

SECTION II

(pages 37 to 102)

Report of the General Council and its Subsidiary Bodies (STACFAD and STACFAC), 18th Annual Meeting 09-13 September 1996 St. Petersburg, Russia

PART I.	Report of the Meeting of the General Council	41
1.	Opening of the Meeting	41
2.	Supervision and Coordination of the Organizational, Administrative and Other Internal Affairs	41
3.	Coordination of External Relations	44
4.	Fishing Activities in the Regulatory Area Adverse to the Objectives of the NAFO Convention	45
5.	Finance	50
6.	Closing Procedures	51
	Annex 1. List of Participants	52
	Annex 2. Opening Welcome Speech by the Delegate of Russia	60
	Annex 3. Agenda	61
	Annex 4. Statement by the Representative of the United States of America on Participation as a Full Member of the Fisheries Commission	63
	Annex 5. Opening Statement by the Representative of France (in respect of St. Pierre et Miquelon)	64
	Annex 6. Argumentation presented by France on Behalf of St. Pierre et Miquelon to become a Member of the Fisheries Commission	66
	Annex 7. Report of the Working Group on General Council Agenda Item 7 Participation of Intergovern- mental and non-Governmental Organizations	68
	Annex 8. Modification of Division 3P Boundaries	70
	Annex 9. Statement of the Representative of the European Union	71
	Annex 10. Press Release	72
	Annex 11. Closing Address by the Chairman	76
	Annex 12. List of Decisions and Actions by the General Council	77

PART II.	Report of the Standing Committee on Finance and Administration (STACFAD)	79
1.	Opening	79
2.	Appointment of Rapporteur	79
3.	Adoption of Agenda	79
4.	Auditors' Report for 1995	79
5.	Meeting of the Pension Society	79
6.	Review of Cost Implications for the NAFO Secretariat of the Hail System in the Regulatory Area	80
7.	Administrative Report and Financial Statements for 1996	80
8.	Review of Accumulated Surplus Account	82
9.	Preliminary Budget Estimate for the Fiscal Year Ending 31 December 1997	82
10.	Preliminary Budget Forecast for the Fiscal Year Ending 31 December 1998	82
11.	Time and Place of the 1997, 1998 and 1999 Meetings	82
12.	Other Business	83
13.	Adjournment	83
	Annex 1. List of Participants	84
	Annex 2. Agenda	85
	Annex 3. Schedule of Outstanding Contributions from Bulgaria and Romania	86
	Annex 4. Preliminary Budget Estimate for 1997	87
	Annex 5. Preliminary Calculation of Billing for 1997	88
	Annex 6. Preliminary Budget Estimate Forecast 1998	89
PART III.	Report of the Standing Committee on Fishing Activities of Non-Contracting Parties in the Regulatory Area (STACFAC)	90
1.	Opening by the Chairman	90
2.	Appointment of Rapporteur	90
3.	Adoption of Agenda	90
4.	Review of 1996 information on activities of non-Contracting Parties in the Regulatory Area	90
5.	Review of 1996 information on landings and transshipments of fish caught in the Regulatory Area by non-Contracting Party vessels	90
6.	Review of information on imports by Contracting Parties of groundfish species regulated by NAFO from non-Contracting Parties whose vessels have fished in the Regulatory Area	91
7.	Reports by Contracting Parties on diplomatic contacts with non-Contracting Party Governments concerning fishing by their vessels in the Regulatory Area	91

8/9. Examination of options open to Contracting Parties and the General Council to deter activities by non- Contracting Parties in the Regulatory Area including recommendations/deliberations from the Special STACFAC Meeting in Brussels (May 1996)	91
10. Report and Recommendations to the General Council	91
11. Election of Chairman and Vice-Chairman	92
12. Other Matters	92
13. Adjournment	92
Annex 1. List of Participants	93
Annex 2. Agenda	94
Annex 3. Proposed Letter to the Government of Belize	95
Annex 4. Proposed Letter to the Government of Honduras	97
Annex 5. Proposed Letter to the Government of Sierra Leone	99
Annex 6. Proposed Letter to the Government of Panama	101

PART I

Report of the General Council Meeting

(GC Doc. 96/9)

18th Annual Meeting, 09-13 September 1996

St. Petersburg, Russia

1. Opening of the Meeting (items 1-5 of the Agenda)

- 1.1 The meeting was opened by the Chairman of the General Council, A. V. Rodin (Russia) at 1020 on 10 September 1996.

He cordially welcomed all participants to the city of St. Petersburg of Russia and wished the Meeting constructive and fruitful accomplishments.

- 1.2 Representatives of the following fifteen (15) Contracting Parties were present: Canada, Cuba, Denmark (in respect of Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre et Miquelon), Iceland, Japan, Korea, Latvia, Lithuania, Norway, Poland, Russia and the United States of America (Annex 1).

- 1.3 The meeting **appointed** the Executive Secretary as Rapporteur.

- 1.4 The delegate of Russia presented an opening welcome speech to the Meeting (Annex 2).

The Representative of Denmark thanked the Russian delegation on behalf of all participants for the invitation to St. Petersburg.

- 1.5 The Provisional Agenda was **adopted** without amendment (Annex 3). A modified timetable developed by the Chairmen of the NAFO bodies was introduced by the Chairman asking to finalize all reports of the Standing Committee on Wednesday, 11 September 1996; for their distribution to pigeon holes Thursday morning 12 September at the latest. This was approved by the Meeting.

- 1.6 There has not been any application for observership at this meeting.

- 1.7 For Publicity (item 5), it was **decided** to continue the NAFO practice that a Press Release be worked out by the Executive Secretary through consultations with the Chairmen of NAFO bodies. The Press Release was issued at the closing session (Annex 10).

2. Supervision and Coordination of the Organizational, Administrative and Other Internal Affairs (items 6-10)

- 2.1 Under item 6, "Review of Membership", the Chairman welcomed the new members of NAFO - France and the United States of America, which acceded to the NAFO Convention on 14 August 1996 and 29 November 1995, respectively. In accordance with the NAFO Convention on the date of the accessions those Countries became

members of the General Council and Scientific Council. Their Fisheries Commission membership was **decided** by the General Council according to the provisions of Article XIII of the Convention on presentation by France and the United States.

- 2.2 The Representative of the USA presented its opening statement on participation as a full member of the Fisheries Commission (Annex 4), and he addressed the Meeting in the following terms: The USA is pleased to join NAFO and work together to conserve and manage valuable fish resources and sharing the benefits of those efforts. The USA has a significant history of fishing of what is now known as the NAFO Regulatory Area, and as a coastal State the USA shares an extensive boundary between USA, other coastal States and the NAFO Regulatory Area. Many of our fishermen currently fish in the NAFO Regulatory Area for highly migratory species, and we have many other fishermen who fish for other regulated species in our own Economic Zone, and many of those fishermen expect to fish in the NAFO Regulatory Area during 1997. To that end, the USA consistent with the FAO Compliance Agreement has issued the fishing permits to fish in the Regulatory Area. Accordingly, the USA wishes to be a member of the NAFO Fisheries Commission pursuant to Articles 3, 11 and 13 of the Convention.
- 2.3 The Representative of France introduced its opening statement and application to the membership of the Fisheries Commission (Annexes 5 and 6), and explained basic objectives of the application emphasizing that the islands of St. Pierre et Miquelon as an archipelago have always been highly dependent on fishery activity, which provides to the population of those Islands main economical resources. He underlined that France (in respect of St. Pierre et Miquelon) like the United States and Canada in this region is also a coastal State according to the definition and scope of the NAFO Convention, and is presenting this statement in accordance with Article XIII.1b) of the NAFO Convention to participate in the fisheries of the Regulatory Area.
- 2.4 The General Council **determined on consensus** to accept France and the USA to the Fisheries Commission membership. The total number of the Fisheries Commission membership was recorded as fifteen (15) members.
- 2.5 The Chairman informed the Council that two (2) Contracting Parties (Bulgaria and Romania) did not participate in the NAFO business for a number of years (13) and have not paid their contributions to the NAFO budget; Bulgaria, from 1992 and Romania from 1983. The Chairman made his contacts with Bulgarian and Romanian officials in Moscow asking for their participation at NAFO. However, no feedback has been received on the Chairman's requests.

To this subject, STACFAD recommended the General Council continue dialogue with those two (2) members through the NAFO Secretariat and Chairman enquiries during 1997. This was **agreed** by the General Council.

- 2.6 Under item 7 of the Agenda, "Participation of Intergovernmental and Non-Governmental Organizations", the USA Representative introduced a proposal (GC Working Paper 96/2) on transparency in the decision-making process and other activities of NAFO according to Article 12 of the UN Fish Agreement, on straddling fish stocks and highly migratory fish stocks. He proposed to call a Working Group for this purpose and the USA delegate to coordinate the organization of the Working Group.

- 2.7 The Representative of Denmark welcomed the USA proposal for the Working Group and noted that under the UN Agreement there are many legal and technical details which should be addressed under this item including authorities of different constituent bodies of NAFO (General Council, Fisheries Commission, Scientific Council) and financial issues. He emphasized on the topics of criteria for NGOs; payments, publicity and press regarding the sensitive issues under discussions at NAFO Meetings urging the Meeting to avoid at NAFO controversial situations of other international organizations dealing with marine resources where NGOs *de-facto* possessed monopoly to informing the media in their own way as the media does not have the same free access to meeting proceedings and documentation. He concluded that the Danish delegation cannot be committed at this stage to invite NGOs without proper and agreed by NAFO procedures.

The majority of the Delegations agreed in principle with the basic observations given by the Representative of Denmark (in order of speakers - Norway, Japan, Iceland, Canada, Russia, the EU, France, Cuba, Estonia, Latvia). The Representatives at the Meeting noted their consensus to the idea of the Working Group. At the same time, they cautioned that any decision on this subject should be carefully elaborated through discussions and consensus among the Contracting Parties.

- 2.8 The Chairman read the provisions of the NAFO Rules of Procedure, Rule 1.2, that the General Council may invite any non-member Government and international organization as an observer or observers explaining that the basic principle for the pending item is already established at NAFO. He announced the decision to set a Working Group on item 7 during this Meeting.

The Representative of USA acknowledged the comments and concerns expressed by the Delegations and proposed to cooperate closely with the Contracting Parties regarding the outcome of the Working Group and decisions of this meeting.

- 2.9 The Working Group on transparency met in several sessions under the Chairmanship of Dean Swanson (USA), and referred its Report to the closing session of the General Council (Annex 7).

The Report was accepted in principle by the Meeting with the agreement that Contracting Parties will continue their consultations on this issue, and further study/presentations of the relevant rules from other international organizations would be required.

- 2.10 The Representative of the USA proposed to call an intersessional Working Group meeting on this item in Washington, D.C. in spring 1997.

The Representative of the European Union supported the idea of transparency and of further discussing this issue within a Working Group. He noted, however, that the very tight NAFO schedule for 1997 might create difficulties for delegations to attend an intersessional Working Group. He proposed to proceed through exchange/study of the international practice for this purpose and to develop a draft paper for NAFO rules. All this communication could be available through the NAFO Secretariat in cooperation with the Chairman of the Working Group. After study of the draft, the Contracting Parties will take further decision on how to proceed.

This proposal was supported by the delegations from Canada, Denmark, Iceland, Japan and Russia.

The Representative of the USA clarified its understanding of the current procedure proposing the USA delegation will prepare draft rules based on international practice and distribute the draft to all Contracting Parties.

The Chairman ruled that this shall be a **decision** of the General Council as it was noted in the EU proposal and specified by the USA Representative. Any available information to this issue will be forwarded to the General Council by mail during the year.

