

Northwest Atlantic



Fisheries Organization

Serial No. N1268

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(Revised)

EIGHTH ANNUAL MEETING - SEPTEMBER 1986

Report of the General Council

Tuesday, 09 September - 1025-1230

Friday, 12 September - 1225-1445

1. The General Council was called to order at 1025 in the Imperial Ballroom of the Lord Nelson Hotel in Halifax, Nova Scotia, on 09 September 1986, by the Chairman, Mr. H. Schmiegelow (EEC), who, after welcoming the participants (see Appendix I), and saluting the City of Halifax, thanked, on behalf of the Council, the Canadian delegation for the reception which it was offering the same evening.
2. The Chairman then took up the appointment of a Rapporteur. Following the traditional procedure, the Executive Secretary was appointed as Rapporteur.
3. The Agenda was adopted as proposed. (See Appendix II)
4. The Chairman then recognized and welcomed observers from Mexico and the U.S.A.
5. As regards Publicity, the Chairman obtained the approval of the Council for its handling in the usual manner, referring to item 21, Press Statement (see Appendix III), which would be issued after being drafted as it was custom.
6. The Chairman then asked permission for leaving temporarily items 6 and 7 and asked the Council to consider immediately item 8, the approval of the Proceedings of the 7th Annual Meeting. As there was no opposition to this suggestion, the Council considered the Proceedings of the 7th Annual Meeting, September 1985 (GC Doc. 85/8, Revised) which were approved.
7. The Chairman tabled item 9 of the Agenda. The General Council reviewed its own membership and concluded that it was unchanged. The Chairman explained the difficult situation resulting from the lack of payment of the contributions, for several years already, by one Contracting Party, and suggested that a statement from the Council, drawing attention to the situation and requesting its speedy resolution, be drafted, approved by the Council and forwarded to the Contracting Party concerned by the President.  
  
Denmark declared its full support to the idea which was then approved by the Council.
8. Coming to the review of the Fisheries Commission membership, and the question of the same Contracting Party maintaining its quality of membership of the Fisheries Commission, the Chairman suggested that another statement on this matter should be sent from the General Council by the President. This was also approved.
9. Coming to item 10 on the Agenda, the question of the Rules of Procedure to apply when voting by mail or telex, the Chairman introduced the subject to the consideration of the Council. The delegate of Canada and the delegate of the European Economic Community (EEC) requested further elucidation and after explanations given by the Executive Secretary, the Chairman promoted the formation of a working group which would propose the applicable Rules of Procedure common to the three main bodies of the Organization: General Council, Scientific Council and Fisheries Commission. This was approved and the Chairman asked all delegations which would wish to participate in the formulation of those Rules to give him the names of their representatives.  
  
The Chairman assured the Council that he would see that the Working Group be formed and in due time convened to carry out its task.
10. The Chairman, as it was not possible to continue with items 11 and 12, returned then to item 6 - the Functioning of NAFO.

Following his Note, which had been attached to the Provisional Agenda of the Meeting (see Appendix 6 of Circular Letter 86/55), the Chairman explained his concern and aims.

11. The delegate of Canada made a statement in which he defined the Canadian Philosophy on International Fisheries Relations. (See Appendix IV)
12. The delegate of the EEC stated that in the opinion of his delegation NAFO had reached a difficult situation. The Community sought, through international cooperation, to make NAFO a more effective organization for the conservation and rational management of the international fish stocks in the Regulatory Area. The conditions of exploitation of the resources by Parties and non-Parties needed to be re-examined and re-formulated.

The Community has been obliged to object, with two exceptions, to the TACs and quotas adopted for 1986: to notify its intention not to be bound by the Joint Enforcement Scheme for 1 July 1987 and to give the required notice on a bilateral scientific observation programme. In re-affirming the Community's commitment to international cooperation within NAFO, the delegate of the EEC stated that the Community, with its traditional fisheries in the Northwest Atlantic stretching back over five centuries, had a vital role to exercise in managing these international resources. In the Community's view, there is a need to improve the current functioning of NAFO in three specific areas, namely:

- a) management of stocks;
- b) scientific knowledge on the status of the stocks;
- c) international control.

It was essential if NAFO was to improve its effective functioning that these three elements - management, science and control - remain at a multilateral level.

Concerning the management of the stocks in the Regulatory Area, the Community sought a fair management policy at international level. NAFO needed to assess a range of management options on each stock so as to be able to evaluate the effects that a rational exploitation would have on the development of the stock biomass and spawning stock biomass for that stock. The Community did not seek the maximum level of exploitation on the stocks but neither would it accept one Contracting Party imposing its national management strategy on international fish stocks.

With regard to science, the Community considered that NAFO was faced with a major problem of lack of knowledge on the precise status of the stocks occurring in the Regulatory Area. NAFO needed to develop the means for gathering scientific data in a multilateral, co-ordinated manner. In this exercise a fundamental principle was that science remained completely separate from control.

With regard to international control within the Regulatory Area, the Community sought a control regime whose application would be impartial, objective and effective. Amendments were required to the current Scheme.

To address these important issues, the delegate of the EEC proposed the establishment of two working groups - one relating to international control and the other relating to the improvement of the scientific knowledge on the status of the stocks through the gathering of pertinent scientific data.

The delegate of the EEC proposed that the working group on international control should define the elements which must be taken into account in order to ensure that a control regime would involve, inter alia, homogenous application in the operation of the regime; impartiality in the execution of the inspections among Contracting Parties; accuracy of determination and reporting of inspection locations; and minimizing the disturbance of fishing activities of the vessels inspected.

13. The delegate of the USSR stated that the USSR was continuing to study the existing situation. His Government had always adhered to the principles of the NAFO Convention and consequently was highly concerned with the desire of some of the Parties to leave the enforcement scheme. However the USSR would favour considering improvements of the system. In fact they thought that the Parties should be more active in relation to non-members with a view to make them participate in the work of NAFO. It was important to note that a number of stocks were still not fully utilized. Sincere and active collaboration was absolutely necessary for the achievement of NAFO's aims. The USSR was ready to offer close collaboration in those aims.
14. The delegate of Denmark was encouraged by the fact that everybody appeared to want NAFO to continue and to prosper and that everyone stated a belief in collaboration. His country would not oppose the idea of change and improvement. No international organization could be effective and survive if it were static. Denmark was therefore ready to collaborate and participate in every effort for improvement.

