

# Statement

Minister for  
International  
Trade



# Déclaration

Ministre du  
Commerce  
extérieur

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## **NOTES FOR A SPEECH BY**

**THE MINISTER FOR INTERNATIONAL TRADE,**

**JOHN C. CROSBIE,**

**TO EUROPE 1992 SEMINAR AND**

**THE FISHERIES COUNCIL OF CANADA**

**ST. JOHN'S, NEWFOUNDLAND**

**OCTOBER 18, 1990.**

Ladies and Gentlemen,

I would like to speak to you today, first, regarding the Europe 1992 Seminar and, second, regarding the problem of overfishing outside 200 miles.

This meeting in St. John's is the 10th in a series of conferences, seminars and workshops held across the country in cooperation with provincial authorities on challenges and opportunities of the new Europe for Canadian business. It is very appropriate that the St. John's meeting take place in conjunction with the fisheries council of Canada's annual convention and during International Trade Month.

Let me emphasize the significance of the EC market for Canada:

- \* The EC is the world's largest exporter and second largest importer;
- \* The EC is our second largest trading partner, with \$11 billion in Canadian exports in 1989;
- \* The EC is fastest growing global export market, with 16 per cent growth in the past two years;
- \* Exchange rates are favourable to Canadian exporters;
- \* 200,000 Canadian jobs depend on our trade with the EC;
- \* The EC is our largest source of offshore investment with a cumulative total of \$23 billion;
- \* EC tourists spent \$1.65 billion in Canada in 1989.

And, in Newfoundland, exports to the EC totalled \$150 million in the first six months of 1990, close to 20 per cent of the province's exports, the highest percentage for any province. The U.K., Germany, Portugal and Italy are key markets. Major exports include mineral ores, newsprint and fish, notably salt cod. And, as Newfoundland's ocean industries develop, in part through the Hibernia project, the small percentage of exports for marine technology products should grow.

External Affairs and International Trade Canada has developed a program called "Challenge 1992" as part of a larger trade initiative known as "GOING GLOBAL". This is a major campaign to ensure that Canadian industries and businesses have the information they need on changes in Europe to compete effectively in that market. As part of "Challenge 1992" we have undertaken a series of studies on the consequences of the Europe 1992 exercise for various sectors of the Canadian economy. Today you will be reviewing the results of two of these studies, one on fish products and the other on telecommunications and computers.

The fish products study is being released here today. Discussions in your workshop should provide useful market intelligence and practical suggestions on topics like: how strategic alliances ... something American and Japanese companies are pursuing in Europe ... can help to achieve better market penetration; how to develop niche products for the sophisticated tastes of European consumers ... something that requires knowledge of shifting trends; and how to take advantage of strong growth in the European fast food industry ... building on your experience in North America.

Other fish product exporters to the EC, like Norway, enjoy advantages in the EC market, notably proximity and more favorable tariffs. Nonetheless, Canadian exporters have achieved high sales in the EC, for example in lobsters, shrimp, salmon and cod. As the world's second largest seafood exporter, Canada has a strong base to build on in the EC market.

For Canada's hi-tech product exporters, a potential problem is the adoption of new European product standards. While there is obvious benefit in establishing common standards for European countries, there is also the potential for those standards to inhibit imports from third countries having different standards. EC standards are especially important because they often become world standards, quickly adopted by the over 70 countries with which the EC has preferential trade arrangements.

Another important consideration is that preference in public markets will continue to be given to firms able to provide products with a 50 per cent Community content. To sell into these markets, Canadian companies in the telecommunications and computer industry will have to create a presence in Europe by one means or another. As with many other sectors, alliances with EC firms can be an important aspect of achieving greater market penetration.

With this conference in St. John's and a forthcoming one in Toronto, the initial phase of our information program is nearing completion. For the second phase, my department is planning new seminars and workshops to focus on standards, environmental equipment and strategic alliances. I hope you will take advantage of those second phase activities as well.

Several of you will be participating in two trade missions going to Europe from Atlantic Canada this month. One mission is on food products, the other on high technology. Both are under the NEXOS program, which seeks to extend the range of export markets for Canadian companies. For example, 13 seafood companies will be part of the NEXOS group going to Germany and France, to attend major trade fairs and receive advice from Canadian trade officials on doing business in those countries.

Canadian businesses are competing in Europe today and can achieve greater successes in future. That will require a thorough understanding of a complex and fast-changing situation. That is why the government has made "Europe 1992" such a central element of its "Going Global" trade strategy: to give you the information you need to take the initiative for increased exports to Europe.