- 2.11 The item 8, "Administrative Report" was referred to STACFAD. At the closing session of the General Council, on presentation by STACFAD, the Report was **adopted** by the Meeting.
- 2.12 The item 9, "Review Decision at 1995 Annual Meeting regarding Interpretation of the Provisions for "Quorum" in the NAFO Convention and Rules of Procedure" was introduced by Canada explaining that this subject could be reviewed if any objection to the interpretation (Rule 2.2) was presented by a Contracting Party (from 1995 Annual Meeting, GC Report, item 2.4d).

The Representative of Canada asked if there have been any reservation or objection to this procedure during 1995/1996. There have been none to report to the Meeting.

The Representative of Japan informed the Council that Japan does not have any legal reservation to the provision as quoted by Canada.

- 2.13 The item 10, "Request by the Scientific Council for modification of the boundaries of the statistical divisions (Div. 3P)" was explained by the Chairman that the request was supported by Canada, and this subject was presented in accordance with the Article XX.2 of the NAFO Convention. There was **unanimous consent** by the General Council to this proposal (Annex 8).

3. Coordination of External Relations (items 11-12)

- 3.1 Under the item 11, "Communication with other International Organizations and Events", the Chairman introduced sub-items:
 - a) Re: "Kyoto Declaration and Plan of Action, 1995". The Meeting **agreed** with the draft text proposed by Canada as a reply to the *Government of Japan*. The NAFO Secretariat will handle this communication in a due manner.

Note: A letter, GF/96-469 signed by the Executive Secretary was sent to the Government of Japan on 26 September 1996.
 - b) On this subitem, "Second World Fish Congress in Brisbane", the Chairman informed that he could not attend the Congress, therefore, the NAFO Statement was forwarded to the Congress by the NAFO Secretariat. In addition, the Chairman noted a Working Paper (GC Working Paper 96/4) prepared by the participant of Denmark, H. Lassen, informing on major features and presentations of papers from the North Atlantic to the Congress.

- c) Under this item, "the UN Resolutions (50/24 and 50/25, December 1995)", the Meeting **endorsed** the UN Resolutions and asked the Executive Secretary to inform the UN Secretariat accordingly.

Note: A letter, GF/96-470 signed by the Executive Secretary was sent to the UN Secretariat on 26 September 1996.

- 3.2 To the item 12, "NAFO Observership at NAMMCO", the Representative of Norway presented a Report (GC Doc. 96/2). There were no comments to the Report.

4. Fishing Activities in the Regulatory Area Adverse to the Objectives of the NAFO Convention (items 13-15)

- 4.1 The item 13, "Consideration of non-Contracting Parties activities in the Regulatory Area and agreement on the task of STACFAC at the current meeting", did not generate any discussions or additions to the STACFAC task(s) introduced in the STACFAC agenda at the current meeting (please see Part III, STACFAC Report, incorporated in this Report).

- 4.2 The item 14, "STACFAC Report" was presented to the Meeting by the STACFAC Chairman, Jean-Pierre Plé (the USA), who emphasized the following basic information and recommendations to the General Council (Part III of this Report):

- a) There has been a decrease in the number of non-Contracting Parties (NCPs) vessels during 1996 from the same time in 1995 from 12 to 6 vessels, but that activity still posed a significant threat to NAFO stocks, which were mostly under moratoria. The flag nations fishing vessels were from Belize (1 vessel), Honduras (1), Panama (1) and Sierra Leone (3), total of six fishing vessels.
- b) The actions by Contracting Parties and NAFO diplomatic demarches have had some positive effect probably contributing to the decrease of non-Contracting Parties fishing. It was noted that New Zealand responded to the NAFO demarche, and their vessel left the Regulatory Area. Official responses were not received from the other NCP governments.
- c) STACFAC recommended the following measures to the General Council:

- to adopt the texts of diplomatic demarches signed by the Chairman of the General Council to Belize, Honduras, Panama and Sierra Leone (Annexes 3-6 of Part III);

Note (by Executive Secretary): The demarches were delivered through diplomatic channels by Canada, to Honduras and Panama and by the USA, to Belize and Sierra Leone.

- to call an intersessional STACFAC meeting in February 1997 at which the basic idea would be to consider the grounds, procedures and measures for a NAFO Scheme to further address and review NCP fishing problem in the NAFO Regulatory Area.

to adopt the STACFAC Report (GC Doc. 96/5) of the Brussels, May 1996 Meeting as modified and reviewed at the current meeting.

- 4.3 The Representative of the European Union asked to put on the record the EU position on the invitation of an expert from the World Trade Organization (WTO) to address the forthcoming intersessional meeting of STACTIC (see Annex 9). He regretted that the EU proposal was not agreeable to other delegations and emphasized that it aimed at contributing to a successful accomplishment of the task of STACFAC, as input from WTO would provide useful guidance for possible concepts to deal effectively with NCP activities in accordance with the relevant international law. The Representative of France noted its support to the EU position.
- 4.4 The General Council **adopted** the STACFAC Report and its recommendations. The place of the intersessional meeting will be the NAFO Secretariat Headquarters, in Dartmouth, Nova Scotia, Canada. The concrete dates in February 1997 will be decided through consultations between the STACFAC Chairman and the Executive Secretary.
- 4.5 Item 15, "Consideration of Protocol to the NAFO Convention for a dispute settlement mechanism to deal with disputes arising from use of the objection procedure" was introduced and explained by the Canadian Representative (proposal GC Working Paper 96/3) as follows: This problem was identified by NAFO as long ago as 1988-1989 (GC Doc. 88/8, Resolution 89/4) when the General Council addressed the problem of compliance with NAFO measures since 1979 in order to provide for conservation and maintain a traditional spirit of cooperation and mutual understanding within the Organization. The UN Fish Agreement on Straddling Stocks and Highly Migratory Stocks requires states to agree on efficient and expeditious decision making and compulsory binding settlement of disputes related to straddling stocks and highly migratory stocks. The intention of this Canadian draft proposal is to minimize conflicts by providing an objective third party mechanism to resolve disagreements which can lead to overfishing and confrontation. This Canadian proposal is intended to adapt the UN Agreement to the needs of NAFO. Those UN Agreement procedures will only apply when the Agreement enters in force following thirty (30) ratifications. However, the Agreement will not apply to the 3M discrete stocks managed by NAFO. Following this presentation, the Canadian Representative proposed the establishment of a Working Group to review the issue of dispute resolution, to make as much progress as possible during this Annual Meeting and to appoint Canada's Ambassador for Fisheries Conservation, P. Lapointe to chair this Working Group.
- 4.6 The Chairman of the General Council invited comments on the Canadian proposal. The following comments and positions were presented to the Meeting:
 - i) The USA Representative appreciated the effort by Canada in presenting the proposal reflecting the provisions and intents of the UN Agreement, and noted that this proposal and NAFO work could be a cornerstone to build up NAFO policy on the UN Agreement. He supported the establishment of the Working Group.
 - ii) The Representative of the European Union emphasized that the UN Agreement on Straddling Fish Stocks was signed only a few months ago and, therefore, it

would be inappropriate to already start changing the agreement at this point in time. He further emphasized that if a Working Group were set up, the corresponding terms of reference should be drafted very carefully so that discussion would not be restricted to a mechanism relating only to objections.

- iii) The Representative of Norway supported the idea of the Working Group noting that this proposal was formulated on the provisions of the UN Agreement and directed to strengthening NAFO as such.
- iv) The Representative of Latvia appreciated the Canadian initiative to introduce the proposal. He addressed the pending problem of objection as the problem which is presently sitting inside of this Organization, and that the General Council should develop a comprehensive paper to solve the problem, which is not to solely rest with the objection procedure as this is just one method to address and object to NAFO problems. Therefore, he continued, NAFO should work to resolve the problem(s) and as the result there would not be any need for objections for NAFO decisions, because an objection comes always after the problem.

On behalf of Latvia, he mentioned that problems at NAFO are wider than just the procedure of objection and noted Latvia's reservation to any decision/recommendation of the Working Group.

- v) The Representative of Lithuania agreed to begin discussions in a Working Group noting that there should not be limitation only to objection procedure and that Lithuania requires some more time to study the proposal. He announced the Lithuanian reservation, at this stage, to any recommendation of the Working Group.
- vii) The Representative of France brought the attention of the Meeting to Part 15 of the UNCLOS, which contains relevant provisions as well, to the UN Fish Agreement, 1995, which developed some relevant provisions regarding this pending issue. To his opinion, the Working Group shall be established and tasked based on agreed terms of reference and the results of the Working Group should not be prejudged. He further especially emphasized that the Working Group will face very difficult legal task and it is doubtful that this task could be accommodated during this meeting or otherwise there should be consensus at this Meeting to proceed with discussions at the Working Group.
- viii) The Representative of Korea supported the Canadian proposal to proceed with discussions in a Working Group and proposed that the Contracting Parties should have time to review the report of the Working Group before the next Annual Meeting.
- ix) The Representative of Poland supported the Canadian proposal to establish a Working Group and agreed with statements made by USA and Norway.
- x) The Representative of Russia recalled that this issue has been on NAFO agendas at some time and place during last three (3) years and this was a difficult legal issue. However, this time NAFO has a new "weapon" - the UN

Agreement and the issue could be discussed in a Working Group as proposed by Canada. He mentioned that probably the deficit of time due to a very busy NAFO Annual Meeting agenda(s) and absence of legal advisers would not provide a good opportunity for thorough discussions and decision making on this subject.

- xi) The Representative of the European Union again pointed out that a Working Group should work under clear and sufficiently broad terms of reference.
- xii) The Representative of Canada explained its proposal again that at this point the task would be to review the issue of dispute resolution mechanism in a broad sense, and the Working Group will add some more details to the terms of reference after the discussion.
- xiii) The Representative of Korea questioned the exact schedule of the Working Group during this meeting and after the meeting, and what would be a precise mandate of the Working Group regarding developing terms of reference and continuation of the work during the year after this meeting.
- xiv) The Representative of Canada presented his summary of the proposal in the following terms:
 - the proposal at this point that the Working Group is set up immediately;
 - it should look at the issue of dispute resolution;
 - the Working Group will develop and define in more detail the terms of reference;
 - make as much progress as possible this week.
- xv) The Representative of Denmark reflected on the Canadian proposal that the Working Group could start and continue during this week, and it should make as much progress as possible. Nevertheless, the delegation from Denmark cannot participate in any final decision on this issue.
- xvi) The Representative of the European Union said that his delegation could agree to the proposal to set up a Working Group, but that it could not take a final decision on the substantive issues in the course of the current meeting. He also said that the Working Group would have to choose its Chairman.
- xvii) The Representative of Estonia emphasized the sensitive and legal sides of the issue, which is very difficult for Estonia, and therefore, his delegation took the same stand as Denmark and the EU.
- xviii) The Chairman of the General Council suggested that in this situation the issue could be referred for discussion between the Heads of the Delegations and invited opinions from the floor.

- xix) The Canadian Representative provided his understanding there was support for:
- setting up a Working Group;
 - discussions of a dispute resolution issue;
 - proceeding to work-out more details for the terms of reference;
 - the Chairmanship should be established somehow by the Group itself;
 - a number of Contracting Parties have expressed their reservations towards a conclusion of the issue this coming week.

He proposed that General Council take a decision based on the above-noted summary.

- xx) The European Union again reflected on the issue of the terms of reference clarifying that the reference has to be approved by the General Council considering all sensitivity of the pending issue.

The Representative of France supported the EU position and proposed to work-out the terms of reference at the Heads of Delegations meeting.

- xxi) The Representative of the USA considered that the Canadian presentation and explanation of the proposal probably would be sufficient for the Working Group to proceed, and then the Working Group will decide on further requirements, but the major objective will be to address the problem of dispute settlement.