15. The delegate of Cuba stated that Cuba would never be against initiatives aimed at trying to make NAFO better. It appeared that actually on this point all the Parties had an equal attitude. In reality however patience was also necessary and one important point to underline was that control would always be necessary. Cuba would obviously accept studying a better agreement, but even then control would still be needed. When considering non-member countries which continued fishing in the Regulatory Area, one would have to envisage practical solutions. If they would be invited in, the Parties must be prepared to arrange the corresponding quotas. To think of inviting them in, just for them to have the honour of paying to sit in would be nonsense. Furthermore, the problem which faced NAFO could not be solved by dealing with it in only general terms. It was indispensable and urgent to deal with specific proposals. Cuba would accept that the solutions be sought by working groups.

16. The observer from Mexico, after being given the floor by the Chairman, made a statement. (See Appendix V).

17. The Chairman then introduced Agenda item 7 - Current threats to conservation in the Regulatory Area. It was decided that it would be better to deal with the item later after STACTIC had progressed further in its agenda.

The meeting was then adjourned at 1245.

18. The meeting was called to order at 1225 on Friday, 12 September. The delegate of Portugal asked for the floor to make a statement on the closing of the Canadian ports to Portuguese vessels. (See Appendix VI)

19. The delegate of Canada replied to the Portuguese statement with a brief response. (See Appendix VII)

20. The delegate of the EEC and the delegate of Spain both supported the Portuguese statement.

21. Since no other Contracting Party had comments on the subject under discussion, the Chairman reintroduced Agenda item 7, Current threats to conservation in the Regulatory Area. The Chairman explained that, as it had been decided at the last meeting by the Council, the Executive Secretary had written to the flag states of the non-member vessels boarded and he had circulated the letters and replies among the Contracting Parties. Only the U.S.A.'s Ambassador had replied to NAFO's letter and informed that he had discussed the question with his government but that no decision had yet been reached. Korea and Mexico had kindly acknowledged receipt.

After a brief exchange of views, it was decided to include the item in the Agenda for the next year.

22. The Chairman returned to Agenda item 9 - Review of Membership and the matter of the "Statements from from the Council" concerning a Contracting Party which had maintained its contributions in arrears for several years.

The Chairman had circulated his draft proposals of the two statements (see Appendices VIII and IX) and requested the Council to consider them. The Statements were approved without any objection. The Chairman declared that he would, in due course, inform the General Council and the Executive Secretary of any reaction from the Contracting Party to the receipt of the Statements.

23. Returning to Rules of Procedure (Agenda item 10), the Chairman called the attention of the Council to a proposal (see Appendix X) that had been circulated among the delegations by the Executive Secretary, who had been elected Chairman of the Working Group on the Rules of Procedure.

A general discussion of the draft proposed by the Working Group ensued and opinions were divided. A group headed by the delegate of Canada felt that a lack of reply from a Contracting Party should not eliminate that Contracting Party from the quorum count, as it should merely be translated into an abstention. The consensus in the Council was not however to force a solution by taking a vote on the matter. The Chairman decided than to discuss another item of the Agenda and return to the Rules of Procedure later.

24. The Chairman then introduced Agenda item 11 - Modifications to Subareas 4-5 Boundary.

25. The delegate of Canada explained that the basis for the proposal was the advantage of having the statistical boundaries match national boundaries. The Council would recall that the boundary between Subarea 1 and Subarea 0 was adjusted to match the Canada-Denmark dividing line after introduction of the 200 mile fisheries zones. The new proposal dealt with another new jurisdictional boundary, the Maritime boundary between Canada and the USA in the Gulf of Maine and over Georges Bank. The Chamber of the International Court of Justice had rendered its decision on 12 October 1984 concerning that boundary, which, as a result, did not follow the existing statistical boundaries, and the Scientific Council had examined the differences between the new national boundary and the statistical boundaries, and had concluded that, in the Gulf of Maine itself, the difference was insignificant to the statistical data base and to stock management. On Georges Bank, however, the new line ran diagonally across subdivision 5Ze and created a very different situation.

The Canadian authorities had discussed the changes with the authorities of the U.S.A. Regretably the U.S.A. were not yet a member of the Organization, but they did cooperate fully in the statistical activities of NAFO, and so it was reasonable to de facto apply the provision of the Convention that called for agreement of the coastal states concerned. It was understood that the U.S.A. supported the proposal, and therefore following the recommendation of the Scientific Council on the subject the delegate of Canada submitted the proposal for acceptance. (See GC Doc. 86/2, 2nd Revision)

26. The delegate of Denmark underlined that the proposal in no way was against the spirit or letter of the Convention and therefore in his opinion it was proper to let Canada solve the case with the U.S.A. As there were no objections, the recommendation was adopted.

The meeting was adjourned at 1300 and reconvened at 1400.

27. The Chairman reopened the discussion of Agenda item 10 on the new Rules of Procedure. After a generalized exchange of views, it was agreed that Rules 2.5 and 2.6 would be adopted with the elimination of the expression between brackets in 2.5 which only explained the difference between the meaning of the same rule in the different bodies of the Organization.

Rule 2.7 was not adopted and the Chairman declared that it would be considered again at the next annual meeting.

28. The Chairman then gave the floor to the Acting Chairman of STACFAD, Ms. D. Pethick (Canada), who presented the draft report of STACFAD and proposed that the report be adopted. The report was adopted, thus completing items 12 to 19 of the Council's agenda. (See Appendix XI)

29. The Chairman called the attention of the meeting to the special nature of Agenda item 14 - Continuation of the consideration of the Executive Secretary's pension fund. This had taken a great amount of time from STACFAD and a final proposal was included in the report of STACFAD. The Chairman gave the floor to the Executive Secretary so that he could let the Council know his reaction to that final proposal.

30. The Executive Secretary lamented that such a long and extremely uncertain road had been taken when reaching for a solution to a difficult problem of justice and personnel management. However he had to be thankful for the evolution of the proposals received from STACFAD as they had progressed from a base that had been absolutely unacceptable. He was also thankful for the fact that finally, it had appeared possible to grant, even if still not on a completely firm basis, three humane concessions which were part of every work contract of professional foreigners in any international organization - paid transport on home leave on alternate years, and relocation expenses upon retirement or death in service.

