

We have targetted the EC, Japan and Korea, as well as the major developing countries, in these negotiations. Each of these markets has different forms and levels of protection affecting different seafood products. We are refining our requests so that whatever barriers are not adequately addressed by general approaches, such as formula cuts or GATT codes, will be taken up specifically with these countries.

Negotiations on improved trade rules which would also apply to the U.S., include disciplines on the use of countervail. Canada has taken a lead role in this area by tabling a comprehensive proposal which would establish clearer international subsidy rules and reduce the scope for countervail to harass legitimate trade. In this way, we hope the GATT will work together with the FTA to further limit the potential for harassment of Canadian exporters to the U.S.

The market access negotiations will be difficult, especially in the fisheries area where there are well known sensitivities in our major overseas markets. We are aiming for a big package overall, a package that would not be complete without major improvements in market access for seafood. Strong European market demand and growing Pacific Rim markets, coupled with rising income levels in a number of newly industrialized countries, all represent markets with high export interest for Canada. I am counting on your continuing advice and support, especially through the Fish and Fish Products SAGIT, chaired by Mr. Victor Young.

There is one market access issue that I want to highlight, the legislation now before the U.S. House of Representatives and Senate that would increase the size-requirement for Canadian lobsters entering the U.S. market. This is a disguised trade restriction, inconsistent with both the FTA and the GATT.

The Prime Minister said in the House of Commons on October 6:

"The full weight and influence of the Canadian government ... will be brought to bear on the U.S. Congress and the U.S. Administration ... to settle this very serious problem in the interests of fishermen in Eastern Canada."

Strong representations have been made to Congress and the Administration by our Ambassador, Mr. Derek Burney.