

the new regime, we will be examining carefully the principles and practices which the U.S. itself employs in the fisheries area through such legislation as the Magnuson Act. The Minister of Fisheries and Oceans is also announcing today his intent to bring forward a national plan for a landing requirement, including provisions for inspection and quality control, to be applied for all species on both the Atlantic and Pacific Coasts.

There have been calls that Canada should simply block adoption of this GATT Panel report and maintain the status quo. Frankly, this is not a viable option. It would expose Canadian workers to the threat of U.S. trade retaliation. This could hit East Coast fish processors, fishermen on both coasts, or any number of other Canadian industries. Of all sectors, the fisheries industry is particularly conscious of the need for fair international trading rules to be respected. More than 80 percent of Canadian fisheries production is dependent on export markets. If we are not prepared to play by the rules ourselves, we can hardly expect to use them to protect Canadian export interests. I repeat, Mr. Speaker, that the solution we have chosen on the salmon and herring issue will respond to Canada's GATT obligations and will also safeguard the essential interests of Canada's fishing industry and the people who work in it.

Provincial Liquor Board Practices

Let me turn next to the Panel Report on Liquor Boards. Three years ago the European Community took Canada to the GATT alleging that Canadian liquor board practices are unfair. The measures in question here are provincial practices. The Panel found that these provincial practices on pricing, listing and distribution discriminate against imports of alcoholic beverages and are inconsistent with GATT rules. Canada has been asked to have the provinces bring their practices into line with international trade rules and to report back to the GATT before the end of 1988.

Canada will not stand in the way of adoption of this report at the GATT Council meeting. But we recognize that the Panel's recommendations, while not posing problems for the domestic distilling industry, do cause severe difficulties for the Canadian wine industry. The FTA has provisions covering imports of wine from the USA which provide for a seven-year phase-out of differential mark-ups. In 1986, exports of wine from the U.S. to Canada amounted to some ten million dollars. By comparison, European exports to Canada, which are