysis of the processes and procedures relating to regulation;
— an analysis of the techniques and alternative methods of effecting regulatory objectives;
— a determination of whether or not regulation is on balance in the public interest and, if so, whether superior regulatory alternatives are available for obtaining the objectives of regulation with less adverse economic impact; and
— an analysis of the practical implications of introducing specific regulatory reforms including the alternatives of deregulation.

These studies should be designed to provide the Economic Council of Canada with the analyses and information necessary for an interim and final report. The final report in particular should develop guidelines governments could employ in determining what areas of regulation are likely having a significant adverse economic impact and what practical changes in public policies might be undertaken to improve government regulation.

I realize that the development of practical guidelines for improving the process of government regulation in Canada in areas where it is having a substantial economic impact is an extremely complex task but I believe it is also an enormously important one. You will no doubt also want to draw upon existing research in this area as well as research presently underway or contemplated by the different levels of government as well as research in universities, in research institutes and in other countries. During the course of your work, you will wish to consult extensively not only with the Federal-Provincial Consultative Committee that I understand will remain active at least for the term of the Council reference but also with individual federal and provincial government departments and agencies, and the private sector.

The Council's final report should be completed by the end of 1980, with an interim report available by the end of 1979. In addition, you should, in consultation with the Federal-Provincial Committee, prepare a preliminary report for the next meeting of the First Ministers in November 1978. It might well contain a general overview of the issues, focusing on the question of why governments regulate, and an attempt to indicate in a very general way the scope and growth of government regulation in Canada. This report should delineate the research program in some detail, setting out, for example, specific information on the studies referred to above and, in general, filling in details on the research agenda relevant to the completion of the Council's work. I would also like to set out in some detail the consultative arrangements developed or planned with respect to governments, businesses, trade unions, consumer groups, universities and research institutes.

On this basis and pursuant to Section 10 of the Economic Council Act, I request the Economic Council of Canada to undertake to study government regulation in Canada and the prospects for regulatory reform.

You should discuss with the Treasury Board the provision of the additional resources which the Council will require in order to carry out this reference.

Sincerely,

P. E. Trudeau

APPENDIX B

Regulatory Amendment Process

	Pre 1976		Present
	Food & Drugs Act Textile Labelling & Advertising Act Nat'l Trade Mark & True Labelling Act Precious Metals Marking Act	Consumer Packaging and Labelling Act	
1. Problem definition	✓	✓	✓
2. Publication in regulatory agenda			
3. Communique issued to all interested parties - identifies problem, recommendations and prepared resolution			
4. Input received and consultations held with interested parties if necessary - consumers, producers, other gov't departments	at discretion of the regulator	at discretion of regulator	
5. Second communique issued (re-drafted considering feedback from interested parties			if required
6. Policy paper drafted			if required
7. Proposed amendment sent to Dept of Justice for approval		✓	at discretion of regulator
8. Amendment printed in Part I of the Canada Gazette as proposal for public comment		✓	at discretion of regulator
9. 30 to 60 day period allowed for public comment		✓	
10. Public comment evaluated and further consultation if necessary			if required
11. If major revisions to initial proposal, amendment redrafted and submitted to Dept of Justice for approval			if required
12. Revised amendment printed in Part I Canada Gazette, again for public comment			if steps 10 & 11 occur
13. 30 to 90 day period allowed for public comment			if step 12 occurs
14. Process could continue if negative feedback received			if required
15. Submission to Dept of Justice for approval	(Part I & Part II require different approvals)		
16. Submitted for Ministerial approval	✓	✓	✓
17. Submitted to Privy Council for approval	✓	✓	✓
18. Revised amendment printed in Part II of the Canada Gazette	✓	✓	✓

ote: ✓ Indicates this step is mandatory, a blank means there is no guideline, and "at discretion of regulator" implies it is departmental policy to do it

Note: The regulatory agenda contains all regulations the Department is considering amending, stating which stage the proposal is at

Note: Presently, if nothing more will be required of the adhering parties than before the amendment, changes to an Act can be passed through the "omnibus bill" in Cabinet. (All interested parties must still be consulted.)

Note: Communique #1 is sent to all those trade and consumer associations whose members will be affected by the proposed amendment. The associations are invited to send in their comments, all of which are to receive consideration. At a minimum, communique #2 is to be sent to those associations who who responded to communique #1. This process of redrafting the proposal, issuing communiques and consulting with all affected parties is to continue until all parties are satisfied with the result (ie no valid complaints remain) (ideal-sometimes political decisions override this, that is bi-lingual labelling)

Note: 30 to 90 days are allowed for parties to respond to each publication in C.G. Part I

Note: "At discretion of regulator" implies under law, but it is departmental policy to consult and prepublish.

APPENDIX C

Terms of Reference

The main functions of the first phase of the program are to carry out an overall, in-house review by regulators of our regulations and standards.

The first step in this process was to create a Task Force consisting of a Regulatory Review Officer (RRO) from each bureau, from the Legal Branch and chaired by the Co-ordinator - Regulatory Review and Liaison. The bureaux RROs are senior officers with regulatory experience and responsibility - appointed by Assistant Deputy Ministers.

The Task Force will:

1. - develop a standardized inventory format for cataloguing all our regulations and standards.

2. - structure a standardized, in-house regulatory review format for the initial screening of regulations and standards by regulatory review officers in each bureau. (This format will comprise those criteria suggested in the proposed Departmental Program of Regulatory Review and Reform including an indication of regulatory objectives, assessment of effectiveness, a rating by regulators based on their experience with each regulation of its cost-effectiveness, and an indication of possible alternative regulatory procedures to replace departmental regulation).

   While the outline and objectives of the review format are suggested in the plan, the Task Force members, from their regulatory experience were asked to translate this outline into a meaningful and workable final format which could be applied in each bureau. The extent of economic assessment in particular is expected to be limited to a rating procedure based on the experience and judgement of the Task Force members who designed the procedure.

3. - carry out a categorizing or screening process for all departmentally administered regulations and standards, employing the standardized inventory review format. These will be grouped on a product or service group basis where possible.

4. - develop an analysis of the results of step 3, proposing a system of priorities for regulatory reform based on the analysis.

5. - develop a list of regulations and standards appropriate for "immediate opportunities for action" i.e. those regulations and standards which can be acted upon with relative ease and with minimal need for consultation with those regulated and with beneficiaries.

6. - reassess, based on the outcome of Phase I, the proposed procedure for carrying out Phase II of the Regulatory Review Program.

7. - submit the inventory and assessment of Phase I, along with a proposal to proceed with Phase II for approval.

At the conclusion of Phase I we can expect to have:

(a) a comprehensive inventory of all departmentally administered regulations and standards;
(b) an in-house, preliminary assessment of their appropriateness;
(c) a proposed priority for regulatory reform;
(d) an identification of opportunities for immediate, relatively easily achieved regulatory reform; and
(e) a firm proposal for proceeding through Phases II of the plan.

These regulatory review activities are co-ordinated on a departmental basis, with a bureau Regulatory Review Officer, who is also a member of the Departmental Regulatory Review Task Force, co-ordinating the review program within each bureau. The actual review function for each regulation is performed by the regulatory officer responsible for the administration of that regulation.

Approximately one half of the regulatory acts administered by the Department are acts sponsored by other departments. In reviewing the regulations flowing from these non-CCAC acts, consultation will be carried out with the sponsoring departments. It should be noted that the reform process which will take place in Phase III will, of necessity, differ for non-CCAC regulations from those flowing from acts sponsored by this department. Whereas we can effect changes to our regulations, we must recommend to, and seek the concurrence of the sponsoring departments to make changes to the regulations flowing from their acts. This constraint may impose some difficulties in Phase III, but should only impose an additional step of consultation in the Phase I process.

The proposed completion schedule for the departmental regulatory review program is as follows:

	I/	II/	III/
1980-81	100%	20%	5%
1981-82	100%	50%	20%
1982-83	100%	75%	45%
1983-84	100%	100%	75%

The terms of reference for this program do not include a review of the regulatory acts from which the regulations we administer flow. It is, however, probable that in proposing reforms to the regulations themselves, changes to the acts will be indicated.

It is acknowledged that regulatory review and reform has been and continues to be, an ongoing process. Some of our regulatory acts and regulations have been reviewed within the last four years and, may in the judgement of their administrators, be current, appropriate, and do not, at this time, require further review and reform. Other acts or regulations are now at various stages in the change process. These also will not be included in the review process. However, both regulations which have recently been reviewed, and those currently being changed will be identified as such in the report following the conclusion of Phase I.

Source: Memorandum from Donald B. R. Murphy (Special Advisor) - (Regulatory Review and Liaison, C.C.A.) May 26 1980

Phase 1 Regulation Inventory - Descriptive Checklist

The following checklist is designed to act as a standardized basis for reviewing regulations by regulation administrators in carrying out the first phase of the departmental program of regulatory review and reforms. The completed checklists will also be of assistance to management in drawing up a priority listing of regulations consistent with the needs of the subsequent phases of the review exercise.

The items included in the checklist are chosen so as to cover all relevant contingencies related to a wide range of regulations. Needless to say, each and every item on the list may not apply to every regulation in the inventory, e.g. a regulation may not have a clearly identifiable budget, but rather be a part of a package. Where an item is inapplicable this should be noted with a brief explanatory note. Officers should also bear in mind that the application of this checklist should identify regulations which may require a more rigorous analysis in a latter phase of the program. Where quantities such as the value of goods and services regulated are to be identified, an adequate response would be a value range, say $35-40 million, or a statement such as "all widgets". Whenever doubt exists as to the general order of magnitude of a quantitative measure it would be preferable to simply acknowledge this as a matter that may or may not be subject to further analysis. Thus the checklist also provides a useful compendium of areas where our knowledge is weak.

Phase I Regulation Inventory - Checklist for In-House Assessment

- Except for Conclusions, provide responses only where significant to the assessment.

- Where figures are quoted in response, please indicate source or reliability. An unsupported guess may suffice for present purposes, but it should be so identified in case further analysis is required.

A. Nature and purpose of the regulation

1. Identify the nature of the conditions that brought about regulatory intervention. Where possible, identify the source of the initiative for the regulation.

2. Do the conditions still prevail, or would they prevail in the absence of the regulation?

3. Do you anticipate that any exogenous factors, e.g. economic, technological, will render the regulation superfluous in the near future?

4. Was the regulation promulgated so recently that review is premature, or is it already in, or scheduled for, major overhaul and amendment?

5. What are the objectives of the regulation?

6. Has the regulation been reasonably effective in meeting these objectives?

7. Have there been any ancillary consequences not envisaged for the regulation? e.g. has the competitive structure of the industry been strengthened or weakened? has it brought about any major reallocations

of resources? Has the regulation brought about any changes in the trade patterns?

8. Does the regulation conflict with or overlap any other federal or provincial regulations?

9. Is it out of step with international practice or standards? If so, why?

10. Provide a brief history of the regulation, i.e. the date of implementation and any major revisions that have occurred, including any reviews that have been or are being conducted.

B. Scope of the regulation

1. Estimated annual value of the goods and/or services subject to the regulation.

2. Indicate the category and estimated number of individuals or firms subject to the regulation.

3. Estimated number of beneficiaries (i.e. consumers of the regulated product or service).

4. How frequently is the regulation used?

C. Cost/Benefit of regulation (Quote dollar estimates if at all possible).

1. Applicable portion of budget of the regulatory authority applied to this regulation.

2. Cost to regulatee of compliance.

3. Cost to the beneficiaries of the regulation. (This category should be restricted to higher prices that may be directly attributed to the regulation).

4. Benefit to regulatees.

5. Benefit to the intended beneficiaries.

D. Perceptions of regulation (to the extent possible, as stated by the parties concerned)

1. Identify the primary benefit(s) of the regulation as seen by:

   (a) regulators
   (b) regulatees
   (c) intended beneficiaries

2. Identify the primary disadvantage(s) of the regulation as seen by:

   (a) regulators
   (b) regulatees
   (c) intended beneficiaries

E. Options

1. What options to this regulation have been considered (including no control, voluntary standards, regulation by another department or level of government)?

2. What options to particular provisions of the regulation have been considered?

3. Are any of these worthy of detailed study? Please identify.

F. Conclusions

In consideration of the above, should the regulation be:

1. Retained unchanged,

2. Eliminated,

3. Scheduled for future elimination,

4. Transferred to another jurisdiction, (federal or provincial)

5. Transferred to Industry for self-regulation,

6. Scheduled for later review,

7. Scheduled for detailed study and revision - substantive, or in technical or administrative detail?

A brief rationale for the conclusions should be included.

Source: Memorandum from J.L. Armstrong (Regulatory Review Officer, Consumer Affairs), July 31, 1980

Appendix E

Duplicating/Overlap/Contradictory Regulations Noted as a Result of Phase I

C.A.P.S. Act

Dairy Products Regs - Sec 1 & 2

Delete "common name" def'n
A more extensive definition of "common name" is found in Food & Drug Regs, and should be adopted here by reference

Processed Poultry Regs - Part II Section 31 - International and Interprovincial Trade

Duplication - "The subsections referred to above are merely repetitions of requirements already specified for domestic products. For imports, one could say simply "must meet the requirements of Sections...and in addition..."
Delete: 31(2)(a)(b), 31(3), 31(4), 31(5)

Maple Products Regs

Schedule V - outlines the method of determining fluid net contents of containers of maple syrup

"Methodology for net quantity determinations falls under the jurisdiction of CP&L and Weights and Measures Acts. Consequently, it would appear that the provision of this Schedule would not be appropriate to these Regulations.

National Trade Mark and True Labelling Regulations

National Trade Mark Garment Sizing Regs

The requirement for dealer identification has been removed as dealer identity is required under the Textile Labelling Act & Regulations and it is therefore redundant.

Chamois Labelling Regs

The need for these regulations has been questioned. Protection against imitations and substitute products may be available under the CP&L Act, since virtually all chamois are sold in packaged form.

Turpentine Labelling Regs

Studies have already begun to determine the possibility of offering continued consumer protection by way of the CP&L Act and Regulations.

Consumer Packaging and Labelling Regulations

Section 34 "Pictorial Representations on Food labels"

"A Food & Drug Reg similar in principle to section 34 has been slated for further study by the Food Division. The outcome of that study will be applied against the provisions of this section."

Textile Labelling & Advertising Regulations

Section 2 (contradiction)

"country of origin" definition is not consistent with other pieces of legislation

Sections 3.5 In some circumstances, descriptive words on the representation label could contradict the fibre content indicated on disclosure label.

Section 31 Results in inconsistencies in the marketplace

Section 43 Operational difficulties due to three separate pieces of legislation involved with linear dimension (W&M,CP&L, Textiles)

Section 11 This section should be rewritten to make it consistent with the language requirements as stated in the CP&L Act, Regs

Sections 19(1) and (3) should be made consistent with 20(b)

Section 25 "commercial down", "commercial waterfowl feathers", "plummage", "plumule", "residue"

description differs from that of Government of Ontario Upholstery and Stuffed Articles Act and the U.S. Federal Trade Commission Guides for the Feather and Down Products Industry

Food and Drug Act

* B.04.002, .003, .004, .008, .009, .007
These regulations are obsolete and will be replaced with regs compatible with those of Codex Alimentaries

* Contradiction - within F&D B.08.006

Subsections (b) and (d) are at odds in that tocopherol content may not exceed 50 mcg/g under (b) and (d) says that it may, under certain conditions

* Inconsistency - within F&D B.08.007
The requirement for milk solids for this product and not the previous similar products is inconsistent

Duplication - B.08.013 (Provides a std for milk powder)
"Whole Milk Powder is the only name for this product permitted by the Dairy Products Regs

B.08.014 (Std for skim milk product)
"Skim Milk powder" is the only name for this product in the Dairy Products Act Regulations

* B.08.024 (Limits the bacterial count and the sediment level in milk for manufacture into dairy products)

Some consideration might be given to reducing the maximum bacterial load. Tolerances should be at the same levels established by other agencies (substantive)

* B.09.005 (Establishes a standard of identity for cocoa butter)
Canada proposes accepting the Codex standard which is different from this.

Inconsistency within F&D B.11.105 (Requires that when ascorbic acid or erythorbic acid is used on frozen fruit the label declares that it is used to prevent discolouration).

Should be considered for repeal since vitamins are used elswehre for functional purposes and a statement of this type is not required.

* Duplication-Contradiction B.11.134 (Provides a standard for apricot nectar, peach nectar and pear nectar)

Do not appear to be the same as the standard in the Processed Fruit and Vegetable Regulation and should be studied with a view to being made parallel - mold counts, honey, etc.

* Contradiction B.11.220 (Provides a standard for (naming the citrus fruit) marmalade)

The Processed Fruit and Vegetable Regulations make provision for preservative while this standard does not

There seems to be no minimum fruit content for this marmalade which is the premium product

This standard provides for a pH adjusting agent while the Processed Fruit and Vegetable Regulations do not

Agriculture Canada permits pectin to be added to this product although these regulations do not

* Contradiction B11.221, B.11,223, B.11.241 (Provides a standard for (naming the citrus fruit) marmalade with pectin, pineapple marmalade with pectin, fig marmalade with pectin, and (naming the fruit) jelly with pectin)

The Processed Fruit and Vegetable Regulations does not make provision for pH adjusting agents

* B.11.222 (Provides a std for pineapple marmalade and fig marmalade)

Processed Fruit and Veg Regs provide for a preservative but no pH adjusting agent while the opposite is true for this standard

* B.11.240 (Provides a standard for (naming the fruit) jelly)

Processed Fruit and Vegetable Regs permit a preservative and not a pH adjusting agent and juice or concentrate preserved with sulphur dioxide while this standard does not mention the sulphur dioxide and takes an opposite stand on the other two food additives

* B.11.250 (Provides a standard for mince, mincemeat or fruit mince)

"Mince" is not an acceptable common name in the Processed Fruit and Veg Regs which does provide for the use of "seasonings", unlike this regulation

Dup (within F&D) B.13.015 (Is a std for cottonseed Floor)
The reference to gossypol is repeated in B.01.046

Inconsistency (within F&D) B.13.051 (Provides that alimentary paste sold as containing egg must contain on the dry basis, not less than 4% egg yolk solids)

Nomenclature for the sources of egg yolk solids should be brought into line with Division 22

A.01.061 - A.01.063 (Deals with the labelling of products packed in pressurized containers)

The requirement as to size and location of non-symbol portions

are not the same as those required for products dealt with by the Hazardous Products Regs. This leads to some confusion and less than ideal protection of the consumer.

These regulations do not refer to the appropriate sections of the Hazardous Products Regs for the size of the print to be used.

Perhaps much of this regulation could be done by reference to the Hazardous Products Regulations.

Inconsistent (within F&D) B.01.004 (Describes the way in which a label must be applied to a food or to its package)

Parts 1&2 should be altered to be consistent
In the interest of consistency, the two sections should read the same. In Section 1, "part" of the label must be attached - in section 2, all the label must be applied...
To be consistent with the communique dealing with non-retail containers.

* Contradiction (within F&D) B.01.047 (provides exemptions to Section B.01.046 so that certain oils and waxes, which otherwise would be adulterants, may be used on specified foods)

Poor wording of this reg puts subsection (a) and (e) at odds

* B.01.053 (Sets out nutritional stds for instant breakfast)

This reg is at odds with the meal replacement regulations found in Division 24 and should be phased out over some short period of time

* Indicates the regulation is controlled by the Health Protection Branch

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
A	1	1	Interpretation	- Defines terms for both food & drug sections used throughout the Act - Gives general regulations that can be applied to all product groups	24	No changes suggested
	1	2	Labelling of food and drugs in pressurized containers	- Gives labelling requirements for products in pressurized containers - Series of symbols to warn degree of flammability	4	Further study suggested - could be placed in hazardous products regulations
B	1	1	* General (Foods only)	- Defines universal terms used in Part B - Determines which foods have to carry a label - All prepackaged foods* (Exception of fruit & candy) - Meat & meat by products - Poultry and poultry by products - Horse - All food additives - Flour treated with gamma radiation - Sets type and manner of such labels - Determines what must be contained in label i.e. What information has to be disclosed for specific products (ingredients, name of manufacturer etc.) - Sets rules for bilingual labelling - Defines general terms used in a label - (mandatory & voluntary)	45	Of all the divisions in the Act, this section clearly has the most problems. - 23 sections further study is needed - some major - 3 sections need to be amended - 1 repeal - Although most problems are highly specific and of a housekeeping nature, the scope of products in which these reg's effect makes any change considerable

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
B	2	1	Alcoholic beverages	- Defines terms used for alcoholic beverages - Provides standards for whisky, gins, brandies, liqueurs, vodka, wines, fruit spirits, vermouth & ciders - Determines labelling requirements 1. Alcohol content 2. Country of origin 3. Age of gin, brandy & rum	53	- Generally housekeeping changes suggested - primarily with relation to additives* * Reference to additives in all sections has brought suggestions of housekeeping changes (that all additives should be consolidated into a separate section).
B	3	1	Baking powder	- Sets standards that define baking soda	2	- Further study needed Ref. to (additives and lactic acid)
B	4	1	Cacao products	- Sets standards for foods derived from cacao (cacao beans, nibs chocolate)	11	- Further study needed (9 reg's) Ref. to (additives 8 reg's)
B	5	1	Coffee	- Sets standards for various types of coffees - Labelling and declaration requirements (% caffeine)	3	- Suggest instant coffee be placed under these regulations

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
B	6	1	Food colours	- Defines a food colour - Controls level of toxic ingredients - Labelling requirements	26	- 1 regulation under review (additives)
B	7	1	Spices, dressings & seasonings	- Sets standards that define 39 spices or seasonings	43	- No changes
B	8	1	Dairy Products Milk	- Defines various types of milk - Sets standards for composition & processing of milk	74 (Total) 28	25 require further study (Substantive)
		2	Cheese	- Provides standards for cheese (composition) - Sets naming guidelines & some labelling requirements	33	5 require further study
		3	Butter	- Sets standards	2	2 further study
		4	Cream	- Sets standards and labelling requirements	8	3 further study
B	9	1	Fats & oils	- Sets standards (vegetable fats & oils, animal fats & oils) - No labelling requirements	22	14 - require housekeeping changes - mostly deal with question of additives

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
B	10	1	Flavoring preparations	- Sets standards for naming flavors - Extract or essence, artificial or imitation - Classifies various specific flavors - No labelling requirements	27	- 24 total need further study (5 housekeeping 9 out of date)
B	11	1	Fruits & vegetables (Products & substitutes.	- Sets standards - Determines what can or cannot be added as ingredients - Controls additives	27	- 15 require housekeeping changes (additives) - 2 require major changes
B	12	1	Prepacked water & ice	- Sets standards (5 regulations) (mineral & spring water) - Determines labelling requirements (4 regulations)	9	- All require housekeeping changes (additives) - Suggested rewording of label requirements
B	13		Grain & bakery products	- Provides standards & labelling requirements for flours, pastes & breads	30	- 13 require further study primarily housekeeping
B	14		Meat, it's preparation & products	- Sets standards for: meat by products organs prepared meat regular, medium & lean ground beef Sausage, stews & weiners - Sets some specific labelling requirements	60	- 14 further study required primarily housekeeping (additives)

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
B	15		Adulteration of food	- Regulates content of certain substances in food - Arsenic, fluoride, lead, tin and other chemicals - Sets tolerances for the amount of each specific chemical in different foods	3	- No further study required (- Justification - health hazard)
B	16	1	Food additives	- Regulates the amount of food additives which may be used and for what purpose - Sets labelling requirements (health reasons and to control excessive use) - 67 pages of tables referring to types, uses and tolerances	7	- Entire reorganization of this division is proposed - due to recommended changes with respect to additives in other divisions
B	17	1	Salt	- Sets standards for salts & salt flour	3	1 - further study (additives)
B	18	1	Sweetening agents	- Provides standards for various sugars and sweeteners - Determines labelling requirements for liquid sugar and invert sugar	22	2 - require further study
B	19		Vinegar	- Standards for various vinegars - Labelling requirements (Acetic acid %)	9	2 - require further study
B	20		Tea	- Sets tolerances & standards for tea	4	- All require further study

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
B	21		Marine & fresh water animal products	- Provides standards for fresh and prepared seafood products - Some labelling requirements "keep frozen prior to use"	15	- 2 require further study
B	22		Poultry, poultry meat, their preparations and products	- Defines and standardizes poultry & poultry by products - Regulates conditions of sale - Some labelling requirements	29	- 10 require further study (primarily housekeeping)
B	23		Food packaging materials	- Defines which materials can be used in food packaging - Sets limits on percentages of specific compounds in packaging materials	8	- None require further study (health hazard)
B	24		Foods for special dietary use	- Defines special dietary names in the context of their composition e.g. % carbohydrates - Provides a series of specific labelling requirements	17	- 5 require further study primarily housekeeping
B	25		Infant food	- Provides definitions for expiration date and various names for infant food - Sets standards for minimal nutritional requirements - Sets labelling requirements - (nutritional contents)	12	11 - require further study primarily housekeeping

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
	1		Fresh & processed fruit & vegetable regulations	- Provides grades & standards for all fruits & vegetables - Regulates packing requirements for specific produce - transparent packages - experimental - bulk - Packing standards - Labelling requirements - information disclosed. Net quantity, grade, etc. - size & type - Import & export regulations - grades, standards & packing - Inspection & seizure regulations	134	2 Sections require further study - primarily very specific problems dealing with particular products
	2		Dairy products regulations	- Primarily provides quality standards in the production of products derived from milk (butter, cheese etc.) - Grading (defines grade names) - Sets labelling requirements - Regulations for international & interprovincial trade with respect to - packing - grading - standards	81	9 Sections require further study - very specific problems identified. Generally housekeeping in nature

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
	3		Egg & processed egg regulations	- Sets regulations for grading, labelling & packing of eggs & processed eggs - Regulations for export, import & inter-provincial trade - Enforcement regulation - inspection - seizure & detention	66	8 Sections require further study - generally problems of grade choice & tolerances
	4		Maple products regulations	- Regulates products derived from maple sap (Maple syrup, sugar, butter & taffy) - Grading requirements - Packing - Labelling - Inspection - Export & interprovincial trade regulations	23	5 - require further study - primarily housekeeping
	5		Honey	- Provides grading and colouring classifications - Packing requirements - Labelling requirements - Export & import regulations - Inspection & certification	59	- No sections required any changes or further study

C.A.P.S. (cont)

3. CONSUMER PACKAGING AND LABELLING Regulations

DIVISION	SUB SEC	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
1		Application of label to a prepackaged product (Reg's 7,8,9,10, 11,14,15,16)	-Regulates the manner in which a label is to be applied to a prepackaged product - label must be applied to display container in which it is sold to consumer - must also be applied to the principal display surface - sets standards for the size & type of lettering used in labelling the product	8	- No further study required
2		Information disclosed in label (Reg's 12,13,30, 31,35)	-Determines information to be shown 1) Net quantity of product 2) Identity of product - common or generic name or in terms of its function 3) Identity & principal place of business of manufacturer or producer 4) Other information required by the Act	5	1 - regulation requires an amendment Reg 31 - include the use of "imported by" or "imported for"
3		Net quantity declaration (Reg's 17,18,19, 21,22,23,24,25, 26,27,28,38,39, 40)	- This grouping defines all aspects of declaring net quantity. - by volume - by weight - by numerical count - bi-dimensional products - by roll, length, x width area - defines units of measurement - exemptions "catch weight product" - also inspection problems with the term "lot"	14	2 - regulations require further study (22,23) - manner in which net quantity is declared (specifically bi-dimensional products) 1 - regulation requires further study - MAJOR (39) - inspectors have operational difficulties with the term "lot"

Consumer Packaging and Labelling (cont)

DIVISION	SUB SEC				
4		Exemptions (Reg's 3,4,5,6, 32)	Exemptions allowed from all provisions of the Act or from certain specified sections	5	2 sections further study substantive 1 section further study MAJOR
5		Miscellaneous			
5		Short Title and Interpretation (Reg's 1,2)		2	retain
5		Advertisements		1	Repeal 1 sub-section that was only effective for 1980
5		Capacity of Receptacles	Ensure that references to the capacity of containers in terms of "pints", "quarts", or "gallons" would be declared in Canadian units of measure.	1	Further study substantive
5		Representation as to number of servings (Reg 33)	- Defines the use of the term "serving" in labelling an edible product	1	- Requires further study - industry using the term portion as opposed to serving - (needs defining)
5		Pictorial Representations on food labels (Reg 34)	- Restricts the use of a pictorial representation that conveys a natural food flavour and is derived from an artificial flavor. The information to this effect must be displayed on or adjacent to the pictorial representation	1	- further study required
		Standardization of container sizes (Reg 36)	- Regulates the sizes in which specific products may be sold - Specific foods affected under this section are: biscuits & cookies, wine, glucose syrup, refined sugar syrup, & peanut butter	1	- further study required - large number of complaints from industry with respect to restrictiveness of this set of regulations

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
	1		General Labelling Regulations (Reg's 1-10)	• This division contains a diverse set of regulations which includes: - General definitions - Defines which articles are regulated by this Act - Exemptions from the Act - Second hand articles - Mail order sales - Upholstered & stuffed articles - Sets restrictions on representation label	11	6 - require further study - primarily housekeeping in nature
	2		Information and form of label (Reg's 11-21)	• Defines information to be disclosed - Textile fibre content - Name & postal address of dealer - If imported "country of origin" - Bilingual for certain geographic regions - Regulates use of I.D. number - Defines how above information is to be shown - (clearly prominently, in a fabric other than textile itself etc.) - Sets standards of durability for label - Exemptions	10	5 - require further study - housekeeping in nature

PART	DIVISION	SUB SECT	TITLE	DESCRIPTION	# OF SECTIONS (REGULATIONS)	REGULATORY REVIEW RESULTS
	3		Textile fibre content (Reg's 25-33)	- Provides definitions for general use i.e. (backing, commercial down, down fibre etc.) - Defines generic names for textile fibres i.e. (wool, rayon, nylon, etc. - Sets standards in measuring composition of a textile fibre and the manner in which it is disclosed i.e. (% by weight, pure, all, etc.) - Exemptions	9	5 - require further study
	4		Miscellaneous (Reg's 22-24 & 34-45)	- Advertising requirements - Labelling & standards for specific types of articles - sections - pile fabrics - trimmings - linings, paddings & fillings - plumage - findings - False & misleading representations - Restricts the use of certain words & expressions in advertising and labelling	15	15 - All require further study - housekeeping in nature

5. National Trade Mark and True Labelling Regulations

rt. or Division f Regulation	Sections Recommended for: Retention	Action	Reasons for recommended action	Page No. App. III
nal Trade ark Garment zing gulations		(All sections amend substantive)	A review of these regulations commenced in 1978. Specific recommendations are expected in 1981.	2
xcock Test tles and pettes gulations	All sections			4
nada Standard asuring Cups l Spoons gulations		(All sections further study substantive)	The need for the regulations must be investigated, in addition to whether, if retained, they should be based on metric units of measurement.	6
amois Labelling gulations		(All sections further study substantive)	The need for these regulations has been questioned. Protection against imitation and substitute products may be available under the Consumer Packaging and Labelling Act.	8
rpentine belling gulations		(All sections further study substantive)	Since all turpentine is sold in prepackaged form, protection against adulterated product or substitutes may be available under the Consumer Packaging and Labelling Act. The need for these specific regulations must be investigated.	10
r Garment gulations		(All sections further study substantive)	It appears that these regulations may be outdated and in need of revision to reflect current marketing practices and technological capabilities of the fur industry.	12
Jewels ring julations		(All sections further study substantive)	These regulations are outdated and, at the very least, in need of substantive revision. To be investigated also is the possibility of a voluntary standard under CGSB in which case the present regulations might be repealed	14

Appendix G

Definitions of the "Recommended Action" Results of Phase I

Definitions

The following definitions apply to the various "recommended action" terms:

Further Study - Where a problem or deficiency with a regulation is suspected or known but no course of action (revoke or amend) can yet be taken due to a lack of information, e.g. admin. deficiencies, unclear, ambiguities, etc.