My responsibilities as Trade Minister often take me to Europe, to pursue more open markets for Canadian goods ... especially through the Multilateral Trade Negotiations ... and to help develop new customers for Canadian goods ... for example the major trade mission to the Soviet Union I will lead next week. But another very important responsibility that has taken me to Europe a number of times over the past year and a half is to deliver Canada's message against overfishing outside 200 miles, a message that appears to be receiving greater recognition there.

Last October, I addressed the overfishing issue at the Fisheries Council of Canada meeting in Fredericton. Much has happened since then and some important progress has been made. However, we continue to face a serious problem. Last October, we were in the early stages of a dialogue with the EC on overfishing outside 200 miles. Relatively little had changed since the reversal of the EC's policy toward NAFO which occurred in 1986, following the accession to the EC of Spain and Portugal.

In 1988, the EC objected to virtually all quotas set by NAFO for 1989 and established its own quotas totalling almost 160,000 t, including 84,000 t of northern cod. In the spring of 1989, the EC reduced its unilateral quota for northern cod from 84,000 t to 58,400 t. a figure that considerably exceeded its catches.

In his opening statement at the September 1989 NAFO meeting in Brussels, EC Fisheries Commissioner Manuel Marin indicated that the EC would be guided by concerns for conservation and responsible resource management. The EC representative at the 1989 NAFO session did not engage in the confrontational rhetoric of earlier years. As well, the EC abstained on most votes on quotas, rather than voting against as it had since 1986. That left open the question of whether the EC would accept NAFO's decisions or set its own unilateral quotas for 1990.

In St. John's in October 1989, I announced that the Prime Minister had appointed Alan Beesley as Canada's Ambassador for Marine Conservation. Ambassador Beesley was given the mandate to marshal the resources of the Government of Canada toward ending overfishing outside 200 miles, a mandate he has carried forward with great ability. At the same time, the Government of Canada announced three initiatives toward ending overfishing outside 200 miles, building on our role in NAFO and the policies adopted against overfishing at the First Ministers' Conference in November 1987.

The three initiatives were: first, a diplomatic initiative to engage the European Commission and EC member states in a dialogue on the issue; second, a public information initiative to bring the message to European publics about the serious economic and ecological consequences of overfishing; and, third, an international law initiative toward giving proper effect to the provisions of the Law of the Sea Convention relating to fisheries outside 200 miles. In bringing forward these initiatives, the government recognized that there is no easy way to end foreign overfishing outside 200 miles and no solution that Canada can simply impose on the international community.

The Minister of Fisheries and Oceans, the Secretary of State for External Affairs and I have pressed Canada's case with members of the European Commission and with Ministers from EC member states. So has the Prime Minister, by raising the overfishing issue with world leaders ... for example, EC President Jacques Delors, President Gonzalez of Spain, President Mitterrand of France, Chancellor Kohl of Germany and Prime Minister Thatcher of Britain. This has underlined the national priority that this government accords to the overfishing issue.

As well last fall, non-governmental groups delivered a strong message in Europe against overfishing outside 200 miles. These groups included an industry delegation and an all party parliamentary delegation, with representatives from the House of Commons and the Newfoundland and Nova Scotia legislatures. Canada's embassies provided advice and assistance for these spokespersons, as well as distributing materials on the issues to legislators, environmentalists, scientists, journalists and others.

All of this was carried forward in close consultation and with the support of an advisory group comprising of fishermen, and industry and provincial government representatives. That process of consultation is on-going, as several of you here, like Ron Bulmer, are aware of from your participation.

In December 1989, the EC Council of Fisheries Ministers met in Brussels to consider proposals from the European Commission for the EC's overall fishery for 1990, including in the NAFO Regulatory Area. For 1990 the EC continued its policy of setting unilateral quotas above NAFO decisions, but significantly reduced those quotas from previous years. EC unilateral quotas for 1990 totalled 59,400 t (down from 160,000 t a year before), including 32,000t. of northern cod (down from 84,000 t a year before).

This positive step was tempered by the fact that in a number of cases the quotas the EC set for itself for 1990 did not represent a significant reduction from actual catches for 1989. However, there were three important stocks where these quotas did represent significant reductions from 1989 catches: Southern Grand Banks (3NO) cod, Grand Banks (3LNO) American plaice and Grand Banks (3LNO) yellowtail flounder. The total of the EC's unilateral quotas for these stocks was 500 t above the quotas set for the EC by NAFO.

This improvement was contrasted with the problems that still remained: First, the EC intended to take 32,000 t of northern cod in the face of a NAFO moratorium on catches outside 200 miles; second, the EC again was opting out of all important NAFO quota decisions and setting its own higher quotas for 1990; and, third, Canadian fishermen and plant workers faced further severe difficulties in part because of continued overfishing outside 200 miles. As Joe Clark said at the time, the EC took a step in the right direction, but there was still a long way to go.