In order for him to accept the new basis for his pension plan, the Executive Secretary had to have the right to consult an expert who would advise him on the consequences of that new basis.

The Executive Secretary announced that he would retire and abandon his position in the Organization at the end of two more years or, at most three, depending on the results of an operation he had been directed to take at the end of the current year. It did not appear to the Executive Secretary easily justifiable to abandon the percentages applied by any other of the Fisheries Commission in order to save, for say three years, some 31% of his salary, the salary of a senior professional who was, and always had been, truly dedicated to the fisheries.

31. The Chairman then gave the floor to the delegate of Spain who asked the Council to note that Spain was leaving NAFO and that it would not be represented independently at the next annual meeting. The delegate of Spain thanked the Chairmen of the three main bodies of the Organization, and the Executive Secretary for all past and present services and would like to underline the dedication of his staff.

32. The delegate of Portugal associated his delegation with the salutations of Spain. He would like to state that his delegation had always done the utmost to collaborate with everybody and tried to fulfill all obligations. He would leave his warmest thanks with the Chairman, and the expression of his sincere thanks to the Secretariat and its leader.

33. The Chairman, checking that there was no further business, adjourned the meeting at 1445.

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APPENDIX II

8th Annual Meeting of NAFO  
Lord Nelson Hotel, Halifax, N. S., Canada, 8-12 Sep 86

General Council

Agenda

OPENING PROCEDURES

1. Opening by the Chairman, Mr. H. Schmiegelow (EEC)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Admission of Observers
5. Publicity

SUPERVISION AND COORDINATION OF INTERNAL AFFAIRS AND EXTERNAL RELATIONS

6. The Functioning of NAFO
7. Current Threats to Conservation in the Regulatory Area (See GC Doc. 85/8, Revised, item 18)

ADMINISTRATION

8. Approval of Proceedings of 7th Annual Meeting, September 1985 (See GC Doc. 85/8, Revised)
9. Review of Membership
  - a) General Council
  - b) Fisheries Commission
10. Rules of Procedure for decision taking in voting by mail or telex
11. Modifications to Subareas 4-5 Boundary (See GC Doc. 85/6 and GC Doc. 86/2, Revised)
12. Administrative Report

FINANCE

13. Auditor's Report
14. Continuation of the consideration of the Executive Secretary's pension fund (See GC Doc. 85/3 and 85/4 and GF/6-040 of 10 Feb 86)
15. Office Accommodation for NAFO Secretariat
16. Amendment of Rule 7.1 of the Financial Regulations
17. Review of Meeting Dates
18. Report of STACFAD

CLOSING PROCEDURES

19. Time and Place of Next Meeting
20. Other Business
21. Press Statement
22. Adjournment

Northwest Atlantic



Fisheries Organization

NORTHWEST ATLANTIC FISHERIES ORGANIZATION

EIGHTH ANNUAL MEETING - SEPTEMBER 1986

PRESS RELEASE

1. The Eighth Annual Meeting of the Northwest Atlantic Fisheries Organization (NAFO) was held in Halifax, N. S., Canada, during 8-12 September 1986, under the chairmanship of Mr. H. Schmiegelow (European Economic Community), President of NAFO. The Sessions of the Scientific Council, the General Council and the Fisheries Commission and their Committees were all held in the Lord Nelson Hotel in Halifax.

Previously a Symposium on Recruitment Studies was held in the Bedford Institute of Oceanography, Dartmouth, from 3-5 September 1986.

2. Attending the meeting were delegates from the following Contracting Parties: Canada, Cuba, Denmark (in respect of Faroe Islands and Greenland), European Economic Community (EEC), Japan, Norway, Poland, Portugal, Spain and the Union of Soviet Socialist Republics (USSR).

Observers from Mexico and the United States of America were present at the meeting.

3. The Scientific Council, under the chairmanship of Dr. J. Messtorff (EEC), gave additional advice on matters deferred from the June 1986 Meeting, requested by the Fisheries Commission on resources and on special questions affecting those resources.
4. The Scientific Council adopted several recommendations aiming at improving statistics and the policy regarding publications.
5. On the basis of the scientific advice provided by the Scientific Council, from its meeting in June 1986 and at the present meeting, agreement was reached in the Fisheries Commission, under the Chairmanship of Dr. J. A. Varea (Cuba) on conservation and management measures for 1987, regarding total allowable catches (TACs) and allocations for certain stocks, which are either entirely outside the 200-mile fishing zones, or occur within and without. In some cases total agreement was not possible and some Contracting Parties declared their intention to lodge an objection.

In one of those cases the Fisheries Commission adopted a one-year moratorium for 1987 on cod fishing by Contracting Parties in Division 3L outside the Canadian zone to allow scientific information to be generated prior to any NAFO management decision for cod in that area.

The Quota Table for stocks in Division 3M and those occurring in and out of the Regulatory Area, during the year 1987, was discussed and adopted and it is attached to this release.

6. The Fisheries Commission with the concurrence of the Coastal State requested that the Scientific Council, at a meeting in advance of the 1987 Annual Meeting, provide advice on the scientific basis for the management of various fish stocks in the Regulatory Area in 1988 and to consider different management options.
7. The Fisheries Commission took the decision to establish a Working Group on Joint International Enforcement in the Regulatory Area in order to ensure the comprehensive application of the international control measures on fisheries in accordance with the spirit and provisions of the Convention, in the Regulatory Area.
8. The General Council considered the present functioning of NAFO. A number of delegations used this opportunity to confirm their support of international cooperation in the field of fisheries, and, in particular, of the aims of the Organization. They indicated they were prepared to contemplate improvements aiming at facilitating the attainment of the basic aims of NAFO.
9. The General Council agreed to modifications to Annex III of the NAFO Convention affecting the present NAFO statistical boundary between Subareas 4 and 5 reflecting the agreement reached on the maritime boundary between Canada and the United States of America in this area.

APPENDIX III  
(cont'd)

10. The General Council reviewed and approved the Organization's budget and accounts.
11. The delegations of Portugal and Spain declared that this would be the last Annual Meeting in which they would be represented as Contracting Parties. From 1987, Portugal and Spain would participate from within the delegation of the European Economic Community (EEC).

Both delegations expressed their thanks to the other delegations for their spirit of cooperation and the support of the officials and staff of the Organization during the past years.