(a) Housekeeping Changes - involve minor changes in a regulation such as to clarify wording but which do not involve change in its substance. These are not considered likely to require industry consultation but may require discussions with other regulatory agencies.

(b) Substantive Changes - involve changes of substance in regulation requirements likely to necessitate consultation with trade and other regulatory agencies.

Amend Where a specific regulation deficiency has been noted, the solution has been identified and the Department is prepared to proceed with the change. The amendment may be supported by a study or consultations which have been or are taking place or the requirement for change may be well established with no further study being required.

Repeal - Where a regulation is known to be obsolete, outdated or duplicative. (For the purposes of this definition, duplication describes cases wherein substantially identical regulations under two different Acts exist for the same products and regulate the same aspects.)

Source: Regulatory Review Binders, Consumer Products Branch

APPENDIX H

Consumer and Corporate Affairs Canada | Consommation et Corporations Canada

CONSUMER PRODUCTS – PROJECT SHEET
PRODUITS DE CONSOMMATION – FEUILLES DE PROJET

Y-A 82 M 04 ☐ COMPLETED / COMPLETÉE

Title - Titre
REGULATORY REVIEW - PHASE II

RESOURCES
O + M Costs - Frais E + E 1000
P/Days - Journées personnes 229

PROJECT CODE / CODE DU PROJET
Priority / Priorité A
Project officer / Agent de projet Division Chiefs
Participants / Participants Officers
Authorization / Autorisation
COMMENTS (as required)/Final Assessment
OBSERVATIONS (s'il y a lieu)/Evaluation définitive

Objectives & Justification (eg. reference to Work Plan)
Objectifs et Justification (se référer au plan de travail) To review, in accordance with 5-yr. plan, identified regulations under following statutes - Consumer Packaging and Labelling Act, Textile Labelling Act, National Trade Mark and True Labelling Act, Food & Drugs Act.

PROGRESS CONTROL
EXAMEN DES CONTRÔLE

Milestones / Etapes	Completion dates / Dates d'exécution — Fiscal year / Exercice financier — 198												TOTAL
	A 04	M 05	J 06	J 07	A 08	S 09	O 10	N 11	D 12	J 01	F 02	M 03	
Receive guidance re: Phase II approach	x												
Contact of appropriate industry groups.		x	x	x									100
Meetings where necessary.						x	x	x					80
Position paper re: findings and recommendations.											x		49
Approval of recommended action.												x	
Total Planned Dollars Cumulative / Montant total d'argent prévu cumulatif													
Actual Dollars Cumulative to Date / Montant d'argent dépensé cumulatif													
Total Planned P/D Cumulative / Nombre total de J-P prévues cumulatifs		88			125			189			229		229
Actual P/D Cumulative to Date / Nombre de J.-P cumulatif													
Signature Project Officer / Signature de l'agent de projet													
Signature of Chief / Signature du chef													

RESOURCE REVIEW CONTROL
RESSOURCES PROVISOIRE

CCA 1653 (11-81)

Source: Consumer Affairs Bureau, Consumer Products, Implementation Plan 1982/83

APPENDIX I

ONGOING REGULATORY INITIATIVES - 1984/85

ACT	TITLE	STATUS
MANUFACTURED FOOD		
1. Food and Drugs, Consumer Packaging and Labelling	Labelling of irradiated foods	Communiqué #39 was issued July 28, 1983. Recommendations regarding labelling will be made in the 1st quarter 1984/85.
2. Food and Drugs, Consumer Packaging and Labelling	Declaration of country of origin on the labels of wine	Communiqué in draft stage. Informal discussions to be held with some provincial liquor agencies and the Canadian Wine Institute during 2nd and 3rd quarters 1984/85.
3. Food and Drugs	Labelling of non-retail containers	Draft amendments incorporated in Schedule of Amendments #556. Publication in Part I of the Canada Gazette scheduled for 1st quarter 1984/85.
4. Food and Drugs	Labelling regulations pertaining to mineral water	Legislative proposal will be submitted by industry committee during 4th quarter 1983/84. Final version of amendments prepared by 3rd quarter 1984/85.
5. Food and Drugs	Control of the use of the term "natural"	Communiqué #38 on proposed guidelines was issued July 15, 1983. Responses will be evaluated and proposal will be discussed with industry and consumer groups during 1st and 2nd quarters 1984/85.

ACT	TITLE	STATUS
MANUFACTURED FOOD (cont'd.)		
6. Food and Drugs, Consumer Packaging and Labelling	Guide for Food Manufacturers and Advertisers	To be printed in French and English before end of fiscal year 1983/84. Distribution effected during 1st quarter 1984/85.
7. Food and Drugs, Consumer Packaging and Labelling	Presentation of flavour principle on food labels	Responses to communiqué #34 have been reviewed. Report to be prepared during 4th quarter 1983/84. Recommendation to be made during 2nd quarter 1984/85.
8. Food and Drugs	Nutrition labelling for foods	Information sessions on proposed amendments will continue for both consumer and industry representatives throughout 1984/85.
9. Food and Drugs	Amendments to food labelling requirements (smoked foods, foods containing milk ingredients)	Draft amendments were incorporated in Schedule of Amendments #556 and will be published in Part I of the Canada Gazette during 1st quarter 1984/85.
10. Food and Drugs	Declaration of sweeteners in list of ingredients	Industry/government committee formed late '83. Recommendations expected by 4th quarter 1984/85.

ACT	TITLE	STATUS
RETAIL FOOD		
11.Food and Drugs	Bulk meat advertising.	Draft amendments now incorporated in Schedule of Amendments #556. Publication in Part I of the Canada Gazette scheduled for 1st. quarter 1984-85.
12.Food and Drugs	Durability dating requirement.	Communiqué #35 results have been analyzed and revisions to Option "2" drafted. Publication in Part I of Gazette is scheduled for 2nd. quarter 1984-85.
13.Food and Drugs; Canada Agricultural Products Standards	Declaration of fat and moisture.	Further discussion with industry to be conducted in 4th. quarter 1983-84. Regulation revisions, if required, will be made in 1st. or 2nd. quarters of 1984-85.
14.Canada Agricultural Products Standards	Uniform grade nomenclature	A.C. study of proposal to be completed in 4th. quarter 1983-84. Further CCAC input, if required, anticipated for 1st. quarter 1984-85.
15.Canada Agricultural Products Standards; Provincial Legislation	Increased uniformity between federal and provincial requirements re: agricultural foods.	Monitoring and review of changes to both federal and provincial regulations will continue throughout 1984-85.
16.Consumer Packaging and Labelling Regulations.	Removal of references to "catch weight product" in Sections 18 and 27.1 to eliminate confusion with "individually measured commodity" definition introduced into Section 19 in 1982.	Communiqué to be issued in 2nd. quarter 1984-85.

ACT	TITLE	STATUS
MERCHANDISE STANDARDS		
17.Voluntary Guidelines	Gemstone standard terminology.	Guidelines with respect to diamonds out for public comments. Work to commence on rubies i 2nd. quarter 1984-85.
18.Precious Metals Marking	Hollow ware marking.	Revised proposal under discussion with industry. Completion 3rd. quarter 1984-85.
19.Consumer Packaging and Labelling	Non-prepackaged products prohibition of misleading statements as per authority of Section 18(1)(h) of the Act.	A proposal will be developed in the 1st. quarter 1984-85.
20.Textile Labelling	Disposal of forfeited goods.	Proposal to be published in Part I Canada Gazette by 2nd. quarter 1984-85.
21.National Trade Mark and True Labelling	Watch Jewels Marking.	Recommendations to be made in 1st. quarter 1984-85.
22.National Trade Mark and True Labelling	Fur Garment Labelling.	Recommendations to be made in 1st. quarter 1984-85.

NEW REGULATORY INITIATIVES - 1984/85

ACT	TITLE	TARGET
MANUFACTURED FOOD		
1. Food and Drugs	Amendments to Food and Drugs Act and Regulations necessitated by resolution of Labatt's Supreme Court decision.	First draft amendments to the Regulations will be made in consultation with H&WC during 1st. quarter 1984-85.
RETAIL FOOD		
2. Fish Inspection Act	The development of standards for battered fish products by F&OC.	Further discussion with F&OC to be held in 4th. quarter 1983-84 and 1st. quarter 1984-85.
3. Canada Agricultural Products Standards - Fresh Fruit and Vegetables Regulations	Simplification of grade standards.	CCAC to review new draft standards to be developed by AC in fiscal year 1984-85.
4. Food and Drugs and Provincial legislation	Consultation with provinces to establish co-ordinated federal and provincial food legislation.	To be initiated in 1st. and 2nd. quarters of 1984-85.
MERCHANDISE STANDARDS		
5. Textile Labelling	Review definition of "Country of Origin".	Interested groups to be contacted during 1st. quarter 1984-85.
6. Textile Labelling	Labelling of down and feather products.	" "
7. Textile Labelling	Update nomenclature - generic names and biconstituent fibres.	" "

ACT	TITLE	TARGET
MERCHANDISE STANDARDS (cont'd.)		
8. Textile Labelling	Labelling of pile fabrics, coated and impregnated fabrics and fabric films.	Interested groups to be contacted during 1st. quarter 1984-85.
9. Consumer Packaging and Labelling Act	A study will be conducted to determine if certain labelling exemptions should be granted for products sold on the basis of display models or demonstrations and for individually prepackaged items sold from master cards.	" "
10. Consumer Packaging and Labelling Act	Regulations will be reviewed with respect to bidimensional products.	" "

Source: Consumer Affairs Bureau
Consumer Products
Operational Workplan
1984/85

STATUS REPORT

REGULATORY INITIATIVES - 1983/84

	ACT	TITLE	STATUS - 4TH QUARTER
1.	Food and Drugs; Consumer Packaging and Labelling;	Labelling of irradiated foods.	Communiqué #39 was issued July 28, 1983. Responses received and reviewed. Position paper being prepared.
2.	Food and Drugs; Consumer Packaging and Labelling;	Declaration of country of origin on the labels of wine and appelations of origin.	Communiqué re. the declaration of country of origin is in final stage of drafting. Consultation re. the appelation of origin will await policy direction due to implications with Trade Marks and work of Policy Co-ordination Bureau.
3.	Food and Drugs	Labelling of non-retail containers.	Draft amendments incorporated in Schedule of Amendments #556. Awaiting publication in Part I of the Canada Gazette.
4.	Food and Drugs	Labelling regulations pertaining to mineral water.	Review of the report of the industry/government committee preparing a legislative proposal is underway.
5.	Food and Drugs	Control of the use of the term "natural".	Communiqué #38 on proposed guidelines was issued July 15, 1983. Responses received and under review.
6.	Food and Drugs; Consumer Packaging and Labelling;	Presentation of flavour principle on food	Responses to communiqué #34 have been received and analysis is continuing.

/ indicates that it was not included in the 84/85 regulatory initia

* indicates it is still at the same stage

	ACT	TITLE	STATUS - 4TH QUARTER
7.	Food and Drugs	Nutrition labelling for foods.	Information sessions are continuing for both government and industry representatives.
8.	Food and Drugs	Amendments to food labelling requirements	Draft amendments were incorporated in Schedule of Amendments #556, awaiting publication in the Canada Gazette Part I.
9.	Food and Drugs	Declaration of sweeteners in list of ingredients.	2nd. session of the industry/government committee meeting to be held in April 1984.
10.	Food and Drugs	Amendments to Food and Drugs Act and Regulations necessitated by resolution of Labatt's Supreme Court decision.	Amendments to the regulations are now in the process of being drafted in consultation with Health and Welfare Canada.
11.	Food and Drugs	Bulk meat advertising	Draft amendments are incorporated in Schedule of Amendments #556. Publication in Part I of the Canada Gazette scheduled for 1st. quarter 1984-85.
12.	Food and Drugs	Durability dating requirement	Communiqué #35 results have been analyzed and revisions to Option "2" drafted. Publication in Part I of Gazette is scheduled for 2nd. quarter 1984-85.
13.	Food and Drugs - Canada Agricultural Products Standards	Declaration of fat and moisture on cheese	Further discussion with industry conducted in 4th. quarter 1983-84 and will continue in 1st quarter of 1984-85.

	ACT	TITLE	STATUS - 4TH QUARTER
14.	Food and Drugs	Revision to penalty provisions	Project to be significantly delayed until changes to F. & D. Act re: Labatt issue are completed. May also be affected by government decriminalization initiative.
15.	Canada Agricultural Product Standards	Uniform grade nomenclature	A.C. study of proposal completed in 4th. quarter. Further CCAC input anticipated for 1st quarte 1984.85
16.	Canada Agricultural Products Standards - Provincial Legislation.	Increased uniformity between federal and provincial requirements re: agricultural foods.	CCAC review of pertinent provincial legislation has been completed and recommendations provided. Monitoring and review of changes to both federal and provincial regulations continuing.
17.	Fish Inspection Act	General labelling and grade labelling provisions, development of standards for battered fish products.	Further discussions with Fisheries and Oceans plann for 4th. quarter delayed. Will be held in 1st quarte of 1984-85.
18.	Canada Agricultural Products Standards - Processed Products Regulations	Country of origin labelling provisions	No further progress made by Agriculture Canada. Criteria to identify domestic vs imported products under development by Agriculture Canada.
19.	Canada Agricultural Products Standards - Fresh Fruit and Vegetables Regs.	Simplification of grade standards.	CCAC commented on simplifi draft standards submitted for review for all fresh fruits and vegetables.
20.	Food and Drugs and Provincial Regulations.	Discussion with provinces to establish co-ordinated federal and provincial food regulations.	Correspondence to provincial Ministers from Minister of CCAC and H.W.C. forwarded.

	ACT	TITLE	STATUS - 4TH QUARTER
30.	Consumer Packaging and Labelling	Prohibition of misleading label statements on non-prepackaged products	Policy paper to be completed 2nd quarter, 84/85.
31.	National Trade Mark and True Labelling	Chamois Labelling	Responses from interested parties reviewed. Submission to t Minister being prepared.
32.	National Trade Mark and True Labelling	Turpentine Labelling	Responses from intereste parties under review.
33.	National Trade Mark and True Labelling	Watch Jewels Marking	Letter sent to intereste parties in 4th Quarter, 83/84. Awaiting respons
34.	National Trade Mark and True Labelling	Fur Garment Labelling	Fur Council of Canada is i process of reviewing regulations.
35.	National Trade Mark and True Labelling	Canada Standard Measuring Cups and Spoons	Worked delayed by impressed demands. Recommendation now planne for 2nd quarter 84/85.
36.	National Trade Mark and True Labelling	Babcock Test Bottles and Pipettes Marking	Review Completed. (retain)
37.	Textile Labelling	Disposal of forfeited goods	Submitted to PCO.
38.	Consumer Packaging and Labelling	Standard Sizes for powdered laundry detetergents and soaps	Consultation initiated wit consumer and industry associations.

Source: Consumer Affairs Bureau
Consumer Products
Year-End Report 1983/84
Appendix I

APPENDIX J

ASSOCIATIONS CONSULTED

RE FOOD AND DRUGS ACT

(1) CONSUMER ASSOCIATION OF CANADA
(2) GROCERY PRODUCTS MANUFACTURERS ASS.
(3) CANADIAN FOOD PROCESSORS ASS.
(4) CANADIAN SOFT DRINK ASS.
(5) CANADIAN DIABETES ASS.
(6) CANADIAN SUGAR INSTITUTE
(7) CANADIAN DIETETIC ASS.
(8) CANADIAN IMPORTERS ASS.
(9) FISHERIES COUNCIL OF CANADA
(10) NATIONAL DAIRY COUNCIL
(11) BAKERY COUNCIL OF CANADA
(12) ASSOCIATION OF CANADIAN DISTILLERS
(13) BREWERS ASSOCIATION OF CANADA
(14) CANADIAN WINE INSTITUTE
(15) CONFECTIONERY ASSOCIATION OF CANADA
(16) PACKAGING ASSOCIATION OF CANADA
(17) CANADIAN FROZEN FOOD ASS.
(18) CANADIAN ASS. OF PROVINCIAL LIQUOR COMMISSIONERS
(19) CANADIAN NATIONAL MILLERS ASS.
(20) NATIONAL CANNERS ASSOCIATION (U.S.)
(21) INSTITUTE OF CANADIAN ADVERTISING
(22) ADVERTISING STANDARDS COUNCIL
(23) CANADIAN ADVERTISING & SALES ASS.
(24) INSTITUTE OF EDIBLE OILS, FOODS.
(25) MEAT PACKERS COUNCIL OF CANADA
(26) CANADIAN RESTAURANT ASS.
(27) ASSOCIATION OF CAN. BISCUIT MANUF.
(28) CANADIAN HEALTH FOOD SALES NAT. ASS.
(29) CANADIAN POTATO CHIP ASS.
(30) TEA AND COFFEE ASS. OF CANADA
(31) CANADIAN CATTLEMAN'S ASS.

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(32) CANADIAN FOODS BROKERS ASS.

(33) CANADIAN AUTOMATIC MERCHANDIZING ASS.

(34) NAT. ASS. OF CHEWING GUM MAN

(35) EGG PROCESSORS COUNCIL

(36) RETAIL COUNCIL OF CANADA

(37) RETAIL MERCHANTS ASS.

(38) CANADIAN FEDERATION OF RETAIL GROCERS

(39) CANADIAN HORTICULTURAL COUNCIL

(40) CANADIAN GROCERY DISTRIBUTORS

(41) CO-OPERATIVE UNION OF CANADA

(42) FEDERATION DES MAGASINS CO-OP.

(43) FLAVOR MANUFACTURERS ASS. OF CANADA.

DEPARTMENTS

A. AGRICULTURE CANADA

B. CANADIAN BROADCASTING CORP.

C. CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

D. CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

E. DAIRY COMMISSION

F. ECONOMIC COUNCIL OF CANADA

G. FISHERIES AND OCEANS

H. HEALTH & WELFARE CANADA

I. INDUSTRY TRADE AND COMMERCE

J. METRIC COMMISSION

K. NATIONAL RESEARCH COUNCIL CANADA

L. REVENUE CANADA

M. EXCISE BRANCH

N. SPECIFICATIONS BOARD CANADA

O. STANDARDS COUNCIL OF CANADA

P. TRADE MARKS BRANCH, CCAC

Organizations to be Considered for Consultation
Consumer Packaging and Labelling Regulations: Non:Food

ADVERTISING STANDARDS COUNCIL

ALLIED BEAUTY ASSOCIATION

ALLIED BOATING ASSOCIATION OF CANADA

AMERICAN MARKETING ASSOCIATION

ASSOCIATION OF CANADIAN ADVERTISERS

AUTOMOBILE PROTECTION ASSOCIATION

AUTOMOTIVE INDUSTRIES ASSOCIATION

AUTOMOTIVE PARTS MANUFACTURERS ASSOCIATION (CANADA)

CANADIAN ADVERTISING RESEARCH FOUNDATION

CANADIAN ADVERTISING AND SALES ASSOCIATION

CANADIAN AGRICULTURAL CHEMICALS ASSOCIATION

CANADIAN ARTISTS REPRESENTATION ONTARIO

CANADIAN ASSOCIATION OF EQUIPMENT DISTRIBUTORS

CANADIAN AUTOMATIC MERCHANDISING ASSOCIATION

CANADIAN AUTOMOTIVE ELECTRIC ASSOCIATION

CANADIAN BATTERY MANUFACTURER'S ASSOCIATION

CANADIAN BOOK PUBLISHERS COUNCIL

CANADIAN BOOKSELLERS ASSOCIATION

CANADIAN BRUSH, BROOM AND MOP MANUFACTURERS ASSOCIATION

CANADIAN CHAMBER OF COMMERCE

CANADIAN CHEMICAL PRODUCERS ASSOCIATION

CANADIAN CONSTRUCTION ASSOCIATION

CANADIAN COSMETIC TOILETRY AND FRAGRANCE ASSOCIATION

CANADIAN CRAFTS COUNCIL

CANADIAN ELECTRICAL ASSOCIATION

CANADIAN FEDERATION OF AGRICULTURE

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

CANADIAN FEDERATION OF RETAIL GROCERS

CANADIAN GROCERY DISTRIBUTORS INSTITUTE

CANADIAN HARWARD AND HOUSEWARES MANUFACTURERS ASSOCIATION

CANADIAN HORTICULTURAL COUNCIL

CANADIAN IMPORTERS ASSOCIATION INC.

CANADIAN INSTITUTE OF PLUMBING AND HEATING

CANADIAN INSTITUTE OF TIMBER CONSTRUCTION

CANADIAN LUMBERMEN'S ASSOCIATION

CANADIAN MANUFACTURERS ASSOCIATION

CANADIAN MANUFACTURERS OF CHEMICAL SPECIALTIES

CANADIAN MOTORCYCLE ASSOCIATION

CANADIAN NATIONAL MILLERS ASSOCIATION

CANADIAN OUTDOOR AMUSEMENT ASSOCIATION

CANADIAN PAINT MANUFACTURERS ASSOCIATION

CANADIAN PAINTING CONTRACTORS ASSOCIATION

CANADIAN PAPER BOX MANUFACTURERS ASSOCIATION

CANADIAN PHOTOGRAPHIC TRADE ASSOCIATION

CANADIAN PORTLAND CEMENT ASSOCIATION

CANADIAN PULP AND PAPER ASSOCIATION

CANADIAN RECORDING INDUSTRY ASSOCIATION

CANADIAN RETAIL HARDWARE ASSOCIATION

CANADIAN SEED GROWERS ASSOCIATION

CANADIAN SHOE RETAILERS ASSOCIATION

CANADIAN SPORTING GOODS ASSOCIATION

CANADIAN STANDARDS ASSOCIATION

CANADIAN TOBACCO MANUFACTURERS COUNCIL

CANADIAN TOY IMPORT ASSOCIATION

CANADIAN TOY MANUFACTURERS ASSOCIATION

CAULKING CONTRACTORS ASSOCIATION

CONFECTIONARY ASSOCIATION OF CANADA

CONSUMERS ASSOCIATION OF CANADA

ELECTRICAL AND ELECTRONIC MANUFACTURERS ASSOCIATION OF CANADA

FOOTWEAR BUREAU OF CANADA

FOOTWEAR AND LEATHER INSTITUTE OF CANADA

GRAPHICS ARTS INDUSTRY ASSOCIATION

GROCERY PRODUCTS MANUFACTURERS OF CANADA

HEATING, REFRIGERATING AND AIR CONDITIONING INSTITUTE

HOME OWNERS ASSOCIATION

INSTITUTE OF CANADIAN ADVERTISING

INTERNATIONAL MOTOR LEAGUE

LAMP MANUFACTURERS ASSOCIATION

MACHINERY AND EQUIPMENT MANUFACTURERS ASSOCIATION OF CANADA

MECHANICAL CONTRACTORS ASSOCIATION OF CANADA

MOTOR VEHICLE MANUFACTURERS ASSOCIATION

NATIONAL BETTER BUSINESS BUREAU OF CANADA

NATIONAL CONCRETE PRODUCTS ASSOCIATION

OUTDOOR ADVERTISING ASSOCIATION OF CANADA

PACKAGING ASSOCIATION OF CANADA

RESILIENT FLOOR CONTRACTORS ASSOCIATION

RETAIL COUNCIL OF CANADA

SOAP AND DETERGENT ASSOCIATION OF CANADA

SOCIETY OF THE PLASTICS INDUSTRY OF CANADA

SPORTS FEDERATION OF CANADA

UNITED MERCHANTS ASSOCIATION OF CANADA

Note: The Food Organizations consulted are the same as those consulted for Food and Drug Regulation Amendments

Organizations to be Considered for Consultation
National Trade Mark & True Labelling Regs

Babcock Test Bottles and Pipettes Regulations
- National Dairy Council of Canada
- Agriculture Canada
- Provincial Department of Agriculture

Canada Standard Measuring Cups & Spoons Regulations
- Canadian Manufacturers' Association
- Canadian Dietetic Association
- Canadian Home Economics Association
- Canadian Diabetes Association
- Canadian Metric Association
- Canadian Hardware and Housewares Manufacturer's Association
- Society of the Plastics Industry of Canada
- Canadian General Standards Board
- Myer Bald Inc
- C.E. springer & Company, Ltd
- The Canadian Gift and Tableware Association

Chamois Labelling Regulations
- Allergy Foundation of Canada
- International Council of Tanners (UK)
- The Sponge and Chamois Institute (USA)
- Consumers' Association of Canada
- Tanners Association of Canada

Turpentine Labelling Regulations
- The Chemical Institute of Canada
- Canadian Paint and Coatings Association
- The Canadian Chemical Producers' Association
- Ashland Chemicals
- Chemcentral/Toronto
- Harrisons & Crosfield (Canada) Ltd
- Hercules Canada Limited
- L.V. Lomas Chemical Company Ltd
- Van Waters and Rogers Ltd
- APCO Industries Co Ltd
- Bate Chemical Co Ltd
- Debro Ltd
- Recochem Inc
- Canadian Manufacturers of Chemical Specialities Association

Regulations Respecting the Labelling of Fur Garments
- Canadian Wildlife Association
- George Brown College
- Consumers' Association of Canada
- Agriculture Canada - Fur Section, Livestock Division

Retail Council of Canada
Fur Garment Association

Watch Jewels Marking Regulations
Canadian Jewellers Association
Consumers' Association of Canada
Quebec Jewellers Corporation
Trade Commissioners (various countries, eg. Switzerland)

Organizations to be considered for Consultation
National Trade Mark Garment Sizing Regulations

Alberta Apparel Manufacturers' Institute

Apparel Manufacturers' Association of Ontario

Apparel Manufacturers' Institute of Québec

Apparel Studies Association of Canada

Body Fashion Manufacturers' Association of Canada

Canadian Apparel Manufacturers' Institute

Canadian Direct Mail Association

Canadian Down and Feather Products Association

Canadian Federation of Independent Business

Canadian High Fashion Retailers' Association

Canadian Home Economics Association

Canadian Home Sewing Association

Canadian Importers' Association

Canadian Manufacturers' Association

Canadian Shirt Manufacturers' Association

Children's Apparel Manufacturers' Association

Consumers' Association of Canada

Fashion Designers' Association of Canada

Knitters' Association of Canada

Lingerie and Underwear Manufacturers' Association

Manitoba Fashion Institute Incorporated

Men's Clothing Manufacturers' Association of Ontario

Men's Clothing Manufacturers' Association of Québec

Montreal Dress & Sportswear Manufacturers' Guild

Needle Trade Management Association of Ontario

Odd Pants Manufacturers' Association

Rainwear & Sportswear Manufacturers' Association

Retail Council of Canada

Retail Merchants Association of Canada Inc.

Retail Merchants Association of Canada (Alberta) Inc.

Toronto Cloak Manufacturers' Association

Toronto Dress and Sportswear Manufacturers' Guild

Organizations to be considered for Consultation
Textile Labelling and Advertising Regulations:

Alberta Apparel Manufacturers' Institute

Apparel Manufacturers' Association of Ontario

Apparel Manufacturers' Institute of Québec

Apparel Studies Association of Canada

B.C. Fabricare Association

B.C. Fashion & Needle Trade Association

Body Fashion Manufacturers' Association of Canada

Canadian Association of Textile Chemists and Colorists

Canadian Apparel Manufacturers' Institute

Canadian Canvas Goods Manufacturers' Association

Canadian Carpet Institute

Canadian Cordage Institute

Canadian Cotton Council

Canadian Council of Furniture Manufacturers

Canadian Crafts Council

Canadian Direct Mail Association

Canadian Down and Feather Products Association

Canadian Federation of Independent Business

Canadian Glove Manufacturers Association Ltd.

Canadian High Fashion Retailers' Association

Canadian Home Economics Association

Canadian Home Furnishing Association

Canadian Home Sewing Association

Canadian Importers' Association

Canadian Interiors' Association

Canadian Manufacturers' Association

Canadian Shirt Manufacturers' Association

Canadian Textile Importers' Association

Canadian Textiles Institute

Children's Apparel Manufacturers' Association

Consumers' Association of Canada

Dry Cleaners and Launderers Institute

Fashion Designers' Association of Canada

Footwear and Leather Institute of Canada

Furniture West Inc.

Fur Trade Association (Québec) Incorporated

Institute of Textile Science

Knitters' Association of Canada

Lingerie and Underwear Manufacturers' Association

Manitoba Fashion Institute Incorporated

Men's Clothing Manufacturers' Association of Ontario

Men's Clothing Manufacturers' Association of Québec

Montreal Dress & Sportswear Manufacturers' Guild

Needle Trade Management Association of Ontario

Odd Pants Manufacturers' Association

Ontario Furniture Manufacturers' Association

Ottawa Valley Weavers' Guild

Québec Furniture Manufacturers' Association Inc.

Rainwear & Sportswear Manufacturers' Association

Retail Council of Canada

Retail Merchants Association of Canada Inc.

Retail Merchants Association of Canada (Alberta) Inc.

Rubber Association of Canada

Shoe Manufacturers' Association of Canada

Society of the Button Industry

Society of Canadian Slide & Fastener Manufacturers

Society of the Plastics Industry of Canada

Tanners' Association of Canada

Textile Trade Association

Textile Technical Federation of Canada

Toronto Cloak Manufacturers' Association

Toronto Dress and Sportswear Manufacturers' Guild

Wool Bureau of Canada Ltd.