The fishing industry also raised two fundamental concerns. Was there not a serious credibility gap regarding EC quotas, given the limited enforcement capability deployed by the EC with respect to its own vessels outside 200 miles? And, weren't non-NAFO fleets, especially those operating under flags of convenience from places like Panama, a serious and growing part of the overfishing problem? The answer to these questions was yes.

This was the situation that faced Mr. Valcourt, Mr. Clark and me as we carried forward the overfishing issue in early 1990. In April 1990, Mr. Valcourt and I met with the President of the Council of Fisheries Ministers, Irish Fisheries Minister John Wilson and then with Commissioner Marin. We discussed with both Ministers the very serious situation relating to northern cod, drawing on the report of the Harris Review Panel. We also laid the groundwork for Commissioner Marin's visit to Ottawa in May.

On May 10, Mr. Valcourt and I met throughout the day in Ottawa with Mr. Marin, meeting with the Prime Minister to conclude our discussions. After meeting with the Prime Minister, Commissioner Marin said (through an interpreter), "The European Community has decided that resource conservation in terms of fish stocks should become the core of its fishing policy." He added, "Positions taken by Canada and the EC should very soon meet."

These Ministerial discussions were followed up the next day by senior officials, led on the Canadian side by Ambassador Beesley and Assistant Deputy Minister of Fisheries and Oceans, Victor Rabinovitch. The EC indicated it wanted more scientific co-operation to have greater certainty regarding acceptable catch levels. Canada indicated it wanted better surveillance and control over fleets operating outside 200 miles, as well as steps toward eliminating fishing by non-NAFO fleets. As a result, three Canada-EC working groups were formed to deal with these issues.

These working groups met throughout the summer in preparation for the annual NAFO meeting in September. They operated in a co-operative and professional manner, with an emphasis on practical measures. For example, Canada and the EC agreed to exchange sighting information resulting from aerial and vessel patrols, to improve co-ordination of at-sea inspections outside 200 miles and to undertake exchanges of inspectors on patrol vessels.

In July, the Prime Minister met with other leaders of the major industrialized countries at the Economic Summit. While much of what the Prime Minister has done to advance Canada's position against foreign overfishing has been through quiet diplomacy, the Economic Summit provided an opportunity for him to seek important international support publicly for the principles underlying Canada's position.

The Prime Minister spearheaded the adoption by the Economic Summit of a call for international co-operation in conservation of living marine resources; recognition of the importance of regional fisheries organizations (like NAFO); and respect for conservation regimes. These are important general principles. Much of the progress to date against overfishing outside 200 miles has been through achieving international acceptance of such principles and then working toward their practical implementation.

A further step along these lines was achieved during the August visit to Canada of Soviet Fisheries Minister Nikolai Kotlyar. During that visit Mr. Valcourt and Mr. Kotlyar issued a joint statement pledging both Canada and the USSR to a variety of principles to support the effective operation of regional fisheries organizations (like NAFO) in the conservation and management of straddling stocks. As an example, one principle was that "States whose nationals carry out fishing activities on the high seas must ensure that such activities do not have an adverse impact on resources under the jurisdiction of the coastal state." In other words, foreign fisheries outside 200 miles shouldn't harm domestic fisheries inside 200 miles.

On September 5, I gave the initial address at the St. John's Conference on the Conservation and Management of Living Resources of the High Seas, chaired by Ambassador Beesley. The Conference attracted representatives from around the world from coastal states that are suffering because of high seas overfishing, either of straddling stocks or of highly migratory species, like tuna. Among the distinguished participants was UN Under-Secretary General, Mr. Satya Nandan, Special Representative to the U.N. Secretary-General for the Law of the Sea.

Canada approached the St. John's Conference from the perspective that the goal of effective conservation and resource management in fisheries outside 200 miles is embodied in the principles of international conduct set out in the Law of the Sea Convention. The challenge we face is to achieve international acceptance of the practical measures needed to make the Law of the Sea Convention work as it was intended. Increased international understanding and co-operation is vital if we are to succeed in this and thereby achieve effective conservation and resource management of fisheries on the high seas.

The St. John's Conference advanced these goals. The conclusions of the Conference included support for the principle that high seas fishing should not have an adverse impact on coastal states and, with respect to straddling stocks, that measures applied on the high seas should be consistent with the management regime of the coastal state within the 200-mile zone. While these conclusions do not provide "instant international law", they reflect increasingly shared views as to how the Law of the Sea Convention should be interpreted and applied. This is a slow process, but that is how international law develops.

