



news release

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FTA PANEL ON SALMON AND HERRING UPHOLDS CANADIAN FISHERIES MANAGEMENT

Ottawa, October 16, 1989 -- International Trade Minister John C. Crosbie and Fisheries and Oceans Minister Tom Siddon announced today that the government has received the final report of the Panel established under Chapter 18 of the Canada-United States Free Trade Agreement to examine Canada's landing requirements for Pacific salmon and herring.

"The Panel has accepted the legitimacy of Canada's position on the use of these landing requirements to conserve and manage these important fisheries", Mr. Crosbie said.

"While detailed comment will need to await our consultations with the industry and provincial authorities, I am pleased that the Panel has fully recognized that it is the sovereign right of Canada to decide on particular conservation policies to be pursued. The Panel confirmed that the trade interests of other states could not override legitimate, scientifically-based management systems which ensure sustainable development of a renewable resource," Mr. Siddon said.

Although the Panel found that the application of Canada's landing requirements in this case was too comprehensive and that limited amounts of these fish (ranging from 10 to 20 percent) could be made available directly from Canadian fishermen to foreign buyers without first being landed, it was of the view that these sales had still to be subject to a range of conservation measures, Mr. Crosbie said.

"This was a specific recognition by the Panel that the Minister of Fisheries and Oceans, under Canada's fisheries legislation, will have the final authority in determining what precise conditions might be required, in accordance with necessary conservation constraints," concluded Mr. Siddon.

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The Ministers noted that this was the first matter to be considered by a Panel under the Chapter 18 dispute settlement procedures of the FTA. The Cabinet, following consultations with provincial authorities and the industry, will be considering the implications of the final report which will now go forward to the Canada-United States Trade Commission.

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BACKGROUND CHRONOLOGY:
SALMON AND HERRING

- . This issue arose from a petition filed in April, 1986, under Section 301 of the U.S. Trade Act (retaliation against unfair trading practices). The complaint was that while Canadian fish processors were buying significant quantities of unprocessed Alaskan salmon and herring, U.S. processors were denied any access to unprocessed salmon and herring from British Columbia.
- . Canadian regulations under the Fisheries Act prohibited the export of Pacific sockeye and pink salmon and herring unless it was processed in a federally certified plant in B.C. Other salmon species, such as coho, chinook, and chum, were not subject to these regulations.
- . The U.S. does not maintain comparable export restrictions. In the past, as much as 15 percent of the salmon and 8 percent of the herring processed in B.C. was imported from Alaska.
- . After two rounds of bilateral consultations in September and October, 1986, the U.S. took the complaint to a GATT Panel in March, 1987. A final determination in the U.S. Section 301 investigation was deferred pending the outcome of the GATT process.
- . In November, 1987, the GATT Panel made its finding that Canada's export restrictions were inconsistent with the GATT because the measures were primarily trade restrictive rather than conservation or marketing measures.
- . Canada agreed to accept the report's adoption by the GATT on March 22, 1988, and announced the intention to remove the GATT-inconsistent measures.
- . A series of consultations was then held with the B.C. industry and government on appropriate action to implement the GATT Panel recommendations.

- . A series of discussions was also held with the U.S. Government in late 1988 and early 1989 with a view to finding a bilateral resolution of the issue, based on the establishment of a landing requirement for salmon and herring.
- . On March 29, 1989, the U.S. Trade Representative (USTR) determined that the Canadian export prohibition on salmon and herring constituted an unfair trading practice under Section 301 of the U.S. Trade Act.
- . In meetings on April 3 and 4, 1989 it became apparent that mutual agreement could not be reached with the U.S. on the introduction of a landing requirement by Canada.
- . On April 25, 1989 Canada lifted the GATT-inconsistent export prohibitions. At the same time, new regulations were implemented to put into place a landing requirement for all Pacific salmon and herring.
- . On May 23, 1989 the U.S. requested that a dispute settlement panel be established under Chapter 18 of the Free Trade Agreement to examine the consistency of Canada's landing requirement for Pacific salmon and herring with our obligations under the GATT and the FTA. The panel submitted its final report on October 16, 1989.