TEXTILE TESTING LABORATORIES

Ontario Research Foundation

Retail Research Foundation of Canada

Greenwich Canadian Testing

Canadian Textile Testing Laboratories

The George Brown College of Applied Arts and Technology

SEDTEX

Warnock Hersey Ltée

University of Manitoba

University of Alberta

Appendix K

Persons Interviewed

Mr. Ralph McKay
Director
Consumer Products Branch

Mr. C.G. Shepherd
Chief
Manufactured Food Division, CPO, CCA

Ms. J.B. Robert-Stolan
Food Specialist
Manufactured Food Division

Mr. W.R. Dunn
Food Specialist
Manufactured Food Division

Mr. G.F. Reasbeck
Chief
Retail Food Division

Mr. R. Gilchrist
Agriculture Specialist
Retail Food Division

Mrs. C. LaBelle
Chief
Program Co-ordination Division

Mr. Z. Brown
Chief
Merchanidise Standards Division

Mr. W. Lowe, Sr. Program Officer
Consumer Packaging and Labelling
Merchandise Standards Division

Ms. D. Law
Senior Program Officer
Textile Labelling
Merchandise Standards Division

Mr. G. Lowe
Program Officer
Precious Metals Marking Section
Merchandise Standards Division

Ms. V. Cosman
Program Officer
Textile Labelling
Merchandise Standards Division

Mr. M.J. Jolicoeur
Legal Branch
Consumer and Corporate Affairs

Mr. P. Brackenridge
Director
Dairy, Fruit and Vegetable Division
Food Inspection Directorate
Agriculture Canada

"FOLLOW-UP RECOMMENDATIONS TO CASE STUDY FINDINGS"

SCHOOL OF BUSINESS

Queen's University
Kingston, Canada
K7L 3N6

November 2, 1984

Mr. Bob Lahey
Evaluation Division,
Consumer and Corporate Affairs Canada,
17th Floor, Phase 1,
Place du Portage,
Victoria Street Hall

Dear Bob:

As we discussed, I am enclosing ten copies of the final report for our review of the regulatory amendment process for the Evaluation Division. I have incorporated your comments as well as those from the Consumer Products Branch, where they were appropriate. I believe the case study report accurately reflects what was included in each of the 29 cases reviewed and that the conclusions drawn are appropriate given the information available from the Consumer Products Branch. As we have discussed, it is impossible from a review of the files in that branch to determine in many cases precisely the influence which a consultation had on the final form of amendments. While responses from various interests are contained in the file, there is relatively little information indicating how each of these responses influenced the final form of the amendment. This lack of documentation is probably not a serious issue since one must assume that professionals will incorporate information as they deem appropriate. Nevertheless, you may wish to consider suggesting ways in which the consultation process could be more completely documented by the branch so that in any future reviews the actual influence of that process can be more accurately determined.

It is fair, however, to say that the Consumer Products Branch is extremely conscientious in reponding to the various inputs from other departments, industry groups, consumer groups, and other interested parties. The care with which responses are vetted and the extensive mailing list used for many amendments (approximately 8,000) indicates a real concern on the branch's part to ensure that all interested parties are informed and that when submissions are made to the branch that these are carefully reviewed.

As you have requested, I am including a set of what we believe are important recommendations which the department may wish to follow up with respect to the regulatory amendment process. As you know, these recommendations are based upon the findings of the third report and therefore I will not repeat those findings in this letter.

1. Because of the high variation in time taken to complete the amendment process and the fact that amendments for some regulations take three to four years (when there are few, if any responses, from interested parties), this suggests that the **department may wish to consider identifying milestones for** the completion of the amendment process for regulatory amendments. These milestones would not only assist in the allocation of resources at a more macro level, but would assist program officers in allocating their time to the amendment process in its various stages.

2. Given the significant difference of the actual amendment process from that which was anticipated (given the departmental policy in 1980/81) the **department should consider either revising its expectations for the steps taken and the time for completion of the amendment process, or undertake a review to improve the efficiency of the process.** Obvious means of improving this efficiency would be the dedication of more resources to the Consumer Products Branch to allow them to concentrate on the amendment process more fully, establish new milestones as suggested in Recommendation 1, explicit recognition of considerably protracted periods for consultation and agreement to obtain the views from various interested parties; improved legal processing of amendments in PCO (although this is not under departmental control); shortening of the department's list of parties to consulted (currently at 8,000).

3. From the case studies reviewed, the relationship with Agriculture Canada in the amendments to the Canada Agriculture Products Standards Act is uneven. In two cases, the department was consulted after a position was taken by that department. It is suggested that the **department should initiate discussion with Agriculture Canada** to ensure they are more fully consulted and potentially their input used in a more major way in the actual amendment process to that Act.

4. For two of the Acts for which regulations were reviewed, the National Trademark and True Labelling Act and the Precious Metals Marking Act, while there were relatively few responses to proposed amendments by interested clientele, nevertheless the amendments take two to four years to complete. Given the lack of interest by outside groups with respect to these amendments, it is suggested that the underlying rationale for these Acts might be examined to see if they are indeed necessary or if they and their associated regulations could be removed.

5. While it is not under departmental control, the service from the Privy Council office has been less than spectacular. There have been significantly delays, and in one case, the loss of an amendment by that office. It is suggested the department write to the Privy Council office asking for either an explanation for such delays (there is no clear reason why these should be so long) or an improvement in the processing of amendments).

6. Currently one to two years is taken at the problem identification and pre-consultation phases for most amendments. While this may be necessary, it is suggested the department should attempt to decrease this time by quickly moving to identify the groups to be consulted and soliciting their input. In the absence of this, the branch might identify why such a long period is needed to simply identify a problem and begin the consultation phase.

I hope the above recommendations are helpful to you in your evaluation of the program.

Yours truly,

R. Gordon Cassidy

RGC:gl
Encl.

TEXTILE SECTOR EVALUATION:

CONSULTATIONS MODULE

Prepared by

Price Waterhouse Associates

for

Program Evaluation Division
Audit, Evaluation and Control Branch
Consumer and Corporate Affairs Canada

March 1985

TRADED GOODS EVALUATION

The evaluation of the Traded Goods program component consists of six separate, but interrelated, evaluation studies. These include:

1) Evaluation of Rationale, Achievement of Objectives and the Impact of the Component;

2) Examination of Prior Regulatory Review Work;

3) Energuide Evaluation;

4) Evaluation of Program Alternatives

5) Food Sector Evaluation;

6) Textile Sector Evaluation.

This report serves as input to evaluation studies one(1) and six(6) above.

This report is one of several prepared by independent consultants as input for the evaluation of the Traded Goods program rationale and the evaluation of the textile sector. All evidence, advice and recommendations represent the independent views of the consultant rather than the views of the Government of Canada or any of its departments or agencies.

Price Waterhouse Associates
MANAGEMENT CONSULTANTS

255 Albert Street, Suite 500
Ottawa, Ontario K1P 6A9
(613) 238-8200 Telex: 053-3620

March 29, 1985

Mr. R.E. Lahey
Senior Program Evaluation Manager
Program Evaluation Division
Audit, Evaluation and Control
Consumer and Corporate Affairs Canada
Place du Portage
Phase I, 17th Floor
50 Victoria Street
Hull, Quebec
K1A 0C9

Dear Mr. Lahey:

We are pleased to submit ten (10) copies of our final report on the consultations module of the textile sector evaluation.

We have enjoyed undertaking this assignment and would look forward to future opportunities to provide counselling services to you.

Yours very truly,
PRICE WATERHOUSE ASSOCIATES

Oliver Kent
Manager

OK/sy
Encls.

Price Waterhouse Associates

CONSUMER AND CORPORATE AFFAIRS CANADA

TEXTILE SECTOR EVALUATION: CONSULTATIONS MODULE

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EXECUTIVE SUMMARY

The consultation module was carried out as part of the program evaluation of Traded Goods regulations affecting the textile sector. Its purpose was to assess in broad terms, through discussions with associations and other representatives of the sector, certain evaluation issues and to identify problematic aspects of three textile labelling and standards programs administered by the Department. The three programs considered were the Textile Labelling and Advertising Regulations, care labelling system and Canada Standard Size (CSS) system.

Because this study was designed as the preliminary consultation process of a multi-phase evaluation of the textile sector, field work focussed on interviews with association members representing consumers and industry. Interviewees were selected if their opinions and perceptions were likely to contribute to the study objectives, rather than to form a representative sample. Potential evaluation issues received preliminary assessment to determine whether they should receive further examination in subsequent modules of the evaluation.

A total of 70 interviews were conducted, primarily with various levels of trade within the sector. For purposes of this study, the sector spans such products as piece goods, notions, cloth, fabrics, women's wear, men's wear, infants' and children's wear, clothing accessories and household textiles. In addition to associations, interviewees included members of Canadian General Standard Board (CGSB) committees from individual companies and laboratories, academics, program personnel at headquarters and in three regions, representatives of American industry and standards committees, and officials of other federal departments, provincial governments and the United States government.

The first program considered was the Textile Labelling and Advertising Regulations, which requires fibre content and dealer identity labelling of

consumer textile articles. According to those interviewed, the rationale for the program appears to be generally accepted. Most interviewees considered compliance to be high, although some expressed doubts with respect to imports. Interviewees generally regarded the program as effective in protecting consumers and retailers against misrepresentation, although there were some doubts as to the extent to which individual consumers in fact use the information. There were also doubts about the use by consumers of dealer identity information, particularly when presented in the form of CA numbers.

Care labelling is a voluntary system under which care information for consumer textile articles is provided using standard symbols and colours. The rationale for the system was accepted by the interviewees consulted during this study. Indeed, the need for it was thought to be increasing with the introduction of new fibres and blends. The majority of interviewees would support a mandatory system, although adoption is already believed to be high for all forms of apparel. One widely varied concern about the system is that it is not fully understood by many consumers, limiting its effectiveness. It is also recognized that the Canadian system may have to be modified to some extent to be compatible with the one being developed by the International Standards Organization (ISO).

The Canada Standard Size (CSS) system was the most controversial of the three programs examined. The program includes body standards for children's, infants' and women's apparel, as well as the development of specifications for common articles of clothing, known as dimensional or garment standards. Adoption of these voluntary standards was believed by interviewees to be moderate to high for children's clothing, but lower for infants' and women's clothing, where the standards are relatively recent. The effectiveness of the system was generally considered to be low, in part due to low consumer awareness.

Many of the interviewees consulted in this study questioned the rationale for the CSS program. Some doubted whether it was needed at all because they believed that market forces would lead to a sufficient degree of standardization. Others were concerned about the quality and relevance of the data on which the system is based, or the usefulness of garment as opposed to body standards. Because of these fundamental concerns, few interviewees supported a mandatory system.

Most interviewees expressed satisfaction with the process of setting and revising standards through CGSB committees. However, consumer groups were generally less satisfied, and members of both standard size committees rated their past effectiveness as low. Some interviewees also indicated some concern about the process of consultation with respect to amendments to regulations and major program changes.

One area where significant extensions to textile labelling and standard programs are a possibility is that of product quality. Of the seven product characteristics we discussed with interviewees, there was strong support only for the provision of information on flammability, and more limited support for labelling as to water resistance and thermal insulation.

The body of the report identifies eight major issues to be examined in depth in the next phase of the evaluation. These are presented below under the general categories for program evaluation issues:

Rationale

- Relevance of the Canada Standard Size (CSS) system.
- Relevance of dealer identity information especially CA numbers.
- Continued relevance of fibre content information.

Objectives Achievement

- Consumer comprehension of the care labelling symbols and colours.
- Adequacy of the consultation process.
- Compliance with the care labelling system.
- Importer compliance with the Textile Labelling and Advertising regulations.

Alternatives

- Mandatory care labelling.

In addressing these issues, follow-up evaluation modules will need to gather the viewpoints of a representative sample of Canadian consumers and the various levels of trade in the textile sector.

INTRODUCTION

The objective of this study was to consult with associations and other members of the textile sector to identify problem areas and problematic aspects of three textile labelling programs administered by the Consumer Products Branch of Consumer and Corporate Affairs Canada. More specifically we addressed:

- the Textile Labelling and Advertising Regulations which require the disclosure of fibre content and dealer identity information on a label for a wide variety of consumer textile articles;
- the care labelling system which is a voluntary program intended to convey information on the proper care of textile articles; and
- the Canada Standard Size (CSS) system which is a voluntary program that establishes standard sizes for children's, infants' and women's wear.

Together, these programs and regulations are intended to provide a framework of labelling requirements and standards which enable consumers to make well informed purchasing decisions and to be protected from product misrepresentation. Secondary benefits are also believed to accrue to manufacturers, distributors and retailers.

The programs and regulations under consideration are part of Traded Goods, a program component defined for purposes of program evaluation within Consumer and Corporate Affairs Canada (CCAC). Its mandate is to develop and enforce appropriate standards and regulations for the composition, quantity, quality, labelling, packaging, advertising and other disclosure of information for certain goods purchased by consumers. Overall, the primary objectives of these standards and regulations are to maintain equity in market transactions, provide protection against product misrepresentation and ensure that economic agents in the marketplace are provided with all necessary information.

The Consultations Module for the textile sector is the first of what could become four evaluation study modules. The issues identified through the Consultations Module may be pursued in more depth through:

- surveys and interviews to collect data;
- case studies of particular sub-sectors, products and commodities; and
- analysis and integration of results from the various preceding modules.

To provide an indication of the scope of issues to be addressed during the Consultations Module, a number of questions were specified in the Statement of Work for this project. These included:

- Are the Acts, regulations and programs administered by CCAC with respect to the textile sector still appropriate, given current, as well as the anticipated future, socio-economic conditions?
- Is there overlap or conflict between the three programs regulating the textile sector and those of other government programs?
- What is the role and influence of CCAC with respect to its involvement with the Canadian General Standards Board (CGSB) committees?
- Do the CCAC regulations affecting the textile sector need to be amended or revoked?
- Are consumers' needs being met with the current programs?
- Are industry and consumer associations adequately consulted in order to provide input for problem identification and amendments of regulations?
- Are the regulations and programs delivered in the most appropriate fashion?
- Would it be advantangeous to introduce a system of product quality either through voluntary or mandatory labelling and standards in the textile sector?

EXHIBIT 1

CONSUMER AND CORPORATE AFFAIRS CANADA

TEXTILE SECTOR EVALUATION: CONSULTATIONS MODULE

RESPONDENTS' PRIMARY AFFILIATION AND MEMBERSHIP ON CGSB COMMITTEES

Private Sector	Members of CGSB Committees	Non-Members	Total
Apparel manufacturers or associations	5	9	14
Textile manufacturers or associations	4	4	8
Household products' manufacturers or associations	1	3	4
Retailers or retail associations	2	4	6
Consumer interest groups	1	3	4
Academics	3	3	6
Laboratories	4	1	5
Importers	0	3	3
Label makers	0	2	2
Cleaners and detergent manufacturers	3	0	3
Sub-total	23	32	55
Government and Foreign			
CCAC	3	2	5
Other Federal Government	2	2	4
Provincial Government	0	2	2
United States government officials, trade representatives and standards committee members	0	4	4
Sub-total	5	10	15
Grand total	28	42	70

Approach

Because this study was intended as a consultation process, field work focussed on interviews with association members representing consumers and industry. Representatives of industry reflected various levels of trade from both the primary and secondary segments of the textile sector. The primary segment involves piece goods, notions, cloth and fabrics. The secondary segment consists of women's wear, men's wear, infants' and children's wear, clothing accessories and household textiles.

In addition to associations, interviews were conducted with:

- program personnel at CCAC headquarters and in three regional offices;
- members of CGSB committees including individual companies and laboratories;
- academics working in the field of textiles;
- individual companies representing importers, label makers and professional cleaners where appropriate association contacts could not be made;
- officials representing Revenue Canada - Customs and Excise, Department of Regional Industrial Expansion (DRIE) and National Research Council;
- Ontario and Quebec government officials;
- United States government representatives; and
- American participants in the development of similar labelling programs.

In total, 70 largely in-person interviews were conducted. A breakdown of these interviews by major category of affiliation and membership on CGSB committees is presented in Exhibit 1, opposite. A distinction was made between apparel manufacturers or associations and importers. It should be noted, however, that some manufacturers are also involved in importing.

Interviewees were not selected to form a representative sample. Given the consultative nature of the study, potential interviewees were selected if their opinions and perceptions were likely to contribute to the study objectives. The fact that 42% of the private sector respondents and 33% of the government officials were CGSB committee members reflects both the deliberate inclusion of members to provide input on the committee process, and the fact that the committees have been structured to represent the various interest groups affected by these programs.

On a geographic basis, 23 of the respondents were in Toronto, 21 in Montreal, 12 in Ottawa, 5 in Winnipeg, 5 in other Canadian centres and 4 in the United States.

An interview guide was developed for the interviews with the private sector. It consisted of five parts: the Textile Labelling and Advertising Regulations, care labelling system, Canada Standard Size (CSS) system, consultation and amendment process (including CGSB committees), and the need for product performance information. The latter four parts were to address broad issues. Each consisted of questions dealing with program rationale, objectives achievement, impacts/effects, and alternatives. The interview guide was carefully structured to include open-ended questions in order to obtain respondents' opinions and perceptions. The interview guide is given in Appendix A.

A somewhat less structured interview schedule was used for government officials which enabled the interviewer to focus on the areas where the respondent had the most interest or experience. Because of this dfference in approach, the quantitative data in this report refers only to the private sector interviews.

A list of all interviewees has been provided in Appendix B.

Of the 55 private sector respondents, 38 respondents answered the section dealing with fibre content labelling and dealer identity, 38 on care labelling, 27 on standard sizing, 53 on the consultation and amendment process and 47 on the need for product performance information. The more limited number of

responses for the section dealing with the CSS program can be be attributed to the fact that 16 interviewees, comprising textile manufacturers, household products manufacturers, label makers, cleaners and detergent manufacturers are not directly affected by this program and are largely unaware of it. It is noteworthy that the interest level among some respondents was high enough for them to consider responding to all the sections. Detailed findings based on the interview guide are given in Appendix C.

The body of the report which follows is structured so that there are chapters on each of the three programs, the consultation and amendment process and the need for information on product performance. Within each chapter, there are sections dealing with program rationale, objectives achievement, and alternatives. Sections on other impacts and effects are included where relevant. The report closes with a summary of the findings in the form of major issues for future study.

TEXTILE LABELLING AND ADVERTISING REGULATIONS

Program Overview

The Textile Labelling and Advertising Regulations, made pursuant to the Textile Labelling Act, require that fibre content and dealer identity information for a wide variety of consumer textile articles be disclosed on a label. More specifically, this mandatory system ensures that labels:

- list the generic name of each textile fibre comprising at least 5 percent of the total fibre weight of the article;
- indicate the weight of each textile fibre, expressed as a percentage of the total textile fibre weight of the article;
- list the generic name of each fibre generally in order of predominance by weight;
- provide separate disclosures for articles consisting of sections with varying fibre content;
- disclose information in both official languages; and
- identify the person by or for whom the article was manufactured.

The Textile Labelling Act and the Textile Labelling and Advertising Regulations are intended to enable consumers to make intelligent and informed choices among textile products available in the marketplace. In order to make such decisions consumers require information on the care of products, performance aspects such as serviceability, and potential allergens. Knowledge of the fibre content is thought to be a critical element in enabling consumers to judge these factors. The Regulations are also intended to benefit consumers by eliminating fraud and misrepresentation with respect to the fibre content of textile articles. Manufacturers and retailers are also expected to benefit from the reduction of misleading and, therefore, unfair labelling practices as well as reductions in returns of their articles and complaints by consumers.

EXHIBIT 2

CONSUMER AND CORPORATE AFFAIRS CANADA

TEXTILE SECTOR EVALUATION: CONSULTATIONS MODULE

BREAKDOWN OF CANADIAN PRIVATE SECTOR INTERVIEWS BY AFFILIATION - TEXTILE LABELLING AND ADVERTISING REGULATIONS

Affiliation Category	Number of Respondents
Consumer Interest Groups	3
Retailers or Retail Associations	4
Laboratories	4
Academics	3
Importers	2
Apparel Manufacturers or Associations	7
Textile Manufacturers or Associations	7
Household Products' Manufacturers or Association	4
Label Makers	2
Cleaners and Detergent Manufacturers	2
Total	38

The textile fibre content labelling system is the responsibility of CCAC. The Department currently funds several CGSB committees related to this and other labelling programs. The Committee on Generic Names, initiated shortly after the inception of the Textile Labelling Act, reviews generic names for textiles fibres. The Textile Test Methods Committee deals with test methods for such aspects as fibre identification, flammability, and care, while the Feather and Down Committee is concerned with terminology and test methods for feather and down products. CCAC is not, however, bound by CGSB standards in establishing the requirements stipulated in the regulations.

The provisions of the Textile Labelling and Advertising Regulations are enforced by CCAC inspectors. With reasonable grounds, they have the power to search, seize and detain textile articles, packaging of textile articles or advertising material believed to be in violation of the Act or Regulations.

Scope of Consultations

The section of the interview guide dealing with the Textile Labelling and Advertising Regulations was administered to 38 respondents. Exhibit 2, opposite indicates the primary affiliation of these respondents. The opinions and perceptions of CCAC personnel in headquarters and in regional offices, as well as some officials of provincial governments and other federal departments, were also obtained. Interviews with United States officials were conducted in order to compare the two systems. The quantitative results in this report refer, however, only to the Canadian private sector respondents.

Rationale

With respect to the rationale for the regulations, only 2 of the 38 respondents raised fundamental questions. One apparel manufacturer stated that the costs of compliance exceeded the benefits, while another felt that mandatory care labelling would be more meaningful to consumers than fibre content labelling.

A slight majority of the private sector respondents, including 11 of the 17 who considered themselves completely familiar with the regulations, stated that the need for fibre content and dealer identity regulations had not changed over the last ten years.

Those who felt that the need had changed were drawn primarily from consumer groups, academics and textile manufacturers. The factors cited, some of which do not imply any need for CCAC to act and some which refer more to general concerns about the regulations than to specific changes over the past ten years, were:

- growth in the use of blends, which may increase uncertainty by consumers with respect to the care and properties of fabrics;
- introduction of new fibres and blends which may cause allergic reactions;
- increased desire of consumers to assessing comfort levels;
- increases in the proportion of imports, some of which have high proportions of unknown fibres;
- new fabric finishes, for example on upholstery, which may cause allergic reactions or include potentially toxic materials such as formaldehyde; and
- increases in the use of trade names in addition to generic names, which may be confusing.

Among those who stated that the need for fibre content and dealer identity regulations had changed over the past ten years, a slight majority indicated that CCAC had reacted appropriately to these changes. Of those respondents who felt that CCAC had not responded appropriately, two were critical of the lack of communications between the Department and the Associations. One consumer interest group representative indicated that consumers are not informed on how to file a complaint and one manufacturer stated that CCAC was not well enough informed on the needs of the industry. Two other respondents indicated that inspectors were not properly trained.

A small number of respondents also cited anticipated future changes which would affect the regulations. Issues raised under this heading, some of which may refer to current rather than future problems, were:

- imports not meeting the standards due to mislabelling, absence of labels or use of foreign languages; and
- demands by consumers for labelling with respect to finishes.

Objectives Achievement

This section addresses the question of whether the regulations appear to be achieving their stated objectives.

Most of the respondents believe that compliance rates for fibre content and dealer identity labelling are high. Specifically, the following percentages of those answering gave high ratings in terms of compliance with different aspects of the regulations:

- 94% for fibre content labels being attached;
- 92% for labels not containing false or misleading information;
- 86% for dealer identity labels being attached; and
- 82% for information on the label being presented and attached as specified.

Concerns with respect to the information on labels were expressed primarily by retailers, consumer groups and academics, while apparel and household products manufacturers believed compliance to be high.

Ratings in terms of effectiveness were not as high as those for compliance. The proportions of those expressing an opinion who assigned high ratings were:

- 75% for protecting the consumer against misrepresentation;

- 71% for providing information that is used by the textile industry;
- 68% for protecting retailers against misrepresentation on the part of suppliers;
- 59% for providing information on fibre content that is used by consumers; and
- 55% for reducing returns of articles and complaints by consumers.

Some interesting observations can be drawn from a more detailed analysis of the data on effectiveness. Specifically:

- apparel manufacturers and academics were far less convinced that fibre content information is used by consumers than were consumer groups, retailers and textile manufacturers;
- manufacturers of all types believed that the regulations were effective in providing information used by the textile industry, while other groups were less certain or did not answer;
- a few apparel manufacturers questioned the effectiveness of the regulations in protecting consumers against misrepresentation;
- retailers were less convinced than manufacturers that the regulations are effective in protecting retailers against misrepresentation by suppliers; and
- retailers were somewhat more convinced than other respondents that the regulations were effective in reducing returns of articles and complaints by consumers. Elaborations by respondents suggested that other factors such as fit, colour and care were much more significant as reasons for returns and complaints.

With respect to dealer identity information on labels, respondents generally agree that this information is used by the trade, whether it is presented in the form of an actual name or a CA number. On the other hand, opinion is divided as to whether consumers make use of dealer identity information in the form of names and most respondents are convinced that it is not used by consumers if presented in the form of CA numbers. Consumer groups and

retailers generally do not believe that the dealer identity information is used, while manufacturers are somewhat more inclined to believe that it is.

It should be noted that CCAC sees the primary function of CA numbers as being used by the department, largely to take follow-up action. The use of the numbers is largely for the Department to take follow-up action, "to connect an offence with the offender". It is anticipated that consumers with complaints of textile articles will contact the relevant retailer or CCAC. As a result, the Department is more concerned that consumers know where to go when they have a complaint than it is with consumer familiarity with CA numbers.

Other Impacts and Effects

With respect to other impacts and effects, there was general agreement among respondents that the textile labelling regulations did not inhibit Canadian exports. Interestingly, although the regulations could be a non-tariff barrier to imports, the majority of respondents which included the importers did not feel they constituted one. In contrast, consumer and retail representatives did see the regulations as a barrier to imports.

Another aspect of impacts and effects is the existence of conflicts or overlaps with other programs. Examples cited by respondents, including government officials, are as follows:

- Customs and Excise requires country of origin to be identified on the label for certain textile articles, while CCAC requires this only if the label indicates that the article is imported. Labels adhering to CCAC standards may therefore be non-compliant with Customs and Excise legislation;

- Customs and Excise requires that labels should be in a conspicuous location, such as the back of the neck, while CCAC requires labels to be "legible, readily visible and accessible to consumers". For some types of articles, these requirements are interpreted in a manner which makes them inconsistent;

- a few private sector representatives and government officials believe that there is no clearly defined separation of roles and responsibilities between CCAC and Customs and Excise, and there is also some concern about a lack of coordination; and

- overlap between CCAC regulations which require fibre content disclosure of the outer coverings of upholstered furniture, and provincial legislation which requires disclosure of the content of stuffing in textile articles. This is believed to result in double labelling.

Alternatives

Although most respondents regarded the textile labelling regulations as effective in broad terms, most of them also identified specific problems associated with or not addressed by the regulations. These problems covered a wide range of subject areas, with no one problem being mentioned by more than 5 of the 37 respondents. The more commonly expressed concerns were:

- the mislabelling or nonlabelling of imports, attributed by some to inadequate testing and by others to deliberate attempts to circumvert tariff barriers. There was a consensus among those citing problems in this area that enforcement at the border by Customs and Excise or CCAC should be stengthened;

- the need for country of origin to be indicated on labels to allow Canadians to buy Canadian-made goods if desired;

- the poor quality of labels in terms of texture, print and location. Generally these respondents, who included one of the label makers, advocated standards for the quality of labels;

- the use of the term "other fibres" for those comprising less than 5% of the total fabric weight of the textile articles. The interviewees maintained that these "other fibres" should not have to be listed or could be listed without having to specify their usage;

- a lack of compliance with the regulations for piece goods. Generally, these respondents maintained that labels were not provided at the point of sale or that if they were, information was not accurate;

- the need from the consumer standpoint for actual names of dealers and their addresses, rather than CA numbers;
- a desire for somewhat broader tolerances in the labelling of certain textile articles especially knits; and
- insufficient resources for enforcement of the regulations. One respondent stated specifically that CCAC inspectors should be better trained and have practical experience in the textile sector.

Most respondents saw little need to change the scope of coverage of the regulations. Some respondents did, however, suggest the exclusion of feathers and down, gloves and coated fabrics. One respondent advocated permanent labelling on all home furnishing products.

A large majority of the respondents believe that the generic names stated in the current regulations adequately capture the variety of natural and man-made fibres currently available, and that there is no need to exclude any of the names currently stated. The limited number of suggestions for change included:

- differentiating wool and hair fibres;
- including ramie (which in fact is already included, although no satisfactory quantitative test has been developed);
- expanding the natural fibres section;
- eliminating some fibres which are no longer in use, such as azlon, nytril, saran, vinal and anidex; and
- prohibiting the use of European generic names in addition to the Canadian system.

The administration of the regulations by CCAC was believed by the majority of respondents to be adequate. Of those who thought the Department's performance was less than acceptable, the impediment cited most frequently was lack of resources. Many interviewees maintained that CCAC could improve their

inspection and enforcement activity with more personnel, however, they also felt this was unlikely given the period of restraint.

Officials in CCAC's headquarters mentioned that the management information system recently installed assists them in identifying and monitoring effectiveness and compliance. By utilizing inspection reports, the system enables the Department to identify areas of non-compliance and thus, to focus limited inspection resources on these targets.

With respect to CCAC administration of the regulations, a small number of respondents criticized various aspects of the inspection process. Negative opinions expressed were that:

- inspectors were not trained well enough and lacked the expertise to do their jobs properly;
- inspectors concentrated on minor technical problems instead of testing textile articles to verify the accuracy of the labels; and
- imports are not inspected sufficiently.

Customs and Excise, Revenue Canada conducted a special clothing program between October 28, 1983 and June 22, 1984 which involved increased inspection of imports. Part of the purpose of the clothing program was to identify compliance with certain legislation, one being the labelling aspects of the Textile Labelling Act.

With respect to the textile labelling requirements, Customs inspectors checked only for technical infractions, such as the absence of a fibre content label. The inspectors did not inspect for fraudulent infractions. Fraudulent refers to misleading representation problems, including fibre composition. The detection of such infractions would normally require testing and a visual inspection.

With respect to the 30% of the shipments sampled, Customs and Excise dicovered that, of the 40% of shipments which were noncompliant, 60% were noncompliant with CCAC's regulations. Most of the infractions concerned dealer identity and involved incomplete information. Moreover, it was found that a high proportion of the infractions were attributed to smaller importers and imports from the United States, France and Italy.