SCHEDULE I  
Quota Table<sup>1</sup> for 1987

Column I Contracting Party	II Cod Div. 3M	III Cod Div. 3NO	IV Redfish Div. 3M	V Redfish Div. 3LN	VI American plaice Div. 3M	VII American plaice Div. 3LNO	VIII Yellowtail Div. 3LNO	IX Witch Div. 3NO	X Capelin Div. 3NO	XI Squid (Illex) Subareas 3+4 <sup>3,4</sup>
1. Bulgaria	-	-	300	-	-	-	-	-	-	500
2. Canada	100	15,955	500	10,650	150	47,300	14,630	3,000	400	N.S. <sup>6</sup>
3. Cuba	480	-	1,750	2,450	-	-	-	-	250	2,250
4. European Economic Community	2,405	250	1,200	-	-	610	300	-	250	N.S. <sup>6</sup>
5. Faroe Islands (Denmark)	2,900	-	-	-	-	-	-	-	-	-
6. German Democratic Republic	-	-	-	850	-	-	-	-	-	-
7. Iceland	-	-	-	-	-	-	-	-	-	-
8. Japan	-	-	400	-	-	-	-	-	800	2,250
9. Norway	1,200	-	-	-	-	-	-	-	3,000	-
10. Poland	500	-	-	-	-	-	-	-	300	-
11. Portugal	3,500	1,315	1,900	-	350	-	-	-	-	1,000
12. Romania	-	-	-	-	-	-	-	-	-	500
13. Spain	560	10,780	-	-	-	-	-	-	-	500
14. USSR	1,270	4,000	13,850	10,900	1,000	-	-	-	-	2,250
15. Others	50	700	100	150	500	90	70	1,950	5,000	5,000
16. Special Reservation <sup>2</sup>	-	-	-	-	-	-	-	50	0	-
17. Total Allowable Catch	12,965 <sup>5</sup>	33,000	20,000	25,000	2,000	48,000	15,000	5,000	10,000	150,000 <sup>7</sup>

<sup>1</sup> Quotas are in metric tons.

<sup>2</sup> There are no Special Reservations for 1987.

<sup>3</sup> The opening date for the squid (Illex) fishery is 1 July.

<sup>4</sup> Any quota listed for squid may be increased by a transfer from any "coastal state" as defined in Article 1, para 3 of the NAFO Convention, provided that the TAC for squid is not exceeded. Transfers made to Contracting Parties conducting fisheries for squid in the Regulatory Area shall be reported to the Executive Secretary, and the report shall be made as promptly as possible.

<sup>5</sup> The TAC for Cod in Div. 3M will not be increased beyond 12,965 mt until the Scientific Council advises that the age 3+ mean biomass has reached a level approximately equal to one-half the mean age 3+ equilibrium biomass associated with fishing at F<sub>max</sub> and assuming long term average recruitment levels.

<sup>6</sup> Not specified because the allocations to these Contracting Parties are as yet undetermined, although their sum shall not exceed the difference between the total of allocations to other Contracting Parties and the TAC.

<sup>7</sup> The TAC would remain at 150,000 tons subject to adjustment where warranted by scientific advice.

APPENDIX IV

Canadian Philosophy on International  
Fisheries Relations

Statement by

Dr. Peter Meyboom, Deputy Minister  
Department of Fisheries and Oceans

Canada, in its approach to fisheries management, as in many other areas, is an internationalist.

We have one of the world's longest coastlines, with substantial commercial fisheries on both east and west coasts.

However, we are at once a rich fishing nation, and a poor fishing nation, with coastal communities in all areas which require more fish than is available to meet their economic needs. Many are dependent on fish for their very existence as communities.

Canada's coasts in both the North Atlantic and the North Pacific have for many years attracted fishermen from distant lands. The substantial distant water fisheries off the Canadian coasts, together with U.S. fisheries on shared stocks, have given Canada a very internationalist outlook in the fisheries field.

Canada's approach to international fisheries relations has been based on two primary principles:

- a) conservation and rational management; and
- b) international cooperation to achieve these objectives.

The terms "conservation and rational management" mean, for Canada, controlled fisheries for all commercially exploited stocks, fisheries that operate within constraints established in accordance with the best possible scientific advice. The strategies are aimed at:

- a) providing large stable biomasses composed of many year class components;
- b) providing high annual stable catches; and
- c) providing high, and therefore economically productive, catch rates.

International cooperation means, for Canada, establishment and support of international management organizations like NAFO, the International North Pacific Fisheries Commission, the International Commission for the Conservation of Atlantic Tuna, the North Atlantic Salmon Conservation and rational management in the terms I have described.

The overall objective of all of these organizations is the same. Put simply, it is to prevent what has been widely known as "the tragedy of the commons", that which happens when a limited resource is open to all attracts increasing amounts of use until it is depleted to the point where there is little production, taken by a few marginal users.

Sceptics have always believed that the "tragedy of the commons" is inevitable, and that the history of this tragedy must always repeat itself. In the NAFO area we have examples that prove the sceptics right. We also have examples that prove the sceptics wrong.

The flatfish stocks, for instance here until recently, largely had been fished within the internationally agreed constraints, and even 3NO cod has shown response to the fact that almost all the NAFO members have limited their fisheries to the internationally agreed quotas.

Canada continues to believe in the principles I have described - conservation and rational management, achieved through international cooperation. We believe that NAFO, and the other international fisheries organizations around the world, even organizations with many members like NAFO, can withstand the constant, and perhaps increasing political and economic pressures to mismanage the stocks.

We believe this to be true because we believe that fisheries managers in most countries are wiser than they used to be. They have learned from the past, both the long term past when stocks were generally overfished, and the more recent past, when coastal states like Canada, and international organizations like NAFO, have shown that rational management of fish is possible, and have demonstrated the results.

Canada, for its part, will continue to work in accordance with the principles I have described, and will continue to consider its membership in NAFO as an important instrument to achieve international agreement and understanding on the rational management of fish stocks.