- xxii) The Representative of Iceland noted its agreement in principle on the proposal, but underlined that Iceland, like many other Contracting Parties at the meeting, cannot participate in any final decision of the Working Group.

- xxiii) The Representative of Russia observed on several opinions to the Canadian proposal and supported the Chairman's suggestion to move this issue to the discussion between the Heads of Delegations.

- xxiv) The Chairman summarized all discussion that in this situation he preferred to move the issue to be discussed between the Heads of Delegations. It was decided to establish a Working Group.

- xxv) The Heads of Delegations held several meetings on this issue. The final decision was the following (from GC Working Paper 96/8, Revised):

The General Council **decided** to proceed with further discussions during the year and for this purpose to:

1. Establish a Working Group on Dispute Settlement Procedures with a mandate of:
 - (a) examining the desirability and, as appropriate, the development of dispute settlement procedures, taking into account relevant international agreements;
 - (b) reporting on the results of its work and its recommendations at the next annual meeting of NAFO; and

2. The Executive Secretary of NAFO convene a meeting of the Working Group as **early as possible in 1997** taking into account other intersessional meetings in the framework of NAFO.

5. Finance (items 16-17)

- 5.1 The items 16 and 17 of the General Council Agenda as well as item 8, "Administrative Report", were referred to STACFAD for discussion in the Committee and presentation of its recommendations to the Council.
- 5.2 The Chairperson of STACFAD, J. Quintal-McGrath (Canada), report was presented to the Meeting by the Vice-Chairman, F. Kingston (EU) on 13 September. The STACFAD Report included the following basic information and *recommendations*:
 - a) Auditors Report transmitted to the Contracting Parties in March 1995 and Administrative Report at the current meeting were recommended for adoption;
 - b) The activity and participation of the NAFO Secretariat in the Pension Society (Pension Plan for NAFO employees) were approved by STACFAD and this was recommended for approval by the General Council;
 - c) The major budgetary items of the STACFAD Report were agreed as follows:
 - the budget for 1997 to be adopted in the amount of \$1,006,500 Cdn dollars;
 - the Accumulated Surplus Account be maintained at a level of not less than \$75,000 Cdn.
 - the outstanding contributions owing from Bulgaria (1996) and Romania (1996) be deducted from the Accumulated Surplus Account in the amount of \$32,063 Cdn.
 - d) Attempts to contact the Governments of Bulgaria and Romania concerning their unpaid NAFO contributions was once again futile. It is recommended that the NAFO Secretariat and the President of NAFO continue their efforts in contacting both Bulgarian and Romanian authorities.
 - e) The dates of the next Annual Meetings recommended as follows:

1997	-	Scientific Council	-	10-19 September
	-	Fisheries Commission	-	15-19 September
	-	General Council	-	15-19 September
1998	-	Scientific Council	-	09-18 September
	-	Fisheries Commission	-	14-18 September
	-	General Council	-	14-18 September
1999	-	Scientific Council	-	08-17 September
	-	Fisheries Commission	-	13-17 September
	-	General Council	-	13-17 September

The location of the Annual Meeting, 1997, was scheduled to be held in St. John's, Newfoundland. The location of the Annual Meetings for 1998 and 1999 will be held in the Halifax Regional Municipality area if no invitations to host the Annual Meetings are extended by a Contracting Party and accepted by the Organization (see item 5.5 below).

- 5.3 The Chairman of the General Council invited the Contracting Parties comments to the STACFAD Report and stated that to his opinion, the situation with Bulgaria and Romania non-participation/non-payment to the NAFO budget should be again seriously addressed at the next Annual Meeting, and in the interim the Chairman and NAFO Secretariat will try to establish contacts with those countries' officials.
- 5.4 The Representative of the European Union suggested a modification to the STACFAD Report, item 12 "Other Business", to read the final phrase of the first sentence as follows: "... unless there is a need to ensure that all Contracting Parties are informed of major NAFO decisions, matters, etc., at about the same time as a matter of principle." It was **accepted** by the General Council.

The STACFAD Report and the recommendations were **adopted** by the General Council

- 5.5 The Representative of the European Union invited the Annual NAFO Meeting 1998 to be held in Lisbon, Portugal. This invitation was **accepted** by the General Council with acclamation.

6. Closing Procedures (items 18-21)

- 6.1 Item 18, "Time and Place of the Next Annual Meeting" was referred to STACFAD. It was recommended and adopted that the 1997 Annual Meeting will be held in St. John's, Newfoundland, Canada, during 10-19 September.
- 6.2 There were no matters to discuss under item 19 "Other Business".
- 6.3 The Press Release was prepared by the Executive Secretary and modified by the Contracting Parties (Annex 10).
- 6.4 The Chairman of the General Council addressed the Meeting with his closing remarks (Annex 11).

He especially emphasized on the need to upgrade and improve NAFO cooperation in the field of science and research in the framework of NAFO.

He thanked all NAFO delegates and the Secretariat for participation and meeting arrangements.

- 6.5 The 18th Annual Meeting of NAFO was adjourned at 1600 hrs on 13 September 1996.

Adoption of Report

The Report of the General Council including proceedings of its Committees - STACFAD and STACFAC - has been finalized through two (2) circulations of the drafts to the Heads of Delegations and, therefore, adopted in accordance with the established procedure.

Annex 1. List of Participants

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Annex 2. Opening Welcome Speech by the Delegate of Russia

Distinguished Mr. President, *Distinguished* Representatives of the High Contracting Parties, Ladies and Gentlemen:

Allow me, on behalf of the Russian Delegation to welcome all the participants and guests at the Eighteenth Annual Meeting of the Northwest Atlantic Fisheries Organization and wish it a success. It gives us special pleasure to receive members and guests to this meeting here in the city established by Peter the Great, in the city of fishermen and seamen, the city of St. Petersburg.

It was not by chance that the city of St. Petersburg was chosen as the place for the present meeting. Northwest Atlantic fishery plays a special role in the development and in the economic activities of the coastal regions of the Russian North and West.

Mr. Chairman, the year's work of the Organization has shown in our view, that the member countries succeeded in joining their efforts to establish a mechanism for international cooperation in order to facilitate conservation of fish stocks in the Northwest Atlantic. At the same time we realize that there is yet much to be done that this mechanism becomes effective indeed.

It is our pleasure to separately welcome the delegations, newcomers to NAFO, of the United States of America and France.

In conclusion, Mr. Chairman, I would like on behalf of our delegation to wish to all of us a successful meeting, and to all of our guests, an enjoyable stay in St. Petersburg.

Annex 3. Agenda

I. Opening Procedure

1. Opening by Chairman, A. V. Rodin (Russia)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Admission of Observers
5. Publicity

II. Supervision and Coordination of the Organizational, Administrative and Other Internal Affairs

6. Review of Membership
 - a) General Council
 - b) Fisheries Commission
7. Participation of Intergovernmental and Non-governmental Organizations
8. Administrative Report
9. Review Decision at 1995 Annual Meeting regarding Interpretation of the Provisions for "Quorum" in the NAFO Convention and Rules of Procedure
10. Request by the Scientific Council for modification of the boundaries of the statistical divisions (Div. 3P)

III. Coordination of External Relations

11. Communication with other International Organizations and Events
 - a) Kyoto Declaration and Plan of Action, 1995
 - b) Second World Fisheries Congress in Brisbane, Australia, 1996
 - c) United Nations Resolutions (50/24 and 50/25 of 5 Dec 1995) re straddling fish stocks and large-scale pelagic drift-net fishing
12. NAFO Observership at NAMMCO

IV. Fishing Activities in the Regulatory Area Adverse to the Objectives of the NAFO Convention

13. Consideration of Non-Contracting Parties activities in the NAFO Regulatory Area and agreement on the task of STACFAC at the current meeting
14. Report of STACFAC at the Annual Meeting and decisions on actions
15. Consideration of Protocol to the NAFO Convention for a dispute settlement mechanism to deal with disputes arising from use of the objection procedure

V. Finance

16. Report of STACFAD at the Annual Meeting
17. Adoption of the Budget and STACFAD recommendations for 1997

VI. Closing Procedure

18. Time and Place of Next Annual Meeting
19. Other Business
20. Press Release
21. Adjournment

Annex 4. Statement by the Representative of the United States of America on Participation as a Full Member of the Fisheries Commission

USA Fishing Activity in NAFO Subarea 3

1893 - 1993

This paper summarizes U.S. fishing activity in NAFO Subarea 3 during the past 100 years. Data were obtained from several sources. U.S. catches of Atlantic cod, haddock, and Atlantic halibut taken in Subarea 3 between 1893 and 1951 were obtained from tabular information provided in the ICNAF Second Annual Report for the Year 1951-1952 (Part 4). Catches of all species from 1953 through 1993 were obtained from ICNAF and NAFO Statistical Bulletins (Volumes 3-42) and NAFO SCS Document 94/24, as well as updated information from NAFO Table 5 database files.

Historical data reflect considerable activity by U.S. vessels in the Grand Banks area during the latter part of the 19th century and early 20th century. U.S. landings of cod from this region ranged between 10,000 and 24,000 metric tons (mt) per year until 1905, and generally exceeded 1,000 mt annually until 1923. Landings of Atlantic halibut by U.S. vessels generally exceeded 1,000 mt annually until 1909, but have been below 100 mt per year since 1939. Annual U.S. haddock landings from the Grand Banks region have been less than 500 mt throughout the entire 20th century. U.S. vessels landed considerable quantities of redfish from Subarea 3 between 1951 and the mid-1960s. Annual landings generally exceeded 10,000 mt between 1951 and 1963, and were greater than 30,000 mt per year between 1952 and 1954.

Examination of U.S. catch and effort data since 1955 (by NAFO Division) reveals a sharp distinction between the spatial distribution of groundfish trips and large pelagic trips. Between 1955 and 1970, U.S. catches were almost exclusively comprised of groundfish, primarily cod and redfish. Groundfish landings were negligible throughout the 1970s and early 1980s, but increased temporarily between 1985 and 1990 as U.S. vessels pursued flatfish fisheries (yellowtail flounder, witch flounder, and American plaice) on the "tail of the Bank." Throughout the entire period covered by the ICNAF and NAFO Division datasets, most U.S. groundfish catches in Subarea 3 were taken from Division 3N, with lesser amounts from Division 3O and occasional catches from Divisions 3K, 3L, and 3P. Except for small amounts of redfish reported in 1956 and 1958, no groundfish catches have been reported from Division 3M.

U.S. catches of large pelagic species from Subarea 3 increased during the 1970s and have since dominated U.S. landings from the region. The principal species taken has been swordfish, with lesser amounts of yellowfin tuna, bluefin tuna, and large sharks also reported. As with groundfish, most of the large pelagic catches have been taken in Division 3N, but substantial catches have also been reported from Division 3M, with lesser amounts from Division 3O.

Annex 5. Opening Statement by the Representative of France (in respect of St. Pierre and Miquelon), Mr. G. Grignon

Mr. President,
Ladies and Gentlemen,
Members of Delegations,
Members of the NAFO Secretariat,

At the start of the NAFO Annual Meeting, I wish to speak to you briefly, as France is actually taking part for the first time in your work.

I ought to recall that it is in response to the request from the population and the elected representatives of the territorial authority of Saint-Pierre et Miquelon that the French government decided to accede to NAFO on account of our archipelago. Prime Minister Alain JUPPE of France confirmed this will while visiting our Islands last June; the law was passed in July by the French parliament and the instruments of accession were deposited in August.

The French government has done me the honour of asking me, in my capacity as member of the French National Assembly for Saint-Pierre et Miquelon, to head the present delegation. I accepted most willingly, in view of the great importance of the work of NAFO for our archipelago of Saint-Pierre et Miquelon.

