

Film production, broadcasting and publishing industries are exempt from the provisions of the agreement. This is good news for B.C.'s film production and broadcasting industries.

Fishery

The Canadian fishing industry is export oriented. Approximately 18% (\$103 million) of B.C.'s \$700 million production of fish products was exported to the United States in 1986. The free trade agreement will improve and secure access for British Columbia fishermen to the large U.S. market. Tariff reductions which will be complete in five years give British Columbia fish exporters an advantage over competing fish exporting countries in the U.S. market. In addition, the elimination of U.S. tariffs on processed groundfish products will lead to more processing of such products in B.C. Tariffs on unprocessed fish and fresh frozen fish will be eliminated immediately. Other tariffs such as for fish fillets, salmon, mackerel and lobster will be eliminated by 1993.

The abuse of technical standards, an increasing handicap to Canadian fish exporters, has been curtailed and fish exports to the U.S. should increase as a result. Canadian fish exporters will also benefit from the dispute settlement mechanism. U.S. rulings against Canadian fish products in countervail and anti-dumping cases have often been challenged by the Canadian industry as unjustified under U.S. law. Binational panels will introduce accountability in a process that has often been unfair and unilateral.

Canada sought to grandfather from FTA disciplines provincial export controls on the shipment of unprocessed fish. The U.S. absolutely refused to make any accommodation on British Columbia's regulations, even though the U.S. would have retained their GATT rights to challenge the provincial controls. Consequently, the FTA was unable to provide any special protection for British Columbia regulations preventing the export of unprocessed fish. The federal government continues to carefully review in consultation with the provinces and the industry the GATT panel finding.

The recent GATT Council ruling that Canada has violated international trade rules in prohibiting U.S. purchase of unprocessed Canadian salmon and herring, while Canadian processors were buying unlimited quantities of Alaskan salmon and herring, has been adopted by the Canadian Government. However, the Government has announced that it would enact new regulations which will require all salmon and herring caught off the Pacific coast to be landed in Canada. U.S. processors will not be permitted to buy fish directly from Canadian fishermen at sea. This will ensure accurate catch reporting, inspection, grading and quality