Summary of  
the  
Statement by the  
Observer from Mexico

The observer from Mexico stated that it was the third occasion in which his Delegation had participated as an observer in the workings of NAFO and had listened with utmost interest to the statements presented to the General Council by the delegations of other Contracting Parties. He added that he did not want to reiterate the position of the Mexican Government regarding conservation and management measures adopted by NAFO in the Regulatory Area, affecting resources found in the high seas, since, in the past, the Mexican observer delegations to the 6th and 7th Annual Meetings of NAFO had already presented formal statements to the Organization. He indicated, however, that he wished to emphasize once again that the Government of Mexico, as a signatory of the United Nations Law of the Sea Convention (UNCLOS), fully supported and observed the provisions contained therein and, by doing so, it fulfilled its obligations before the international community. The Mexican observer added that, having participated during the last three years in the workings of NAFO, he had been able to observe enforcement measures and practices conducted by some States in the high seas (in the Regulatory Area) and that therefore wished to call NAFO's attention to UNCLOS' Article 73 (Enforcement of Laws and Regulations of the Coastal State), Art. 89 (Invalidity of claims of sovereignty over the High Seas), Art. 110 (Right of Visit), Art. 111 (Right of Hot Pursuit), and particularly Art. 119 (Conservation of the living resources of the High Seas) which established that "conservation measures and their implementation do not discriminate in form or in fact against the fishermen of any state" since only in that way could the provisions of Article 300 be satisfied in the sense that States would exercise rights, jurisdiction and freedoms recognized in the Convention, in such a manner which would not constitute an abuse of right. The Mexican observer also stated that, in an effort to further the fisheries development of Mexico, over the last seven years, joint venture operations by Mexican flag vessels had been conducted in the North Atlantic Region.

In concluding his remarks before the General Council, the observer from Mexico expressed his appreciation to the delegation of Cuba and indicated that his government, as it had offered in the past, stood ready and prepared to engage in bilateral as well as multilateral consultations with other states which, like the Mexican Government, were concerned with and interested in the rational use, management and conservation of the living marine resources of the North Atlantic Region, and that had been the reason why his government had invited the Executive Secretary of NAFO to visit Mexican Fisheries Authorities and had initiated bilateral consultations with coastal states which for several reasons beyond the control of the Mexican Fisheries Authorities had not further advanced.



STATEMENT OF PORTUGAL

Mr. Chairman:

The Portuguese Delegation would like to bring to the attention of the General Council of NAFO what it believes can constitute a threat to the exercise of the right of fishing in the Regulatory Area of the Convention.

I am referring to the closing of Canadian ports to Portuguese and other Contracting Parties fishing vessels that operate on the high seas inside the Convention Area in conformity with international law.

The closing by a coastal state of its ports to the fishing vessels of the Contracting Parties of NAFO constitute, in fact, a very serious impediment to the exercise of fishing in the Convention Area and, consequently appears to my delegation as being a sanction unilaterally imposed by a coastal state that is contrary to the spirit of cooperation of the NAFO Convention that does not, in any circumstances, confer upon the coastal states the right to impose sanctions on another Contracting Party.

These actions are considered by Portugal not only unfriendly in the framework of international relations, but also contrary to the spirit of the NAFO Convention.

My delegation requests that this statement be attached to the report of the General Council.

APPENDIX VII

CANADIAN RESPONSE TO PORTUGUESE STATEMENT  
REGARDING THE PORT CLOSURES BY A COASTAL STATE

The Canadian delegation has reviewed the Statement of the Portuguese Delegation to NAFO, and responds as follows:

The Canadian delegation states that NAFO is not the proper forum for discussion on the issue of port closures by a coastal state. However, the Canadian delegation notes that neither the NAFO Convention nor the Law of the Sea, grant such a right of port access.

STATEMENT BY THE GENERAL COUNCIL ON THE  
QUESTION OF MEMBERSHIP OF THE COUNCIL

The proper functioning of the Northwest Atlantic Fisheries Organization depends on the active participation by all Contracting Parties.

Contracting Parties who have brought themselves into a situation where Article XVI.9 applies are not fulfilling their obligations under the Convention and should urgently take the necessary steps to correct this situation. If however this situation continues to apply such Contracting Party may wish to consider whether it is in their best interest to remain a Party to the Convention.

The General Council is concerned that default in contribution payments by Contracting Parties inflates artificially the accumulated surplus account which could push the Organization into monetary difficulties.

The General Council wishes that these considerations be brought to the attention of any Contracting Party who is at present in an Article XVI.9 situation by the President of the Organization. The Council will reconsider this matter at the next annual meeting in the light of the reactions received.

APPENDIX IX

STATEMENT BY THE GENERAL COUNCIL ON THE  
QUESTION OF MEMBERSHIP OF THE FISHERIES COMMISSION

In accordance with Article III of the Convention the General Council has reviewed the membership of the Fisheries Commission pursuant to Article XIII.

The General Council noted that certain members of the Fisheries Commission have not fished in the Regulatory Area in recent years and have not provided evidence satisfactory to the General Council that they expect to participate in the fisheries of the Regulatory Area during this year or in the coming year. The Contracting Parties concerned have in fact for some years not been represented at the Annual Meetings of the Organization.

Unless the Contracting Parties concerned resume their fisheries in the Regulatory Area, the General Council would wish to receive before the next Annual Meeting of the Organization information regarding fishing plans for the Regulatory Area. Such information will be taken into account by the General Council when deciding on the membership of the Fisheries Commission at next year's Annual Meeting.

The General Council wishes that this be brought to the attention of the Contracting Parties concerned by the President of the Organization.

PROPOSAL OF PROCEDURE RULES FOR THE GENERAL COUNCIL

- 2.5 also for Fisheries Commission  
2.4 for Scientific Council
- 2.5 When a vote is taken by mail or by telex, the Executive Secretary shall address the request for the vote from each Contracting Party to the respective Head of Delegation at his or her official address with copies addressed to each representative of that Contracting Party at his or her corresponding official address.
- 2.6 also for Fisheries Commission  
2.5 for Scientific Council
- 2.6 The result of a vote taken by mail or by telex shall be ascertained by the Executive Secretary at the end of a period of at least one calendar month from the date of the initial request for the vote and such period shall be made clear in the text of that request.
- 2.7 also for Fisheries Commission  
2.6 for Scientific Council
- 2.7 If no reply from a Contracting Party to the request for its vote, by mail or by telex, reaches the Secretariat within the period established under 2.6, it is deemed that the Contracting Party did not take part in the voting and its presence cannot be reckoned for the necessary quorum.  
The same result may be obtained only by an express declaration to the same effect from a Contracting Party, which reaches the Secretariat within the period established under 2.6.

