

Statement

Minister for  
International  
Trade



Discours

Ministre du  
Commerce  
extérieur

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NOTES FOR AN ADDRESS

BY THE MINISTER FOR INTERNATIONAL TRADE,

JOHN C. CROSBIE,

TO THE

FISHERIES COUNCIL OF CANADA

SAINT JOHN, NEW BRUNSWICK

October 25, 1989.

I am pleased to have the opportunity to speak to so many representatives of the Atlantic fishery about some important international matters. Tomorrow, my colleague, the Honourable Tom Siddon, will speak to you about the overall situation of the Atlantic fishery. On the overall situation, let me say only a few words.

As a Minister from Atlantic Canada and a member of the Cabinet Committee on Northern Cod, I recognize the very serious problems facing the fishing industry. Those problems relate to the resource, to overcapacity in harvesting and processing and to chronically low incomes for many fishermen and plant workers. All these must be addressed to achieve lasting solutions for the Atlantic fishery.

To do justice to this serious and complex situation, the government decided that, in addition to the usual process for groundfish management, three special task forces were needed. The first, chaired by Dr. Leslie Harris, is intensively studying the 2J3KL cod stock. The second, headed by Mr. Ken Stein, is working up comprehensive proposals in response to Dr. Harris's advice. And the third, headed up by Mr. Jean Haché, has reviewed the difficult situation in Scotia-Fundy.

The work of these three special task forces feeds into the Cabinet Committee on Northern Cod, chaired by the Right Honourable Joe Clark. There, consideration of work plans and interim reports will soon be replaced by consideration of final reports and recommendations for action. That will be when the Government of Canada makes its decisions for the fishery for 1990 and beyond.

Turning to international matters, the first topic I want to deal with is market access. Canada's largest and most important market for seafood products is the United States. Access to that market is governed principally by the Free Trade Agreement.

One major benefit of the Free Trade Agreement is the elimination, over the phase-in period, of all tariffs. This will help boost secondary processing in Canada, which has been restricted by tariffs as high as 17.5 per cent on processed seafood products.

A second major benefit is the right to appeal any countervailing or anti-dumping duties to a binational panel for quick and impartial resolution. It is a procedure that we hope not to have to use often, but it is important to have it available should the need arise.

A third major benefit is the ability to send other disputes under the Agreement or the GATT to binational dispute resolution. Again, we hope to use this infrequently, because we hope to solve problems through bilateral consultation. Such consultation can include the Canada-U.S. Trade Commission, of which U.S. Trade Representative Carla Hills and I are the members.

Where bilateral consultation, even at the Ministerial level, does not solve a problem, then recourse to an impartial binational panel is a far better way to reach a resolution than through recourse to the weapons of trade warfare. In any such battle, the Atlantic fishery would be especially vulnerable, given its heavy dependence on access to highly competitive U.S. markets.

Access to other global markets is governed by the GATT. While successive rounds of Multilateral Trade Negotiations have reduced many tariffs and non-tariff barriers for seafood products, significant trade barriers remain, notably in the European Community and Japan. Canada has a lot at stake in the current Uruguay Round of Multilateral Trade Negotiations, nowhere more than in trade in seafood products, where Canada is the world's largest exporter.

We recently put forward in Geneva a comprehensive and, we believe, realistic proposal to improve market access on all goods traded internationally. This proposal has been taken up by the Chairman of the negotiating group on market access and stands a very good chance of being adopted by other countries.

We are proposing substantial reduction or elimination of tariffs, using a tariff-cutting formula, complemented by a request and offer approach to obtain even deeper cuts on specific products of particular export interest to us. We are also proposing substantial reduction or elimination of non-tariff barriers, such as import quotas.

Overseas markets represent 44 per cent of Canadian total fish exports. High tariffs, quotas, reference prices and certain health and sanitary regulations continue to limit or bar exports to many offshore markets.

Our goal - enhanced market access - is critical to achieving increased exports and market share, of diversifying product mix, and of expanding value-added of high quality seafood products.

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.

We will pursue this matter vigorously. But if the U.S. Government approves this objectionable legislation, Canada will pursue dispute settlement under the Free Trade Agreement or the GATT. I trust that such measures will not be needed.

As a second topic, I am pleased to inform you that the Government of Canada has included fish on the list of items we could supply to Poland. If there is a requirement for fish identified by Poland, we will meet that requirement. We hope to have an answer shortly from the new Polish government.

My third topic is foreign overfishing. As representatives of the Atlantic fishing industry, you are well aware of the serious consequences of foreign overfishing, both for straddling stocks and Canadians that harvest and process them.

This year, the Prime Minister, the Secretary of State for External Affairs, the Minister of Fisheries and Oceans and I began a series of contacts with Ministers of the European Community and its member states regarding foreign overfishing.

These contacts have broadened. For example, the Honourable Lucien Bouchard recently raised the overfishing issue with Prime Minister Rocard of France. As well, during my recent visit to Korea, I raised overfishing in the Northwest Atlantic, as well as the driftnet problem in the Pacific, with Korean Ministers.

The Government's principal focus at this time remains the European Community, whose fleets from Spain and Portugal are inflicting the most serious damage on Northwest Atlantic straddling stocks.

At the outset of the recent NAFO meeting, it seemed as if the European Community might take a different approach than it has since 1986, when it broke with its former policy of support for and adherence to NAFO decisions. EC Fisheries Commissioner Manuel Marin spoke to NAFO about an EC commitment to conservation.

