

# This federal election, vote to END SMART REGULATION

On March 24, 2005, Treasury Board President Reg Alcock launched the federal government's "Smart Regulation" agenda at a breakfast meeting at the National Press Gallery. He made an amusing speech featuring the differences in regulations between Canadian and American cheese doodles to illustrate the need for a "smart" approach to regulatory integration between the two countries. The underlying message was that regulations are a bit of a bore, and mostly irrelevant.

However, when you think of it, regulations are the nuts and bolts of independent self-government. Governments regulate to create the limits, conditions, and frameworks for the behaviour of citizens and businesses operating in their jurisdictions. Historically, regulations have been put in place to protect health and safety, and create fairness, such as a level playing field for businesses. Everyone must meet the same minimum standards.

Following Alcock's Smart Regulation announcement in March 2005, working groups were quickly set up to make this new regulatory harmonization a reality.

In May 2005, the Task Force on the Future of North America – led by former Deputy Prime Minister John Manley – echoed the government's calls for harmonization, saying the regulatory differences between Canada, Mexico and the United States are "the tyranny of small differences." The group recommended a North American approach to regulation. They propose a "tested once" policy for biotechnology and pharmaceuticals, meaning that if a permit, patent or licence has been given to a product in its country of origin (which would be the United States in most cases), it must be accepted in the other countries.

This push for harmonization puts Canadian regulatory standards at risk.

## What "Smart Regulation" is not:

- It is not a specific piece of legislation.
- It is not a set of regulations.
- It is not something that has been debated in Parliament.
- It is not something that has been an election issue.

## Key differences between "Smart Regulation" and existing regulatory policy include:

- An explicit commitment to limit Canadian regulations and to harmonize with the U.S. regulatory system in order to integrate markets.
- Further entrenchment of trade and commerce promotion as the primary consideration in regulation (and not health and safety protection).
- A commitment to "seamless" harmonization of provincial and territorial regulations with federal regulations (the likely outcome being regulations that are based on the lowest common denominator).
- Protection for the regulator from liability for bad decisions.
- Faster approvals as a new priority.
- Increasing the onus on the regulator to prove the need for regulation.
- Adoption of an even greater reliance on mechanisms such as voluntary measures and performance targets instead of enforceable standards.

Many small businesses and farmers have an issue with too much red tape and paper work. It is costly, time consuming and sometimes absurd. Under the existing federal regulatory policy, the government is already supposed to take the cost to small businesses into account when designing regulations. "Smart Regulation" does not deal with the government's failure to put this aspect of their current policy into practice.

2007 has been set as the date to have a "regulatory cooperation framework" in place between Canada, the U.S. and Mexico. In Canada, "Smart Regulation" is clearly a priority for multinational corporations seeking to streamline operations in North America. But whose interests does "Smart Regulation" serve? What will be gained by it? And what will be lost?

*This federal election, demand that candidates stop smart regulation.*

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