The study's results were helpful to CCAC in its administrative capacity in that many previously unknown importers were identified and introduced to the regulations for the first time. Because the statistics provided by Customs and Excise were not based on a statistically valid sample, however, measures of non-compliance for importers as a whole can not be derived from the data. Moreover, the Department had concerns with double counting.

CARE LABELLING SYSTEM

Program Overview

The Canadian care labelling system is a voluntary system of labelling consumer textile articles to disclose care information. In broad terms, the system specifies:

- five basic symbols with each representing a method of textile care. The symbols are a wash tub for washing, a triangle for bleaching, a square for drying, an iron for pressing and a circle for dry cleaning;
- three colours for the basic symbols to indicate the degree to which it is safe to proceed with a method of care. Green indicates the procedure is safe, amber that caution should be exercised and red that the procedure is not recommended;
- an "x" to be used over all red symbols to indicate that the care procedure would damage the textile article; and
- temperature markings or dots to indicate degrees Celsius to be used for care methods where appropriate.

Similar to the other textile labelling programs under consideration, the care labelling system is intended to enhance consumers' ability to differentiate among product choices in the marketplace. More specifically, the system should enable consumers to choose textile articles on the basis of required care and to reduce losses and complaints stemming from the use of inappropriate procedures. Also, the program is intended to protect consumers against deceptive marketing practices by preventing fraudulent information on care labels. Dry cleaners and commercial laundering establishments are also intended beneficiaries of the system since it should enable them to select appropriate care procedures.

The care labelling system is specified through two CGSB standards. These are known as the National Standard of Canada - Care Labelling of Textiles (CAN2-86.1-M79) and Textile Test Methods (CAN2-4.2-M77). The care symbols of the system are designated as trade marks of CCAC under the authority of the

EXHIBIT 3

CONSUMER AND CORPORATE AFFAIRS CANADA

TEXTILE SECTOR EVALUATION: CONSULTATIONS MODULE

BREAKDOWN OF CANADIAN PRIVATE SECTOR INTERVIEWS BY AFFILIATION - CARE LABELLING SYSTEM

Affiliation Category	Number of Representatives
Consumer Interest Groups	3
Retailers or Retail Associations	5
Laboratories	5
Academics	5
Importers	1
Apparel Manufacturers or Associations	9
Textile Manufacturers or Associations	6
Label Makers	1
Cleaners and Detergent Manuafacturers	3
Total	38

Trade Mark Act. The Department currently provides a blanket license permitting anyone to use the system providing they use it in accordance with the standard.

Through the designation of the trade mark, CCAC assumes responsibility for administering the care labelling system in the sense that it verifies that care information provided on the label is accurate and presented in the correct manner and format. This responsibility is discharged through the inspection activities undertaken by CCAC regional offices. The Department is also involved in the review and amendment of the care labelling standard on an ongoing basis through the funding it provides for the CGSB Committees on Care Labelling and Textile Test Methods and its representation on these committees.

Scope of Consultations

During the course of this study, the care labelling system was discussed with a wide variety of groups and individuals both domestically and internationally. Of the 54 interviews conducted with individuals in the private sector in Canada, 38 addressed the care labelling system. A breakdown of these interviewees by category of affiliation is presented in Exhibit 3, opposite.

The care labelling system was also discussed during the course of interviews with CCAC program managers in headquarters and 3 regional offices, and with other federal and provincial government departments and agencies. To obtain an international perspective on care labelling, interviews were conducted with representatives from the Federal Trade Commission of the United States and American Advisory Committee to the International Standards Organization (ISO).

Rationale

All of the consumer groups and the majority of retailers, laboratories and academics interviewed believed that the need for a care labelling system has

changed over the past ten years. In contrast, most representatives of apparel manufacturers and professional cleaners believe that no such change has taken place.

Several factors were identified by interviewees which can be summarized as follows:

- The perceived introduction of new fibres and more blends, especially involving synthetics, has increased the need for care information for consumers. A number of interviewees felt that, as a result, care information has become more important than fibre content information.
- Increases in textile imports have resulted in a wider variety of fibres and blends being used in textile articles.
- There have been some changes in dyes, detergents, washing machines and construction of garments which may require changes to the care system.

Among the respondents who felt that changes had taken place over the past decade, most believe that the department has reacted appropriately to these changes. Only 30% indicated that this was not the case, but 2 of the 3 consumer groups were included in this category. One of the consumer groups maintained that the CCAC should make the care labelling program mandatory, while the other felt the Department does not promote the system adequately and that it should adopt the proposed ISO system.

With regard to the future, the adoption of a international care labelling system by the ISO was identified as the most important change which will affect the Canadian system. At present, ISO is working on the development of a symbol-based system, similar in some respects but not identical to the Canadian system. A major difference is that the proposed ISO system is not based on a colour scheme to convey the degree to which it is safe to proceed with a method of care. While it is not certain that the ISO system will be adopted in its present form, it is likely that the Canadian system will require some degree of modification if it is to be made compatible with an international system.

Other factors given by interviewees were:

- increases in the number of cleaning solvents;
- increased awareness of the limitations of the system; and
- tighter pollution controls which may affect use of some detergents.

Objectives Achievement

For purposes of consultation with various groups in the private sector, the specific objectives of the care labelling system were identified for interviewees who were then asked to rate the effectiveness of the system in achieving each. The percentage of respondents who ranked effectiveness highly for each objective is given below:

- 49% felt that care information is provided in a manner which is easily understood by consumers. Only one consumer group felt that this was the case;
- 46% (including only one consumer group respondent) believed that the information provided is used by consumers when making purchasing decisions;
- 64% felt that the system reduced the number of articles returned and consumer complaints. Only 1 consumer group indicated this, 2 did not know;
- 74% felt that care information is provided in manner that is easily understood by professional cleaners;
- 71% believed that the information provided is used by professional cleaners.

In general, effectiveness is perceived to be higher for objectives pertaining to professional cleaners than to consumers.

One of the concerns with the care labelling system frequently mentioned by interviewees is that consumers do not fully understand the meaning of the

various symbols and colours. To the extent that this is the case, the usefulness of the system in meeting consumer needs is seriously limited.

A breakdown of the responses to the interview guide reveals that most of the interviewees (32 of 38) indicated that there were problems associated with the care labelling system. Of these 32, 17 ranked the program's effectiveness in conveying information to consumers as not effective or only somewhat effective.

Representatives of apparel manufacturers and cleaners tended to assign low ratings to the effectiveness of this aspect of the system. Because of the limited number of interviewees representing consumer interests, it is difficult to draw any firm conclusions for them as a separate group. Two of the 3 consumer groups interviewed for this study identified it as a major concern. Problems with consumer comprehension of care symbols and colours was also a major observation made from the consumer focus groups carried out in conjunction with "Traded Goods Evaluation: Consumer Perception Focus Groups".

The achievement of the objectives of the care labelling system is closely related to questions of:

- whether the guidelines of the system are adhered to by retailers, manufacturers and importers; and
- the extent to which suppliers of textile articles have adopted the use of the care labelling system given its voluntary nature.

With regard to the guidelines for the care labels, most interviewees felt that there is a relatively high level of a adherence in terms of:

- presenting the care symbols in the appropriate order and manner; and
- using a label that is permanent in the sense that it is capable of withstanding the care treatment prescribed for the textile article to which it is attached.

In contrast, there appears to be some concern regarding the accuracy of the care information conveyed on labels. The guidelines of the care labelling system specify that dealers should ensure that prescribed care methods for finished textile articles are appropriate for all components of the articles including buttons, trim and thread. The tests that should be performed and the criteria for the use of each care symbol are specified in National Standard of Canada - Textile Test Methods. When asked their opinion as to whether dealers were performing the suggested tests before the care label is attached, none of the consumer groups contacted felt able to respond. Most representatives of retailers, laboratories, academics, textile manufacturers, label makers and professional cleaners that expressed a view felt that at most, there was only limited adherence to testing guidelines. Representatives of apparel manufacturers as a group held widely varying views. Three of 9 representatives thought that the guidelines were not followed at all, while five ranked adherence at high levels. Three of these 5 expressed the view that the testing guidelines were definitely followed.

There is a commonly held view that many apparel manufacturers do not conduct tests on finished garments, but rather rely on the results of tests conducted by fabric manufacturers. One of the reasons offered for this is that garment manufacturers do not have the skills or resources to equip themselves to conduct tests or to contract out testing requirements with private laboratories.

Interviewees were also asked their opinion on the extent to which care labels are used accurately and correctly. A specific concern in this context is low labelling, a practice whereby dealers attempt to protect themselves against complaints and returns by prescribing more cautious care methods on the label than are required. For example, garments may be labelled as "dry clean only" when in fact they can be safely hand washed. However, most interviewees believed that adherence to the guidelines was reasonably good in this respect. Of the consumer groups, 100% maintained adherence was between somewhat and completely adequate, compared to 89% of apparel manufacturers or associations.

The care labelling system is a strictly voluntary program. As a result, the effectiveness of the system is largely dependent on the extent to which it has been adopted for various types of textile articles. In the judgement of respondents interviewed, the care labelling system is used relatively widely for infants and children's wear, women's wear and men's wear. The use of the system for piece goods and household textile articles would appear to be low.

The most frequently cited factor leading to a high rate of adoption of the system was pressure from retailers. Essentially some retailers have made care labelling a supply requirement to be met by domestic or foreign suppliers. In the case of imports, some interviewees indicated that large retailers supply labels directly to foreign manufacturers or importers to assist them in complying with this requirement. Other factors identified as encouraging use of the care labelling system are:

- protection given to manufacturers from returns and complaints;
- the demand for care information by consumers; and
- the marketing of textile articles may be facilitated by use of the care labelling system.

With respect to factors leading to low adoption rates, more frequently cited reasons were:

- some members of the trade are not convinced that care information is necessary;
- a lack of consumer understanding of the symbols; and
- the cost of compliance may make it uneconomical for lower priced goods.

Alternatives

To assess whether there are alternatives issues pertaining to specific problems or limitations of the system, interviewees were asked to suggest solutions in

addition to identifying limitations. By far the dominant issue discussed dealt with the problem of consumer comprehension of the symbol based system. Some suggestions were made to increase consumer education activities undertaken by the Department. It was also suggested by some interviewees that the symbols be replaced with written instructions for care, though the feasibility of this alternative is limited by the requirements for bilingual labelling and the implications for the size of the care label. One of the reasons ISO is considering adopting a symbol-based care labelling system is to overcome problems posed by conveying such information in different languages.

The majority of interviewees believe that the care labelling system should be mandatory. All consumer groups and the majority of representatives of retailers, academics, apparel manufacturers and cleaners expressed this point of view. It was not ascertained, however, what a "mandatory" system entailed to the respondents. The only group which generally believed that the system should remain voluntary was laboratories. This may reflect their understanding of the feasibility or adequacy of developing test methods to support a mandatory program.

Whether rigourous test methods for care need to be developed is an outstanding question. In the United States all garments must be labelled to indicate proper care methods. The American system is not based on measurable performance criteria, but rather requires that instructions provide for reasonable methods of care without any indication of how the acceptability of the care methods chosen is to be assessed. Representatives of the Federal Trade Commission believe that, in time, additional measurable performance criteria will be developed, primarily through the efforts of the American Society for Testing and Materials (ASTM). As in Canada, the use of the test methods will be voluntary as they are viewed as a mechanism for assisting industry in meeting the requirements of the care labelling trade rule.

It is also interesting to note that one of the unintended impacts identified as a result of the mandatory care labelling program in the United States is improved technical knowledge on the part of industry.

CCAC monitors and administers the care labelling system to the extent that it has the authority to ensure that the care labelling standard is used correctly. Responsibility for the development and evolution of the standard itself rests primarily with the CGSB Committee on Care Labelling, of which CCAC is an active member. The observations made in this section deal with CCAC's activities aimed at preventing misuse and the broader question of the appropriate form and delivery mechanisms of the system. The adequacy of the CGSB committee process is dealt with in a later chapter of the report.

Interviewees were asked to comment on the extent to which CCAC adequately administers the care labelling system. None of the representatives of consumer groups felt that they were sufficiently knowledgeable to express an opinion. Some representatives of retailers believed that administration of the system is less than adequate. There does not appear to be any consensus in this regard among interviewees representing apparel manufacturing interests.

The inspection activities of the district offices of CCAC are generally perceived as being reactive rather than proactive in the sense that such activities are targetted toward identified problem areas and complaints. Such an approach is recognized as being necessary because of the limited resources available for this purpose.

CANADA STANDARD SIZE SYSTEM

Program Overview

The Canada Standard Size (CSS) System is concerned with the standardization of sizes and size labelling of wearing apparel in Canada. To date the CSS program has introduced body standards for children's, infants' and women's apparel. Each of these standards has involved establishing size groups based on population surveys of body measurements, developing tables indicating body measurements for each of the size groups, and developing size labels.

In addition to body standards, the program has involved the development of specifications for common articles of clothing, known as dimensional or garment standards. Dimensional standards have been determined for a comprehensive sample of children's clothing. A limited number of dimensional standards are in the process of being developed for women's and infant's clothing. There is no intention to develop comprehensive standards for these latter two groups; the goal for women's and infant's wear is approximately 10 basic standards for each.

At present, there are no plans to develop body or dimensional standards for men's apparel. Clothing for men tends to be sized on the basis of critical body dimensions (such as neck and arm length measurements for shirts) reducing the need for a standard size system.

The development of standards under the CSS program is the responsibility of two CGSB committees - Standards Committee on Garment Sizes for Children and Infants and Standards Committee on Garment Sizes for Women. CCAC contributes to the standards development process though its funding of and membership on CGSB standard size committees.

CCAC is also responsible for the CSS system through its administration of the National Trade Mark Garment Sizing Regulations. These regulations outline the

EXHIBIT 4

CONSUMER AND CORPORATE AFFAIRS CANADA

TEXTILE SECTOR EVALUATION: CONSULTATIONS MODULE

BREAKDOWN OF CANADIAN PRIVATE SECTOR INTERVIEWS BY AFFILIATION - CANADA STANDARD SIZE SYSTEM

Affiliation Category	Number of Respondents
Consumer Interest Groups	3
Retailers or Retail Associations	5
Laboratories	3
Academics	4
Importers	2
Apparel Manufacturers or Associations	10
Total	27

requirements for the application of the "Canada Standard" trade mark or logo to articles of wearing apparel.

Scope of Consultations

During the course of this project, interviews were conducted with 27 individuals representing Canadian consumers, retailers, laboratories, academics, importers and apparel manufacturers to discuss their views on the CSS system. A breakdown of these interviewees by affiliation group is given in Exhibit 4, opposite. The quantitative findings on the CSS system presented in this section of the report reflect these interviews.

Interviews were also held with Canadian government officials representing CCAC, other federal departments and provincial departments. As well, representatives of the FTC and ASTM committees in the United States were contacted to obtain their views on the work currently underway to develop a new standard sizing system for that country.

Rationale

There was general agreement (74% of respondents) that the need for a garment sizing system has not changed over the past ten years. It should be noted, however, that this does not indicate that the basic rationale of the program is sound. Respondents who indicated that the need for the program has not changed may have felt it was always needed or they may have believed it was never needed at all. Judging from comments made in relation to objectives achievement and alternatives questions, which are discussed later in this chapter, there is some doubt, particularly among apparel manufacturers, that a standard size system is relevant.

Interviewees who indicated that the need had changed based their opinion on problems with the existing system. Specific, reasons given were:

- the need is more urgent because manufacturers are developing and using their own sizing systems;

- there is no need for garment standards but rather the system should include only standard body dimensions; and
- existing standards need to be updated because the base data is no longer representative of average body proportions in Canada.

With regard to the future, a number of interviewees believe that conversion to metric measurements by industry will enhance the need for the CSS system. Other factors identified include:

- changes in average body dimensions of the population;
- increased use of computers in industry for cutting and grading processes; and
- changes in shopping practices by consumers such as computerized home shopping and mail or telephone ordering.

In the context of program rationale, it is worthwhile to comment on the activities of ASTM in the United States. Historically, the Americans had a standard size system which preceded the development of the Canadian system. Through time this system fell into disuse and was abandoned by the Department of Commerce four years ago. Problems with the system were attributed to:

- questionable reliability of the base data because it was collected by relatively unskilled individuals (relief workers in the 1930's);
- changes in body dimensions, including body proportions, since the collection of the data; and
- the manner in which this data was used to develop the standard size system.

Recently the D-13 sub-committee of ASTM started work aimed at developing a new standard size system. According to members of the sub-committee, this intiative has the support of consumers, academics, retailers, pattern makers and garment manufacturers. Without the resources to conduct a national anthropological survey to update base data on a comprehensive basis, the

sub-committee is using data on body measurements collected for private studies.

The goal of the sub-committee is to develop size standards for infants', children's, women's and men's wear based on critical body dimensions. There is no plan to develop garment standards like those included in the Canadian system. The decision by the Americans to develop new size standards demonstrates support for the basic rationale of such systems.

Objectives Achievement

The use of the CSS system by apparel manufacturers is voluntary. Any manufacturer who uses the dimensional standards specified in the system also has the choice of labelling them with the "Canada Standard" trade mark to indicate conformity with the system's standards. At present, manufacturers using CSS body standards are prohibited from applying the trade mark. This labelling requirement is presently being examined by CCAC to determine if current restrictions can be effectively reduced.

As with any voluntary program, an important question related to the achievement of program objectives is the extent to which the CSS system has been adopted by industry. Interviewees were asked to estimate adoption rates for each product group and to distinguish between the use of the size standards and the CSS trade mark.

In general, use of the standards was perceived to be higher than that of the trade mark. With respect to the specific product groups the following observations can be made:

- more respondents estimate medium to high usage of the CSS standard sizes and trade mark for children's wear than for infant's wear;
- everyone believes that there is at least some use made of the CSS standard sizes and trade mark for children's wear;
- 82% of respondents providing an estimate believe that use of standard sizes for women's wear is low or not at all.

The fact that body standards for this product group were only recently completed and dimensional or garment standards are still in the development stages probably accounts for the low estimates.

Interviewees were also asked to identify factors which encourage or discourage usage of the system. The most frequently cited factors which promote usage of the system are:

- pressure on apparel manufacturers from retailers to use the system as a supply requirement; and
- consumer need for garments based on standard size.

Factors leading to low adoption rates include:

- lack of consumer awareness (indicating a need for consumer education) limits demand for use of the system and more specifically, for labels on garments to indicate compliance;
- a need for manufacturers to make garments for population groups whose body dimensions do not reflect the dimensions of the population; and
- resistance of manufacturers to use the system because they see it as having a lot of problems or as not necessary.

Specific objectives were identified for the CSS program and interviewees were asked to rank how effective the system has been in achieving each. Overall, the system was not deemed to be very effective, with the lowest rankings attached to objectives intended to benefit manufacturers and importers. The percentages of respondents rating effectiveness at high levels (4-5 on the 5 point scale) for each of the objectives are presented below. In all cases, percentages include the views of only one consumer group:

- 15% of the respondents believed that the system enabled consumers to choose the best fitting clothing without unnecessary try-ons, compared to 26% who said that the system is not effective at all;
- 34% felt that the system facilitated buying by telephone or from mail order catalogues;

- 19% felt that the system facilitated buying on behalf of another person;
- 19% believed that the system reduced the number of garment returns due to poor fit, compared to 28% who indicated that the system is not effective at all;
- 24% believed that the system enabled manufacturers to target particular market segments on the basis of size, compared to 42% who ranked the system as not at all effective;
- 33% felt that the system assisted exporters by providing garments sized to metric rather than imperial body dimensions, compared to 39% who ranked the system as not effective at all;
- 24% felt that the system assists importers by providing garments sized to metric rather than imperial body dimensions, compared to 38% who indicated that the system is not effective at all; and
- 26% believed that the system assists consumers who buy imported textile articles.

Interviewees were also asked to rank the extent to which retailers, manufacturers and importers are adhering to the specific requirements for the use of the CSS national trademark. A significant number of the 27 interviewees who discussed the CSS system were not able to assign such a ranking, perhaps reflecting low usage of the trade mark on garments. Among the remaining interviewees, adherence to the labelling requirements was judged to be reasonably high.

Alternatives

Alternatives issues explored with interviewees focussed on the identification of limitations or problems with the system, the adequacy of compliance activities and different delivery mechanisms. Observations on each of these issues are discussed in turn below.

All interviewees believed that there were problems with the CSS system. The more frequently identified problems are summarized below:

- A number of representatives, especially of apparel manufacturers, believed that the system could never work for the full population.
- A number of respondents believed that the system should specify sizes in terms of critical body dimensions, rather than size codes.
- There was a perception, held by 5 apparel manufacturers or associations, 2 consumer groups and 2 academics, of resistance to the system by garment manufacturers and an impression that the trade does not understand it. The solutions mentioned were: better communication with manufacturers (through CGSB and seminars), disbanding the CSS system because it is not needed, using only critical body dimensions and educating consumers in order that they would demand it.
- Consumer awareness of the system was said to be low.

Interviewees were asked whether standard sizes should be developed for other product categories. Most respondents, especially academics and laboratories, would favour expansion of the standards, primarily to include men's wear and pantyhose, and to a lesser extent, gloves, foundation garments, headwear and socks.

CCAC has the authority to prevent misuse of the CSS system. Almost half of the interviewees were not able to comment on whether the department adequately monitors and administers the program. Of those with an opinion, 60% ranked these departmental activities as inadequate. Some interviewees recognize that resource constraints limit the extent of inspection activities. Others believe that monitoring is being done by retailers rather than CCAC.

The general opinion of interviewees (78%) was that the CSS system should not be a mandatory requirement. All representatives of consumer groups, laboratories and importers, and most academics and representatives of apparel manufacturers believe that a mandatory program would not be desirable. Retailers were the

only group who, as a majority, supported such a change in the delivery of the CSS system.

The respondents who favoured a mandatory program identified the following changes which would be necessary for such a system:

- increased consumer education;
- elimination of any significant problems; and
- more involvement and support from manufacturers as well as retailers in the development and amendment of size standards.

Most of these interviewees also thought the system should cover all wearing apparel.

EXHIBIT 5

CONSUMER AND CORPORATE AFFAIRS CANADA

TEXTILE SECTOR EVALUATION: CONSULTATIONS MODULE

BREAKDOWN OF INTERVIEWS BY AFFILIATION AND MEMBERSHIP ON CGSB COMMITTEES - CONSULTATIONS AND AMENDMENT PROCESS

Affiliation Category	Members of CGSB	Non-Members
Apparel Manufacturers or Associations	5	9
Textile Manufacturers or Associations	4	3
Household Products' Manufacturers or Associations	1	3
Retailers or Retail Associations	1	4
Consumer Interest Groups	1	3
Academics	3	3
Laboratories	4	1
Importers	0	3
Label Makers	0	2
Cleaners and Detergent Manufacturers	3	0
Total	22	31

CONSULTATION AND AMENDMENT PROCESS

There are essentially four mechanisms for consumers and industry to be consulted in the regulation and standard development process. These mechanisms also allow consumers and industry to voice concerns or specific problems with existing programs. Three of the mechanisms involve the ongoing operations of CCAC while the fourth, the CGSB committee process, represents a somewhat less direct role for the Department.

Because interviewees were asked to comment on CCAC's involvement with these mechanisms in relation to each of the programs, and separately on the effectiveness of the CGSB process, the structure of this chapter also follows that approach. After discussing the scope of the interviews, the mechanisms pertaining exclusively to CCAC are discussed. This section is followed by a discussion of the CGSB committee process.

Scope of Consultations

In addition to interviews with federal and provincial government officials, interviews were conducted with 53 individuals representing consumers, various levels of trade in the textile sector, academics and laboratories to seek their views on the consultation and amendment process. A breakdown of these interviews by affiliation group and membership on CGSB committees is presented in Exhibit 5, opposite. Also incorporated in the findings presented below are responses made in relation to each of the programs and regulations.

CCAC Consultation Mechanisms

One mechanism that the Department utilizes to obtain input from consumers is communiques. Communiques are mailed to certain industry and consumer associations informing them of possible amendments to the regulations and requesting their comments. The Department considers the input that the communique elicits in determining its position on a proposed change. Moreover,

all information on proposed changes to the regulations is published in Regulatory Agenda, a supplement to the Canada Gazette.

Of the 53 interviewees asked to describe the processes that permit industry and consumer concerns to reach CCAC program personnel, 34 were able to provide a description of at least some part of them. Suprisingly, within this group, only one respondent mentioned the communiques.

Another mechanism for consumers and trade to express their concerns or complaints is to telephone or write CCAC directly. This approach is probably most commonly used by consumers or industry officials when they encounter specific problems. Consumers can also report any concerns they might have on a purchased textile article to the retailer. The retailer can notify the manufacturer and, if he believes it is warranted, may also contact the Department.

Most of the problems identified by respondents related to this aspect of the consultation process. This is probably due to the fact that it is the vehicle most commonly used by consumers and the trade and, hence, more easily evaluated by them. Five interviewees maintained that consumers did not know where to go when they encountered a problem. A few mentioned that there were delays with CCAC responding to a complaint . Others expressed the view that Box 99, a common departmental mailing address for consumer complaints, should not have been discontinued.

The textile trade has a third channel for input, in that it can relay its concerns to the Department through the ongoing inspection and enforcement process. According to some CCAC officials, this is a practice that is frequently used. One respondent maintained, however, that CCAC personnel only inspected and that they did not ask retailers or manufacturers about their problems or concerns.

The 34 interviewees were asked to rank their overall satisfaction with the processes that enable industry and consumer concerns to reach CCAC. Overall, almost half of those expressing an opinion indicated high satisfaction levels. There does not appear to be any significant difference between members of CGSB

committees and non-members, except that proportionately more members did not feel able to describe their satisfaction level at all. As a group, all three consumers representatives ranked their satisfaction level at the low end of the scale.

CGSB Committee Process

A fourth mechanism for consumers and industry to express their concern is the CGSB committees. Consumer input can be given by members representing such associations as the Consumers' Association of Canada, the Canadian Home Economics Association, and allergy information organizations, as well as CCAC. Likewise, concerns of the trade can be voiced through relevant associations, CCAC or the organization itself.

CCAC plays an important role with respect to the CGSB committee process. The Department funds the operation of relevant committees as well as provides primary input for their agendas. CCAC also has a monitoring function; it receives quarterly reports on agenda items.

The role of CGSB in the consultation and amendment process for textile labelling and standards is significant. There are six CGSB committees whose responsibilities affect the textile sector. The role and membership of each of these committees is outlined briefly below.

- The Committee on Generic Names for Man-Made Fibres reviews generic names for textile fibres and makes changes where necessary. Its membership currently consists of manufacturers, retailers, laboratories and government officials. It convenes at the call of the chair.

- The Committee on Textile Test Methods is concerned with establishing and reviewing testing methods of textile articles for factors such as fibre identification, flammability and care. It presently is composed of industry associations, manufacturers, retailers, laboratories, and government officials. The technical committee meets approximately twice a year.

- The Committee on Care Labelling and the Technical Panel drafted the standard for a Canadian system of care labelling. Since that time, the Committee and Panel have met to identify and define any necessary revisions to the standard. The Technical Panel which essentially consists of the same individuals as the Committee meets approximately every two years. Members of the Panel and the Committee represent consumer and industry associations, manufacturers, retailers, laboratories and government.

- The Committee on Feathers and Down is concerned with terminology and test methods for feather and down products. Its standards are utilized by CCAC in its review of the textile fibre content labelling system. The Committee presently consists of manufacturers, retailers, laboratories, industry associations and government officials.

- The role of the two committees on garment sizes, the Standards Committee on Sizes for Women and the Standards Committee on Garment Sizes for Children and Infants is to develop and amend, as necessary, size and dimensional standards. The two committees were formed three years ago from one large committee, the Committee on the Standardization of Garment Sizes, in an attempt to increase the representation of garment manufacturers. At present, there are a number of manufacturers on the committees as well as retailers and consumer and industry associations.

CGSB operates by consensus, both in the conduct of its committee meetings and in formal letter ballots which are used to gain approval of draft standards or revisions. A consensus requires that all opinions be considered and weighed, and that the final decision reflects the will of a substantial majority of those entitled to vote. Essentially, "consensus requires less than unanimity, but more than a simple majority". Moreover, a valid consensus as defined by CGSB requires that at least 60% of the ballots be returned, when letter ballots are utilized.

With respect to problems associated with CGSB as a mechanism for consumers and industry to express their concerns, interviewees were asked to rate the effectiveness of each CGSB committee that they were familiar with on a scale from 1 to 5. Overall, the Committees on Care Labelling, Textile Test Methods

and Generic Names were rated highly with at least 60 percent of respondents assigning a rank of 4 or 5. As might be expected, members of the committees as a group ranked their effectiveness more highly than non-members. With respect to the Standards Committees on Garment Sizes, most respondents who were committee members ranked them between somewhat effective and completely effective. The Feathers and Down Committee was discussed by only two respondents, both members. Their appraisal was that the committee was only somewhat effective. This may reflect the relatively short time that the committee has been in place relative to other CGSB committees considered.

One specific aspect of CGSB committee effectiveness was explored with interviewees - timeliness of decision-making. In general, respondents who felt that the committee process was effective also thought that decisions were taken within a reasonable length of time. Some interviewees recognized that the process was lengthy but this was to be expected given the consensus decision-making rule and the fact that committee members volunteered their time and effort. Others felt that the length of time taken by CGSB committees to make decisions impeded their effectiveness. No one expressed the view that timeliness of decisions was a serious problem.

Two potential areas for change to the existing consultation and amendment process were discussed - representation on the committees and the role of the committees. When asked to comment on the mix of people on committees, 64% felt that it was appropriate. This view was especially expressed by textile manufacturers, professional cleaners and detergent manufacturers. Few respondents had any additional comments to make except to say that the present representation was adequate. Some interviewees (four manufacturers and two retailers) felt that manufacturers were under-represented. At the same time, one apparel manufacturers' association felt that because manufacturers tended to send technical people, their influence in the committees were diminished.

Similarly, 68% of the respondents did not see any need to change the role of CGSB committees. The few minor comments, from the 3 manufacturers who favoured changes, related more to the functioning of the committees. Generally, these were to:

- obtain more input from manufacturers perhaps by sending out questionnaires;
- allow the technical panel to vote since there is skeptism that the voting members are sufficiently knowledgeable; and
- break down the Standards Committees on Garment Sizes into subgroups.