This brings us to this year's annual NAFO meeting held in Halifax in September. It was a very different meeting from last year's and radically different from the NAFO meetings in 1986, 1987 and 1988. This year Canada and the EC still had severe differences, particularly on northern cod. But, for the first time, there were important points of agreement. And, beyond that, there were important initiatives that Canada and the EC brought forward together that achieved across-the-board NAFO support.

Let me start with the differences. Canada proposed and NAFO once more approved, a moratorium for another year on catches of northern cod outside 200 miles. The EC voted against the moratorium, as it has in the past. As well, the EC abstained in the voting on two stocks for which their NAFO quotas are zero, but for which they have set unilateral quotas and taken significant catches in recent years. The two stocks are 3LN redfish and 3NO witch flounder, for which the EC unilateral quotas for 1990 are 6,000 t and 1,200 t respectively.



As for the areas of agreement, the EC either voted for or joined the consensus in favour of quotas for all NAFO stocks other than the foregoing. Canada helped to build that consensus by being flexible on those decisions where we could be flexible. The EC supported NAFO quotas for seven stocks, including Southern Grand Banks (3NO) cod, Grand Banks (3LNO) American plaice and Grand Banks (3LNO) yellowtail flounder, three stocks that have suffered badly from overfishing outside 200 miles. These stocks should now have better prospects for rebuilding and, over time, provide increased catches for Canada and other NAFO members.

As for Canada-EC co-operation, we jointly sponsored the establishment by NAFO of working groups on surveillance and control outside 200 miles and on the problem of fishing by non-NAFO fleets. These NAFO working groups will carry forward the results of the Canada-EC working groups on these two topics. Involving all NAFO members in these tasks is critical to strengthening the effectiveness of the NAFO conservation and management regime.

So where do things now stand? This will depend on the results of the December meeting of the EC Council of Fisheries Ministers. Will the EC abide by the NAFO moratorium against taking northern cod outside 200 miles? If not, what will the EC do about its unilateral northern cod quota, set this year at 32,000 t? Will the EC accept the NAFO quota decisions on which it abstained, that is Grand Banks (3LN) redfish, Grand Banks (3NO) witch flounder and Flemish Cap (3M) cod?

It also depends on the results of the two NAFO working groups, one on surveillance and control and the other on non-NAFO fleets. If the surveillance and control working group is successful, then in future we will be able to have greater confidence that whatever quotas are agreed to are being adhered to. And, if the working group on non-NAFO fleets is successful, we will reduce and, if possible, eliminate a threat to conservation outside 200 miles that is serious and could become much worse.

That being said, how will the Government of Canada now pursue its objective of ending foreign overfishing? Mr. Valcourt, Mr. Clark and I have agreed on a five point approach, building on the activities of the past year and a half:

- (I) We will continue the diplomatic dialogue with the European Community;
- (II) We will continue to deliver the ecological/sustainable development message;

- (III) We will continue to pursue the international law initiative;
- (IV) We will seek to achieve success in the various working groups established this year; and
- (V) We will continue to pursue all of the foregoing in consultation and co-operation with representatives of fishermen, the industry and provincial governments.

And I know, from the support that the Prime Minister has given all our efforts, that this approach will involve his participation whenever there is a role that he can play to advance Canada's position.

Already this fall, there have been two groups that have brought Canada's message to Europe. The Newfoundland-Labrador Federation of Co-operatives took their people-to-people message to Spain in September. The initiative was the Federation's and, in response to their request, we provided technical and other assistance. From all reports, it was a top notch effort by the federation.

As well, the Parliamentary Secretary to the Minister of Fisheries and Oceans, Ross Reid, along with Peter McCreath, M.P. for South Shore in Nova Scotia, participated in the proceedings of the Fisheries Sub-Committee of the Council of Europe held in Aberdeen. This built on contacts made with Parliamentarians from European states made in Ottawa in June 1990 and in various European capitals in the fall of 1989.

There will be other spokespersons this fall who will convey the message of sustainable development through environmental, community, industry, scientific and journalistic contacts. We will continue to provide technical and other assistance for these initiatives. They are important to demonstrate the depth and seriousness of the overfishing problem and various perspectives toward resolving it.

Have we made progress toward ending overfishing outside 200 miles? Yes, we have. Will we be able to continue to make progress? I believe we will. Mr. Valcourt, Mr. Clark and I will continue to pursue the goal of ending overfishing outside 200 miles, with the backing of the Prime Minister and the full government and, I trust, with the continued support of Canada's fishing industry.