However, at the NAFO meetings the EC did not deliver on that commitment. Instead, the EC voted against the 3L cod moratorium and abstained from voting on most Total Allowable Catches (TACs) and quotas. The EC now has to decide whether it will comply with the NAFO conservation measures or lodge objections and continue its overfishing.

On October 6, I announced further steps against foreign overfishing. First, Canada will continue to press its case through contacts with European Ministers. I did this on my recent visit to Europe, in meetings with the German senior Minister of Fisheries, Mr. Ignaz Kiechle, the French senior Minister responsible for fisheries, Mr. Michel Delebarre, the French Minister who chairs the EC Council of Fishery Ministers, Mr. Jacques Mellick, as well as the French trade Minister, Mr. J-M Rausch.

I explained the seriousness of the situation, the priority attached to these matters by Canada and called on their countries to help shift the EC policy to one of support for to NAFO decisions. The German Government was sympathetic, but non-committal. The French Government went further and said it would seek to aid Canada on the EC overfishing issue.

A further step by Canada is the start of a public information campaign in Europe. Through this campaign we will seek to demonstrate to European decision-makers the inconsistency of what Spanish and Portuguese fleets are doing, compared to what the EC says that it is committed to doing. The essence of the campaign is to show Europeans something about themselves that very few of them know, the irresponsibility and destructiveness of their fishing activities in the Northwest Atlantic.

Accordingly, I began my recent visit to Europe in London meeting with, and being interviewed by, leading European journalists. My message to them was simple: the EC should stop overfishing and abide by NAFO decisions.

I gave three reasons for this, three reasons that we will be repeating throughout our public information campaign:

- (1) Present EC practices are the major impediment to the proper operation of NAFO, the international organization responsible for managing fish stocks in international waters in the Northwest Atlantic. The resource simply cannot be properly managed with the EC constantly opting out of NAFO decisions.
- (2) The EC's overfishing in the Northwest Atlantic is damaging important resources, thereby harming fishermen in Canada, in other NAFO member states and, ultimately, harming their own fishermen.
- (3) The commitment of all responsible nations to the principle of sustainable development is being flouted by the EC, both in terms of its excessive catches and the targeting of juvenile flatfish in recognized nursery areas.

I delivered these same messages to journalists in Germany and France, as well as in speeches in those two countries. These messages will also be delivered through information kits and a video, that will be targetted to influential groups. This will be done with the assistance of our embassies in Europe.

Plans are underway for Canadian Parliamentarians to travel to Europe to put Canada's concerns directly to European Parliamentarians. As well, we will call on representatives of the Canadian fishing industry to participate in further activities in Europe. We want to help you deliver your message there. Your participation is an important element of the campaign.

As a third step, on October 6, I announced that, on the recommendation of the Secretary of State for External Affairs, the Minister of Fisheries and Oceans and myself, the Prime Minister had created a senior position in the Government of Canada, that of Ambassador for Marine Conservation. Mr. Alan Beesley has been appointed to that new position.

Ambassador Beesley is one of Canada's most accomplished diplomats and international jurists. Some of you will recall him from his role as head of Canada's delegation in negotiations on the Law of the Sea, which led to Canada's declaration of a 200-mile fisheries zone.

Ambassador Beesley's mandate will be to marshall the resources of the Government of Canada, in co-operation with provincial governments and representatives of the fishing industry, toward the goal of ending foreign overfishing.

In this task, Ambassador Beesley will report directly to Mr. Clark, Mr. Siddon and myself. He will draw on all the talent and resources that he needs from the Departments of External Affairs and International Trade and Fisheries and Oceans. He will combine these duties with another important and related function, that of Special Advisor on Environmental Affairs to Mr. Clark.

Ambassador Beesley is here today and will be speaking informally with many of you. Later this week and for the next two weeks, he will be pressing Canada's case at the United Nations General Assembly as a member of the prestigious International Law Commission.

Ambassador Beesley will interrupt his work at the U.N. General Assembly in order to chair a formal consultation with industry and provincial government representatives in St. John's on Tuesday, October 31.

Canada approaches the issue of foreign overfishing bearing in mind our rights as the coastal state and the obligations of states operating distant water fleets, as provided for under the Law of the Sea. The Law of the Sea does not now provide the legal basis for unilateral extension of fisheries jurisdiction beyond 200 miles. In the jargon of the Law of the Sea, the area beyond 200 miles remains the "high seas".

However, the Law of the Sea does call on the coastal state and states operating distant water fleets to co-operate toward the goal of conservation and responsible management of straddling stocks. Canada will continue to seek to have that international legal framework under the Law of the Sea work through NAFO.

If the international legal framework cannot be made to work in spite of our best efforts, then Canada will seek to achieve acceptance by the international community of nations of a more clear and effective set of rules for this purpose.

This, while a longer term and by no means certain undertaking, is an important part of Ambassador Beesley's new responsibilities.

Canada's Atlantic fishery is faced by a series of challenges. Some of these I have spoken about. Others will be addressed by my colleague, Mr. Siddon, when he speaks to you tomorrow.

Let me just leave you with one closing thought. The Prime Minister, Mr. Clark, Mr. Siddon and I, along with our colleagues in the government, are committed to working with the fishing industry to meet the challenges that it now faces. Our goal is to make possible a brighter future for the fishing industry and for Atlantic Canada.