PRODUCT PERFORMANCE

In addition to examining the textile labelling and size standards individually, a broader program alternatives issue was addressed. Interviewees were asked whether there was a need for product performance information in addition to fibre content, care or size information. To facilitate the discussion, seven characteristics of textile articles were identified - differential shrinkage, workmanship, water resistance, durability, flammability, thermal insulation and pilling.

In only three cases did the majority indicate that product performance information was needed. These characteristics were water resistance, particularly for some product groups such as rainwear, flammability, and by a very slim margin, thermal resistance. Consumer groups, academics and laboratories indicated the need for information in these areas. With respect to the other characteristics, 71% thought it was unnecessary to provide information on differential shrinkage, 91% on workmanship, 76% on durability and 78% on pilling.

Of the 34 interviewees who expressed a need for information on flammability, 21 would also like to see this information as part of a mandatory program. A small number of interviewees would like to see mandatory requirements for the other product characteristics, with the exception of workmanship. These interviewees did not represent consumer groups. Others felt that standards for product performance should be left to industry to develop on a voluntary basis in the same way that the carpet industry has developed ratings for appearance retention.

The provision of additional information to assist consumers in making sound purchasing decisions may be desirable in principle. The degree to which this information can be provided through the development of standards and labelling requirements may be influenced by the technical feasibility of establishing test methods, the costs of testing and the size of label required to convey the information.

MAJOR ISSUES FOR FUTURE STUDY

This chapter of the report presents a summary of the major issues which have emerged during the course of the study. We have organized these issues according to three broad program evaluation categories - rationale, objectives achievement and alternatives.

Rationale Issues

1. Relevance of the Canada Standard Size System

The question of relevance of the CSS system can be separated into two elements, each of which should be explored further. First, there is the fundamental question of whether there is a need for a standard size system at all. Comments primarily from consumer associations and representatives from retailers, and the work of ASTM in the United States and ISO would suggest that a standard size system is desirable. However, garment manufacturers who, in principle, should also benefit are skeptical of the usefulness of a standard size system.

The second element relates to the basis, design and scope of the present CSS system. Concerns have been raised as to the:

- applicability of the base data to the present Canadian population;
- use of size codes rather than critical body dimensions;
- usefulness of dimensional or garment standards as compared to body standards; and
- need to expand the scope of the system to include men's wear and a broader range of apparel.

2. Relevance of Dealer Identity Information, Especially CA Numbers

One of the basic reasons for requiring disclosure of dealer identity on fibre content labels is to permit consumers to return unacceptable articles. The findings of our study suggest that use of dealer identity information by consumers is limited, especially when it is given in the form of a CA number. This information is used more widely by the trade, largely for market intelligence purposes.

Even if consumers do not comprehend what a CA number represents, dealer identity information can still be obtained by taking complaints directly to CCAC. Once contact is made, departmental officials can ask for the CA number and hence, furnish the needed information. This route requires consumer awareness of services provided by the department and raises questions regarding costs incurred by both consumers and CCAC.

An evaluation of the issue regarding dealer identity information could examine the extent to which consumers understand CA numbers or are aware of the services provided by CCAC. In addition, it would be desirable to examine the use of CA numbers by the trade and the impact of such unintended use on departmental resources. Alternatively, a broader, consumer-oriented issue could be explored concerning the awareness of consumers of available mechanisms for resolving problems encountered with specific, purchased articles.

3. Continued Relevance of Fibre Content Information

Mandatory requirements to disclose fibre content and composition information on textile articles were intended to provide consumers with the basic information required to determine the properties of that article. In general, consumer knowledge of blends and new fibres may not be sufficiently strong to allow them to choose among textile articles on the basis of this information alone.

This issue is closely related to the alternatives issue for the care labelling system.

Objectives Achievement Issues

4. Consumer Comprehension of the Care Labelling Symbols and Colours

To the extent that consumer comprehension of the care labelling system is limited, the care information on labels is not effectively conveyed to them. There is some evidence from our study that consumers have such problems with the system.

It will also be important to examine consumer comprehension of the meaning of the colours separately from the meaning of the symbols. The proposed ISO system is based on symbols which will be presented in black and white. Whether the Canadian system should be modified to the point of also permitting black and white labels could be an important issue in the future. At present it appears that ISO will allow coloured labels so long as the information represented by the various colours is also presented through the symbols.

5. Adequacy of the Consultation Process

At present, there are a number of mechanisms available to consumers and industry participants to air their concerns with existing regulations and standards and proposed amendments. While the role and responsibilities of the department vary across the three textile labelling and standards program, CCAC does undertake to consult with consumers and industry on proposed changes, especially in relation to the Textile Labelling and Advertising Regulations.

The findings of our study suggest that consumers and industry may not be aware of the various aspects of the consultation process. Consumers, in particular, appear to be dissatisfied, which may be due, in part, to their lack of the existing process.

6. Compliance with the Care Labelling System

Compliance with the testing requirements of the care labelling sytem may be low, in that some manufacturers may not be labelling garments to indicate methods of care suitable for the complete article. This can occur when manufacturers rely on the care information provided by fabric mills without taking into account any incompatibility with buttons, thread or trim used on the garment. If proper care methods for buttons and trimmings vary from those for the fabric, the care label will be misleading to consumers.

This issue can be interpreted to also capture the problem of "low labelling". While our study did not reveal any strong concern with this practice, it is not evident that consumers would perceive it as a concern since care methods conveyed on the labels would restore articles to an acceptable condition.

This issue is also related to the alternatives issue for the care labelling system.

7. Importer Compliance with the Textile Labelling and Advertising Regulations

The experience of Customs and Excise with the Clothing Program and comments made by representatives of Canadian industry suggests that non-compliance with the regulations may be significant among imported goods. To the extent that imported textile goods are consumed by Canadians, the objectives of the fibre content labelling program may be undermined. Also, domestic manufacturers who comply could be at a competitive disadvantage relative to imports, depending on the cost of compliance.

Alternatives

8. Mandatory Care Labelling

There appears to be considerable support among interviewees for a mandatory care labelling system. Many felt that care information has become more important than fibre content. To explore this issue, several factors would have to be considered including:

- incremental costs and benefits of moving to a mandatory system from a voluntary one;
- adequacy of symbol-based system in terms of consumer understanding;
- feasibility and need for developing additional test methods;
- cost of compliance by the trade; and
- ability of the department to enforce a mandatory system.

Price Waterhouse Associates

APPENDIX B

LIST OF INTERVIEWEES

LIST OF INTERVIEWEES

Mr. Syd Cohen, Executive Director
Men's Clothing Manufacturers' Association

Mr. Jack Kivenko, President
Jean Manufacturers' Association
c/o Jack Spratt Manufacturing Inc.

Mr. Steve Woloz, President
Lingerie and Loungewear Manufacturers' Association
of Canada
c/o The Judy Gail (1975) Ltd.

Mr. Jim Robertson, Vice-President - Human Resources
Canadian Textile Institute

Mr. H. DeLangen
Mr. Phil Schwartz
Body Fashion Manufacturers' Association
c/o Elegant Brassiere

Mr. Jose Sanchez, President
Rainwear and Sportswear Manufacturers' Association
c/o Aquascutum Inc.

Mr. Bernard Rogers, Executive Director
Children's Apparel Manufacturers' Association

Mr. I.L. (Bud) Goldner, Executive Secretary
Mr. T. Kofman
Textile Trade Association

Mr. Leo P. Barrette, Secretary
Association of Pantyhose Manufacturers
c/o Paramount Productions Inc.

Mr. F.J. Bryan, Executive Director
Apparel Manufacturers' Association of Ontario

Mr. Dave Ross
Ms. Brenda Arthurs
Ontario Furniture Manufacturers' Association

Mr. Doug Edwards, President
Canadian Carpet Institute

Mr. Dan Fitzpatrick, President
Canadian Shirt Manufacturers' Association
c/o Arrow Company

Mr. J.A. Doyle, President
Canadian Council of Furniture Manufacturers'

Mr. Ray Winston, Executive Director
Manitoba Fashion Institute

Mr. S. Pollock
Canadian Down and Feather Association
c/o Imperial Feather Corporation

Mr. Chris Kuzik, Executive Director
Toronto Dress and Sportswear Manufacturers' Guild Inc.

Mr. Nicholas A. Martire
CWL Labels

Mr. Alain J. Audet
Ms. Micheline Grégoire
Dominion Textile Inc.

Mr. Mel Alyea
Alyea Associates

Mr. Stan Brodie
Dupont Canada Inc.

Mr. Claude Biron
Dr. Monton
Mr. D. McLaughlin
Celanese Canada Inc.

Mr. John Trickett, President
Mr. Luc Michielli, Vice President and General Manager Fashion Division
Mr. Marcel Thibault, Vice President and General Manager Outerwear Division
Mr. Bob Thompson, Director Government Relations and Corporate Operations
Consoltex Canada Inc.

Ms. Leona Ormiston - Quality Control Supervisor
Tan Jay International

Mr. Tom Carrothers
Bristol Myers

Ms. J. Liesemer-Cope
Penman's Inc.

Mr. A.B. Wright
Dry Cleaners and Launderers Institute
c/o Wright Cleaners

Mr. Fruitman
Retail Council of Canada

Mr. Maurice Graham, President
Wool Bureau of Canada Ltd.

Mr. Frank Ferguson, President
Canadian Direct Mail Association

Ms. Pearl Webber, Executive Director
Canadian Cotton Council

Mr. George Sands, President
Canadian Research Institute of
Launderers and Dry Cleaners

Ms. Debbie Ford
Mr. Ron Hawkins
Just Kids Store

Mr. Lane
Ms. Shirley Baker
Mr. Cram
Sears Canada Inc.

Mr. Paul Murphy
Marks and Spencers

Ms. Linda Capowski
Riopelle

Ms. Mary Kyles - Chairman
Canada Standards Board

Ms. Ellen Boynton
Canadian Home Economics Association

Ms. Susan Dalgish
Allergy Information Association

Ms. Kathleen Stevenson
Ms. Wendy Wharton
Ms. Marilyn Lister
Consumers' Association of Canada

Ms. Betty Crown
Clothing and Textiles Department
University of Alberta

Ms. Trisha Jenson
Food and Nutrition and Consumer
and Family Studies Department
Ryerson Polytechnical Institute

Ms. Marjorie Wall
College of Family and Consumer Studies
University of Guelph

Ms. Linda Lusby
School of Home Economics
Acadia University

Mr. Martin King
Textile Testing Service
Faculty of Home Economics
University of Manitoba

Ms. M. Humphries
Faculty of Home Economics
Seneca College

Mr. Normand Jubinville
Institut des Textiles
CEGEP de Saint Hyacinthe

Mr. Jim Boyd
Retail Research Foundation

Mr. Richard Mortimer
Ontario Research Foundation

Ms. E. Muniak
Ms. Yuki Kondo
Greenwich Canadian Testing

Mr. Jerry Newton, Vice-President
Tabi International

Mr. Weiss, Vice-President
Stylemar International Ltd.

Mr. Robert Ornstein, Vice-President of Operations
Monarch E&I Inc.

Mr. M.L. Staples
Retired - Ontario Research Foundation

Ms. Cindy Jack
Pattern Maker

Ms. Diane Law
Consumer and Corporate Affairs Canada

Ms. Valerie Cosman
Consumer and Corporate Affairs Canada

Mr. Chris Chiba
Consumer and Corporate Affairs Canada - Ontario

Mr. André Boucher
Consommation et Corporations Canada Québec

Mr. Ron Moloski
Consumer and Corporate Affairs Canada - Winnipeg

Dr. M.T. Mitton
Division of Chemistry
National Research Council

Mr. T.R. Mitton
Department of Regional Industrial Expansion

Mr. Jim Day
Customs and Excise
Revenue Canada

Mr. Maurice Olivier
Textile and Clothing Board

Mr. Fitspatrick
Upholstered and Stuffed Articles Branch
Ministry of Consumer and Commercial Relations - Ontario

Mr. Marcel Plante
Ministére de l'Industrie et du Commerce et du Tourisme - Québec

Ms. Vivian White
American Advisory Committee to ISO
New York State College of Human Ecology

Mr. Earl Johnson
Federal Trade Commission

Ms. S. Mellian
U.S. Navy Clothing and Textile Research

Mr. Alvin Delman
Chairperson of ASTM D-13
Wool Bureau

Final Report

Food Sector Evaluation Study

Part 1

Consultations Module

Prepared by

Nordicity Group Ltd.

March 1985

TABLE OF CONTENTS

TRADED GOODS EVALUATION

The evaluation of the Traded Goods program component consists of six separate, but interrelated, evaluation studies. These include:

1) Evaluation of Rationale, Achievement of Objectives and the Impact of the Component;
2) Examination of Prior Regulatory Review Work;
3) Energuide Evaluation;
4) Evaluation of Program Alternatives;
5) Food Sector Evaluation;
6) Textile Sector Evaluation.

This report serves as input to evaluation studies one (1) and five (5) above.

This report is one of several prepared by independent consultants as input for the evaluation of the Traded Goods program rationale and the evaluation of food sector. All evidence, advice and recommendations represent the independent views of the consultant rather than the views of the Government of Canada or any of its departments or agencies.

Section 1

1.0 Executive Summary

Interviews with representatives of all major associations in the food industry in Canada reveals the following consensus of industry views.

1. There are no problems with the Consumer Packaging and Labelling Act as a concept, although importers see its provisions as an important non-tariff barrier.
2. The department's liaison with industry has improved greatly and there are suggestions to make it even better.

Interviews revealed many specific irritants that are dealt with in the body of the report. We have selected six of them as the most important.

1. Advertizing pre-clearance of broadcast food advertisements is the single largest on-going source of friction between the food industry, which is Canada's second largest advertizer, and the government. This was the only area of regulation where some respondents implicitly questioned why it should exist at all.
2. Imported goods are not being inspected as thoroughly as they ought to be for violations of the Consumer Packaging and Labelling Act. This has to do with inspection arrangements with other departments, particularly Customs and Excise.
3. Composition standards are perceived as significant impediments to product innovation.

4. All parts of the food sector complain of the difficulty of obtaining uniform interpretation of regulations from inspector to inspector, between plants, among companies, and from region to region. Being on the receiving end of rulings, the industry is naturally sensitive to variations in interpretation.

5. There was unanimous concern that the first proposals emanating from government on nutritional labelling were unworkable. While we did not encounter opposition in principle to nutritional labelling, indeed, nutritional claims are considered an important aspect of sales in a health-conscious society, we found that both industry and consumers strongly supported the view that nutritional labelling must be comprehensible to consumers. It was not clear from respondents whether the matter needs to be the subject of regulation.

6. The retail sector respondents were concerned about the fact that the views of Consumer and Corporate Affairs inspectors, who are responsible for the enforcement of regulations emanating from Agriculture Canada and Health Protection Branch in some cases, were not sufficiently taken into account in the formulation of these regulations. In some cases, it was felt that, had more weight been given to the inspection level, more realism would have been introduced in the design of the regulations.

Each of these points will be dealt with in turn.

Consumer Packaging and Labelling

There was broad acceptance among food industry associations of the principles of the Act, and that is the major finding. We did not encounter opposition in principle to the existence of the Food and Drugs Act, the Canada Agricultural Products Standards Act, the Meat Inspection Act or the Fish Inspection Act.

Certain points of difficulty may arise in future. There was concern expressed in many quarters about the cumulative impact of information on the label and its effect on sales. It is suggested that extensive consultation take place with food packagers if any new labelling initiatives are undertaken, such as for irradiation, recyclability or nutritional labelling.

The Consumer Packaging and Labelling Act had originally caused many imported products to go off store shelves, but the range of imported goods available is said to be slowly rebounding as importers adjust to its provisions.

Liaison with Industry

The Food Liaison Committee and the Trade Letter concept are perceived as a great success.

It was suggested in some quarters that a less senior working level committee be struck to handle issues of application and interpretation on a more regular basis. The Food Liaison Committee was considered to be too high a level to take up certain problems.

Advertizing Pre-Clearance

The most important point of friction between Consumer and Corporate Affairs and the industry right now is advertizing pre-clearance, which ties the Department into Health Protection Branch of Health and Welfare. It was not a problem that was anticipated by the framers of the study, but it came up constantly in interviews.

The problem was not blamed on the people who conduct pre-clearance, but on the nature of pre-clearance itself. Friction is endemic to the current arrangements whereby broadcast advertizing is previewed.

The pre-clearance procedures have been used as a means of subjecting food labels to simultaneous reviews of their contents for conformity to all federal laws. The effect has been to subject food labels to Health Protection Branch's views on nutritional claims. Thus the regulatory net has widened from the approval of the text of broadcast messages to labels, and has increased the number of grounds upon which officials may

exercise their discretion from the accuracy of market share claims to include Health Protection Branch's views on what constitutes acceptable nutritional claims.

Thus two issues are confused in one process: the utility of pre-clearance as opposed to after the fact prosecution in relation to product misrepresentation, and the ongoing disputes between government and industry, and between competing food products, about what constitutes acceptable nutritional claims.

Advertizing pre-clearance was the only area of regulation encountered where some respondents were questioning the regulatory scheme itself, although to be fair, pre-clearance still has some support in the industry. The longest discussion of the issue takes place in Group 6; Food Processors, under the title "advertizing pre-clearance".

Imported Goods

There was persistent complaint across many sectors that imported goods receive less inspection than domestic, and particularly that checking for violations of Consumer Packaging and Labelling Regulations in the case of imports is not being carried out where it should be, namely at border points. Solving this problem would involve negotiations with other departments.

Composition Standards

Respondents were consistent as regards the effect of composition standards on product innovation. However, many industries, such as the dairy industry, are protected from competition by composition standards. The issue itself is not within the sole jurisdiction of Consumer and Corporate Affairs, thus complicating follow-up study.

Consistency of Application of Regulations

This is a very hard problem for any Department to deal with. The complaint is not limited to CCA inspectors, in fact, they may not be the primary culprits. In any case, wherever there is more than one inspector, there is room for differences of interpretation. But the complaint was so frequent that we could not exclude it, despite its nebulous nature. Since variations of interpretation are likely to be endemic and will always occur, it would seem appropriate to concentrate on means whereby such matters could be rapidly resolved. The working level liaison committee of a food industry - CCA representatives may be helpful in this regard.

Nutritional Labelling

There is also another problem of which the Department is already fully cognizant: nutritional labelling. The interviews confirmed the broadly based lack of support for the government's original proposals in this regard. Consumers and industry were united in the view that nutritional labelling must be understandable by consumers, need not go beyond consumer requirements, and that the program should be fashioned in the light of consumer surveys. There was no indication of opposition to the principle of nutritional labelling. But the term means different things

to scientists than it does to consumers. We found no indication of a preference for having the subject matter regulated, in the sense of mandatory declarations on packages. On the other hand, many respondents spoke in favour of a voluntary, and hence market-driven, nutritional labelling system.

Feedback from the Inspection Service

The Retail Council of Canada and the Canadian Federation of Independent Grocers (CFIG) were concerned about the fact that Consumer and Corporate Affairs had been unable to bring to the attention of Agriculture Canada and Health Protection Branch an awareness of the difficulties involved in the enforcement of several regulatory initiatives. In these cases, CCA inspectors act on behalf of the other two departments to enforce regulations that, in their view, cannot reasonably be enforced. Such regulations include:

- the requirement to keep freezer cases at 5 degrees centigrade to protect frozen meat packages;
- the labelling of fat and moisture content of cheeses;
- the requirement to show the country of origin of all produce, even when they are sold unpackaged in bins.

It was their view that, had CCA inspectors had a greater voice in the formulation of such regulations, the regulations would have either been greatly modified or not passed in the first place.

Section 2

2.0 Introduction

2.1 Background

This report presents the results of interviews with Canadian food industry associations. It is the completion of the first phase of a multi-phase study of food sector regulations conducted by the program evaluation branch of the federal Department of Consumer and Corporate Affairs.

The series of studies of the department's regulatory program in the food sector was commissioned by the deputy minister, following the completion in 1983 of an evaluation assessment of the traded goods component.

In this context, 'traded goods legislation' is a term used within the department to designate legislation that governs the composition, quantity, quality, labelling, packaging and disclosure of other information in relation to traded goods identified under the following Acts:

- The Consumer Packaging and Labelling Act
- The Food and Drugs Act
- The Canada Agricultural Products Standards Act
- The Meat Inspection Act
- The Fish Inspection Act

In addition, the department approves commercials for food under the authority of broadcasting regulations passed in virtue of the Broadcasting Act, according to criteria respecting false, misleading or deceptive advertizing found in section 5 of the Food and Drugs Act.

The main purposes of these standards and regulations are to protect consumers against product misrepresentation, deception and fraud in the marketplace, to ensure that accurate and necessary information is provided to enhance the ability of consumers to differentiate among product choices, and to maintain equity in market transactions. More detailed exposition of the statutes and the traded goods component is found in Annex 1.

2.2 Approach

The consultants conducted fifty-six face to face interviews with sixty-four association representatives, government officials and consumer groups. Excluding the three government and the four consumer representatives from the total, some sixty four trade associations were covered, most of them national. Many of the national associations represent dozens of smaller trade groupings. In addition, successful telephone interviews were conducted with five US government agency officials and four US trade association representatives and food industry executives.

The list of interviewees and associations they represent directly is given in Annex 2.

2.3 Presentation of the Report

The report is divided according to groups of respondents, their answers to our interview guide constituting chapters of this report. Nine groups were identified: 1) dairy and egg 2) retail 3) fish 4) produce 5) meat 6) food processing 7) consumers and food professionals 8) the peripherals (packaging and advertizing) and 9) US government and industry respresentatives.

Interviewees were told by letter and by telephone call that the consultants were working on contract for the federal Department of Consumer and Corporate Affairs, Program Evaluation Branch. Their cooperation was sought to the extent of granting an interview. Only two organizations declined, both on the ground that they had no contact with the department worth speaking of.

The write-up of each interview, and the organization of each section, follows from the structure of the interview guide, which is supplied as Annex 3. The interview guide asked a number of questions under titles like "Process", "Relevance" and so forth. When the time came to write each section, we found it necessary to reclassify the answers, in the manner explained below.

Process Questions under this heading concerned their attitudes towards the adequacy of consultation by Consumer and Corporate Affairs and the problems associated with having several different regulators in the field. Answers in this section appear in summaries under Consultations with Industry, Coordination and sometimes Interprovincial Trade.

Relevance Questions under this heading asked about the application of traded goods (TG) regulations to the food sector, or to certain products, for which there was no longer a need, and about products that could use regulation. Answers to this section were generally so sparse that they did not receive a separate section, but appear under Specific Regulations in the summaries.

Information Questions under this heading asked about the information requirements applying to the respondent's industry group. It also asked specifically for agreement or disagreement on certain labelling requirements. Answers to this section are given under Labelling and Information in the summaries. One question asked about grading. Answers to that question are given in the summaries under the title Grading.

Perceived Effects Questions under this title asked about composition standards and standardization of container sizes. Answers to these questions are given under the titles Composition Standards and Standardization of Container Sizes.

Traded Goods This section asked questions about vertical & horizontal integration, regional disparities, effects on costs or price structure, and effects on smaller and larger operators. Answers to these questions are given in the summaries under the title Perceived Effects, which is sensible, even though confusing to those who may skim the report.

International Competitiveness Under this title we asked questions that were later catalogued under International Competitiveness, Alternative Approaches to Regulation, Perceived Effects - in relation to effects on imports - and Interprovincial Trade.

Summaries begin with General Observations, and proceed to Nutritional Labelling and Advertizing Pre-clearance. They also include a section on Inspection. They do so because these topics came up constantly. Had this report been written in December, the number one topic was metrication. However, this matter has been dealt with by Cabinet, hence there was no reason to raise the matter again here.

The interview guide was based on the Statement of Work and agreed to by both Program Evaluation Branch and a member of the Consumer Products component. One of the purposes of the questions was to identify problem areas and problematic aspects of the Acts and regulations, to be pursued in more depth in subsequent parts of the study.

The interview guide was structured as closely as seemed reasonable around the questions that were asked about the program in the Statement of Work. Certain qualifications must be read into the answers.

- Association representatives speak to their economic interests. They cannot answer for consumers, for instance.

- Association representatives cannot easily answer hypothetical questions. For instance, they have difficulty dealing with a question asking them what would be on a label if the contents of labels were not regulated.

- Association representatives deal with this month's issues. Characteristically they treat legislation they have adapted to as a sunk cost. They concern themselves with regulatory initiatives on the foreseeable horizon.

- Association representatives cannot answer questions above a certain level of generality, eg. "What effects do Traded Goods regulations and standards have on the efficiency, orderliness and economy of the Food sector?" - which was not asked for that reason.

- Association representatives can be wrong on the facts. Their information or perceptions can be out of date. Departments may have corrected practices that some associations keep complaining about.

- Association representatives, we found, characteristically deal with processes and liaison, not regulations. Few of the associations had an expert in actual regulations. The GPMC, the Dairy Bureau of Canada and the Packaging Association were exceptions. Most deal with regulations as such by means of technical committees of industry representatives.

- Association representatives do not think in terms of program evaluation or in terms of particular components of evaluation. Their answers frequently spilled over into areas not intended to be covered by this study, eg. inspection practices, supply management, advertizing pre-clearance.

- Association representatives were unable to deal with questions about the relevance of some regulations, for lack of detailed knowledge of the regulations affecting them.

The difficulties with the questions, from the point of view of evaluating the program, lead us into fundamental methodological concerns with this or any other kind of program review. Traded goods regulations are obviously "good things". Yet an evaluation presupposes some criteria by which to evaluate.

One such criterion might be acceptance by the regulated sector. Absence of complaint from associations most concerned with the regulations in question is surely a sensible way of gauging their acceptability. As our report shows, there is a broad measure of support among domestic producers for the goals of Consumer Packaging and Labelling legislation. Interviewees consistently favoured the display of information on a package that the legislation now requires to be shown. Their attitudes might well have been different when the legislation was introduced. The regulated sector can come to accept regulation with which it has become familiar.

The interview format gauges the degree of support for the various agencies and pieces of legislation in the regulated sector. It is not an experiment. It does not test the proposition "what would happen if traded goods regulation (however defined) ceased to apply to a sector of the food business (however defined)?" A thorough program evaluation might involve selective deregulation on an experimental basis to say whether regulation had any discernable effect on the behaviour of actors in the market. Then we would have real behavioural evidence, not opinion.

Consequently the results speak to the relationship of Consumer and Corporate Affairs vis-a-vis its regulated clientele. As to the fundamental validity of the program, the results show a broad measure of support for the principles of the Consumer Packaging and Labelling Act among those respondents who do not represent importers. In all cases where respondents took issue with those principles, they

did not hold back anything. Consequently we feel secure in making this judgement. As to other statutes that the study concerns itself with, our study did not reveal any challenge to the existence of such legislation. The sole exception is advertizing pre-clearance, where in our view certain respondents were either implicitly or explicitly questioning why it should exist at all.

2.4 Areas of Interest to Other Departments

The summary of the fish sector assoclations will interest the Department of Fisheries and Oceans.

The Department of Agriculture may find the summaries of the produce and meat sectors of interest.

Health Protection Branch of Health and Welfare Canada may find discussion under the topics of "advertizing pre-clearance", "composition standards" and "nutritional labelling" of particular interest throughout the summaries.

Customs and Excise may wish to note the dissatisfaction expressed by domestic producer organizations about the lack of adequate inspection, in their view, of imported food products.

Section 3

Group 1

1. The Dairy and Egg Respondents

1.1 Introduction

The dairy and egg respondents represent two highly regulated industries, in that price and output regulation prevail across Canada. The respondents include both primary producers and processors. The key respondents were the Dairy Bureau of Canada, representing the producers, and the National Dairy Council, the Ontario Dairy Council, and the Conseil de l'Industrie Laitiere representing the processors. Also interviewed were the Association des Producteurs de lait du Quebec, the Conseil des Coops Fédérés direction de la division laitière, the BC Milk Board, the BC Dairy Foundation, the Dairy Farmers of Canada, the Canadian Egg Producers Association, the Canadian Federation of Agriculture (the latter three at the same time) and Fédco, a Quebec based egg producers board. All these responses have been sifted and weighed in the following exposition of their responses.

1.2 General Observations

The division of authority in the constitution has a great deal to do with the structure of the industry, since the federal government shares jurisdiction over agriculture with the provinces. For instance, the provinces can set more rigorous composition standards than the federal government, and if they do, provincial composition standards will prevail over federal within the province. As the industry is based on composition standards, provincial action in this matter is crucial. Take marketing boards as another example. The federal government established an umbrella structure, using its jurisdiction over

inter-provincial trade, and delegated power to provincial marketing boards to make supply management work. While these factors are not unique to the dairy or egg sectors, it may be that the degree of economic regulation by marketing boards, which are principally provincial in scope, shifts the balance of power towards the provinces.

Generally, in so highly regulated an industry as this, the primary complaint concerns the difficulty of getting one uniform interpretation of regulations across the country from various regional and central offices. This problem is not caused by Consumer and Corporate Affairs as such, but arises from the number of federal and provincial regulatory agencies and the close degree of regulation of the industries concerned. As the National Dairy Council said "apart from perennial disputes about the existence of various laws and regulations", the need to have one uniform, national interpretation was highest on the list of their concerns. This concern cuts across all departments and through all regulatory regimes.

Specifically in relation to Consumer and Corporate Affairs, and also Health Protection Branch, the current major concern is the attitude of the Department towards claims in the generic advertizing of milk. Generic advertizing is necessary because there is almost no product differentiation permitted in the fluid milk industry, and because milk competes against other beverages. All respondents said that the industry is being prevented from using words like 'pure' and 'natural' in relation to milk for invalid reasons. Since regulations require them to add vitamins 'A' and 'D', it is felt that preventing them by another

regulation from using words like 'pure' and 'natural' is unfair. While the rule has never been formally promulgated, it has been issued in an advertizers' guide and is being treated as an operative rule. Some added that the industry cannot effectively tie print and broadcast advertizing together, and that both margarine and cereals are being allowed to make claims that milk is not. In the case of margarine, there is the sense that implicitly health claims are being allowed, and in relation to cereals, that most of the benefit is in the milk added to the cereal, but when milk is advertized separately it may not make the same claims.

There was concern in this sector as in all others about the original proposals for nutritional labelling being incomprehensible and that third party claims, which are characteristic of advertizing in this industry, would generate a requirement for nutritional labelling. Third party claims made by marketing boards on behalf of milk producers, are an instance. Nutritional labelling should be for the healthy, said the Dairy Bureau of Canada and should not be aimed at those with special dietary needs. The regulations concerning fat and moisture content in cheese were held to pose particular problems of compliance, both by dairies and by retailers.

Inflexibility in composition standards and other regulations were admitted to protect the dairy franchise but were frequently cited as barriers to innovation and responsiveness to consumers (See discussion under Composition Standards).