APPENDIX XI

Report of the Standing Committee on  
Finance and Administration (STACFAD)

The Standing Committee on Finance and Administration (STACFAD) met on six occasions during the week of 8-12 September 1986.

The initial meeting of STACFAD convened at 1400 on 8 September 1986.

1. Introduction by Acting Chairman

The Acting Chairman of STACFAD, Ms. D. Pethick (Canada), welcomed all delegations to the Eighth Annual NAFO Meeting.

2. Adoption of Agenda

The provisional agenda, as circulated, was adopted (Annex I).

3. Review of Membership

Attendance of delegates from the following Contracting Parties was noted: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), European Economic Community (EEC), Japan, Norway, Poland, Portugal, Spain and USSR. Observers from Mexico and the United States of America were also present.

4. Auditor's Report

The Auditor's Report for the financial year 1985 was adopted without comment.

5. Amendment to Financial Regulation

The Committee considered the draft regulation circulated at last year's annual meeting at the request of the Auditors. The regulation would have the effect of granting the appropriate authority to the Executive Secretary for the transfer of limited amounts of money between categories within the overall adopted annual budget. As presently worded, the financial regulation required the authority of the Chairman of the General Council for all reallocations between categories. After examination of the implication of the change STACFAD agreed to recommend adoption of the following resolution:

3.3 The Executive Secretary may transfer appropriations between categories in the budget adopted by the General Council provided that these categories are not altered in more than 10% of the amounts in the adopted budget and that a statement of all such transfers shall be submitted to the General Council and the Auditors with the annual financial statements. The total amounts transferred in any one year shall not exceed 1% of the total adopted budget. The Chairman of the General Council may however authorize the Executive Secretary to transfer appropriations between categories above the 10% limit.

6. Consideration of Actuarial Advice on the Executive Secretary's pension plan

In light of the unique circumstances of the Executive Secretary's pension plan, a decision was taken last year to seek independent actuarial advice on the options available for appropriate employee coverage. Two actuarial consultants briefed the Committee and provided detailed explanations for the rationales and assumptions used in arriving at the cost projections. In addition details of the schemes for employees of all international fisheries commissions in North America, including the UN pension scheme and trends in the private sector were outlined.

As the following discussions concerned an employee and were held in camera, STACFAD decided only to document decisions taken.

STACFAD agreed on an important principle: comparability and fair treatment of all employees of the Organization - which would imply consistency in the contributions to, and benefits from, any pension provisions.

Therefore, STACFAD recommended to the General Council that the Organization contribute 11.3% of gross salary per year to the Executive Secretary towards the provision of a retirement pension.

In making the above recommendation to the General Council STACFAD wished to reassure the Council of thorough and sensitive discussions that ensure the reasonableness of the proposal. Delegations contributed valuable advice and counsel based on experiences in their own capitals.

7. Staff Rules and Cost Implications

The Executive Secretary outlined the background in the document circulated to delegations earlier in the year and advised the Committee of his research in the preparation of the document for discussion. The delegate of Poland noted the details and options contained in the staff rules, and doubts were expressed about the competency of STACFAD to make a decision on such an important matter in one week.

The delegate of the Soviet Union asked for some additional information in order to be able to accept the rules as drafted and asked for examples of employee regulations of the other organizations, particularly those based in North America.

The delegate of the EEC agreed with the Polish delegate noting the hard work carried out by the Secretariat in preparing the discussion document. It provided a useful basic working paper but felt that advice was required from experts in the field of staff regulations.

STACFAD members agreed that further comments and analysis on the document were required from the expert departments of the Contracting Parties and undertook to forward such comments and suggestions for NAFO specific rules to the Executive Secretary within the next six months.

At that time, all comments would be compiled and circulated to Contracting Parties for review. It was further agreed that the issue of staff rules would be addressed at a meeting held one day in advance of the Ninth Annual Meeting in order to make recommendations to the General Council for decision.

The delegate of Canada asked that the cost implications of any new staff rules be included in the compilation of the above information.

In postponing a decision on the staff rules, STACFAD did note the concerns expressed by the Executive Secretary at last year's meeting and recommended that the General Council agree to the continuation of the interim arrangements of payment of home leave every alternate year and relocation expenses upon retirement or death in service.

The foregoing should be without prejudice to further discussions and decisions on the staff rules.

8. Administrative Report and Financial Statements

The Executive Secretary provided STACFAD with a report on the activities of the Organization in 1986 (NAFO/GC Doc. 86/3). The Executive Secretary noted the difficulty in producing that document as of 31 August. He requested STACFAD to consider making the report effective the 31 July of each year. STACFAD agreed to make such a recommendation to the General Council.

STACFAD noted the increasing tendency of late payment and non-payment of contributions. The effects of arrears on the budget were given long debate. A number of delegations urged that the matter be drawn to the attention of the General Council with the request that action be taken specially in the case of one Contracting Party whose contributions were now outstanding for five years (including the current year).

The status of the non-payments was obtained from Statement III of the Administrative Report, outlined hereunder for ease of reference and to underline the importance of the issue to the General Council (the due date for payments each year being the 15 March).

Bulgaria	- 1986 - \$ 11,784.09	
Cuba	- 1986 - \$ 15,578.57	\$ 23,051.22
	1985 - \$ 7,472.65	
Denmark (Greenland and Faroe Islands)	- 1986 - \$ 41,908.92	
European Economic Community (EEC)	- 1986 - \$ 30,217.55	
Portugal	- 1986 - \$ 16,139.49	
Romania	- 1982 - \$ 2,700.75	\$ 49,656.82
	1983 - \$ 11,000.11	
	1984 - \$ 11,483.06	
	1985 - \$ 12,688.81	
	1986 - \$ 11,784.09	
Total amount outstanding	= <u>\$172,758.09</u>	

APPENDIX XI  
(cont'd)

STACFAD noted the concern of the Auditors who had expressed a desire for the Organization to take some action on the accumulating debt of one Contracting Party. STACFAD was guided by the discussion of the subject held in the General Council and noted the Statement to be endorsed in that body. A number of options for dealing with the debt were considered ranging from immediate write-off, seeking increased funding from Contracting Parties to cover the liability, a gradual write-off from the Organization's surplus account, and giving instructions to the Executive Secretary to prepare a revised budget applying the proportionate percentage reduction to the budget, which would have the same effect as asking Contracting Parties to pay increased shares. STACFAD agreed to recommend to the General Council that the outstanding liability of \$49,657.00 be written off from the accumulated surplus account of the Organization in two equal amounts in the following two fiscal years, while remaining a liability of the Party concerned.