I am thus opening up with you a new path of regional cooperation in fishing. I know that French experts, notably scientific ones, have always played an active part in this forum, within the European Union delegation, and I feel I must take this opportunity of paying tribute to their work.

We are entering this organization with a will to become more deeply involved in the management of Northwest Atlantic fisheries. Saint-Pierre et Miquelon is located at the heart of this region, and I believe that many of the sea-fishermen you represent have called at Saint-Pierre and therefore know its port. Life on our archipelago has always been devoted for the most part to fishing, to the processing of marine products and to welcoming calling trawlers. The port of Saint-Pierre has modern facilities which make it possible to welcome them and to provide them with all the services they may require, not limited to transshipment and supply capacities but including also traditional medical assistance to sea-fishermen. This is what earned Saint-Pierre the nickname of "service station of the Shoals".

Today, naturally we are suffering from the consequences of diminishing exploitable fish stocks. Our sea-fishermen, fishing industry workers and all harbour trades are being hurt by this situation. Courageously, some of them have embarked on the utilization and the valorization of hitherto unknown species.

Concerned with the conservation of stocks, the French authorities are truly making an effort to support rational management as a means to preserve fishery resources. Regulations applicable in the Saint-Pierre et Miquelon exclusive economic zone are currently being adapted in order to meet these ever-improving criteria. We also have gained significant experience in international cooperation on preservation and the joint management of stocks in French and Canadian maritime spaces. This cooperation focuses on research, exchanges of information, provision of scientific data, notably on the assessment of stocks and on ways of implementing arrangements for the monitoring of fishing. We regard, I assure you, international cooperation in conservation and management of stocks as of primary importance.

We also greatly value effective and efficient monitoring of fishing zones in order to ensure that management decisions are respected. In the Saint-Pierre et Miquelon economic zone France is in fact making very significant efforts in this sphere through the taking on board of observers and the permanent presence of fishery surveillance vessels.

I can assure you that the aim of our participation in NAFO is to cooperate with all partners which are already NAFO members, whether coastal or fishing States. In this respect France intends to apply for full membership of the Fisheries Commission and intends accordingly to exercise fully its duties and rights.

We are of course aware that the resources available are inevitably limited. For this reason we also intend putting at the service of the Organization our experience and our capacities in matters of surveillance, notably the availability of Saint-Pierre harbours facilities.

Lastly, we hope that it will be possible, in a near future, that the Annual Meeting will be held at Saint Pierre et Miquelon.

These are, Mr. President, Ladies and Gentlemen, Members of Delegations, and Members of the NAFO Secretariat, the items I wish to bring to your attention at the start of this meeting.

Allow me to thank our Russian hosts for their welcoming us in the very beautiful setting of Saint Petersburg - the City of Peter - as this can be of good omen.

I thank you for your attention and wish us all good luck in our work.

Annex 6. Argumentation presented by France on Behalf of Saint Pierre and Miquelon to become a Member of the Fisheries Commission

1. For over five centuries the fishery activity has occupied the most important place in the life of the Islands of St. Pierre and Miquelon. For this reason the population of the Islands was always a community open to sea and it was traditionally dependent on fishery activity.

In this connection it is necessary to remind that before the great crisis of the sea resources in the Northwest Atlantic one third of the whole salary in private sector was contributed by jobs related directly to fisheries. Therefore the entire population of the Islands was principally dependent on this single branch of production activity.

Furthermore a recent bilateral agreement between France and Canada has stated the right of fishery for France in the 3Ps area to be shared with Canada as well as rights of France in Canada's area.

Therefore France would like to have in the NAFO Regulatory Area a complementary quantity of resources which is necessary to proceed a viable fishery activity of the Islands of St. Pierre and Miquelon.

It is for this reason that France intends to begin a fishery activity in the NAFO Regulatory Area starting from the year 1977. Up to date, the fishery itself and activities related to it remain at the centre of the economic life of the Archipelago.

2. Concerning the status of the Archipelago, one could remind that France is a Coastal State in accordance with Article 1, paragraph 3 of the NAFO Convention, as far as the French EEZ of Saint Pierre et Miquelon is located within the scope of the Convention.

With this regard, France wishes to carry out in full scale the functions corresponding to international law, the basis of which come under Article 63, paragraph 2 of the United Nations Convention on the Law of the Sea. This article states that:

"Where the same stock or stocks of associated species occur both within the exclusive economic zone and in an area beyond and adjacent to the zone, the coastal State and the States fishing for such stocks in the adjacent area shall seek, either directly or through appropriate subregional or regional organizations, to agree upon the measures necessary for the conservation of these stocks in the adjacent area."

This substantial provision, which recognizes the rights of the coastal State, together with the necessary complementarity of conservation and enforcement measures, is mentioned in all the relevant texts agreed recently agreed by the international community as far as fisheries are concerned. One could quote, among other, the U.N. Straddling Stocks Agreement (Article 7, paragraph 1a and 2a) and the Code of Conduct for responsible fishing (Article 7, paragraph 14).

3. The intention revealed by France to carry out fishery activity in the Regulatory Area, in accordance with Article XIII paragraph 1b of the Convention, as well as its status as a coastal State, mainly concerned by the complementarity of the conservation and management measures justify its request to become a full member of the Fisheries Commission.

Annex 7. Report of the Working Group on General Council Agenda Item 7 Participation of Intergovernmental and non-Governmental Organizations

The meeting was opened by Dr. Dean Swanson (USA) on September 11, 1996 at 1430 and it was agreed that he chair the meeting. The following Contracting Parties were present: Canada, Cuba, Denmark (in respect of Faroes and Greenland), European Union, France (in respect of Saint Pierre et Miquelon), Japan, Norway, Poland and the USA.

The chair reviewed the U.S. proposal on improving transparency in NAFO proceedings consistent with Article 12 of the United Nations Agreement on Straddling and Highly Migratory Fish Stocks (UN Fish Agreement) (NAFO/GC Working Paper 96/2). He noted the U.S. view that Article 12 would establish an obligation to permit appropriate and reasonable access and participation of non-governmental organizations and intergovernmental organizations to the meetings of regional fisheries management organizations such as NAFO. NAFO should therefore address the issue of transparency and develop procedures and operations to permit such access and participation while ensuring the integrity of NAFO objectives and processes.

The member from Japan stated he was willing to discuss the transparency issue but expressed a reservation with referencing Article 12 of the UN Fish Agreement and to the U.S. interpretation of obligation. He saw no need to get into a legal discussion at this time and believed that common ground could be found on this matter.

The member from Canada expressed support in principle to developing guidelines and conditions. He noted that other international fisheries commissions such as ICCAT had in recent years developed guidelines and criteria for admission and participation of observers which could be instructive in terms of the range of considerations. It was noted however that Article 12 establishes a higher standard which could require other considerations be taken into account.

The member from the EU supported the development of rules and conditions for observers regardless of the legal status of Article 12 of the UN Fish Agreement. He acknowledged the risks in providing greater transparency. He put forward the following considerations: care in drafting the rules to minimize the risks, the nature of the participation, opportunities and constraints to oral presentations, determining the qualifications of NGO organizations and the press, admission of the press, recovery of additional costs from observers through a fee.

The member from Denmark endorsed rules in principle but expressed concern about how to avoid the types of problems other organizations such as the IWC have experienced.

The Working Group reviewed NAFO's current rules of procedure and practices to date for the admission of observers. It was agreed that it would be useful to produce a document which reviewed the rules and procedures of other relevant international organizations dealing with living marine resources including ICCAT, NASCO, IWC, NAMMCO, NPAFC, NEAFC, IPHC, ICES, CCALMR, and the UN Fish Agreement procedures for admission of observers. It was recognized while this may be instructive, it would not necessarily provide a model if NAFO were to develop rules consistent with Article 12 of the UN Fish Agreement.

The Working Group recommended that pursuit of this matter could be achieved through further study of the rules of other organizations. The U.S. offered to produce a non-paper outlining their views on the subject including a compilation of the rules and procedures used by the organizations named above subsequent to the 1996 NAFO Annual Meeting. Other Contracting Parties were encouraged to provide their views on this issue as well. It is possible that an intersessional Working Group meeting could be necessary to elaborate views further and produce recommendations before the 1997 NAFO Annual Meeting. Therefore General Council may wish to consider the need and timing for such a meeting.

List of Participants

Dean Swanson (Chair)	USA
Michael Testa	USA
Bob Steinbock (Rapporteur)	Canada
Anne Kios Veim	Norway
Gedion Jeremiassen	Denmark (in respect of Faroes and Greenland)
Bent Buch	Denmark (in respect of Faroes and Greenland)
K. Yonezawa	Japan
Akihiro Mae	Japan
Naoko Hamaguchi	Japan
Ole Tougaard	EU
Fred Kingston	EU
Andrzej Kiedrzyn	Poland
Raul Dominguez	Cuba
P. Lurton	France (in respect of St. Pierre et Miquelon)

Annex 8. Modification of Division 3P Boundaries

On the request of the Scientific Council (SCS Doc. 96/16, item IV.4c, page 6) and with concurrence of Canada, the General Council agreed to modify the Division 3P boundaries according to the provisions of Article XX.2 of the NAFO Convention as follows:

- define "Cape Ray" as 47°37.0' north 59°18.0' west
- define "Cape North" as 47°02.0' north 60°25.0' west
- replace "Burgeo Island" with 47°30.7' north 57°43.2' west
- replace 46°50' north 58°50' west with 46°50.7 north 58°49.0' west

Annex 9. Statement of the Representative of the European Union

The European Union notes with satisfaction that this year's STACFAC sessions made considerable progress in identifying principles that could shape an agreed NAFO system, to ensure that NAFO conservation measures are not undermined by Non-Contracting Party activities.

The European Union regrets, however, that its proposal to invite an expert from the World Trade Organization to address the beginning of the forthcoming intersessional STACFAC meeting did not meet with the approval of other Contracting Parties. The objective of the proposal was to contribute constructively to the accomplishment of the task of STACFAC. Input from this Organization would provide guidance on the overall context and accelerate STACFAC's work in drawing up the intended system, which must be designed to deal effectively with Non-Contracting Party vessels whilst being fully consistent with the relevant international law.

Annex 10. Press Release

1. The Eighteenth Annual Meeting of the Northwest Atlantic Fisheries Organization (NAFO) was held in St. Petersburg, Russia during 09-13 September 1996, under the chairmanship of Alexander Rodin (Russia), President of NAFO. All sessions of the NAFO bodies - General Council, Fisheries Commission and Scientific Council convened at the Shuvalov Palace.
2. There were 200 participants from fifteen (15) Contracting Parties - Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union (EU), France (on behalf of St. Pierre & Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, Russia and the United States of America. The Meeting extended its warm welcome to new members of NAFO - the United States of America deposited its instrument of accession on 29 November 1995 and France (in respect of St. Pierre and Miquelon) deposited its instrument of accession on 14 August 1996.
3. The following NAFO preparatory meetings were held prior to the Annual Meeting: Special Scientific Council Meeting (NAFO Headquarters, November 1995); Standing Committee on Fishing Activities of Non-Contracting Parties in the Regulatory Area (STACFAC) Meeting (Brussels, May 1996); Regular Scientific Council Meeting (Keddy's Inn, Dartmouth, Canada, June 1996); Scientific Council Workshop on "Assessment of Groundfish Stocks based on Bottom Trawl Survey Results" (St. Petersburg, Russia, September 1996); Fisheries Commission Workshop on "Compatibility and Applicability of Discard/Retention Rules for Conservation and Utilization of Fishery Resources in the Northwest Atlantic" (St. Petersburg, Russia, September 1996). The results and recommendations from these two (2) Workshops will be very helpful to the management of fish resources in the Convention Area.
4. The **Scientific Council**, under the chairmanship of W. R. Bowering (Canada), reviewed and assessed the state of 25 fish stocks in the NAFO Convention Area. The Scientific Council advice and recommendations for the management and conservation of fishery resources in the NAFO Convention Area were provided to the Fisheries Commission with the following highlights: all major cod stocks were at all time lows or lowest on record, and all flatfish stocks (American plaice, witch flounder, yellowtail flounder) were at low levels. Moratoria were therefore advised for these stocks in 1997.