1.3 The Issues as Revealed in the Questionnaire

Nutritional labelling: Recent proposals from HPB were high on the list of concerns. One respondent said he favoured nutritional labelling "within practical limits", which was "not the direction we are heading in", he continued. Most were lukewarm to the proposal.

Advertizing: Apart from the words 'pure' and 'natural', some respondents felt CCA should be more sensitive to the marketing aspects of the business. The industry should be allowed generic advertizing without generating a requirement for nutritional labelling. Pre-clearance procedures were mentioned as causing occasional problems.

Consultation with Industry

The industry seems generally pleased with the level of consultation, although the Ontario Dairy Council felt that nutritional labelling had gone too far before it was put out for discussion.

Coordination

a) among federal departments

This was cited by the National Dairy Council as 'more of a myth than a real problem'. Jurisdictions were thought to be well set out, and where there are contradictions among agencies, all concerned try to work

out the problems. However, some overlap in inspections was noted. Also, label approvals: the decision by Agriculture Canada to give definite approvals, rather than merely opinions, as CCA does, was welcomed.

Coordination was said to be much better than it used to be and that the institution of the Trade Letter was very helpful.

However, two major processor groups were unanimous that consistency of interpretation of regulations throughout departments was an important concern in so highly regulated an industry.

b) federal-provincial. No problems were cited.

c) interprovincial

Several points of conflict were cited. 1. Ontario's stickiness with regard to Ultra-High Temperature (UHT) milk; 2. Quebec's regulations on package sizes (ice cream) and product composition (yogurt); 3. variations in 'best before' and expiry dates; 4. Ontario's margarine colouring rule, which was mentioned with approval by the butter industry.

Labelling and Information

As to the general question concerning current CP&L requirements, there was broad agreement that they were needed. One dissent was concerned with ingredient listing, for which it is claimed there is no need because milk is a natural product. Adverse comments were made about the use of margarine labels as implicit health claims.

The name and address of the distributor was suggested as being more relevant than that of the manufacturer in one case. Also, the minimum information, said a respondent, should be a) weight and b) possible toxic additives. A better system of guides for recommended daily allowances was thought desirable by a respondent.

There was no support for a revised system of ingredient listing, showing percentages, rather than the current system of ingredients by weight in descending order.

Composition Standards

One way composition standards arose in the interview guide was in relation to whether they had affected the introduction or development of new products and processes.

The dairy industry is in many senses the creation of composition standards. It was noted that in many ways, standards have protected the traditional dairy franchise, but many observed that they also introduced inflexibility. 'Low-fat cheddar' and 'diet mozzarella' were cited as having been impossible to introduce under those names. 'Calorie-reduced butter' is another example given.

Yogurt was cited as a good example of how an industry could develop its own composition standards, and that government should not be in a rush to establish composition standards for new products.

Grading

Grading did not elicit much controversy. The Conseil de l'Industrie laitière doubted the usefulness of the grading of cheese, which could be accomplished by the reputation of the firm or the brand. The grading of cheese was said to be the result of the taste of twenty people, though it was noted that people enjoy consistency of product.

One of the grading questions asked whether grades helped processors in the manufacture of products as intermediate goods. It was more useful as an advertizing tool in the trade than in the store, said one. It was found useful in selling products as ingredients in other products, although another noted that intercompany supply contracts provide more precise criteria than do grades.

A tendency for the top grade to become the only grade available was mentioned. The example given was butter. Grading was held by one interviewee to be fundamental to pricing. More information about the meaning of grades might make second or other grades acceptable to consumers.

Standardization of Container Sizes

Standardization of container sizes met with approval in this industry, although it was noted that Quebec has regulated its own ice cream container formats. Generally it was held to have increased the ability of consumers to make rational purchase decisions and for stores in setting up store displays, and to have lengthened production lines. No effect was noted on our ability to sell in foreign markets, because we have to produce to foreign requirements in any case.

Inspection

Issues of inspection arose in the questionnaire owing to a question about formal/informal agreements among departments. We did not hear of significant aggravation in the realm of dairy or eggs. Some overlap of inspection occurs because inspectors go in for different reasons. When queried about this, the National Dairy Council pointed out that the reaction to inspection depends on the degree of regulation of the industry. The dairy industry, being highly regulated as to price, production quotas, and plant conditions, takes inspection with less resistance. In some of the smaller companies, inspectors are relied upon as a form of quality control. The Ontario Dairy Council's reply to the issue of inspection was that there was too much of it, but there was recent improvement now that the Ontario Ministry of Agriculture and Food inspects for all provincial agencies. The Dairy Bureau spoke of too little inspection of imports, a theme we heard across many food sectors, if not all of them. Inspection should be done at the point of export, said one.

As regards eggs, the limited number of inspectors was said in one case to permit the selling of eggs below the grade indicated. Another said the egg industry gets blamed when eggs are mishandled at the store level.

Perceived Effects

Respondents were in many ways asked about the perceived effects of traded goods regulation on the size of units, vertical and horizontal integration, innovation, consumer price, and discrepancies of effect from region to region.

The best answer given was that the whole industry is structured in relation to regulation. Consolidation into larger units continues. Supply management, which as we know does not fall into the category of traded goods regulation, was acknowledged as the major factor. Also significant, and not a matter of traded goods regulation, was the effect of packaging and shelf life on longer production runs, and therefore larger units of production. But traded goods regulation was included among the causes of continuously larger units of production. Other points mentioned were:

- Slowness of approval by HPB was said to slow introduction of new processing technology.
- Independents have had to regroup into larger associations under the impetus of regulation.
- The switch from parchment to foil in covering butter was observed by two respondents to have raised its price. So did the addition of Vitamins A and D and the regulation of levels of butter fat.

Labelling requirements differ from province to province, and unless the most stringent requirement was met, different requirements were barriers to interprovincial trade.

Metrication was observed by several as having been a greater burden on smaller producers than larger producers.

The most important effect of traded goods regulation, perhaps, lies in the matter of innovation. Throughout the interviews the tale was repeated that close regulation of composition standards hinders innovation, particularly in respect of countering competitors in producing lower-fat, calorie reduced products.

Interprovincial Trade

Quebec's legislation regarding container sizes and product composition standards was identified as a barrier to interprovincial trade in secondary processed products, such as ice cream. Ontario's special definition of ultra-high temperature (UHT) milk was another. Variations in "best-before" and expiry dates were another. Supply management was pointed out as the reason there is no interprovincial trade in fluid milk. Traded goods regulation by the federal government, in the form of composition standards, and container standardizations, acted more to allow the possibility of interprovincial trade. It was noted that it was more and more difficult to market a national product. However, the provinces recognize that if the supply management system failed, they would be in trouble with the producers. Too many interprovincial barriers would so limit the market that manufacturers would not have enough supplies of product.

International Competitiveness

The industry view was that supply management policies make Canadian dairy and egg products uncompetitive on international markets. The Canadian Dairy Commission sells milk powder on the international market at prices subsidized by the taxpayer. Labelling and other traded goods regulations were not considered relevant to this issue. High Canadian standards were not mentioned as being helpful to foreign sales in this sector.

Specific Regulations

Some standards under the Food and Drugs Act were said to be obsolete because they refer to products no longer manufactured. There was a consensus, said the National Dairy Council, that they remain on the books.

Alternative Approaches to Regulation

Two points are worth noting here.

The first is in relation to Japan. The National Dairy Council pointed out that in Japan, if government decides that a product is safe, it can be marketed with anything on the label as long as it is not fraudulent. The name of the product, its volume and mass are required. Otherwise the label of a Japanese product will carry recipes telling the consumer how to use it. In other words, if it is allowed on the shelves, it is safe. Labels can concentrate on other matters.

The second observation was made by the Conseil de l'industrie laitière du Quebec. While it is never easy to establish, it should be clearly stated in whose interest a regulation is passed. If it is deemed necessary to protect consumers, let industry figure out the means to do it, and if they don't comply then regulate. More responsibility should be put on industry to figure out ways of implementing approaches that are decided upon between government and industry. In other words, industry should be more fully involved in the problem definition stage, and regulation should be used where industry cannot agree upon an appropriate response. Use the threat of regulation as a way of avoiding having to regulate, was the message.

Group 2

2. The Retail Sector

2.1 Introduction

Three major associations represent the retail sector. They are the Retail Council of Canada (RCC), the Canadian Federation of Independent Grocers (CFIG) and the Association des detaillants en alimentation (ADA). The RCC represents the large corporate chains; the CFIG, the independents principally in English Canada, and the ADA, the independents in Quebec. The CFIG with 3,400 retailers, represents 40-43% of the industry, says its president, and represents $28 billion in annual sales. The RCC claims 70% of all the food sector, with 10 members. The ADA has 2,000 members and claims to represent 80% of all independents, and 67% of the market, in Quebec. Included also in this section are the responses of the Canadian Grocery Distributors Association, representing 315 companies and $24 billion in annual sales. Distributors come after producers and immediately before retailers in the food chain.

2.2 General Observations

The hottest issue at the time of our interviews (December 1984) was metrication. This issue has since been laid to rest by cabinet decision. The most significant concern relating to traded goods legislation was the application of dating, labelling and other requirements to food that is packaged in-store rather than packaged at the factory level. Details follow in the paragraphs below.

For the independents, there was considerable apprehension over the development and enforcement of combines legislation, which lies beyond the bounds of this study. It was observed that Consumer and Corporate Affairs orientation is towards the lowest possible consumer price at any given time, rather than towards industry structure, which over time affects prices through competition.

2.3 Issues as Revealed by the Questionnaire

Nutritional Labelling

Nutritional labelling, as a policy initiative, was not a pressing concern to the retailers. The RCC said it should not be legislated, but that terms should be defined in such a way as to make them able to be given out by suppliers. The Grocery Distributors called it an overabundance of information.

Advertizing

Advertizing pre-clearance was not held to be a problem by this sector, because there are no permanent campaigns in food retailing, said the CFIG. The Grocery Distributors mentioned problems with slowness of response time.

Process/Consultation with Industry

The RCC said it respected the deputy minister and the department and called the Food Industry Liaison Committee a success. On balance, they felt that they received satisfactory hearings and that CCA was more responsive than HPB or Agriculture. The respondent for the RCC, pointed out that it doesn't matter how long it takes to resolve a problem, as long as government doesn't prosecute. The CFIG said that CCA staff has been "pretty good, particularly Lawson Hunter and his group - which

is not to say we have won any battles". The ADA and the Grocery Distributors complained of neglect by CCA, and the Distributors mentioned they were not getting through to the Department as they had been accustomed to.

Coordination

Respondents were critical of some aspects of interagency coordination. Both the RCC and the CFIG wondered about the process that led to the imposition of temperature requirements for vacuum packed meats in freezers. The requirement is to maintain temperatures of 5°C in the freezer. No one had been consulted yet, said the CFIG.

- where in the freezer should it be 5°C?
- shelf-life dating would be cheaper than changing all the freezers
- where did HPB get its information on freezers in the first place? From meat inspectors?

There was criticism of how Agriculture Canada develops standards and regulations that CCA is required to enforce at the retail level. Agriculture was criticized by the RCC for not talking to the retail level enforcement people. Generally there was concern that the marketplace implications of many regulations, particularly labelling and dating, were not given sufficient weight.

The Distributors characterized the process of dealing with government as being one of overlap among departments and within departments, with too many players who all need to be briefed and who do not coordinate their

responses. Alone among these respondents he called for an amalgamation of fisheries, agriculture and food into one department.

Inspections are also an aspect of interdepartmental coordination, and are dealt with in their own heading below.

The RCC said that lack of consultation among departments was a major concern. Agriculture Canada had promulgated regulations concerning store packaged or bulk items that CCA inspectors would be required to enforce which they knew to be unenforceable because of high rates of turnover and product substitution in produce bins. They include:

- o country of origin labelling requirements
- o "product of Canada" labelling requirements
- o The 'Canada' prefix to grading, ie. "Canada Grade A" applied to domestic and foreign produce

Labelling/Information

The theme of overabundance of information was repeated by some respondents here. In addition, both RCC and the CFIG wanted more lenient treatment of store-packed goods. As usual throughout all interviews, there was general agreement that net quantity, common names and ingredient lists were useful, but for store-packed goods, the name and address of the manufacturer could be left out. The name of the sales agent or importer might be more relevant, said one.

We asked about the use by the various members of packaging, labelling and grading information supplied by others in the preparation of their own products. This information was said to be useful, although such information need not be on every package. Contracts are used to specify quality, so that packaging, labelling and grading information may not always be relevant.

There was no support for changing ingredient listing by weight to some other method.

Grading

The RCC said that Agriculture Canada was conducting a study on the relevance of grading, which they support. They would welcome an exploration of the usefulness of grading in consumer terms. Both CFIG and RCC support grading as useful for food industry professionals, but they both questioned producer-oriented grading, such as 'Canada fancy' and 'Canada choice'. Only one of all the people interviewed knew the difference between these two terms. The RCC noted that a move was afoot to change beef grading from one based upon consumer preference to one based on producer preference, and opposes it on the ground that it would cause consumers to doubt the value of an 'A' grade in all cases. The CFIG said they do not want grading to cause a waste of food. Items of like quality should be graded similarly, which I interpret to mean as a call for consumer-oriented grades across product lines.

Composition Standards

Respondents had no views.

Standardization of Container Sizes

Standardization of container sizes drew little response for or against. The RCC said it likes standardization and that it was beneficial to consumer decision making. The Distributors noted that, since we pack in imperial measure for the US market, it had no effect on our competitiveness in that market, and observed that only a few products were subject to standarization.

Inspection

Inspection as a topic arose in relation to formal and informal agreements among departments. The CFIG said, and I would venture to say other retailer respondents feel the same way, that people doing inspections "conduct themselves a lot better" than several years ago. People with businesses to run would rather be advised and persuaded than hammered with punitive attitudes. That was a major and dominant message among the many signals received.

The CFIG mentioned that some inspectors had been measuring the size of bruises on apples on busy Friday afternoons, whereas consumers either will not buy bruised fruit, or they will buy at reduced prices. Price reductions to clear old products off the shelf is a routine procedure. Hence, inspection of such trivia does not by implication increase consumer choice.

A major consideration in relation to inspection, and ultimately legislation and prosecution, is the sample size required for a prosecution. According to the RCC, one package is enough for prosecution. This has implications for the cost of ground beef, which

represents 3% of all food sales. Forty percent of all beef is ground. Owing to the tolerances with which fat and meat can be produced, retailers must protect themselves by oversupplying the proportion of meat relative to the minimum meat percentage. The gap, says the RCC, is about 5%. This has significant cost implications across Canada, given the proportion of sales of ground beef.

Perceived Effects

Traded goods regulations were not identified as having affected the structure of the industry. The CFIG said that volume rebates from large suppliers were very significant, and that to combat it the independents had formed buying groups. Volume rebates, said the CFIG, reward size domination rather than efficiency. The RCC and the CFIG pointed out that marketing boards and supply management legislation transformed the dairy industry, as distribution rights were bought up and dairies shut down. The RCC noted that legislation increasing the labour-intensitivity of the industry swings market share away from the chains towards the independents. Cited in this context were, in order of importance, provincial labour laws favouring unions, returnable containers, price changes on packages and shelves, and extended hours and Sunday shopping. The higher rates of unionized labour is the factor affecting this shift.

In terms of effects on particular food products, the following were cited by the RCC as important determinants of food costs:

1. marketing boards
2. temperature control regulations in freezer cases (HPB regulation)
3. trucking - the regulation of which has been delegated to the provinces
4. restrictions on imports and import licensing arrangements
5. returnable containers
6. taxes
7. tariffs on produce in season.

No particular importance should be read into the order.

Interprovincial Trade

Marketing boards were identified as an important barrier. Certain provincial grading systems for vegetables were cited - Ontario grade A potatoes. Differing regimes for the return of bottles and cans were also mentioned. The CFIG complained that independents were not well represented on marketing boards, or before them; the meaning was unclear.

International Competitiveness

The only pertinent comment came from the Grocery Distributors, who said that Canadian commercial attaches should be better informed of Canadian products available for export. We heard like criticism of the trader service from the Importers Association.

Specific Regulations

The 5°C rule for vacuum-packed meats has been discussed above.

Alternative Approaches to Regulation

The CFIG drew attention to the Robinson-Patman Act of the United States as an appropriate model for combines legislation in this country.

Group 3

3. The Fish Sector

3.1 Introduction

The associations we interviewed can be divided into Pacific, Atlantic, and Great Lakes fisheries. The Fisheries Council of Canada/Conseil Canadien des Peches is the federal association of the Atlantic fisheries associations; the Fisheries Council of British Columbia represents all but 20% of the west coast fishery, the latter being represented by the Prince Rupert Fishermen's Cooperative Association. The Fish and Seafood Association of Ontario represents Ontario fresh water processors. We did not interview the Prince Rupert Coop. We interviewed the Seafood Processors Association of Nova Scotia separately as well.

3.2 General Observations

Associations in the fish sector feel they have relatively little to do with Consumer and Corporate Affairs. Asked to list the departments with which they have the most contact, the Fisheries Council of Canada and the Fisheries Council of BC gave in order: Fisheries and Oceans (DFO), External Affairs (foreign trade), DRIE, the Coast Guard, and DOE (weather forecasting).

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1. The Fisheries Council represents the PEI Seafood Processors Association, the Fisheries Association of Newfoundland and Labrador, the Atlantic Queen Crab Association, the New Brunswick Fish Packers Association, the Seafood Processors Association of Nova Scotia and l'Association Quebecoise de l'Industrie de la Peche.

The Fisheries Council claimed that the industry revenues amount to about $1.3 billion, of which 80% is exported. Of the exports, 70% goes to the US, the rest to the European Economic Community, Japan and Iberia. Asked to list the problems most frequently mentioned with federal regulation of their sector, the Fisheries Council gave in order

1. DFO resource management: quotas, licensing of fishermen, technology used and timing of fishing
2. DFO inside plant inspection of processes
3. Provincial licensing of types of plants, location, and planning of production

The major federal initiative mentioned was that DFO was putting through a new set of regulations whose effect would be to put much more emphasis on the grading of fish. Concurrently a system of plant registration is being imposed, with deregistration as a penalty in the last resort, to enforce compliance to DFO's perception that the market was complaining about a lack of consistency in Canadian product.

The Fisheries Council of BC listed in order the following problems:

1. DFO fish inspection: inconsistency of enforcement within companies and between plants
2. Concern about 'cash buyers': those who process fish without controls, although this was said to be more a problem of provincial enforcement
3. Licensing of vessels: turnaround time

4. PEMDE program: export marketing assistance from DRIE and External Affairs

5. Coast Guard: search and rescue facilities on the West Coast are insufficient

6. DOE weather forecasting

The BC respondent noted that the lack of property rights by individual fishermen in fish stocks leads to a maximizing of equipment in order to take advantage of opportunities. Five hundred boats are enough to take the west coast catch; 4,500 boats are licensed.

The management by DFO of fisheries stocks was seen by both the west coast and the Atlantic fisheries councils as necessary. But both respondents had serious concerns with the manpower allocated to the regulation of fisheries. The BC association observed that there was one bureaucrat for every four fisherman, and 350 person years in DFO in evaluation and audit, financial control, and computer systems. The Fisheries Council of Canada was even more categorical. The total value of fish taken in a given year was $800 million. The budget of DFO alone was $600 million. Coupled with the budgets of DRIE, Trade and the provinces, the fisheries will never pay the cost of the bureaucracies that regulate the industry. Six thousand people in DFO, DRIE, Trade division at External and the provinces concern themselves with fishing. The Fisheries Council of Canada said that Denmark governs its fisheries with 300 people and the industry catches the same amount of fish, Norway does the same with 1,400 regulators, and that the budget of the fisheries department in the United States is about $180 million, for about the same amount of fish caught as Canada.

Whether these figures are accurate or not is beside the point. In the perception of the industry, CCA and traded goods regulation is not a great concern.

3.3 Issues Arising from the Questionnaire

Nutritional Labelling

Not mentioned.

Advertizing Pre-Clearance

Not mentioned.

Consultation with Industry

Respondents had no contact with Consumer and Corporate Affairs. The Fisheries Council of Canada was generally pleased with consultation by DFO. The respondent was concerned that if irradiation is approved as a preservative, that the symbols and process be flexible enough for fish products.

Coordination

a) among federal departments

Interdepartmental coordination was not a problem. The BC respondent said he had heard some "noises" about integrating food inspection under one agency. He said he would oppose it if it were true.

b) federal-provincial and c) among provincial agencies

The Seafood Processors of Nova Scotia said that the provincial fisheries ministry has a different view on the management of the sector from DFO, which makes it difficult for the industry to know what the rules are.

Labelling and Information

There was agreement for the need to display information on net quantity, common names, address and name of manufacturer, and grades on a package. Ingredient listing was not felt to be necessary, nor were composition standards for fish, a natural product. Names and addresses of the manufacturer are not held to be necessary where a wholesaler takes delivery of the product and repackages it for resale; for the retail level, it was held to be necessary. The Fisheries Council of Canada observed that for that portion of the product that is exported, Canadian labelling requirements are redundant. The Nova Scotia Seafood Processors said "DFO seems to think it has some authority over packaging and labelling that derives from their quality improvement program".

Composition Standards

No comments were made by the major groups. The Nova Scotia association said that composition standards have affected the development of Kamoboko-style processed products, ie. fish that tastes like more expensive shellfish.

Grading

The BC Fisheries Council objected to the imposition of grading standards, developed for the east coast fishery, on the west coast.

Standardization of Container Sizes

Metrication was said to have helped the industry sell in foreign markets, but the BC Fisheries Council noted that can sizes have stayed the same during (soft) metrication.

Inspection

Inconsistency of inspectors' judgments within companies and between plants has been mentioned above in 'General Observations'. The BC and Ontario associations mentioned that "cash buyers" ie. processors operating outside regulation, were a problem.

Perceived Effects

Traded goods regulation was not observed to have affected industry structure. Tariffs and marketing pressures, plus the cumulative pressure of compliance with all regulations, has had detrimental effects on the smaller processors. There is "no question of the smaller ones going by the way" said the Fisheries Council of Canada. The new grading system being imposed by DFO was perceived as affecting significantly the cost of fish to the consumer.

Interprovincial Trade

Quebec's regulation of the fisheries sector was considered to be a growing barrier to interprovincial trade, as regards labels and packaging nomenclature and that formal and informal agreements between Quebec and others were breaking down.

International Competitiveness

The Fisheries Council of BC observed that federal traded goods regulations, in this case, grading, had created advantages for Canada. The salmon exported from Canada to Japan, being graded more stringently than US salmon, had created a separate market niche to our benefit.

Alternative Approaches to Regulation

The Fisheries Council of Canada observed that in the United States processors can purchase a grading certification for sales to school lunch programs and the military. Apart from these instances, there was no grading for ordinary consumers. This approach was simply noted, neither recommended nor disparaged. On the other hand, DFO regulations made social concerns higher than economic ones, says the Nova Scotia Seafood Processors. The ban on freezer trawlers, as well as other measures designed to increase employment, have increased costs. They said that the industry is prevented from increasing productivity as it would like. A very important factor for them is that companies in the United States or Japan have more control over their own businesses. Resource management was good in Canada; resource allocation, that is to say, which economic interests get to fish which quantities, is a problem.

Group 4

4. The Produce Sector

4.1 Introduction

This sector covers the producer associations of fresh fruit and vegetables. The major association is the Canadian Horticultural Council, with 100 members representing 33,000 farmers. Industry revenues are between $3 and $4 billion. The Canadian Fruit Wholesalers Association, headquartered with the 'Hort' Council, covers 95% of the distributive trade, with 550 members. The same respondent answered for both groups. We spoke to the Ontario Federation of Agriculture (one interview), the Ontario Fruit and Vegetable Growers Association (OFVGA), the Ontario Apple Dealers association, the Ontario Small Fruit Growers Association (one interview), the Canadian Mushroom Growers Association (one interview), and the BC Coast Vegetable Coop.

The Ontario Fruit and Vegetable Growers, with the two other allied associations, represent $450-500 million at the farm gate and between 9,500 and 10,000 fruit and vegetable producers. The Mushroom Growers are a $125 million industry. The BC Coast Vegetable Coop has about $20 million in annual sales. All are members of the Canadian Horticultural Council, save the Ontario Federation of Agriculture. The OFA results are also considered in relation to the meat industry.

4.2 General Observations

In this sector the major concern voiced was about inconsistent enforcement of regulations, and unrealistic attitudes of regulators and inspectors towards commercial realities. Since most of the discussion

of the Hort Council concerned inspection and grading, we assume that the "unrealistic attitudes" are encountered in relation to those matters. We encountered the same sort of concern with the Food Processors Association, whose members "can" the produce of the members of the Hort Council. Another light on the basic complaint was given by the BC Coast Vegetable Coop, which said that conflict between government agencies, and varying interpretations by each of them, were the major problem.

One instance of what is meant by 'unrealistic attitudes' is the example given by the BC Coast Coop. Consumer and Corporate Affairs inspectors can reject an entire truckload of produce if a single package is found underweight. "CCA does not see the relativity of things beyond a single consumer unit".

4.3 Results from the Questionnaire

Nutritional Labelling

No comments were made.

Advertizing Pre-Clearance Procedure

Restrictions on the use of the words 'fresh', 'natural' and 'pure' were objected to. The industry feels it cannot advertize the health-related characteristics of commodities, such as high vitamin C content in tomatoes. Generic advertizing is made very difficult by Food and Drug regulations, said the Ontario Fruit and Vegetable Growers Association.

Consultation with Industry

The Hort Council is the only group in contact with Consumer and Corporate Affairs on a periodic basis. The sense of the responses was that Agriculture was the most responsive, followed by Consumer and Corporate Affairs. They have greater troubles with Health Protection Branch in relation to pesticides and nutritional claims. H&W takes a zero risk approach to crop protection materials and the OFVGA feels they may be too stringent in this regard. The industry supports safety concerns but not the zero risk concept.

Coordination

Four federal agencies and between three to six provincial bodies have a say in relation to agricultural chemicals. While each may have valid concerns the result is undue delay and complications.

Although not relevant to this study, the OFVGA noted that Agriculture Canada and Revenue Canada have coordinated the imposition of seasonal tariffs on imported produce, there might be new problems developing because of legal technicalities delaying the imposition and cancellation of the tariffs.

The BC Coast Vegetable Coop, whose president, Phil Beall, sits on a joint Agriculture/Hort Council committee on regulation, observed that conflict among various federal agencies was the number one problem. It was felt that Agriculture Canada and CCA inspectors regulate the same products, but give varying interpretations. However CCA inspections at the processor level were very, very rare, he said. Agriculture Canada

was seen as helpful in resolving interagency disputes. Federal agencies "communicate well with each other out here" (in British Columbia). "When inspection and regulation work well, I know my competition wins or loses on the same terms", he said. At headquarters in Ottawa, said the BC Coop, "we desire greater cooperation of CCA with other departments".

The Mushroom Growers noted that there was "competition between departments for a piece of the action - small sections in several departments were all particlpating in the same area".

The OFVGA spoke of the effect of different regulators and jurisdictions as being frequent delays and confusion, which causes great difficulties and confusion.

Other coordination issues will be addressed under 'Inspection' and 'Interprovincial Trade'.

Labelling and Information

Labelling affects the produce sector much less than the packaged food industry. The absence of adverse comment can be taken as general support for current labelling requirements, or lack of objection to them.

Bilingual labelling is supported by the Hort Council, which says there is considerable non-observance of its provisions. The BC Coast Coop asked why bilingual labelling was still a necessity for produce sold out west. "If it is the law of the land, would someone enforce it for imports and locally-sold produce? Either drop it or enforce it".

Composition Standards

No comments were made.

Grading

Grading is crucial to the produce industry, and receives strong support from its component associations. The Hort Council is concerned about insufficient manpower deployed at the grower and trade level on this matter, presumably to enforce grading. The BC Coast Vegetable Coop urged Ottawa to maintain Agriculture Canada's inspection and grading services. Grades are established by Agriculture Canada in conjunction with the Hort Council. The OFVGA said that the grading system seems to fall down in communicating information from producer through consumer. The Ontario Federation of Agriculture objected to the prefix "Canada No.1" on imported produce.

Standardization of Container Sizes

Produce container sizes are established by Agriculture Canada under the CAPS Act. Standardization was not held to have had detrimental effects on their ability to compete domestically. Containers (presumably boxes) are still in US dry measure, owing to the necessity of being able to sell into the United States. The OFVGA noted there were 75 different containers for all commodities, and that the industry wants to reduce that number, but not in advance of the United States or to the detriment of trade with that country. However, it is a matter of self-regulation, and our impression is that standardization has not occurred yet. Different container sizes, and provincial regulations concerning same, were identified as barriers to interprovincial trade.

Inspection

The OFGVA spoke of overlap of inspection services among CCA, Agriculture and the provinces, but that the situation had improved. The Hort Council said that improvements in the level of service as regards inspection and grading would ensure quality and minimize problems. They spoke of the need to rationalize the system whereby Ontario, Quebec and three federal agencies each carry out inspections. The industry was not adequately served by inspectors at the shipping and wholesale levels, and increase of manpower here would reduce inspection requirements at the retail level. Agriculture Canada inspections should not be reduced, said the BC Coast Coop, because inspectors serve as arbitrators between the producer and the packager.

Perceived Effects

The industry was unanimous on the subject that traded goods regulations had not affected the size of units in their sector. Regulations governing pesticides had created significant cost advantages for some US imports, it was claimed, since Canadian producers were not allowed to use them. In addition, both the Canadian Federation of Agriculture and its Ontario counterpart complained that certain pesticides were abruptly pulled off the market, to their members' cost and disadvantage.

Interprovincial Trade, and Specific Regulations

It was claimed by the OFGVA that, in regard to certain grading and package-size regulations, Quebec and Ontario had created barriers to interprovincial trade in produce. They were not identified in the interviews.

The BC Coast Vegetable Coop identified section 27(2) of the Fresh Fruit and Vegetable Regulations, (SOR 84-591), passed in virtue of the CAPS Act, as imposing a heavier inspection burden on vegetables emanating from British Columbia than the prairie provinces.

International Competitiveness

Pesticide regulations and their effect on the cost of production of domestic regulations have already been noted.

Also, the standardization of produce containers should not proceed so as to hinder our export trade to the United States, as was discussed above.

Alternative Approaches to Regulation

The Mushroom Growers mentioned ECC-type import regulations as being worth consideration, and added that a lot of our programs are out-dated, but did not elaborate.