STACFAD noted that in the event that the Contracting Party in question would continue to be in arrears, the resolution should be reviewed in two years time (1988).

The effect of the resolution would be to reduce the level of the surplus account to approximately \$75,000. After consultation with the Executive Secretary, STACFAD agreed to recommend that the level of the accumulated surplus account be held at that level over the next two years after which time the subject would be reviewed in light of experience.

STACFAD would further recommend that its decision to write off the debt of one Contracting Party at the expense of the Organization be communicated to that Contracting Party by the Chairman of the General Council with the future requirement that such debt should be repaid in total, before participation in the Fisheries Commission might be considered.

STACFAD would further recommend for the General Council's consideration that no free mailings or publications be provided to Contracting Parties in arrears for any one year until such debts would be liquidated.

9. Accumulated Surplus Account

In reviewing the status of the accumulated surplus account, STACFAD noted that the default in contribution payments artificially inflated the accumulated surplus account which was causing the Organization monetary difficulties.

The delegate of Canada asked that a more complete statement of the accumulated surplus account and its expenditures be provided in the Auditors report. As presented, the status of the account did not show that all amounts in excess of the maximum level were used to defray contributions from Contracting Parties for the following fiscal year. The Chairman undertook to ensure a clear statement was provided in future years.

10. Budget Estimate for Fiscal Year Ending 31 December 1987 (Annex II)

The delegate of Canada expressed serious reservations with the proposed 8% increased budget in light of the current climate of fiscal restraint in Canada at the present time. The delegate of Poland concurred with the statement and noted the steady increase in the Organization's budget every year. The delegate of the EEC called for careful scrutiny of every item in concurring with previous statements. The delegate of the USSR urged concrete efforts to reduce the budget.

In reviewing the line items for personnel services, STACFAD expressed concern on the question of the management procedures with respect to the taking of leave. A financial obligation was being carried over from year to year for unused vacation pay. STACFAD urged that all employees be encouraged to take their earned leave and counselled against the perceived "banking" of leave which was causing the Organization to carry over large sums of money from year to year. STACFAD wished to direct the Executive Secretary to bring the matter to the attention of the staff members and make every effort to ensure granted leave to be taken in the year it was earned. In addition, measures to reduce accrued unused vacation, with the aim of reducing the financial commitment of the Organization under that heading, should be taken.

Concern was expressed by the delegates of Spain and the EEC about the lack of information on employees' employment conditions and salaries; such information was requested.

The costs of travel and the annual and mid-term meetings were thoroughly examined. STACFAD wished to note that the revised budget limited secretariat travel to the absolute minimum. In the event of additional meetings and meetings held outside the headquarter's area, the budget would be increased by travel costs.

In the consideration of other line items the Executive Secretary assured STACFAD members that every effort had been made to keep projections within tight limits but certain inflationary factors associated with equipment maintenance contracts, postage, telex and telephone charges were not within his control.



The revised budget for 1987 (Annex II) represented a 5% increase over last year's figure. Annex III indicated contributions from the Contracting Parties for 1986. STACFAD recommended to the General Council the adoption of the revised budget.

11. Budget Forecast for the fiscal period ending 31 December 1988 (Annex IV). The Executive Secretary was requested to review and revise the 1988 budget forecast in light of the discussions on the 1987 proposed budget and provide a new budget estimate for discussion at the next annual meeting. In addition, the Executive Secretary was requested to provide additional details on the number of employees in the Secretariat along with their classifications and salary ranges. A comparison between salary increases in percentage terms, in the Canadian Public Service and the Organization should also be provided to the Committee. Looking particularly at the items, Communications and Contractual Services, the Executive Secretary was asked to provide a statement on the effect of a hypothetical 10% reduction on the 1988 budgeted figure.
12. The billing date for the fiscal year ending 31 December 1987 was agreed as 15 February 1987.
13. Time and Place of 1987, 1988 and 1989 Annual Meetings. The location of the 1987, 1988 and 1989 annual meetings was to be in the area of Halifax-Dartmouth if no invitations to host the annual meetings were extended by a Contracting Party and accepted by the Organization.

The dates to be as follows:

1987	Scientific Council	September 09-18
	General Council	September 14-18
	Fisheries Commission	September 14-18
*1988	Scientific Council	September 06-14
	General Council	September 06-10
	Fisheries Commission	September 06-10
*1989	Scientific Council	September 06-15
	General Council	September 11-15
	Fisheries Commission	September 11-15

\* To be confirmed.

14. Other Business

a) Office Accommodation for NAFO Secretariat

The Executive Secretary provided a report on the issue of an anticipated location change which had been expected within the current fiscal year.

Officials of the Federal Department of Fisheries and Oceans at the Bedford Institute of Oceanography had advised the Secretariat that the potential move was not foreseen due to other reorganizational changes within the Institute.

b) Amendment to Rule 7.1 Financial Regulations

The Executive Secretary provided the Committee with an explanation of the proposal. The Auditors had requested the change to correct their legal relationship as provided for under the Convention. STACFAD recommended acceptance of the proposed change as shown in Note 5 to the General Council Agenda as follows:

"Having regard to the budgetary provisions for the Audit, the auditors, appointed in accordance with Article XVI, paragraph 10, of the Convention, shall perform such an audit as they deem necessary to certify:

- a) that the financial statements are in accord with the books and records of the Organization;
- b) that the financial transactions reflected in the statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable directives;
- c) that the monies on deposit and on hand have been verified by certificate received direct from the Organization depositories or by actual count."

APPENDIX XI  
(cont'd)

15. There being no further business, the delegate of Spain, considering that this would be the last year his country would be participating as a Contracting Party, due to the accession to the European Economic Community (EEC), would wish to thank and commend the Secretariat staff for their dedication and support of the work of the Committee and to the Organization generally, not only at the present meeting but in the past. The delegate of Portugal wished to be associated with those comments.
16. STACTAD was adjourned.