The trawlable biomass of the redfish stocks (Divisions 3M, 3L and 3N) in the Regulatory Area were considered uncertain. A conservative approach to management was thus recommended with catches not to exceed 14,000 tons in 3LN and 20,000 in 3M tons in 1997. The other two redfish stocks in Subarea 1 (completely inside Canada's 200-mile zone) were considered severely depleted. Accordingly, "no directed fishery" was recommended for these stocks.

Greenland halibut Subarea 2 + Divisions 3KLMNO showed improved recruitment for all year-classes of 1990-94 and can be expected to recover.

5. The **Fisheries Commission**, under the chairmanship of H. Koster (European Union), considered the Scientific Council recommendations and made the decisions described below for the conservation and management of the fishery resources in the Regulatory Area.

There was unanimous agreement on continuation (from 1994) the moratoria for the following stocks: Cod in Divisions 3L and 3NO, American plaice in Divisions 3M and 3LNO, 3LNO Yellowtail, 3NO Witch and 3NO Capelin. As in 1995, the 3LMNO Greenland halibut quota was restricted to 20,000 tons (see Quota Table attached). 3LNO shrimp will remain under moratorium and the 3M shrimp fishery will be regulated by 22 mm size sorting grates and 40 mm mesh size as well as a 10% reduction in fishing effort from the level established for 1996.

New conservation and enforcement measures were discussed and agreed as follows:

- discard/retention rules for conservation purposes will be enforced inter alia, via expanded duties for observers, who would be authorized to strictly monitor and collect discard data
- 90 mm mesh size for pelagic trawls in the 3LN redfish fishery will be allowed on an experimental basis under strict supervision by observers and strict controls regarding bycatch levels.

A precautionary approach to the conservation and management of fish stocks in the NAFO Regulatory Area was discussed by the Commission and the Scientific Council was requested to present a report on the implementation of this concept, with consensus reached that all Contracting Parties fishing in the Regulatory Area should prevent illegal by-catch and catches of young fish. The Fisheries Commission reiterated the importance of Contracting Parties adhering to deadlines for the reporting on the disposition of apparent infringements of the NAFO Conservation Measures.

6. The **General Council**, under the Chairmanship of A. V. Rodin (Russia), considered several issues regarding internal and external policy of NAFO:

- A Working Group discussed a USA proposal for improving transparency in NAFO proceedings and decided to pursue this issue further by studying the relevant rules of other Organizations;
- The Meeting discussed the necessity of a dispute settlement mechanism in NAFO. It was decided that Contracting Parties will continue their consultations and a Working Group will meet as early as possible in 1997 with timing to be determined;
- With regards to non-Contracting Parties fishing activity in the NAFO Regulatory Area, the Council stressed the harmful effect of unregulated fishing by non-members. Diplomatic demarches were issued to the following countries: Belize, Honduras, Panama and Sierra Leone;
- It was agreed that STACFAC will meet in February 1997.

7. The election of the following NAFO officers took place for the two-year period 1997-1998:

Chairman of the Standing Committee on Fishing Activity of non-Contracting Parties in the Regulatory Area (STACFAC)	- J. P. Plé (USA)
Vice-Chairman of STACFAC	- B. Buch (Denmark -Greenland)

General Council
NAFO
13 September 1996

NAFO Secretariat
St. Petersburg, Russia

QUOTA TABLE: Total allowable catches (TACs) and quotas (metric tons) for 1997 of particular stocks in Subareas 3 and 4 of the NAFO Convention Area. The values listed include quantities to be taken both inside and outside the 200-mile fishing zone, where applicable.

Contracting Party	Cod		Redfish		American plaice		Yellowtail		Witch		Capelin		Greenland halibut		Squid (Illex) ^{2,3} Subareas 3+4
	Div. 3M	Div. 3NO*	Div. 3M	Div. 3LN	Div. 3M*	Div. 3LNO*	Div. 3LNO*	Div. 3LNO*	Div. 3NO*	Div. 3NO*	Div. 3NO*	Div. 3LNO	Div. 3LNO	Div. 3LNO	
1. Bulgaria	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500
2. Canada	47	0	650	4 686	0	0	0	0	0	0	0	3 000	-	-	N.S. ⁴
3. Cuba	222	-	2 275	1 078	-	-	-	-	-	-	0	-	-	-	2 250
4. Denmark (Faroe Islands and Greenland)	1342	-	90	-	-	-	-	-	-	-	-	-	-	-	-
5. European Union	2992	0	4 030	374	0	0	0	0	-	-	0	11 070	-	-	N.S. ⁴
6. France (St. Pierre and Miquelon)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2000
7. Iceland	-	-	90	-	-	-	-	-	-	-	-	-	-	-	-
8. Japan	-	-	520	-	-	-	-	-	-	-	0	2 050	-	-	2 250
9. Korea	-	-	90	-	-	-	-	-	-	-	0	-	-	-	2 000
10. Norway	555	-	-	-	-	-	-	-	-	-	0	-	-	-	-
11. Poland	231	-	-	-	-	-	-	-	-	-	0	-	-	-	1 000
12. Estonia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Latvia	588 ¹	0	18 005 ¹	4 796 ¹	0	-	-	-	0	0	0	-	-	-	5 000 ¹
14. Lithuania	-	-	-	-	-	-	-	-	-	-	-	2 550	-	-	-
15. Russia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16. United States of America	-	-	90	-	-	-	-	-	-	-	-	-	-	-	2000
17. Others	23	0	160	66	0	0	0	0	0	0	-	1 330 ⁶	-	-	3 000
Total Allowable Catch	6 000	*	26 000	11 000	*	*	*	*	*	*	*	20 000	-	-	150,000 ¹

¹ Quotas to be fished by vessels from Estonia, Latvia, Lithuania and the Russian Federation. The provisions of Part I, Section A.3 of the NAFO Conservation and Enforcement Measures shall apply.

² The opening date for the Squid (Illex) fishery is 1 July.

³ Any quota listed for squid may be increased by a transfer from any "coastal state" as defined in Article 1, paragraph 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.

⁴ Not specified because the allocation 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.

⁵ The TAC would remain at 150 000 tonnes subject to adjustment where warranted by scientific advice.

⁶ Of which no more than 40% (532 t) may be fished before 1 May 1997 and no more than 80% (1064 t) may be fished before 1 October 1997.

⁷ Quota of Bulgaria to be distributed among Denmark (Faroe Islands & Greenland), France (St. Pierre & Miquelon), Korea, the USA and others for 1997.

* No directed fishing - The provisions of Part I, Section A.4b) of NAFO Conservation and Enforcement Measures shall apply.

Annex 11. Closing Address by the Chairman, A. Rodin

Distinguished Heads of Delegations, Ladies and Gentlemen:

Today we are concluding the work of the 18th Annual NAFO Meeting. The situation with the NAFO fish stocks as reported to us by the NAFO Scientific Council continues to be very serious, and many stocks are in depression. Therefore, efforts of all NAFO members, as before, shall be directed towards reasonable limitations and even in some cases, towards temporary moratoria.

At the same, I wish to note the positive trends which appeared in the environmental conditions of the NAFO Convention Area, and consequently we can expect with confidence that restoration of the stocks will take place.

This optimism in me has not only been caused by the natural process but also by the hard work of this Organization in the field of conservation and restoration of fish stocks.

I believe that everything which strengthens our Organization must be supported and encouraged. We have a rich history dated from ICNAF to the present NAFO, experience and traditions which should be preserved, and we must not change them abruptly or destroy them.

We have problems, and we should not be afraid of them. Our problems can be resolved through discussions, and every position should be based on clear and, as appropriate, scientific argumentation.

Confirming our adherence to the provisions of International Law of the Sea, Kyoto Declaration, UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks and so on - we shall understand that scientific basis becomes more and more necessary in our business.

I can frankly say that we still have much work to do to develop and coordinate activities in that field of NAFO science. The number of scientific cruises is still very limited, and not all NAFO members work actively in that direction. There were cases of duplication of scientific research and that was not very rational.

We, within NAFO, should know exactly what scientific cruises are planned annually, what priorities should be set for ourselves, what means are available to us and so on. The exchange of scientific information has to be improved and should be better than at present. To this background, I believe that NAFO requires consolidated impulse to expend and coordinate scientific research in the framework of this international panel of NAFO.

Considering this issue, I am asking the delegations for their advice: Would it be appropriate to call a special NAFO meeting, next winter, to discuss the improvements in organizing scientific research work? I would appreciate if delegations could submit proposals and ideas on this problem to the Secretariat.

In conclusion, I would like to thank all the participants of our meeting for their productive and fruitful work, which clearly demonstrated that the NAFO spirit is the spirit of cooperation.

As always, and deservedly so, special thanks should be extended to the NAFO Secretariat for its well organized work and professional services to this Meeting and during the year.

Thank-you.

Annex 12. List of Decisions and Actions by the General Council (18th Annual Meeting; 09-13 September 1996)

Substantive issue (propositions/motions)	Decision/Action (GC Doc. 96/9, Part I; item)
1. Membership of the Fisheries Commission	New members - France (in respect of St. Pierre et Miquelon) and the United States of America; items 2.1-2.4
2. Participation in NAFO by two Contracting Parties - Bulgaria and Romania	The President of NAFO and NAFO Secretariat will communicate with those countries; item 2.5
3. Transparency in the NAFO decision-making process (Participation of Inter-governmental and Non-Governmental Organizations)	Agreed to proceed through study of the international practice on this issue and develop a draft paper of relevant NAFO Rules in cooperation with the Chairman of the Working Group (USA) and NAFO Secretariat; item 2.10
4. Modification of the boundaries of the NAFO statistical division (Div. 3P); GC Doc. 96/8	Adopted; item 2.13 and Annex 7
5. Kyoto Declaration and Plan of Action, 1995	Agreed on the text proposed by Canada as reply to the Government of Japan; a letter GF/96-469 was sent by the Executive Secretary to Japan on 26 Sep 96
6. UN Resolutions 50/24 and 50/25 December 1995 re the UN Agreement on straddling and highly migratory fish stocks; and on large-scale pelagic driftnet fishing	Endorsed; the Executive Secretary informed the UN Secretary in GF/96-470 of 26 Sep 96
7. Report of STACFAC to the Meeting: - New diplomatic demarches to Belize, Honduras, Panama, Sierra Leone - Intersessional Meeting of STACFAC, NAFO Headquarters, Dartmouth, Canada, February 1997 - New Chairman of STACFAC - Mr. Jean-Pierre Plé (USA)	Adopted; item 4 Agreed; signed by the President; item 4.2c) Agreed; item 4.2c) For information
8. Protocol to the NAFO Convention for a dispute settlement mechanism to deal with disputes arising from use of the objection procedure	Decided to proceed with further discussions during the year and call a meeting of a Working Group in NAFO Headquarters, Dartmouth, N.S., Canada, early 1997; item 4.6 xxv)

Substantive issue (propositions/motions)	Decision/Action (GC Doc. 96/9, Part I; item)
9. Report of STACFAD to the Meeting: - Auditors Report - Accumulated Surplus Account - Bulgaria's and Romania's collectible debt for 1996	Adopted; item 5 Adopted Agreed: to maintain on the level not less than \$75,000 Cdn Agreed: \$32,063 Cdn to write-off from the Accumulated Surplus Account
10. Budget for 1997	Adopted; \$1,006,500 Cdn
11. Annual NAFO Meeting, 1998	Agreed (on invitation by the European Union and Government of Portugal): to call the 1998 NAFO Annual Meeting in Lisbon, Portugal, 09-18 September

PART II

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

Monday, 09 September 1996 (1440-1600 hours)
 Tuesday, 10 September 1996 (1515-1800 hours)
 Wednesday, 11 September 1996 (1050-1125 hours)
 Wednesday, 11 September 1996 (1230-1240 hours)

1. Opening

The Chairperson, J. Quintal-McGrath (Canada), opened the meeting and welcomed the participants (Annex 1). She stated that STACFAD delegates had the task to maximize the operations of the NAFO organization while remaining fiscally responsible to each of their respective governments.