Group 5

5. The Meat Industry

5.1 Introduction

In this section we review the comments made to us by producers and processors of both red meat and poultry. They include the Canadian Poultry and Egg Processors Council (one interview), the Ontario Poultry Council, the Ontario Hatchery Association, the Canadian Hatchery Association (one interview), the Canadian Cattlemen's Association (one interview), the Canadian Federation of Agriculture and the Canadian Pork Council (one interview), the Ontario Federation of Agriculture (one interview), the Canadian Meat Council (one interview) and its Quebec subsidiary, the Conseil des Viandes (one interview), the Coop Fédérés du Quebec, division des viandes (one interview).

The Canadian Poultry and Egg Processors Council gave a figure of annual revenues in the $1.5 billion range, the Cattlemen's Association's figure was $3 billion in gross sales, the Meat Council's figure for industry was $8 billion in sales, the Canadian Pork Council's figure for industry sales was $1.7 billion.

The Meat Council claims 33,000 employees in its member companies, the largest food sector. The Canadian Pork Council claims 57,000 producers as members, of which 30-35,000 are commercial operators. The Cattlemen's Association claims to represent 100,000 cattle-raising farmers.

5.2 General Observations

We did not find a consistency of themes across all respondents in this sector. We did find issues where two or three respondents would agree were important and aggravating. In no particular order, they would be: lack of consistency of inspectors from plant to plant, foreign products allowed into Canada with higher levels of pesticide residue than Canadian products are permitted, and nutritional claims in generic advertizing. Lack of interdepartmental coordination in matters of policy was also mentioned. There was an absence of strenuous complaint, but the usual number of points of friction.

Overall, the major agency to which these groups relate in the federal government is the Department of Agriculture. Respondents seemed generally pleased about the state of that relationship. The Canadian Poultry and Egg Processors Council expressed the view that they want to have one regulatory agency to deal with, preferably Agriculture Canada. Several spoke of the desire for more self-regulation. They appreciate the fact that there is now one inspector who applies all federal laws during inspection at the plant level.

5.3 Issues Arising from the Questionnaire

Nutritional Labelling

We received few explicit considered views on this matter. The longest comment was that the Canadian Federation of Agriculture wants it to be simple, cheap and understandable to consumers. The Canadian Meat Council was against it.

Advertizing Pre-Clearance

The Cattlemen's Association said they resent restrictions on the advertizing of the merits of beef. It is leaner than it used to be, but the industry is prevented from saying so. This problem leads to an aspect of interdepartmental cooperation. A press conference was used to announce the results of a study, showing beef to be a third leaner than it used to be. Consumer and Corporate Affairs wanted to have the results incorporated into H&W nutritional tables. Agriculture Canada delayed this from happening by conducting more research, in the opinion of the Cattlemen's Association. The Canadian Federation of Agriculture also had concerns about health claims. It said health claims were dealt with by CCA, nutrition by Health and Welfare.(2) Who will assume responsibility to settle these issues? Who weighs the evidence? Who plays the lead? Moreover, the CFA seeks a means of appealing decisions of the Advertizing Council on acceptable wording. It concurred with the Cattlemen on the subject of the 'stickiness' of authorities in obtaining approvals for meat promotion campaigns.

Consultation with Industry

Views on CCA were mixed. The CFA was pleased with CCA regarding the process of developing "information labelling" (sic) in milk products. It found that CCA granted adequate time to respond on the subject of the constituents of meats, although for reasons internal to membership the association was unable to respond in time. While most respondents noted that delay was inevitable in dealing with government, it sometimes acts to protect them.

(2) Health claims and nutritional claims are in fact dealt with by Health and Welfare.

The Meat Council noted a lack of flexibility on the part of CCA to adapt proposals to industry concerns. Neither the Ontario Poultry Council nor the Quebec wing of the Meat Council has contact with CCA to speak of. The Cattlemen found that it was quite difficult to find out what the real problem is, and said that all agencies tend to be very secretive. They had found it possible to modify a regulation on standardization of nomenclature. The Canadian Poultry and Egg Processors noted that it was becoming easier to deal with CCA, that it used to be very difficult to do so, and that relations were going reasonably well. It complained, on the other hand, that CCA was not sufficienty familiar with their product and processing and that its judgments were made by the book.

Coordination

We noted some concerns in this group about interagency cooperation at the federal level. The CFA observed that its basic relationship was to Agriculture, and that there was sometimes confusion as to who would pick up what issue. On the subject of cheddar cheese standards, HPB had ignored Agriculture. The CFA did not feel that pesticide residues had been resolved as an issue at the time of the interview (December 1984). Agriculture was more sensitive to the economic and technical nature of pesticide use; HPB was less sensitive to economic interests.

The Ontario Poultry Council claimed there was a lack of communication among regulators, and a lack of depth of knowledge on the part of regulators, both as to industry operations and as to what other regulators are doing. Their testimony is equivocal, however, in

that they did not identify any federal regulators or regulations that were in conflict. The Cattlemen spoke to the same effect: it was difficult to get federal regulators together, that the result of different regulators and jurisdictions was confusing to industry, and consolidation was needed. They noted an absence of agreement between Agriculture and HPB as regards nutrition.

The Meat Council spoke of the problem of policy coordination among the three federal departments as the second-largest problem, after inconsistency among inspectors at the plant level. The Council wants Agriculture to be the lead agency on meat processing industry regulations. While they have a good working relationship with H&W and CCA, they would like to have one focus.

The Conseil des Viandes said that industry is in favour of a certain amount of regulation but dislikes having to deal with several agencies and several levels. They were pleased that one inspector now applied all federal laws at the plant level. The Canadian Meat Council likes having Agriculture in the lead role in their industry and wants to keep things that way. The effect of several agencies and jurisdictions is "not a big issue because everyone tries to keep it that way".

As regards differences between the federal and provincial levels, some were noted. As a result of the Labatt's Lite beer case, so it was said, some processed meat products, such as sausage, were no longer subject to federal inspection as regards their composition, at least with respect to intraprovincial trade.

Differences among provinces were also present. The Canadian Pork Council spoke of different hog grading standards among provinces. Hogs are sold on the basis of a national grid index. Some provinces had amended the grid slightly. It did not constitute in their opinion a barrier to trade. The CFA said it was seeking uniformity on the subject of bacterial counts in industrial milk.

Labelling and Information

We did not receive much response to our questions on this subject. With a few exceptions there was general support for the current requirements to be shown on labels. The Ontario Poultry Council suggested that there might be more information given on product handling, especially in regard to new poultry products. The Canadian Poultry and Egg Processors Council said that labelling restrictions are a deterrent to product merchandizing. They also held that current labelling requirements were not necessary; on net quantity - product could be weighed and priced at the store level; on common names - "let the consumers decide"; grading - "probably in favour of grading by brand name only". The Canadian Meat Council came out foursquare for current labelling requirements for prepackaged goods. For store packed goods, they thought the common name, net weight, and name and address of the agency responsible for the product would be sufficient.

We found no support for alternative ingredient listing.

The Meat Council said that it found information from others on net quantity, common names, address and name of source, ingredient listing, and grades to be useful in the preparation of their own products.

The Coop Fédérés had concerns about the amount of information on their labels placed on boxes, and wanted latitude to put the label on the side, or split into several parts.

Grading

If these consultations had been conducted in February, 1985, the hottest topic in this group would have been cost-recovery for inspection and grading services.

The grading system met with general approval. The Meat Council said it was useful for beef and lamb, but not for pork because of the processing system. Grading was useful to the trade as a basis of settlement of prices with producers. Their chief complaint was to get uniformity of application between graders. The Cattlemen echoed the general approval and the complaint: the system is not sufficiently precise for cutability and would like to have the grading system more like the one for hogs, which in their view is less subjective. The Conseil des Viandes said they liked the grading system, which is established between the meat industry and the Department of Agriculture. They anticipated this month's (February 1985) regulatory controversy by reminding us that they want grading and inspection paid for by government. The Coop

Fédérés, division viandes, mentioned with approval that ultrasound analysis is now being used for grading.

Composition Standards

The Canadian Meat Council believes that composition standards restrict the development of new products. The Conseil des Viandes mentioned their concern about composition standards being the same across the country. Composition standards were not considered barriers to innovation by the Canadian Poultry and Egg Processors Council. It may be that the latter group has less contact with this aspect of the business. The Cattlemen's Association spoke of composition standards as having retarded innovation in processed meat and mechanical de-boning.

Standardization of Contalner Sizes

As with composition standards, the subject did not elicit strong views. The Cattlemen's Association called for more standardization of boxed beef. Specifications could be developed that would help them serve the food service industry more efficiently. However what may be involved here is not standardization of container sizes so much as more accurate specification of product. The Canadian Poultry and Egg Processors Council found that standardization had had no negative effects on domestic competition or customer choice. Likewise with the Canadian Meat Council.

Inspection

Lack of consistency of the application and interpretation of regulations at the plant level was said by the Canadian Meat Council to be their most important problem. The Canadian Poultry and Egg Processors Council said exactly the same thing, with the same order of importance. The subject of concern was the regulation of in-plant conditions by Agriculture Canada inspectors.

This was the most important problem to two of the largest meat processing industries.

Perceived Effects

The tendency of health and safety regulation to lead to different plant configurations and larger economic units was observed. The larger, older slaughterhouses were particularly affected. Modernization is being imposed through regulatory requirements. The Cattlemen's Association agreed with the views of the Conseil des Viandes on this matter. Small units have more difficulty complying, some observed.

The Ontario Poultry Council believes that supply management has allowed the poultry industry to continue in Canada, and has slowed down both vertical and horizontal integration.

International Competitiveness

The biggest factor may be pesticide residues in imported beef, and the fact that such pesticides are not allowed in Canada.

Both the Canadian and the Ontario Poultry Councils observed that supply management has made our products uncompetitive in foreign markets. "It has nurtured inefficiency and complacency", said the Ontario Poultry Council.

Metric conversion was felt to have created difficulties in managing and administering sales to the United States, according to the Coop Fédérés.

The Cattlemen find that we are pretty much in harmony with our main market, the United States, although there are health measures that retard trade (additives like diethyl stilbestrol).

While the Canadian Meat Council did not think our conditions more restrictive than for our major trading partners, others thought Canada's conditions were among the most stringent in the world, and that our meat inspection service was the best guarantor of quality. The poultry industry praised Health and Welfare as being ahead of the US and Europe as regards sanitation.

Alternative Approaches to Regulation

There were no alternative approaches that attracted interest from these respondents, with the exception of the Canadian Poultry and Egg Processors, who praised the US approach, which places more emphasis on self-regulation and market response.

Barriers to Interprovincial Trade

Supply management and provincial subsidies to producers aimed at provincial self-sufficiency, were identified. Provincial health and safety, and workmen's compensation rules, were said to discourage locating plants in Quebec.

Barriers to Imports

Supply management, import licensing and veterinary inspections were identified. There were no complaints from the industry about them.

Group 6

6. The Food Processing Sector

6.1 Introduction

This is the largest sector interviewed, in terms of number of respondents and industry revenues. It also has more day-to-day contact with Consumer and Corporate Affairs than the others, with the possible exception of the retailers. The Grocery Products Manufacturers of Canada represents $37 billion in annual revenues. Six interviews were necessary to cover its membership. The Canadian Food Processors Association (the canners) follows in order of size. Their annual sales amount to $3 billion. Interviews were also conducted with their British Columbia and Ontario provincial associations for a total of three, the Canadian Frozen Food Association (industry revenues $2 billion), the Canadian Softdrink Association (industry revenues $2 billion), the Bakery Council of Canada (industry revenues $1.6 billion), the Canadian Sugar Institute (industry revenues $600 million) and the Canadian Potato Chip and Snackfood Association (industry revenues $500 million) follow in order of size.

6.2 General Observations

We found a high concentration of articulate spokesmen in this sector. Pre-clearance of broadcast advertizing, and its tie-in with labelling, was the highest priority concern. Inconsistency of interpretation among inspectors, less than adequate inspection of imports, and the inability to use terms, such as 'pure' and 'natural', would follow. The Canadian Food Processor Association criticized the tendency of the regulatory community not to be sufficiently cognizant

of economic imperatives in the business. They and the GPMC questions the way in which CCA determines the public interest on the basis of a few letters or consumer representatives, rather than on the basis of consumer attitude surveys and focus groups. Caution was counselled in relation to the development of nutritional labelling. Thorough surveys should be made of how consumers use old labelling nutritional claims in their shopping decisions, and of how they might use any new system.

6.3 Issues Arising from the Questionnaire

Nutritional Labelling

The comments made in the general observations immediately above were reflections of widespread doubt about proposals they had received on the matter. An increased desire for statements of nutrition was noted, but nutrition should not become a composition standard, said one GPMC respondent. Nutritional labelling should be simple, meaningful, easy to apply, supported by comprehensive nutritional education and tested by consumer research. The labelling program should be voluntary, said another GPMC respondent, unless foods for special dietary purposes are concerned. The Sugar Institute opposed nutritional labelling, as did the Ontario Food Processors and its sister organizations. A GPMC representative also pointed out that nutritional labelling could have been a problem for small companies that do not have the lab facilities to do nutrient analysis.

Advertizing Pre-Clearance

The GPMC said the food industry is the second-largest advertizer after the government. The advertizing pre-clearance system was probably put in place by industry, guessed a GPMC respondent. The people involved in reviewing broadcast advertizing review an enormous number of ads per year; one respondent calculated it as one review every five to ten minutes. In some cases it appears that Consumer and Corporate Affairs sends material to Health Protection Branch for review, on the ground that health claims are being made. HPB then seems to require such claims to be made on the label of the product. The system was described as a constant irritant. GPMC members were almost unanimous in criticism of procedures and interpretations. Approvals are slow. Print ads escape pre-clearance, but print and broadcast media campaigns cannot be coordinated. A lack of a forum to appeal from advertizing pre-clearance decisions was also troubling. The GPMC spoke of the existence of a split of opinion within the industry as to whether advertizing pre-clearance should remain at all. It was also noted in subsequent conversation with GPMC (March 1985) that pre-clearance of food advertizements by the CBC was redundant. The GPMC wants in any case to see a change in legislation whereby the Minister's discretion, delegated to him under the Broadcasting Act, would be constrained to be exercized within some public criteria. The Advertizing Standards Council also speaks to the same effect.

It was observed that the pre-clearance of labels and advertizing was not a problem of obstructive officials but was inherent in the process itself. They are required to judge the effect of words on the sensibilities of the public, areas in which there are no standards. The latest edition of the Guide was seen as an honest attempt to clear up

problems by letting its criteria of judgment be known. Immediately the new criteria come into conflict with advertizers who strain the boundaries of the language.

Still on the subject of advertizing, GPMC representatives and the Canadian Food Processors Association were critical of changes being imposed that would prevent the use of the words 'pure' and 'natural' in relation to products where such words had been used for twenty-five years or more. Is 'digestive' a health claim on a biscuit? Can a biscuit not have 'cream' filling when the filling is not a dairy product? There were complaints of extravagant enforcement in this area. CCA guidelines to advertizers on food and health claims require clarification, said the Canadian Sugar Institute.

Consultation with Industry

Generally CCA received high marks for improved consultation. A review process is now in place whereby companies may contest rulings by local and regional CCA officials. HPB has the same system, which works well and the GPMC said that CCA should review its own appeals system to see how well it is working.

Delays in having problems addressed were considered no worse than can be expected, except in the case of advertizing pre-clearance, which are considered too long. An exception was the Biscuit Manufacturers, who claimed that two to three years were required to get additional package sizes approved. "In most cases problems are addressed but not necessarily redressed", said the GPMC. CCA was thought by

GPMC to be good at working out practical solutions to problems caused by having several different regulators and jurisdictions, and to be less concerned with protecting turf than others.

The respondent for the Edible Nut Processors approved the introduction of trade information letters and a technical committee which meets once a year. He suggested that developing departmental agendas, distributing them to interested people to be notified, regular reviews of regulations, and the tabling of such reviews in annual reports are good ideas. "If all this review is merely internal, they won't be effective", he said.

The Food Industry Liaison Committee has had a very positive impact on relations between the GPMC and the Department. It has enabled people to distinguish monitoring of issues from potential or actual prosecution. It was called a confidence building measure. The information letter has also been welcomed by GPMC. However, industry cannot always figure out within the ninety-day time limit what the effects of a proposal will be on an industry. The information letter lowers the cost of compliance, it pulls people together who have done the studies, and it permits a consensus to develop and suggestions to emerge.

There was a suggestion from a GPMC respondent that a working level committee, below the level of the Food Liaison committee, would help solve smaller problems of inspection and compliance that the senior level committee cannot. Our attention was drawn to the liaison that HPB keeps with its industries. Any policy issues can be put in front of

the meeting of HPB and its regulated clientele for discussion. Technical experts are brought in as the need requires. After the annual budget has been set, there is a discussion of enforcement priorities. "A bit of cops and robbers", as it was described.

The Sugar Institute was pleased with its relations with CCA, despite its inability to modify a regulation or requirement. The Snackfood Association noted that a three-year delay in working out chip weight tolerances was preferable to government rushing into imposed solutions. The Food Processors thought that the consultative process was "okay", although all respondents would tend to agree with them that "the system is not designed to deal with problems quickly". The Soft Drink Association, the Bakery Association and the Frozen Food Association were generally satisfied with their relations to CCA. The BC Food Processors remarked that they "could not recall ever having dented CCA's programs to the extent of their doing something for us".

The weight of the interview results on this topic, in our view and recollection, was to the effect that CCA's liaison to industry was good and that relations, once bad, were good and getting better.

Interdepartmental Coordination

There was a general sense among GPMC Interviewees that practical solutions were being found to the problems caused by multiple agencies and jurisdictions, although any number of problems always remain. The Sugar Institute, the Snackfood Association, the Ontario Food Processors and the Bakery Council were generally of the same view. There is a

basic problem, one said, where the application of an Act is divided between two ministries.

The Canadian Food Processors Association commented that enabling legislation was the problem. Competitive products might be regulated at different levels. "Government resources are improperly organized to meet our needs" said its representative. For instance,

a) tomato soup - one branch of Agriculture
b) consomme - health of animals branch of Agriculture
c) fish soup - Fisheries and Health and Welfare
d) formulated product - not inspected at all

He also said that HPB's relationship to CCA was unproductive. HPB makes decisions about health claims. CCA defers to them. Those who make decisions should enforce them, he said. The CFPA would favour one organization governing agriculture and food, from ground to sale.

Pre-clearance was also mentioned as a major instance of a coordination problem by a GPMC respondent. Other instances were given; Agriculture, registration of pesticides; H&W, responsibility for safety and residues.

The tendency of strong Ministers and deputy ministers to build empires and for bureaucrats to be secretive and compete for a piece of the action was observed by some, and hence there were behavioural constraints on the degree to which coordination would ever be perfect.

The biggest problem of interdepartmental coordination, said the Ontario Food Processors, was the relation of Agriculture Canada and Customs & Excise. Imports are felt by more than one respondent not to receive the same degree of inspection for labelling and other infractions as does domestic product. Foreign products should move under 'detention', as does unlabelled domestic product. Others asked why packaging and labelling were checked at the retail level in the case of imports, whereas it would be more effective for them to be checked at the major points of entry.

Federal-Provincial and Interdepartmental Coordination/Barriers to Interprovincial Trade

The GPMC spoke of duplication of inspections between federal and provincial inspectors as an area for improvement. Bulk foods come under provincial authority. HPB has no authority over bulk foods, and CCAC has none in relation to health. Hence bulk foods, in GPMC's view, escape effective regulation as to health standards.

There was concern over the uncertainty of federal composition standards in the wake of the Labatts Lite decision and its implications for barriers to interprovincial trade.

Quebec's language law was identified by a couple of respondents as having had negative effects on labelling.

Differences between Quebec and Ontario in legislation regarding beverage containers were a matter of concern.

Labelling and Information

There was general acceptance of the presence of designations of net quantity, common names, name and address of the manufacturer, and ingredient listings.

Nutritional labelling came up again in this context as a potentially significant problem - getting all the information onto the label could be extremely costly - according to the Ontario Food Processors.

A few respondents supported the mention of potentially dangerous contents for people with certain disabilities.

The GPMC expressed support for the view that information on how to store and how to use the product should also be on a package. Producers must have the opportunity to describe what the product is, so as to help retailers position it on shelves. The GPMC spoke of a government move to have all essential information on the principal display panel. The industry would like "to review this in terms of both minimums and maximums", the respondent said. Both the GPMC and the Packaging Association, whose views are taken up later, both would oppose a statutory requirement to put more information on a label. This view was supported by the Snackfood Association, the National Dairy Council, and the Ontario Food Processors/Frozen Food Associations. Respondents in many sectors are concerned that recipes are being pushed off to make room for less useful information.

There was no support for revised ingredient listing. Processors tend to set their own requirements of suppliers in contracts. Hence labels were not especially favoured as sources of information about ingredients used in the production of more finished products.

Composition Standards

Composition standards are seen by the GPMC as an impediment to innovation, according to the GPMC's regulatory expert. The margarine representative at GPMC noted that composition standards had forced the edible oil industry to improve its product. Another GPMC respondent noted that research had been stimulated by concerns about toxicology, environmental contaminants, shelf-life and water loss, so that although composition standards inhibit new product development, they stimulate other forms of research.

Grading

Grading received general support from the Canadian Food Processors. A tendency for the top grade to become the only available was noted in certain product lines, vegetables, butter and meat are examples.

For most respondents in this sector, grading was either not controversial or not relevant.

Standardization of Container Sizes

Standardization occurred generally because of metrication. A tendency towards smaller package sizes has been caused by changing demographic characteristics of the population.

Inspection

The chief issue in this sector is the relatively slack inspection of imports, according to many. Customs and Excise does not carry out the kind of inspections of imports to which domestically-produced goods are subject. Imports escape Consumer Packaging and Labelling inspection until the retail level, it was claimed, and CCA does not have enough inspectors to do the job. A good start on this issue had been made in the Food Liaison Committee.

Another pertinent observation made by the CFPA was as follows. If plant people can know every regulation that needs to be conformed to, why is it seemingly impossible for inspectors to know every requirement of every agency?

Perceived Effects

Beyond the obvious example of supply management, there were few examples given of regulation having changed the structure of industries or imposed significant cost increases on particular food products. The price of wheat being set by the Canadian Wheat Board was one. The Food and Drug Act was said by a knowledgable food scientist to have consolidated certain operations on a national scale over the course of fifty years. The Canadian Sugar Institute observed that metric conversion had had a discernable effect on the costs of its products. The Canadian Food Processors Association said that regulations that maintain a quality level encourage alternative uses of produce that does not make the grade.

However, all labelling, inspection, health and standardization regulations impose a cost, said the Ontario Food Processors/Frozen Food Association, and none of the respondents, in our view, would disagree with that statement. The question asked was whether the costs imposed were significant.

There was some concern in the CFPA and elsewhere that inspection practices were hindrances to the introduction of new technologies.

International Competitiveness

Some commented to the effect that higher health and plant cleanliness standards raised domestic costs of production, but in general few commented on this point. Labelling changes in the mid-seventies were held to have cost a lot, and there was concern about imports escaping these requirements.

Alternative Approaches to Regulation

A GPMC respondent mentioned that Holland had worked out a good system of nutritional labelling worth studying.

There was praise for the Canadian regulatory environment and approaches to regulation from two senior GPMC respondents. The quality of personnel concerned was said to be higher than in the United States or the UK by one, and the other respondent said the Canadian approach, which in the realm of Food and Drug regulations bans all that is not actually permitted, means that problems are more effectively addressed.

The CFPA, like the National Dairy Council, praised the attitude of Japan towards government. Japan, it believes, has identified goals, and all legislation must be in concert with those goals, which consist generally of pursuing national economic growth. Trade associations have a much greater say in the development of regulation in Japan.

The Ontario Food Processors/Frozen Food Association said that in the fresh produce market, the State of Florida had no grades on oranges; the market is allowed to decide.(3)

The Softdrink Association mentioned that some European countries list ingredients by numerical code, an approach which might bear further study.

The Bakery Council thinks that France, Germany, the UK and Sweden have a more flexible attitude towards advertizing the nutritional values of food.

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(3) The consultants think this view is likely to be in error.

Group 7

7. The Consumer/Professional Sector

7.1 Introduction

The consumer/professional sector is comprised of two consumer groups and two professional groups. The consumer groups are the Consumers Association of Canada and the Canadian Diabetic Association. We spoke to the head of the food committee of the CAC and the nutritional specialist at the Diabetic Association. The professional groups are the Canadian Dietetics Association, made up of some 4000 dieticians, and the Canadian Home Economics Association, which has some 1800 members, part of whom are also members of the dietician group. The CAC is the largest consumer association in Canada. No membership data was available. The Diabetics Association has some 45,000 members across Canada.

7.2 General Observations

The Consumers Association is not currently being deluged with complaints about any specific issue. As a result of recent newspaper articles, some questions have been raised about the use of so-called necessary additives in food. It does not appear to be an important issue. All four associations raised the issue of nutritional labelling. The CAC was originally very supportive of the concept but is now somewhat less enthusiastic. No specific reasons were given. The Dietetics Association believes that more information should be included on labels. They submitted a brief in response to the guidelines that were issued. They would like to have some feedback from CCA on nutritional labelling and other issues raised here (metric deregulation, health food industry compliance with advertizing and promotion rules). Nutritional labelling has been a very emotional issue within the

membership of the Home Economics Association with both pro and con factions. The issue crystallized as a result of the circulation of the guidelines.

As might be expected, the Diabetics Association has very strong views on nutritional labelling. While their major concern is the amount and type of sugar, they feel that nutritional labelling should be voluntary except where specific claims are made eg. 'reduced in sugar', 'low in fat', or 'low in calories'. Portion information is very important to diabetics so they can tell how a food fits into their eating pattern. The list of ingredients does not provide information about the percentage composition of sugars or fats. Diabetics have to write to food manufacturers for the necessary information. In this latter regard they are concerned about imprecise addresses of manufacturers on labels. Also the CDA shares common ground with Health and Welfare on food guidelines concerning definition and meaning terms. From their point of view, they want to have all relevant information about all sugars in foods or medicines clearly spelled out. There is a lack of specificity in labelling and meaning of terms. The Diabetics Association would also like to see labelling in restaurants, as well as nutritional labelling of fresh produce to compete with nutrition labelled packaged goods.

The Canadian Dietetics Association had two concerns in addition to nutritional labelling. The first of these was the metric issue: either we convert or not but don't deregulate. The second was that of advertizing and promotion on the part of the health food industry. The Association believes this group should have to operate according to

the same rules as others in the food industry with respect to the use of terms such as 'vitamins', 'natural' and 'organic'. There is perceived to be a good deal of misinformation in this regard which takes advantage of people who are ill or have problems that they are trying to correct on their own.

A point of concern raised by the Consumers Association was that CCA had a strong food section at one time which fought battles for consumers and supply management and the anti-competitive practices of food chains. It appears that the number of people concerned with food in the Department has diminished over time.

7.3 Issues Arising from the Questionnaire Process

Both the Consumer and Diabetics Association speak favourably of their dealings with CCA. CAC feels that consultation has been fairly good; however, they feel that they have had less success in dealing with competition policy and legislative matters. Both groups indicated that HPB was also helpful to them. Agriculture was less helpful except for the Food Advisory Service which according to CAC, provides a valuable information service.

The two professional groups have little experience in dealing with the regulatory process - except on special occasions eg. nutritional labelling guidelines. The Dietetics Association felt that there is often confusion as to which federal regulations are applied in a given situation. They also believe there is some conflict in views between people in nutrition programs and those on the regulatory side, including approaches to health foods.

Relevance

The Canadian Dietetics Association believes that additional regulation is needed in these areas. They are:

1. handling and storage of bulk foods
2. health and nutrition claims for 'health foods'
3. certain food products used for treatment of disease should be more closely regulated

From CAC's point of view, they do not want to see dairy/vegetable mixes banned. They want to see these mixes retained and labelled properly.

Information

Both the Dietetics and Diabetics Associations want to have information provided to consumers that is informative and meaningful. The general thrust of their approaches is to deal with matters such as net quantity and nutrient content on a portion basis. The Diabetics Association specifically wants nutritional content expressed in grams per consumption unit (eg. starches, dietary fibre, sugar (COH) grams of protein, fat and milligrams of sodium). The Dietetics Association would like to see a 'core list' approach to nutritional labelling "be utilized to display energy and macronutrient information".

With respect to ingredients listing, none of the groups favoured a change from the current system - the Diabetic Association would prefer to address the matter in the composition standards. CAC believes that ingredients listing can disguise the fact that one item is present in great

quantity while others are insignificant. Also, labelling changes would be prohibitive. The Dietetics Association feels that any change would be confusing to consumers.

Grading

CAC sees grading as being of value to producers because it seems to have more to do with appearance and size than other qualities. The Diabetics Association believes that the meat grading system allows too much fat. They would like to see the system improved from that point of view. The term 'light' could be potentially useful in this context. This reflects their concern that about 80% of diabetes could be prevented with weight control. The Dietetics Association would like to see grading based on nutritional characteristics.

Perceived Effects

The Diabetics Association says that rigidity of rules concerning composition standards prevents addressing consumer problems - in the case of low sugar content in what would otherwise be called a jam meant that the potential new product could not be called a jam. The Dietetic Association had no experience in that area; however, with regard to questions on standardizations of container sizes their major concern was with the unit of measurement. They want to stay metric.

Regulatory Impacts

None of the groups had any comments in this area, including effects on costs or price structure.

Competitiveness

The CAC made comments about regulations hindering provincial trade to the same effect as other industry associations: they were against barriers to trade. Using the example of milk, they identified supply management as hindering interprovincial trade. CAC also expressed the view that no one listens to their concerns about supply management.

Group 8

8. The Peripherals

8.1 Introduction

This is a miscellaneous group. The Canadian Packaging Association (industry revenues, over $6 billion), the Advertizing Standards Council, the Canadian Health Food Association (industry revenues, around $30 million) and the Canadian Importers Association have views and interests that bear directly on this study. Others, like the Brewers Association (industry revenues $7.1 billion), the Canadian Restaurant and Food Services Association (industry revenues $16 billion), the Canadian Automatic Merchandizing Association (industry revenues $350 million) and the Canadian Distillers Association, who have minimal direct contact with Traded Goods Regulations, declined to be interviewed.

8.2 General Observations

The Packaging Association had well considered views on consultative processes and government-industry development of regulations that ultimately have packaging and labelling implications. Basically they think industry should be involved at the conception stage of regulation. Whatever the loss in terms of bureaucratic control they said, is more than made up for in terms of lower compliance costs, which derive from industry participation in the design of the regulatory scheme and the cooperation developed by the consultation. They also were firm in the view that labelling requirements, of which CP&L requirements are only a part, have reached a point of diminishing returns.

