

Supply

The Canadian minimum carapace size is 2.5 inches which is three-quarters of an inch smaller than the minimum American size lobster.

Fishing the smaller sized or canner lobster does not appear to have affected our fishery. This is due to our history of lobster management practices, our seasons, our licence buy back program of some years ago, the limited entry policy of the fishery, and the superior environment which exists for lobster propagation when compared to the American waters. In fact, our lobster landings have increased steadily over the years.

As the American lobster industry declined our exports into the American market increased to the point where more than 50 per cent of lobster consumed in the United States is imported from Canada. Of course, the Americans do not like this situation. They realize that if they can limit the amount of lobster imported from Canada they will get a much higher price for their own lobster.

During the free trade negotiations Senator George Mitchell of Maine, who is now the U.S. majority leader in the Senate, tried to get import limitations included in the free trade agreement in regard to potatoes and lobsters. President Reagan agreed to the limitation on potato imports under certain conditions but dropped restrictions on lobster imports. The American fishermen and Senator Mitchell were undeterred by that failure or failure to get federal GATT ruling on lobster imports from Canada.

The American Senate and House of Representatives have now introduced coincidental legislation to make it illegal to import lobster below their own minimum size of 3.25 inch carapace size. In the Senate, Senator Mitchell and others have proposed an amendment to the Magnuson Fishing Conservation and Management Act which states:

—To ship or transport, or cause to be transported, or to sell in interstate commerce or foreign commerce any whole lobster or part thereof, of the species *Homarus Americanus* (whether fresh, chilled, frozen or otherwise preserved or prepared) that is smaller than the minimum possession size in effect at the time under the American Lobster Fishery Management Plan or any successor to that plan.

This means that Canada's export trade to the U.S. in lobster will be almost totally destroyed if this amendment is implemented.

All our canner size lobster, that is, those in the 2.5 inch to 3 and 3/16 inch carapace measurement could not be

exported to the U.S. and a considerable portion of our market lobster, that is, those in 3 3/16 inch and over carapace measurement, are below the Canadian limit of 3 1/4 inches. This 3 1/4 inches will rise to 3 5/6 inches by 1992. That means that in 1988 more than 60 per cent of P.E.I.'s lobster exports were marketed in the United States. If this new American legislation becomes law, 75 per cent of that total would be affected.

Lobsters constitute two-thirds of the value of P.E.I.'s fishery and one-quarter of the total value of all our exports to the United States. In short, if P.E.I. is unable to export lobster to the U.S. as we do now under the present laws, our lobster fishery will be drastically reduced. An overabundance of supply would result in very low prices.

This American action is a thinly disguised barrier to trade. Conservation of lobsters is the excuse. How is limiting entry of Canadian lobster to American markets going to help conserve American lobster stocks? It will not.

It is a red herring. All that will result if American import controls are implemented is an increase in price to the American fishermen and the ruination of Canada lobster fishery. That is why P.E.I. lobster fishermen are so concerned about what is happening in the U.S. Congress. What is the Congress using to legitimize its actions? Nothing less than Article 12 of the free trade agreement, and I quote from American support documents:

In 1988, the Senate Finance Committee recommended a provision for inclusion in the U.S.-Canada Free Trade Agreement enabling legislation that would have directly prohibited imports of lobster which did not meet U.S. standards.

The provision was introduced by Senators Mitchell, Cohen, Kerry, Kennedy, Fell and Chafee. The provision was dropped from the enabling legislation signed into law by President Reagan. Although the provision was not enacted, Article 20 of the General Agreement on Tariffs and Trade (GATT) and chapter 12 of the U.S. free trade agreement still protect the right to enact such conservation measures.

This is the legal basis that the U.S. is now using to restrict imports of Canadian lobster.

In the synopsis of the free trade agreement published by this government, GATT Article 20 can justify import and export control measures if a country wants to preserve a commodity in short supply if they do not