2. Appointment of Rapporteur

F. Keating and S. Goodick of the NAFO Secretariat were appointed Rapporteurs.

3. Adoption of Agenda

The provisional agenda was adopted as circulated to the Contracting Parties (Annex 2).

4. Auditors' Report for 1995

The Auditors' Report was circulated to the STACFAD participants for their review and comments.

The Executive Secretary informed STACFAD participants that the Auditors' Report was circulated to the Heads of Delegations in early March, 1996 and no comments had been received on the Report.

The European Union representative inquired if there were any items in the report that should be highlighted and brought to the attention of STACFAD. The chairperson replied that she had reviewed the report and noted nothing out of the ordinary from the prior year.

At this point the agenda item was deferred until the following day to give the committee time to review the report. Upon further review by members of the STACFAD committee, no issues were raised.

STACFAD recommended to the General Council that the Auditors' Report for 1995 be adopted.

5. Meeting of the Pension Society

The Executive Secretary was asked to distribute STACFAD Working Paper 96/1 Report summarizing the annual meeting of the International Fisheries Commission Society (IFCPS) held

in Washington, DC during 14-15 May 1996. The NAFO Secretariat was represented by F. Keating and S. Goodick.

The Executive Secretary informed the participants that no new financial implications to the NAFO budget came out of the Society's meeting. With regards to the Administrative Agent's contract which runs until May 1998, approximately \$6,500 has once again been included in the 1997 budget.

The Chairperson also informed STACFAD that the Government of Canada, which has supported financially and administratively the IFCPS since 1957, is looking to further privatize the operations by 1998. The cost of this further privatization will be shared amongst all of the International Fisheries Commissions and is not expected to be a major cost, but nevertheless, will be an ongoing cost to NAFO. STACFAD will be kept informed about all developments with regard to this very important issue.

6. Review of Cost Implications for the NAFO Secretariat of the Hail System in the Regulatory Area

STACFAD Working Paper 96/2 was distributed and reviewed by the committee.

The representative from Norway asked for further explanation on the Hail System.

The Executive Secretary explained that the Hail System is still a very preliminary system/pilot project. Costs as shown in the working paper, indicate costs to transmit hails via fax from NAFO Headquarters to the EU Inspection Vessel, Brussels and St. John's, and additional costs to transmit the hails once again via computer modem to Brussels and Ottawa.

The Representative from the EU inquired if the duplication of fax and datapac transmissions will continue for 1997. The Executive Secretary explained a separate Working Paper (STACTIC Working Paper 96/7) is being presented to STACTIC recommending that this practice should be discontinued and a unified automated system be developed by Contracting Parties. Eliminating the compilation of fax reports and dispatches would represent a cost-labour savings to the NAFO Secretariat of approximately 250 hours per year.

The Representative for Norway asked, if all Contracting Parties agreed with this automated system for hail reports, would the NAFO Secretariat's current computer system be able to handle it. The Executive Secretary indicated that the initial system as donated by Canada, and upgrades performed by the Secretariat, would be able to accommodate this task based on the current program.

7. Administrative Report and Financial Statements for 1996 (estimated from 31 July 1996)

The Administrative Report (NAFO GC Doc.96/4) was referred to STACFAD from the General Council and reviewed by the Committee.

The Executive Secretary noted that expenditures for 1996 are anticipated to exceed the budget by approximately \$25,000 due to unbudgeted travel costs required to attend a Special Meeting of

STACFAC held in Brussels and holding the Annual Meeting in Russia. Otherwise, all other items have been kept within or below budget, and is anticipated to remain this way for the rest of the year.

The Chairperson informed the participants that payments have been received from Cuba (1995 contribution) and from Lithuania (1995 and 1996 contributions) since the financial statements were prepared as of 31 July 1996.

The Representative from Korea informed STACFAD that payment from the Republic of Korea was sent shortly before the NAFO Annual Meeting.

The Executive Secretary also noted that attempts to contact Bulgaria and Romania from both the President of NAFO and the NAFO Secretariat, with respect to outstanding contributions, have not been successful. Romania has not participated in NAFO business or paid contributions from 1982, and Bulgaria from 1992.

Concern over possible negative impacts and other effects of this situation on the organization were raised from the Representative of Iceland. He suggested the issue be evaluated, if it has not been done in previous years, so that General Council could take further actions to resolve the situation. The Executive Secretary noted that no major implications have arisen as a result of non-participation of Contracting Parties, other than those which have already been resolved.

A schedule of outstanding contributions detailing the periods and amounts due from Bulgaria and Romania was distributed (Annex 3).

The committee felt that this delicate situation be handled as in prior years, by deeming their contributions as uncollectible and applying the amounts to the Accumulated Surplus account as shown in Statement IV of the Financial Statements. It was recommended that the NAFO Secretariat and the President of NAFO, continue its efforts in contacting both Bulgaria and Romania.

The Representative from the United States inquired on the policy of recording the Provision for Employee Termination Benefits Liability and what was the reasoning/requirement for recording approximately 2/3 of the liability. Based on the size of the Organization, would it be more practical to set up a liability for two or three employees only, and have a larger Working Capital Fund. If NAFO ever ceases to exist, it appears as if the Organization is carrying more than enough assets to cover its debt requirements, given that Contracting Parties would be held accountable in case of insufficient funds.

The Committee requested that the Executive Secretary review these accounting policies and procedures and report to STACFAD at the 1997 Annual Meeting.

The Representative from Norway questioned the Nominal Catch figures for 1994 used in Statement V of the Financial Statements (Preliminary Billing Calculation for 1997) as they did not agree with her records. The Executive Secretary noted that catch figures are used from the STATLANT reports, and when these are not available, provisional catches are used from monthly reports. If there are any discrepancies in the Nominal Catches for 1994, Contracting Parties should contact the Secretariat before the billing is sent out in early 1997.

8. Review of Accumulated Surplus Account

The Chairperson reviewed the Statement of Accumulated Surplus and it was noted that the year end balance is estimated to be \$195,437 provided that all outstanding membership contributions are received. As in past years, STACFAD recommends that \$75,000 be appropriated to maintain a *minimum* balance in this account, although, this policy will be reviewed in conjunction with other accounting policies as mentioned in Item 7 of the Agenda.

The estimated unappropriated Accumulated Surplus balance (\$123,130) at the end of 1996 will be used to reduce contributions due from Contracting Parties.

9. Preliminary Budget Estimate for the Fiscal Year Ending 31 December 1997

The Executive Secretary presented the preliminary budget estimate for 1997 (GC Working Paper 96/1). He noted that budgeted items remained consistent with the prior year, with slight increases in Communications and Publications due to increased membership.

The Representative from the United States suggested that for ease of reference, a column be added to this report showing a forecast for the remainder of the current year for comparison purposes for the following year's budget. It was noted that this addition could be done for future statements.

The Representative from the European Union suggested that the 1997 Budget may want to be increased by approximately \$5,000 to cover possible changes to the Satellite Tracking pilot project which may be recommended by STACTIC to the Fisheries Commission. The Executive Secretary stated that the project is still very preliminary and since costs are unknown, this item is better delayed at this time.

STACFAD recommends to the General Council that the budget of \$1,006,500 be adopted (Annex 4).

Preliminary calculations of the 1997 billing for Contracting Parties was reviewed by the Committee (Annex 5).

10. Preliminary Budget Forecast for the Fiscal Year Ending 31 December 1998

STACFAD noted the preliminary budget forecast of \$1,032,500 for 1998 would be reviewed in detail during the 19th Annual Meeting (Annex 6).

11. Time and Place of the 1997, 1998 and 1999 Meetings

The location of the Annual Meeting for 1997 is scheduled to be held in St. John's, Newfoundland. The location of the Annual Meetings for 1998 and 1999 will be held in the Halifax Regional Municipality area *if no invitations* to host the Annual Meetings are extended by a Contracting Party and accepted by the Organization.

The dates of the next Annual Meetings are as follows:

1997	-	Scientific Council	-	10-19 September
	-	Fisheries Commission	-	15-19 September
	-	General Council	-	15-19 September
1998	-	Scientific Council	-	09-18 September
	-	Fisheries Commission	-	14-18 September
	-	General Council	-	14-18 September

and STACFAD recommends that the dates of the 1999 Annual Meeting be as follows:

1999	-	Scientific Council	-	08-17 September
	-	Fisheries Commission	-	13-17 September
	-	General Council	-	13-17 September

12. Other Business

A discussion ensued that to further rationalize NAFO's communication expenses, it was recommended that the Secretariat would, in future, transmit its documents by either FAX or mail but not both unless there is a need to ensure that all Contracting Parties are informed of major NAFO decisions, matters, etc., at about the same time as a matter of principle. This will be done at the discretion of the Executive Secretary as well, the communication method to be used depending on the urgency of the matter. This practice will be reviewed at the 1997 Annual Meeting to ensure that the communication method is timely and effective.

13. Adjournment

The meeting adjourned on 11 September 1996 at 1240 hrs.

Annex 1. List of Participants

Name	Contracting Party
J. Quintal-McGrath	Canada
J. Lopez Piedra	Cuba
F. Kingston	European Union
A. Halldorsson	Iceland
N. Hamaguchi	Japan
S. Ahn	Korea
A. Ukis	Latvia
A. Rusakevicius	Lithuania
A. K. Veim	Norway
J. Fota	Poland
G. V. Goussev	Russia
A. Okahnov	Russia
J. McGruder	United States of America
L. Chepel	NAFO Secretariat
S. Goodick	NAFO Secretariat
F. Keating	NAFO Secretariat

Annex 2. Agenda

1. Opening by the Chairperson, J. Quintal-McGrath (Canada)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Auditors' Report
5. Meeting of the Pension Society
6. Review of Cost Implications for the NAFO Secretariat of the Hail System in the Regulatory Area
7. Administrative and Financial Statements for 1996 (July)
8. Review of Accumulated Surplus Account
9. Preliminary Budget Estimate for 1997
10. Preliminary Budget Forecast for 1998
11. Time and Place of 1999 Annual Meeting
12. Other Business including questions from the General Council
13. Adjournment

Annex 3. Schedule of Outstanding Contributions from Bulgaria and Romania

	<u>Bulgaria</u>	<u>Romania</u>
1 January - 31 December 1982		\$ 2,700.75
1 January - 31 December 1983		11,000.00
1 January - 31 December 1984		11,483.06
1 January - 31 December 1985		12,688.81
1 January - 31 December 1986		11,784.09
1 January - 31 December 1987		15,273.97
1 January - 31 December 1988		14,189.50
1 January - 31 December 1989		16,618.05
1 January - 31 December 1990		17,875.65
1 January - 31 December 1991		20,060.56
1 January - 31 December 1992		18,702.14
1 January - 31 December 1993	\$18,109.12	17,473.10
1 January - 31 December 1994	14,893.10	14,893.10
1 January - 31 December 1995	16,614.28	16,614.28
1 January - 31 December 1996	<u>15,944.93</u>	<u>15,944.93</u>
	<u>\$65,561.43</u>	<u>\$217,302.10</u>

Annex 4. Preliminary Budget Estimate for 1997

	Approved Budget for 1996	Preliminary Budget Forecast for 1997	Preliminary Budget Estimate for 1997
1. Personal Services			
a) Salaries	\$ 596,500	\$ 609,000	\$ 614,500 ^a
b) Superannuation and Annuities	85,000	87,000	86,200
c) Additional Help	500	1,000	500
d) Group Medical and Insurance Plans	41,000	41,000	42,000
e) Termination Benefits	26,000	20,000	22,000 ^b
f) Accrued Vacation Pay	1,000	1,000	1,000
g) Termination Benefits Liability	10,000	10,000	10,000
2. Travel	18,000	15,000	11,300 ^c
3. Transportation	1,000	1,000	1,000
4. Communications	62,000	63,000	67,000 ^d
5. Publications	22,000	22,000	26,000
6. Other Contractual Services	48,000	48,000	38,000
7. Materials and Supplies	30,000	30,000	32,000
8. Equipment	5,000	5,000	5,000
9. Annual General Meeting and Scientific Council	35,000	40,000	35,000 ^e
10. Computer Services	15,000	15,000	15,000
	\$ 996,000	\$1,008,000	\$1,006,500

^a This amount includes cost of living adjustments (COLA's) for 1997. Collective bargaining with the Canadian Government is to begin in early 1997 with respect to COLA's. Therefore, no COLA's will be expended until an agreement is finalized.