The Importers Association is the most sensitive of all to the non-tariff barrier aspects of government regulation and official behaviour. It is a natural adversary of CCA and other domestic food sector organizations.

8.3 Issues Arising from the Questionnaire

Advertizing Pre-clearance

The Advertizing Standards Council favours the current system. Like the GPMC, it favours the notion that the Minister's discretion be constrained to act according to published criteria in this area.

Consultations with Industry

The Packaging Association noted that consultations with industry by CCA were improving. They had special praise for the Toronto regional office. The Importers Association feels it has had some justified complaints dealt with by CCA. The Health Food Association is a new organization and will need time to develop its Ottawa connections.

Interdepartmental Coordination

The Packaging Association observed that if a dairy sold orange juice, it would have to do so in hard metric, where US imports are in US dry measure. Problems of coordination are inevitable if not preceeded by extensive consultation. "Successful businesses are organized for the market, departments are organized for their own convenience".

The Importers found no blatant contradictions, but problems are made more complex by regulatory overlap among federal agencies. The least expensive way to solve these problems would be to have an advisory group of the three ministries to meet two to three times a year, with representatives of importers with food sector interests. While not relevant to traded goods legislation, the head of the Importers Association said, "Canadian trade officials know nothing about Canadian import laws or regulations. They tell foreigners Canada is a closed country". People wishing to sell in Canada must go to his organization or CCA for information. Trade commissioner misinformation about CP&L, Food and Drugs, and CAPS Acts requirements is "constant". This view of Canada's trade officials was echoed by the Grocery Products Distributors in relation to opportunities for food exports.

Interprovincial Trade

Brewers are principally regulated by provinces, whose actions are, among other things, aimed at generating employment. The Brewers Association pointed out that one brewery in Denver supplies all of the United States with Coors beer. The same economies of scale are prevented here.

The Packaging Association was sensitive to the use of provincial packaging regulations as non-tariff barriers. The same view was confirmed by the Canadian Automatic Merchandizing Association.

The packagers also alerted us to the requirement to show the province of origin on interprovincial shipments. This is a requirement of the Canadian Freight Association under CTC authority.

Packaging and Labelling

The comments of the Packaging Association have been noted above. They noted that the Workplace Hazardous Materials Information System and the development of regulations governing the transportation of dangerous goods by Transport Canada and the Canadian General Standards Board were models to follow. Since all packaging and labelling requirements ultimately come to bear on Packaging Association members, it might be wondered whether they should be invited to the Food Industry Liaison Committee.

The Packaging Association seeks flexibility to have certain information not on the label, but on the package: the universal product code, symbols for recyclability and irradiation are examples.

In this regard it may be useful to mention that the BC Coast Vegetable Coop, the Canadian Poultry and Egg Processors Association, the Canadian Health Food Association and the Packaging Association had concerns about opaque packaging. In some cases opacity is necessary to preserve the contents from light. Regulatory attitudes were seen as inflexible on this point.

For the Importers Association, the CP&L Act was "the world's largest non-tariff barrier". Every aspect of our bilingual labelling, metric conversion and other labelling regulations is unique to this country. Hence importers and foreign producers must comply for a market of 25 million, and many decide it is not worth the cost. However, the Importers Association observed that the availability of foreign products had rebounded over the years as foreign producers adapted to the CP&L Act.

Composition Standards

The Packaging Association proposed that independent laboratory listing would speed approvals greatly.

The Brewers say they consider themselves bound by their now-voluntary composition standards, "We don't see remaining outside of composition standards forever. The competitive market would not be allowed to substitute for composition standards forever".

The Importers Association finds domestic composition standards so high in relation to all other countries that, in their view, they constitute important non-tariff barriers.

Grading

No comments were made, except by the Importers Association, who called the implementation of the current system "completely atrocious". He referred to a 'go slow' situation by meat inspectors at the time of the interview (December 1984).

Standardization of Container Sizes

The Packaging Association suggested that as long as per-unit costs were indicated, there would be no need for standardization of container sizes. Standardization through metrication had confused the marketplace, in the case of soft metrication, had reduced the availability of certain package sizes. The Importers Association said metrication reduced the availability of kinds of products in the period 1976-1979 by about 20%. The figure has climbed back as other producers adapt to our standards.

Inspection

The Importers Association found the inspection service of CCA "harsh and bureaucratic. People aged 19 to 23 are exercizing enormous powers".

Perceived Effects

The Packaging Association noted that packaging technologies had significant effects on production costs, shelf life, and the possibility of centralizing production in larger units.

It was important to recognize demographic changes and permit smaller package sizes in many cases.

The CP&L Act had reduced the kinds of products available in English Canada in the first years of its implementation. Bilingualism and our particular form of (soft) metrication were identified as more restrictive than conditions existing in our major trading partners' countries.

Alternative Approaches to Regulation

The Canadian Health Food Association is caught in a legislative bind. Our laws recognize things as food or as drugs, but not as food supplements. The problem in their view lies in the insensitivity of regulatory categories to the kinds of product they are selling. Since most of their products are imported, they have every conceivable problem with labelling as well as food and drug regulatory requirements.

Group 9

9. US Government and Industry Representatives

9.1 Introduction

Food sector consultations with US government agencies and industry representatives were carried out by telephone, on the basis of a predetermined list of contacts. The calls included four government agencies:

Food and Drug Administration (2 interviews)

Federal Trade Commission (1)

US Department of Agriculture (1)

Office of Management and Budget (1)

Six industry associations were contacted; however, it was possible to get useful information from only three of them because of the availability of people. One industry was contacted directly, at the suggestion of our association representative. The associations contacted were:

American Frozen Food Institute (1)

American Association of Exporters and Importers (0)

International Food Additives Council (1)

Grocery Manufacturers of America (0)

National Juice Products Association (1)

United Fresh Fruit and Vegetable Association (0)

The single industry contact was with Giant Food Inc, a Washington, DC area chain that has had a nutritionist on staff to work with consumer interests for the last ten years.

9.2 Nutritional Labelling

Nutritional labelling was announced in the US in 1973 and was in place in 1975. The US idea of nutritional labelling differs from Canadian federal government proposals in this matter. Nutritional labelling is administered by the Food and Drug Administration, and is mandatory in two areas:

- o fortified foods eg. vitamin enriched bread
- o where specific dietary or nutritional claims are made e.g. low fat, low sodium, salt-free or protein level

Otherwise nutritional labelling is voluntary and many companies are proceeding on a regular basis. It is estimated that 40-50% of the total market basket now carries nutritional labelling of some sort. It is said to be growing in importance across the food industry because of the increasing awareness of the close link between health and nutrition. The remaining 50-60% of labelled products carry the list of ingredients only.

As of July 1, 1985 quantitative data on sodium content is to be included on the label. Fat and cholesterol will be included next. There was some earlier industry concern about their ability to provide the necessary quantitiative supporting data, particularly among smaller firms. Those with fewer facilities and staff may get together in future to pool nutrient data. USDA is assisting in this regard by improving weak areas.

There is a widely held opinion in the US that their approach to nutritional labelling is the worst in the world! The problem stems from an overconcentration on micro-nutrients, at the expense of more relevant information. The label's information is complex and unattractive to read. Consumers appear to want the following kind of information (in approximate order):

1. calories
2. fat and sodium
3. cholesterol
4. fibre

Protein is not included in the group because of a UN committee decision years ago to reduce the daily protein requirements. It has been assumed since that time that the US population has been consuming enough protein - which may or may not be the case.

Evidence of changes in consumer eating habits and increasing concern for nutrition is shown in the rapid growth of such products as "up scale frozen entrees" by Weight Watchers and Lean Cuisine (Stauffer). These are high quality items providing good nutrition. Companies have difficulty meeting product demand. Contributing factors are changes in family structure (many more one and two person households) as well as health/nutrition concerns.

Areas that continue to be a problem with regard to nutritional data are private labels (store packaged food), fruit and vegetables, and developing supporting data for nutritional claims.

The type of mandatory data that is included on nutritional labels is expressed in US Regular Daily Amounts - Vitamins and minerals are expressed in percentages, protein is expressed in grams or percentages and other items are expressed in milligrams. Some companies do not put the label on the package, or only include part of it. A separate brochure may be included with sodium and/or other information.

Feedback to USDA on nutritional labelling is both pro and con. Consumer groups often raise the subject of fat content as something that they want on the label. USDA does not perceive that they have any overwhelming mandate from consumers to change or proceed with nutritional labelling.

9.3 Packaged or Canned Foods

USDA regulates all products with more than 2% meat content. Labelling is mandatory in this regard. The inspector-in-charge may approve minor label changes on the spot. Ingredient labelling is required for all standardized food products. There are no mandatory dating requirements on any products - that is voluntary.

Voluntary labelling is handled by the Food and Drug Administration. Their field inspectors have authority to examine voluntarily labelled products and cite them for violations.

With respect to differences between Canadian and US packaging and labelling regulations, some of those interviewed were unaware of any major differences that would adversely affect trade. Our observation was that US labelled products were more likely to be accepted into Canada than vice versa.

9.4 Food Additives and Terminology

Ingredients listings deal only with direct additives. For example, corn syrup may be listed an as ingredient in 'Coca-cola'. Analysis of the product may show traces of sulphites which have been used in the manufacture of the corn syrup. They are ingredient additives that are not listed on the final product.

Sweeteners are handled differently in Canada and the US. Cyclamate-based sweeteners are banned in the US but they are available in Canada (eg. drug stores). Saccharin is used extensively in the US as a sweetener but not in Canada. Aspartame is the only one of that type used here.

The International Food Additives Council has endorsed the principle of multiple sweeteners, which would provide consumers with a choice in this regard.

The only group that are exempt from ingredients listing are the portion control industry that have blanket exemption from labelling from the FDA for packages of less than half an ounce.

On terminology, there does not appear to be any control over the use of terms such as 'pure' and 'natural'. It is a continuing problem, especially to food processors. The Canadian government is perceived to be further ahead in this regard than the US.

9.5 Inspection and Grading

Federal inspection of meat and poultry products is mandatory for interstate movement or for export. It is carried out by USDA. Grading is voluntary and carried out on a fee basis. Grading is treated as a marketing program and carried out by the Agricultural Marketing Service of USDA. Citrus juice producers in Florida have to meet standards of identity (FDA) and quality (USDA). The State of Florida has a set of regulations that are more stringent than those of FDA and USDA. Continuous plant inspection is provided for the State by USDA. This testimony contradicts other information we received on the absence of grading of Florida oranges.

Fish inspection is the responsibility of FDA. Actual inspection is carried out on a voluntary basis by a branch of the Department of Commerce.

9.6 Advertizing

The Federal Trade Commission is responsible for advertizing and market practices, which includes fraudulent practices and false or deceptive ads. They monitor advertizing and respond to complaints. The FTC seldom initiates anything unless there are flagrant violations.

There is no advertising pre-clearance. No advertizing protocol has been developed for substantiation, although they would like to have one. If there is a problem with a food label it is handled by FDA. FTC would only get involved if there were fraudulent ads or other deceptive practices involved with the product.

9.7 Regulatory Review

In 1981 President Reagan issued Executive Order 12291, which gave the authority to the Office of Management and Budget to clear all new regulations before they were issued. OMB is to carry out a cost/benefit analysis and impact assessment of any regulation that would cost industry $100 million or more. All new regulations are reviewed to minimize overlap, duplication and conflict.

Also in 1981 the President set up a Task Force to:

- screen all the regulations put in place by the previous administration (they reviewed 120 and dropped some)
- act as an umpire between OMB and other agencies.

The work of the Task Force has been completed and it has been disbanded.

Section 4

4.0 Areas of Interest for Other Government Agencies

4.1 Agriculture

Agriculture Canada officials may find the summaries of the produce and meat sectors of interest to them. Generally there was satisfaction with the Department from its clientele groups, both as regards consultation and departmental attitudes. There was somewhat less satisfaction with the inspection service: consistency of interpretation from plant to plant and company to company in the meat industry was a source of complaint. Few respondents seemed interested in having one inspection service, although all were glad that one set of inspectors at the plant level was enforcing all federal regulations. See also comments relative to Customs and Excise.

4.2 Health and Welfare

Health and Welfare will find the respondents' views on nutritional labelling and advertizing pre-clearance of interest. The chief concern in relation to nutritional labelling is whether it will be of use to consumers, rather than nutritional experts. The need to fashion nutritional labelling according to the interests and understanding of consumers was emphasized by all respondents who had views on the subject at all. There was concern that this message had not been inwardly accepted by the Department as valid. We found no coherent view that nutritional labelling be mandatory for all food products.

The role of HPB in advertizing pre-clearance came under fire from groups frustrated by delays in label approvals, which have become adjuncts to the pre-clearance procedure.

4.3 Fisheries and Oceans

The Department will be interested in the report on the fish sector in its entirety. The fundamental concern was that the Department is overmanned relative to what respondents consider to be the real and accepted requirements of managing Canada's fisheries, and the corollary of this concern was that regulations were being used to preserve a way of life at the expense of reasonable levels of economic efficiency. On smaller issues, DFO initiatives were generally well received - the new grading system is a case in point.

4.4 Customs and Excise

The criticism made here had to do with the fact that domestic producers consider that imports do not receive adequate inspections, to the disadvantage of domestic producers. Inspections for the purpose of enforcing Canada's packaging laws are not carried out with sufficient frequency or intensity, in their view.

4.5 The Trade Commissioner Service (External Affairs)

Canada's trade service was criticized by the Canadian Importers Association and the Grocery Products Distributors. Members were considered to lack knowledge of domestic import requirements, and to be unaware of export opportunities for domestic producers.

Annexes

Annex 1 - The Traded Goods Component

Annex 2 - Associations and Persons Interviewed

Annex 3 - The Interview Guide

Annex 2 - Associations and Persons Interviewed

Annex 2

Association	Interviewee
Milk & Egg	
BC Milk Board	Geoff Thorpe, General Manager
BC Dairy Federation	George Vernon, General Manager
Conseil des Coops Fédérés	Jean Marc Bergeron, directeur de la division laitière
Quebec Milk Producers	Roch Morin, directeur des services de publicité
Dairy Bureau of Canada	John Lestage, Vice-President Nutrition Kempton Matte, President Dale Tulloch, Vice-President
Ontario Dairy Council	Tom Kane, President
Conseil de l'industrie laitière du Quebec	Claude Lambert
Fédco	Claude Bernard, President
Dairy Farmers of Canada	David Kirk, Ex. Director
Fish	
Seafood Processors Assn. of Nova Scotia	Eric Rowe, Deputy Director
Fish & Seafood Assn. of Ontario	Art Jefferson, Sec. Treas.
Fisheries Council of Canada	Ron Bulmer, Ex. Director
Fisheries Council of BC	Mike Hunter, Ex. Director
Meat	
Conseil des Viandes du Canada	Roland Soucy
Conseil des Coops Fédérés division des viandes)	Yvon Mercier
Ontario Federation of Agriculture	Pam Young, Asst. Mgr., Research
Canadian Poultry & Egg Processor Council	Don MacKenzie

Canadian Meat Council	Dave Adams, General Manager Larry Campbell
Dairy Farmers of Canada	David Kirk, Ex. Director
Canadian Pork Council	Richard Doyle
Canadian Egg Producers	Martin Rice, Glenn Flaten
Canadian Cattlemen's Assn.	Charles Gracey, Ex. Vice-President Carol McDonell
Ontario Poultry Council Ontario Hatcheries Assn. Canadian Hatchery Federation	Dr. David Mitchell
Produce	
BC Coast Vegetable Cooperative Assn.	Phil Beall, GM
Ontario Fruit & Vegetable Growers Ontario Apple Dealers Assn. Ontario Small Fruit Growers Assn.	John van der Zalm, Ex. Director
Canadian Horticultural Council Canadian Fruit Wholesalers Assn.	Doug Dempster, Ex. Director
Processed Foods	
Grocery Products Manufacturers of Canada	Marilyn Knox, Vice-President Technology, Don Jarvis, Vice-President, Government Relations
Biscuit Manufacturers Assn. Pet Foods Assn. Breakfast Cereals Manufacturers Assn. Soap & Detergent Manufacturers Assn.	Susan Watanabe
Canadian National Millers Assn.	Steve Markey, Ex. Director
Edible Nuts Assn.	Shirley Cryderman
Tea and Coffee Assn. of Canada	Allen Austin
Institute of Edible Oil Foods	Phil Moyes
Canadian Sugar Institute	Robert Thomson, President
Canadian Mushroom Growers Assn. Canadian Potato Chip Snackfood Assn.	Hank Taylor, Ex. Sec.

Canadian Food Processors Assn.	Mike Teeter, Vice-President
Canadian Frozen Food Assn.	Chris Kyte, Ex. Director
Ontario Food Processors Assn. Ontario Frozen Food Council Ontario Tender Fruit Institute Ontario Tomato Products Council	E.L. Chudleigh, Ex. Vice-President
Canadian Food Processors Assn., BC branch Western Food Processors Assn.	Ernest Gordon, Manager
Canadian Softdrink Assn. Ontario Softdrink Assn.	Tibor Gregor, President
Bakery Council of Canada	Charles Tisdall, Managing Director

Retail

Canadian Grocery Distributors	Ray Bertrand, President
ADA (Assn. des détaillants en alimentation)	Gisele Hamelin
Retail Council of Canada	Tim Carter, Vice-President, General Manager, Food Division
Canadian Federation of Independent Grocers	Tony Wilshaw, President

Consumers and Professionals

Consumers Assn. of Canada	Ruth Titheridge, Head Food Committee
Canadian Dietetics Assn.	Marsha Sharp, Ex. Director
Canadian Diabetic Assn.	Jan Eno, National Nutrition Consultant
Canadian Home Economics Assn.	Margaret Pope

Peripherals

Advertising Standards Council	Don Oliver, President
Canadian Health Food Assn.	Siegfried Gursche, President
Canadian Importers Assn.	Keith Dixon, President
Canadian Restaurant & Food Services Assn.	Doug Needham, Ex. Vice-President
Canadian Packaging Assn.	Barry Winfield

Canadian Automatic Merchandizing Assn.	Don Blowe, Ex. Director
Brewers Assn. of Canada	Ken Lavery, President

Government

Health Protection Branch, Health and Welfare Canada	Barry Smith, Chief, Food Regulatory Affairs, Food Directorate
Agriculture Canada	Dan Harkin, Director, Regulatory Matters, Food Protection & Inspection Branch
Department of Fisheries and Oceans	B. Lingeman, Chief, Quality Control, Inspection and Technology Branch

US Government and Industry

Industry Programs Branch, Centre for Food Safety and Applied Nutrition, FDA	Cynthia Leggett, Industry information officer
Centre for Food Safety and Applied Nutrition, FDA	Dr. Raymond Stokes, Chief, Consumer Studies Branch
Food Safety and Inspection Service, USDA	Lou Gast, Associate Administrator
Bureau of Consumer Protection, FTC	Irene Vawter, Associate Director, Consumer Education
OMB	Ed Dale, Director, Information and Regulatory Affairs
American Frozen Food Institute, McLean Virginia	Hugh Symons
National Juice Products Association, Tampa, Florida	David Kerr, Secretary and General Counsel
Giant Food Inc., Washington, D.C.	Janet Tenney, Nutrition Program Manager

CONSULTATIONS WITH INDUSTRY AND CONSUMER ASSOCIATIONS

TRADED GOODS REGULATIONS AFFECTING PRE-PACKAGED AND NON-FOOD CONSUMER PRODUCTS

Program Evaluation Division
Bureau of Policy Coordination
Consumer and Corporate
Affairs Canada
January 1986

Table of Contents

EXECUTIVE SUMMARY

- Consultations were conducted with associations representing consumers and industries affected by the pre-packaged and non-food regulations administered by the Consumer Products Branch of CCAC.

- The regulations are, in general, neither contentious nor problematical according to the associations interviewed.

- Industry perceives import non-compliance to be a major concern and believes that the current level of enforcement activity is inadequate.

- The need for bilingual labelling is widely accepte however, differences in federal and Quebec require nts combined with perceived disparities in federal and provincial enforcement activity may, according to industry, facilitate unfair market practices.

- Program management and the fur industry agree that the regulations affecting fur garments need updating and this is being done.

1. Introduction

The Program Evaluaton Division of the Department of Consumer and Corporate Affairs is presently undertaking a series of program evaluations to review regulations which affect consumer products in the marketplace. This report focuses on the regulations which affect pre-packaged and non-food consumer products. (Similar evaluation modules focussing on Traded Goods regulations in the food and the textile sectors have already been reported on in separate reports*).

Consultations were conducted with associations representing those affected by the legislation, both industry and consumers. The purpose of the interviews was to consult with affected parties with respect to certain issues identified with program rationale and objectives achievement.

This report presents the key findings of these interviews and makes recommendations regarding follow-up action.

2. Background

The pre-packaged and non-food consumer products "sector" is comprised principally of those products purchased and used by consumers which do not fall into the category of 'food' or 'textiles'. As pointed out in Table 1, this includes such items as fur garments, cosmetics, entertainment articles, automotive supplies, pet supplies, household cleaners, etc. These products are primarily affected by three Acts and sets of regulations which are the focus for this study:

- The Consumer Packaging and Labelling Act (and Regulations)
- The National Trade Marks and True Labelling Act (specifically the Fur Garments Labelling Regulations and Watch Jewels Marking Regulations); and
- The Precious Metals Marking Act.

Unlike the latter two Acts which are narrowly focussed, the Consumer Packaging and Labelling Act affects a vast range of pre-packaged and non-food consumer goods.

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*"Food Sector Evaluation Study Consultation Module" March 1985; and
"Textile Sector Evaluation: Consultations Module" March 1985.

Table 1

Pre-packaged and Non-food Consumer Products Affected by CCAC Administered Regulations

Consumer Packaging & Labelling Regulations
. Cosmetics & Personal Care Supplies
. Tobacco Supplies
. Entertainment Articles (games, toys, athletics & sports equipment, camping equipment, records/tapes, hobbies and craft supplies & kits, camera equipment, art materials).
. Pet Supplies
. Household Furnishings & Supplies (appliances (personal care & kitchen), light bulbs, scissors, scales, clocks, power tools (lawn and garden), smoke detectors, fire extinguishers)
. Household Cleaning Supplies
. Automotive Products
. Paper & Plastic Products (tissues, napkins, bags, envelopes, ribbon, foil wraps)
. Other Household Supplies (fertilizers, seeds, pesticides, pens, batteries)
. Home Improvement (paints, wallpaper, floor coverings, roofing, insulation, plumbing/carpentry/electrical/ masonry/metal work supplies)
Precious Metals Marking Act
. Precious Metal Articles (jewellry, luxury items, optical frames, watches)
National Trade Mark and True Labelling Act
i) Fur Garments Labelling Regulations
. Fur Garments
. Fur-trimmed Articles
ii) Watch Jewels Marking Regulations
. Watches

Several issues were identified at the outset of the evaluation as being of particular importance for this module. These included determining which (if any) regulations are problematical; the continuing relevance and need for these regulations; the degree of achievement of program objectives; the impacts and effects of these regulations; the adequacy of the existing consultation process for regulatory change; the extent of overlap with other federal and provincial programs; and suggestions for changes to improve the existing regulations.

Through consultations with associations representing industry and consumers, the module provided some insight into these evaluation issues from the perspective of those parties directly affected by the regulations.

3. Methodology

The target population was identified from listings supplied by the Consumer Products Branch of CCAC. In all, 30 face-to-face interviews and nine telephone interviews were conducted over August-September 1985 with representatives of industry and consumer associations (see Annex B for a list of the associations). A formal questionnaire based on the evaluation issues was used in the interviews (see Annex D).

Interviews with associations were carried out by two outside consultants. Upon completion, each presented a report and discussed the results with the Evaluation Advisory Committee (see Annex C for summaries of these reports). The evidence established through their efforts is highlighted in this report.

4. Evidence/Major Results

The evidence obtained to this point consists of interviews with representatives of associations affected by the regulations and with a few interested parties. As consumers generally were represented only by the Consumers Association of Canada, the evidence strongly reflects industry views.

Rationale/Continued Need For Regulations

1) The regulations are neither contentious nor problematical for any of the parties consulted.

2) Most industries support the regulations both as a means of limiting product misrepresentation and as a non-tariff barrier.

3) Under Fur Garment Regulations, the list comparing "fur trade names" to "true fur names" is considered outdated and superfluous.

Compliance and Enforcement

4) Current efforts to enforce the compliance of imported goods are perceived to be inadequate.

5) Compliance costs were considered sizeable during the adjustment period when the regulations were introduced, but are currently minor.

Consultation Process

6) CCAC's liaison efforts with respect to consultation on regulatory matters are fully satisfactory to industry. The Consumers Association of Canada feels that consumer views are neither adequately represented nor considered.

Overlap With Other Programs

7) Industry expressed considerable concern about the overlap in federal and Quebec bilingual labelling requirements giving rise to confusion.

Impacts and Effects

8) The regulations have caused "label clutter" for certain physically small items.

Extension of Regulations

9) Provision of quality and durability information would be practical for very few products.

10) Consumers of certain art supplies including adhesives expressed the desire to have labelling regulations for shelf-life and date stamping.

5. Key Findings

Key findings of the study are as follows:

. The continued relevance of the regulations is widely accepted.

. Industry perceives a serious inequity in trading practices between domestic and imported goods. They perceive that a disproportionately high number of imported goods fail to comply with federal regulations and attribute this to inadequate enforcement activity. This matter merits further study including measurement of import non-compliance using input from the Management Information System, Customs and Excise, and the Bureau of Policy Coordination. In addition, the level and emphasis of current enforcement activity should be reviewed.

. The overlapping bilingual labelling requirements of the federal and Quebec governments are causing confusion in the market for nationally distributed goods. Distributors of nationally marketed goods who are based outside of Quebec expressed concern that the more stringent provincial requirements combined with disparities in federal and provincial enforcement activity may facilitate unfair market practices.

. The ability of the Fur Garment Labelling Regulations to meet the twin objectives of protecting consumers against product misrepresentation and enhancing consumers' ability to differentiate among product choices is restricted by the voluntary nature of the labelling requirements. In addition, references in the regulations to fur trade names are considered obsolete and their value doubtful.

We note that program management is aware of these problems and is examining the following options: revising existing regulations; initiating mandatory labelling requirements; and supporting industry self-regulation.

The communications program under development is a useful measure to provide protection to consumers.

6. Follow-up

As follow-up to this study, we will undertake consultations with Customs and Excise to determine if a joint program evaluation study can or should be launched to address the matter of import compliance. We will report on this to the Deputy in due course.

ANNEX B: Interview Schedule

Ottawa and Montreal Interviews:

1)	Automotive Industries Association of Canada Dean Wilson, President	July 29, 1985
2)	Canadian Association of Equipment Distributors Ed Orava, Vice-President, Hewitt Ltd.	August 29, 1985
3)	Canadian Crafts Council Peter Weinrich, Executive Director	August 8, 1985
4)	Canadian Horticultural Council Darry Dempster, Executive Vice-President Steve Whitney, Assistant to Executive Vice-President	August 9, 1985
5)	Canadian Manufacturers of Chemical Specialties Jacques Chevalier, Executive Director	August 28, 1985
6)	Consumers Association of Canada Kathleen Henderson	August 2, 1985
7)	Canadian Paints and Coatings Association Dick Murray, President Michael Cloghesy, Director, Technical Services	August 30, 1985
8)	Retail Council of Canada Mel Fruitman, Director of Research	September 6, 1985
9)	American Marketing Association Ernest Jago, Senior Product Manager, EB Eddy Co.	July 31, 1985
10)	Bureau of Non Prescription Drugs National Health and Welfare Dr. R. Smith, Chief Cosmetics and Disinfectants Division	August 27, 1985
11)	Canadian Pulp and Paper Association Albert Lacroix, Manager, Trade Section	August 29, 1985

12) Canadian Jewellers Association
John Theo, Executive Director — September 12, 1985

13) Canadian Toy Manufacturers Association
Henry Wittenberg, President — Ausut 16, 1985

14) Carleton University
School of Business
Georges Haines — August 22, 1985

15) Mr. Apse, Lawyer
Regulatory Expert — August 21, 1985

Letters Received from:

1) Canadian Sporting Goods Association
Keith Storey, Coghlan's Ltd.
B.G. Valde, Porcupine Creek Supply

2) Graphic Arts Industries Association
Willy Cooper, President

3) Fur Council of Canada
D. Haylock, Executive Director

Additional Conversations Held with:

1) Canadian Seed Growers Association
Larry Ritz
Jean Murphy — July 29, 1985

2) Canadian Construction Association
Mrs. Nelson — August 22, 1985

3) Canadian National Millers Association
Don Smith, President, Dover Mills — August 26, 1985

4) Canadian Chamber of Commerce
Don Eldon — September 4, 1985

5) Canadian Tobacco Manufacturers Council
Christopher Seymour, Executive Secretary — September 5, 1985

6) Canadian Lumbermans Association
J.F. McCracken, Executive Director — August 22, 1985

7) Consumer and Corporate Affairs
Consumer Products Branch
Geoff Lowe — September 6, 1985

Toronto Area Interviews:

1) Canadian Chamber of Commerce
R.J. Knox — August 1, 1985

2) Association of Canadian Advertisers
John Foss — August 1, 1985

3) Canadian Artists Representation (Ontario)
Gary Conway — August 2, 1985

4) Motor Vehicle Manufacturers' Association
Norman Clark — August 2, 1985

5) Society of Plastics Industries
E.R. Evason — August 6, 1985

6) Allied Beauty Association
Renee Vincent — August 6, 1985

7) Canadian Recording Industry
Brian Robertson — August 7, 1985

8) Confectionary Manufacturers' Association
Irene Gibb — August 14, 1985

9) Canadian Standards Association
Keith Sidwell — August 19, 1985

10) Motorcycle and Moped Industry Council
Walt McKay — August 20, 1985

11) Automotive Parts Manufacturers' Association
Patrick Lavelle — August 20, 1985

12) Canadian Automotive Electric Association
Linda Martin — August 21, 1985

13) Canadian Photographic Trade Association
Bill Johnston — August 22, 1985

14) Canadian Paper Box Manufacturers Association
W. Bainbridge — August 29, 1985

15) Canadian Retail Hardware Association
Bruce Baldwin — August 29, 1985

16) Allied Boating Association
Peter Jacobs — August 29, 1985

17) Institute of Canadian Advertisers
Keith McKerracher — September 3, 1985

18) Canadian Cosmetic Toiletry and Fragrance Ass.
Kenneth Baker — September 3, 1985