

It appears that the FTA has imposed limits additional to those of the GATT as to practices which will be tolerated in the management of natural resources. For example, while Canada makes extensive use of licensing, fees, and quotas to manage and market a number of its natural resources and farm products, any new programmes or requirements must be consistent not only with existing GATT requirements, but must also not alter, nullify or impair any rights or obligations under the FTA.

6.1.2 U.S. Lobster Sizing Requirements

An attempt by the U.S. Congress to extend U.S. conservation measures, designed to restrict the landing and sale of small-sized lobsters, to include lobsters caught in Canada was rejected during the passage of the U.S. implementing legislation. However, in late 1989 a bill containing similar provisions¹³⁶ was passed by Congress.

The Canadian government petitioned the President to veto the bill, or to ensure the exclusion of the provisions on lobster size, but President Bush signed the bill into law on December 12, 1989. It is estimated that between \$30 million and \$100 million of Canadian lobster exports will be affected by the law.

The Canadian government immediately issued a complaint to the Trade Commission and requested a Chapter 18 panel review of the consistency of the new U.S. law with the obligations of the FTA. The substance of the Canadian complaint flows from the contention of many Canadian fishermen that, given the ideal conditions in certain Canadian waters for the reproduction and rapid growth of lobsters, a law such as the U.S. law is unnecessary as a conservation measure; consequently, they believe that the U.S. law is intended, not to protect Canadian or Maine lobsters from undesirable fishing, but to protect Maine fishermen from competition from Canadian fishermen with a natural comparative advantage.

The Commission agreed to an expedited schedule for review, as they had done for the West Coast Landing Requirements case, and it is expected that the preliminary report of the panel will be completed in April, with the final report to be given to the two governments in May, 1990.

¹³⁶ See *Inside U.S. Trade* September 8, p. 9.