^b This figure is in conformity with NAFO Staff Rule 10.4(a).

^c This figure includes the Assistant Executive Secretary's attendance at the 17th Session of the CWP, Hobart, Australia, March 1997; two persons to meeting of Directors and Executive Secretaries of the seven International Commissions located in North America re discussion of pension scheme for employees, May 1997, Victoria, B.C., Canada; and the Executive Secretary and Administrative Assistant to St. John's, Newfoundland for inspection and planning of the 19th Annual Meeting facilities, Spring 1997.

^d Increase in costs due to increased membership and communication of hail reports.

^e This figure includes the cost for NAFO regular meetings - Annual Meeting, September 1997, St. John's, Nfld., Canada and the Scientific Council Meeting, June 1997, Halifax, N.S., Canada.

Annex 5. Preliminary Calculation of Billing for 1997

Preliminary calculation of billing for Contracting Parties
against the proposed estimate of \$1,006,500.00 for the 1997
financial year (based on 17 Contracting Parties to NAFO).
(Canadian Dollars)

Budget Estimate	\$1,006,500.00
Deduct: Amount from Accumulated Surplus Account.....	<u>123,130.00</u>
Funds required to meet 1997 Administrative Budget.....	<u>\$ 883,370.00</u>

60% of funds required =	\$530,022.00
30% of funds required =	265,011.00
10% of funds required =	88,337.00

Contracting Parties	Nominal Catches for 1994	% of Total Catch in the Convention Area	10%	30%	60%	Amount billed
Bulgaria	-	-	-	\$15,588.88	-	\$ 15,588.88
Canada ¹	415,836	53.32	\$54,544.75	15,588.88	\$282,626.02	352,759.65
Cuba ³	2,765	0.35	-	15,588.88	1,879.25	17,468.14
Denmark (Faroes and Greenland) ^{1,2}	103,185	13.23	13,534.66	15,588.88	70,130.45	99,253.99
Estonia	1,186	0.15	-	15,588.88	806.07	16,394.96
European Union ¹	69,608	8.93	-	15,588.88	47,309.59	62,898.48
France (St. Pierre et Miquelon)	101	0.01	13.25	15,588.88	68.65	15,670.78
Iceland	2,460	0.32	-	15,588.88	1,671.96	17,260.84
Japan ¹	4,105	0.53	-	15,588.88	2,789.99	18,378.88
Republic of Korea	-	-	-	15,588.88	-	15,588.88
Latvia	473	0.06	-	15,588.88	321.48	15,910.36
Lithuania ³	3,904	0.50	-	15,588.88	2,653.38	18,242.26
Norway ¹	12,689	1.63	-	15,588.88	8,624.17	24,213.06
Poland	-	-	-	15,588.88	-	15,588.88
Romania	-	-	-	15,588.88	-	15,588.88
Russian Federation	9,187	1.18	-	15,588.88	6,244.01	21,832.90
United States of America ¹	154,338	19.79	20,244.34	15,588.88	104,896.97	140,730.19
	779,837	100.00	\$88,337.00	\$265,011.00	\$530,022.00	<u>\$883,370.00</u>
Funds required to meet 1 January - 31 December 1997 Administrative Budget						<u>\$883,370.00</u>

¹ Provisional Statistics used when calculating 1994 nominal catches

² Faroe Islands = 10,011 metric tons
Greenland = 93,174 metric tons

³ No statistics have been received and therefore provisional statistics are based upon their 1993 nominal catches.
Contracting Parties are urgently requested to provide these figures.

Annex 6. Preliminary Budget Estimate Forecast 1998

1.	Personal Services	
	a) Salaries	\$ 626,500
	b) Superannuation and Annuities	87,000
	c) Additional Help	1,000
	d) Group Medical and Insurance Plans	43,000
	e) Termination Benefits	22,000 ^a
	f) Accrued Vacation Pay	1,000
	g) Termination Benefits Liability	10,000
2.	Travel	20,000 ^b
3.	Transportation	1,000
4.	Communications	68,000
5.	Publications	26,000
6.	Other Contractual Services	40,000
7.	Materials and Supplies	32,000
8.	Equipment	5,000
9.	Annual General Meeting and Scientific Council Meeting	35,000 ^c
10.	Computer Services	<u>15,000</u>
		<u>\$1,032,500</u>

^a This figure is for 1998 credits and conforms with NAFO Staff Rule 10.4(a).

^b This figure includes two persons to meeting of Directors and Executive Secretaries of the seven International Commissions located in North America re discussion of pension scheme for employees, May 1998; Assistant Executive Secretary attendance at the 18th Session of CWP; and home leave to Russia for Executive Secretary and family.

^c This figure includes the cost for Annual Meeting, September 1998 and the Scientific Council Meeting, June 1998, if held in the Halifax, N.S., Canada area.

PART III

Report of the Standing Committee on Fishing Activities of Non-Contracting Parties in the Regulatory Area (STACFAC)

1. Opening by the Chairman

The meeting was called to order by Frederick Wieland (EU) in the capacity of temporary Chair pending the nomination and appointment of a permanent Chair. Later in the day, the EU proposed the USA as Chair. This was seconded by Japan, and Dr. Jean-Pierre Plé took over the duties of Chair. Canada nominated Mr. Bent Buch of Greenland as Vice-Chair which was seconded by the EU.

The following Contracting Parties were present: Canada, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Norway, Poland and the USA (Annex 1).

2. Appointment of Rapporteur

Ms. Debbie Gill of Canada undertook to act as temporary rapporteur. Canada nominated Ms. Gill to continue in the capacity of rapporteur.

3. Adoption of Agenda

The Agenda was adopted as presented (Annex 2).

4. Review of 1996 information on activities of non-Contracting Party vessels in the Regulatory Area

The Representative of Canada presented a paper (STACFAC WP 96/4) on the activities of non-Contracting Party vessels in the Regulatory Area from January 1-June 30, 1996. This paper indicated that six NCP vessels had fished in the NAFO Regulatory Area during this time, and that one vessel registered in Honduras, the DANICA, had done most of the fishing. Total catches were estimated at 3,325t, of which 2,650t were 3M redfish. It was noted that there had been a decrease in the number of vessels from the same time in 1995, but that catches from these vessels still posed a significant threat to NAFO stocks.

Iceland reported that NCP vessels still fishing in the NAFO Regulatory Area were also fishing in the NEAFC Convention Area. Norway noted that NCP activity is not merely a regional problem but a global one and the decreased number of NCP vessels in the NAFO Regulatory Area likely reflected the lack of fishing opportunities.

5. Review of 1996 information on landings and transshipments of fish caught in the Regulatory Area by non-Contracting Party vessels

Canada indicated that it had no information on landings. The Chair encouraged other representatives to provide information on landings in their respective Contracting Parties.

In May, the EU reported on landings by non-Contracting Parties in EU ports in 1995 was 3,850t, mostly cod delivered to Portugal by Sierra Leone vessels.

6. Review of information on imports by Contracting Parties of groundfish species regulated by NAFO from non-Contracting Parties whose vessels have fished in the Regulatory Area

Contracting Parties reported that there was no additional information on imports of groundfish species provided since the intersessional STACFAC meeting of May 1996. In May, Japan reported that 5 species, totalling 700t, had been imported from NCPs in 1995.

7. Reports by Contracting Parties on diplomatic contacts with non-Contracting Party Governments concerning fishing by their vessels in the Regulatory Area

The Chair noted that diplomatic demarches were sent to NCP governments whose vessels fished in the NAFO Regulatory Area in 1995. It was noted that New Zealand had responded and that no further activity had occurred by vessels registered in New Zealand since the response to the diplomatic demarche. Responses were not received from the other NCP governments.

The USA noted that on August 21, 1996 it had deposited its instrument of ratification to the United Nations Agreement for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks and had sent demarches worldwide encouraging other States to ratify this Agreement.

8/9. Examination of options open to Contracting Parties and the General Council to deter activities by non-Contracting Parties in the Regulatory Area including recommendations/deliberations from the Special STACFAC Meeting in Brussels (May 1996)

This item was discussed together with Agenda item 9 "Consideration of steps to deter reflagging of Contracting Party vessels for the purpose of fishing contrary to NAFO conservation and management decisions." Two discussion papers were presented within STACFAC outlining possible methods for dealing with NCP activity. Because of the complexity of these discussions and the lack of adequate time to review the issues in detail it was determined by the parties present that at least one intersessional meeting would be required to further discussion in this area. Contracting Parties agreed that the best time for an initial intersessional meeting would be in February 1997 at a place to be determined later. The framework of the initial intersessional meeting would be to consider the grounds, procedures and measures for a NAFO scheme to address NCP fishing in the NAFO Regulatory Area, with a view to developing such a scheme. If needed, the second intersessional meeting would continue the work to produce such a proposal, which could be adopted at the 19th Annual Meeting. A proposal was received to invite an expert from the World Trade Organization (WTO) to attend the next meeting of STACFAC to give a presentation; subsequent discussions failed to achieve consensus on this specific point.

10. Report and Recommendations to the General Council

Reference was made to GF/96-436, the outstanding STACFAC Report of the May 1996, intersessional meeting which was prepared by the NAFO Secretariat. The EU rapporteur for the May meeting provided a revised draft report during the week. Pending final comments from the

Contracting Parties present, the Chair undertook to provide this report in final form to the NAFO Secretariat.

The STACFAC recommends to the General Council that:

1. Demarches, in the form of letters signed by the President of NAFO, be made to the flag states from which non-Contracting Party vessels fished in the NAFO Regulatory Area in 1996, namely; Belize, Honduras, Panama and Sierra Leone, in an effort to discourage vessels from these states *from fishing* in the NAFO Regulatory Area (Annexes 3,4,5 and 6).
2. At least one intersessional meeting be held in 1997 prior to the next NAFO Annual Meeting in an effort to discuss further possible actions to deal with fishing vessels from non-Contracting Parties fishing in the NAFO Regulatory Area. STACFAC determined that the best time for the initial meeting would be in February 1997. The framework of the initial intersessional meeting would be to consider the grounds, procedures and measures for a NAFO scheme to address NCP fishing in the NAFO Regulatory Area, with a view to developing such a scheme. If needed, the second intersessional meeting would continue the work to produce such a proposal, which could be adopted at the 19th Annual Meeting.