8th Annual Meeting of NAFO  
Lord Nelson Hotel, Halifax, N. S., 8-12 Sep 86

Standing Committee on Finance and Administration (STACFAD)

Agenda

1. Opening by the Vice-Chairperson, Ms D. Pethick (Canada)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Review of Membership
5. Auditor's Report
6. Amendment of Financial Regulations in order to provide appropriate authority to transfer funds (see Item 7, Report of STACFAD, Appendix V, pg 14 of GC Doc. 85/8, Rev.)
7. Consideration of actuarial advice on the Executive Secretary's pension fund (see GF/6-040 of 10 Feb 86 and Item 10, Report of STACFAD, Appendix V, pg 14 of GC Doc. 85/8, Rev.)
8. Discussion and approval of proposal of NAFO Staff Rules (see GC Doc. 86/1 and Item 10, Report of STACFAD, ibidem)
9. Administration Report and Financial Statements for 1986 (to 31 July)
10. Review of Accumulative Surplus Account
11. Budget Estimate for the fiscal year ending 31 December 1987
12. Budget Forecast for the fiscal year ending 31 December 1988
13. Billing date for the fiscal year ending 31 December 1986 (15 February 1987)
14. Time and Place of 1987, 1988 and 1989 Annual Meetings
15. Other Business
16. Adjournment

APPENDIX XI  
(Annex II)

NORTHWEST ATLANTIC FISHERIES ORGANIZATION

Budget Estimate for 1987

	<u>Approved Budget Estimate for 1986</u>	<u>Preliminary Budget Estimate for 1987</u>	<u>Budget Estimate for 1987</u>
1. Personal Services			
(a) Salaries	\$ 435,000	\$ 456,000	\$ 456,000
(b) Superannuation and Annuities	50,000	61,000	59,000
(c) Additional Help	1,000	1,000	1,000
(d) Group Medical and Insurance Plans	16,000	18,000	17,000
(e) Termination Benefits	18,000	20,000	18,000
(f) Accrued Vacation Pay	15,000	15,000	15,000
2. Travel	3,000	10,000	10,000 <sup>1</sup>
3. Transportation of Things	1,000	1,000	1,000
4. Communications	45,000	47,000	45,000
5. Publications	19,000	18,000	16,000
6. Other Contractual Services	45,000	45,000	45,000
7. Materials and Supplies	27,000	27,000	25,000
8. Equipment	5,000	5,000	5,000
9. Annual and Mid-term Meetings	23,000	30,000	30,000 <sup>2</sup>
10. Computer Services	<u>30,000</u>	<u>35,000</u>	<u>30,000</u>
	<u>\$ 733,000</u>	<u>\$ 794,000</u>	<u>\$ 773,000</u>

<sup>1</sup> One person to 13th Session of CWP, 11-18 February, 1987, Rome, Italy. One or two persons to Special Session of the International Fisheries Commissions Pension Society, May 14, 1987, Vancouver, B.C. Home leave for Executive Secretary 1987.

<sup>2</sup> Mid-term Meeting on Shrimp, 28 January-3 February 1987, Copenhagen, Denmark. Annual Meeting of NAFO 9-18 September, Halifax, Nova Scotia.

STATEMENT

Calculation of billing for Contracting Parties against estimate of \$773,000.00 for the 1987 financial year (based on 12 Contracting Parties to NAFO)

Budget estimate \$ 773,000.00  
 Deduct: Amount from Accumulated Surplus 147,604.00  
 Funds required to meet 1987 budget \$ 625,396.00

60% of funds required = \$ 375,237.60  
 10% of funds required = 62,539.60  
 30% of funds required = 187,618.80

Contracting Parties	Nominal Catches for 1984	% of Total Catch in Convention Area	\$ Canadian Funds	% of 60% \$ Canadian Funds	Coastal States 10%	\$ Canadian Funds	10% in Canadian Funds	30% Divided Equally Amongst 12 Contracting Parties	Total Amount Due from Each Contracting Party (\$Canadian Funds)
Bulgaria	-	-	-	-	-	-	-	15,634.90	15,634.90
Canada	895,173	70.22	263,491.42	895,173	50,944.76	50,944.76	15,634.90	330,071.08	
Cuba	20,464	1.60	6,003.80	-	-	-	15,634.90	21,638.70	
Denmark (Faroes & Greenland)	77,952	6.12	22,964.54	77,952	4,434.06	4,434.06	15,634.90	43,033.50	
EEC	125,785	9.87	37,035.95	125,785	7,160.78	7,160.78	15,634.90	59,831.63	
GDR	13,237	1.04	3,902.47	-	-	-	15,634.90	19,537.37	
Iceland	-	-	-	-	-	-	15,634.90	15,634.90	
Japan	9,578	0.75	2,814.28	-	-	-	15,634.90	18,449.18	
Norway	1,947	0.15	562.86	-	-	-	15,634.90	16,197.76	
Poland	8,767	0.69	2,589.14	-	-	-	15,634.90	18,224.04	
Romania	-	-	-	-	-	-	15,634.90	15,634.90	
USSR	121,845	9.56	35,872.71	-	-	-	15,634.90	51,507.61	
<b>Total</b>	<b>1,274,748</b>	<b>100.00</b>	<b>375,237.60</b>	<b>1,098,910</b>	<b>62,539.60</b>	<b>62,539.60</b>	<b>187,618.80</b>	<b>625,395.67</b>	

APPENDIX XI  
(Annex IV)

NORTHWEST ATLANTIC FISHERIES ORGANIZATION

Budget Forecast 1988

1. Personal Services	
(a) Salaries	\$ 475,000
(b) Superannuation and Annuities	64,000
(c) Additional Help	1,000
(d) Group Medical and Insurance Plans	20,000
(e) Termination Benefits	20,000
(f) Accrued Vacation Pay	15,000
2. Travel	3,000
3. Transportation of Things	1,000
4. Communications	47,000
5. Publications	18,000
6. Other Contractual Services	47,000
7. Materials and Supplies	26,000
8. Equipment	5,000
9. Annual and Mid-Year Meetings	25,000 <sup>1</sup>
10. Computer Services	32,000
	<u>\$ 799,000<sup>1</sup></u>

<sup>1</sup>If a Special Meeting is held outside the Halifax-Dartmouth area, these amounts should be increased to \$30,000 and \$804,000, respectively.