In the absence of an offer of a Contracting Party to serve as host for such meeting(s), the site would be at the NAFO Secretariat, in Dartmouth, N.S., Canada.

11. Election of Chairman and Vice-Chairman

This issue was dealt with at the commencement of the meeting due to the immediate need for such Chairs as reported under item 1.

12. Other Matters

No other matters were raised.

13. Adjournment

The formal session of STACFAC adjourned at 1800 hours, Wednesday, September 11.

Annex 1. List of Participants

Contracting Party	Name
Canada	E. Mundell A. Donohue D. Gill
Denmark (in respect of Faroe Islands and Greenland)	B. Buch J. H. Pedersen O. A. Petersen
Estonia	V. Ruul
European Union	F. Wieland P. Heller J. Carbery M. Rouine V. Cody T. Kruse G. Conrad C. Dominguez J. F. Gilon E. Monteiro H. Figueiredo C. Gomes
France (in respect of St. Pierre and Miquelon)	G. Grignon D. Silvestre
Iceland	T. H. Heidar K. Skarphedinsson
Japan	A. Mae
Norway	P. Gullestad B. Angell-Hansen
Poland	A. Kiedrzn
USA	G. Martin M. Testa J-P. Plé

Annex 2. Agenda

1. Opening by the Chairman
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Review of 1996 information on activities of non-Contracting Party vessels in the Regulatory Area
5. Review of 1996 information on landings and transshipments of fish caught in the Regulatory Area by non-Contracting Party vessels
6. Review of information on imports by Contracting Parties of groundfish species regulated by NAFO from non-Contracting Parties whose vessels have fished in the Regulatory Area
7. Reports by Contracting Parties on diplomatic contacts with non-Contracting Party Governments concerning fishing by their vessels in the Regulatory Area
8. Examination of options open to Contracting Parties and the General Council to deter activities by non-Contracting Parties in the Regulatory Area including recommendations/deliberations from the Special STACFAC Meeting in Brussels (May 1996)
9. Consideration of steps to deter reflagging of Contracting Party vessels for the purpose of fishing contrary to NAFO conservation and management decisions
10. Report and Recommendations to the General Council
11. Election of Chairman and Vice-Chairman
12. Other Matters
13. Adjournment

Annex 3. Proposed letter to the Government of Belize

The Honourable _____
Minister of Foreign Affairs
Belize

Dear Mr. Minister:

Further to my letter of September 1995, I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 18th Annual Meeting to raise again at the highest level their concern about fishing activity by vessels flying your flag in the NAFO Regulatory Area.

NAFO was established in 1979 inter alia to implement the obligations of States under international law regarding conservation and management of fishery resources in the Northwest Atlantic beyond the areas in which coastal States exercise fisheries jurisdiction, referred to as the "Regulatory Area" of NAFO.

The Contracting Parties to NAFO have made very substantial reductions in their permitted catches and introduced moratoria for the most severely depleted stocks. The fishing interests of the Contracting Parties of NAFO have thus made sacrifices in order to sustain resources for the future. They therefore expect that Non-Contracting Parties will respect their actions and not undermine them.

The Contracting Parties are deeply concerned that Non-Contracting Parties permitting vessels flying their flags to fish in the NAFO Regulatory Area do not comply with their obligations to cooperate in conservation and management and that such vessels have continued to be present in the NAFO Regulatory Area fishing on resources which are at historically depleted and critical levels. The "Ocean", registered in Belize, has been observed fishing in the area in 1996 to the severe detriment of critical resources.

The Government of Belize has stated that it does not wish to undermine the effectiveness of NAFO's conservation and management regime. The Contracting Parties to NAFO have collectively and individually taken diplomatic initiatives to urge States which do not cooperate with NAFO to withdraw their vessels from the Regulatory Area. Several States have already complied. NAFO again urges the Government of Belize to withdraw its vessel and to take effective measures to prevent its return to the Regulatory Area. There is real urgency for the immediate withdrawal of this vessel given the critical state of many of the NAFO-managed fish stocks.

The Contracting Parties to NAFO draw the attention of the Government of Belize to the FAO's Compliance Agreement, adopted unanimously at the November 1993 meeting of the FAO Council, and the Agreement for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, adopted unanimously at the August 1995 session of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks. The FAO Compliance Agreement lays down legal conditions for the regulation of High Seas fishing by flag States. The UN Agreement sets forth the principles and measures for the regulation of high seas

fishing by flag States and the conservation and management of straddling fish stocks and highly migratory fish stocks. These Agreements provide a suitable basis on which the Government of Belize could prevent its vessels from fishing in the NAFO Regulatory Area, undermining the conservation measures applied by NAFO Contracting Parties.

On behalf of the Contracting Parties to NAFO present at its 18th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council

Annex 4. Proposed letter to the Government of Honduras

The Honourable _____
Minister of External Relations
Honduras

Dear Mr. Minister:

Further to my letter of September 1995, I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 18th Annual Meeting to raise again at the highest level their concern about fishing activity by vessels flying your flag in the NAFO Regulatory Area.

NAFO was established in 1979 inter alia to implement the obligations of States under international law regarding conservation and management of fishery resources in the Northwest Atlantic beyond the areas in which coastal States exercise fisheries jurisdiction, referred to as the "Regulatory Area" of NAFO.

The Contracting Parties to NAFO have made very substantial reductions in their permitted catches and introduced moratoria for the most severely depleted stocks. The fishing interests of the Contracting Parties of NAFO have thus made sacrifices in order to sustain resources for the future. They therefore expect that Non-Contracting Parties will respect their actions and not undermine them.

The Contracting Parties are deeply concerned that Non-Contracting Parties permitting vessels flying their flags to fish in the NAFO Regulatory Area do not comply with their obligations to cooperate in conservation and management and that such vessels have continued to be present in the NAFO Regulatory Area fishing on resources which are at historically depleted and critical levels. The "Danica", registered in Honduras, has again been observed fishing in the area to the severe detriment of critical resources.

The Government of Honduras has stated that it does not wish to undermine the effectiveness of NAFO's conservation and management regime. The Contracting Parties to NAFO have collectively and individually taken diplomatic initiatives to urge States which do not cooperate with NAFO to withdraw their vessels from the Regulatory Area. Several States have already complied. NAFO again urges the Government of Honduras to withdraw its vessel forthwith and to take effective measures to prevent their return to the Regulatory Area. There is real urgency for the immediate withdrawal of this vessel given the critical state of many of the NAFO-managed fish stocks.

The Contracting Parties to NAFO draw the attention of the Government of Honduras to the FAO's Compliance Agreement, adopted unanimously at the November 1993 meeting of the FAO Council, and the Agreement for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, adopted unanimously at the August 1995 session of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks. These Agreements establish the general principles for the regulation of high seas fishing by flag States and the conservation and management of straddling fish stocks and highly migratory fish stocks,

and provide a suitable basis on which the Government of Honduras could prevent its vessel from fishing in the NAFO Regulatory Area, undermining the conservation measures applied by NAFO Contracting Parties.

On behalf of the Contracting Parties to NAFO present at its 18th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council

Annex 5. Proposed letter to the Government of Sierra Leone

The Honourable _____
Secretary of State
Sierra Leone

Dear Mr. Minister:

Further to my letter of September 1995, I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 18th Annual Meeting to raise again at the highest level their concern about fishing activity by vessels flying your flag in the NAFO Regulatory Area.

NAFO was established in 1979 inter alia to implement the obligations of States under international law regarding conservation and management of fishery resources in the Northwest Atlantic beyond the areas in which coastal States exercise fisheries jurisdiction, referred to as the "Regulatory Area" of NAFO.

The Contracting Parties to NAFO have made very substantial reductions in their permitted catches and introduced moratoria for the most severely depleted stocks. The fishing interests of the Contracting Parties of NAFO have thus made sacrifices in order to sustain resources for the future. They therefore expect that Non-Contracting Parties will respect their actions and not undermine them.

The Contracting Parties are deeply concerned that Non-Contracting Parties permitting vessels flying their flags to fish in the NAFO Regulatory Area do not comply with their obligations to cooperate in conservation and management and that such vessels have continued to be present in the NAFO Regulatory Area fishing on resources which are at historically depleted and critical levels.

The "Leone", registered in Sierra Leone, has again been observed fishing in the area to the severe detriment of critical resources. In addition, the "High Sierra" and "Porto Santo", also registered in Sierra Leone, were observed fishing in the area.

The Government of Sierra Leone has stated that it does not wish to undermine the effectiveness of NAFO's conservation and management regime. The Contracting Parties to NAFO have collectively and individually taken diplomatic initiatives to urge States which do not cooperate with NAFO to withdraw their vessels from the Regulatory Area. Several States have already complied. NAFO again urges the Government of Sierra Leone to withdraw its vessels and to take effective measures to prevent their return to the Regulatory Area. There is real urgency for the immediate withdrawal of these vessels given the critical state of many of the NAFO-managed fish stocks.

The Contracting Parties to NAFO draw the attention of the Government of Sierra Leone to the FAO's Compliance Agreement, adopted unanimously at the November 1993 meeting of the FAO Council, and the Agreement for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, adopted unanimously at the August 1995 session of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks. These Agreements establish the general principles for the regulation of high seas fishing by flag States and the conservation and management of straddling fish stocks and highly migratory fish stocks, and provide a suitable basis on which the Government of Sierra Leone could prevent its vessels from fishing in the NAFO Regulatory Area, undermining the conservation measures applied by NAFO Contracting Parties.

On behalf of the Contracting Parties to NAFO present at its 18th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council

Annex 6. Proposed letter to the Government of Panama

The Honourable _____
title
Panama

Dear Mr. Minister:

I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 18th Annual Meeting to raise again at the highest level their concern about fishing activity by vessels flying your flag in the NAFO Regulatory Area.

NAFO was established in 1979 inter alia to implement the obligations of States under international law regarding conservation and management of fishery resources in the Northwest Atlantic beyond the areas in which coastal States exercise fisheries jurisdiction, referred to as the "Regulatory Area" of NAFO.

The Contracting Parties to NAFO have made very substantial reductions in their permitted catches and introduced moratoria for the most severely depleted stocks. The fishing interests of the Contracting Parties of NAFO have thus made sacrifices in order to sustain resources for the future. They therefore expect that Non-Contracting Parties will respect their actions and not undermine them.

The Contracting Parties are deeply concerned that Non-Contracting Parties permitting vessels flying their flags to fish in the NAFO Regulatory Area do not comply with their obligations to cooperate in conservation and management and that such vessels have continued to be present in the NAFO Regulatory Area fishing on resources which are at historically depleted and critical levels. The "Leone III", registered in Panama, has again been observed fishing in the area to the severe detriment of critical resources.

The Contracting Parties to NAFO have collectively and individually taken diplomatic initiatives to urge States which do not cooperate with NAFO to withdraw their vessels from the Regulatory Area. Several States have already complied. NAFO again urges the Government of Panama to withdraw its vessels and to take effective measures to prevent its return to the Regulatory Area. There is real urgency for the immediate withdrawal of this vessel given the critical state of many of the NAFO-managed fish stocks.

The Contracting Parties to NAFO draw the attention of the Government of Panama to the FAO's Compliance Agreement, adopted unanimously at the November 1993 meeting of the FAO Council, and the Agreement for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, adopted unanimously at the August 1995 session of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks. These Agreements establish the general principles for the regulation of high seas fishing by flag States and the conservation and management of straddling fish stocks and highly migratory fish stocks, and provide a suitable basis on which the Government of Panama could prevent its vessels from fishing in the NAFO Regulatory Area, undermining the conservation measures applied by NAFO Contracting Parties.

On behalf of the Contracting Parties to NAFO present at its 18th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council