

Have agreed as follows:

ARTICLE I

The two Parties undertake to ensure close cooperation in matters pertaining to the conservation and utilization of the living resources of the sea. They shall take appropriate measures to facilitate such cooperation and shall continue to consult and cooperate in international negotiations and organizations with a view to achieving fisheries objectives.

ARTICLE II

1. The Government of Canada undertakes to permit Faroese vessels to fish within the area under Canadian fishing jurisdiction beyond the limits of the Canadian territorial sea and fishing zones off the Atlantic coast as established prior to January 1, 1977, for allotments, as appropriate, of parts of total allowable catches surplus to Canadian harvesting capacity, in accordance with the provisions of paragraphs 2 and 3 of this Article.

2. (a) In the exercise of its sovereign rights in respect to the living resources in the sea referred to in paragraph 1, the Government of Canada shall determine annually, subject to adjustment when necessary to meet unforeseen circumstances;

- (i) the total allowable catch for individual stocks or complexes of stocks, taking into account the interdependence of stocks, internationally accepted criteria, and all other relevant factors;
- (ii) the Canadian harvesting capacity in respect of such stocks; and
- (iii) after appropriate consultations, allotments, as appropriate, for Faroese vessels of parts of surpluses of stocks or complexes of stocks.

(b) The Government of Canada undertakes to notify the appropriate authorities of the Kingdom of Denmark of the allotments referred to in sub-paragraph (a) (iii) and the relevant determinations referred to in sub-paragraph (a) (i) and (ii) as far in advance as possible of the fishing season to which they apply.

3. To fish for allotments pursuant to the provisions of paragraphs 1 and 2, Faroese vessels shall obtain licences from the competent authorities of the Government of Canada. They shall comply with the conservation measures and other terms and conditions established by the Government of Canada and shall be subject to the laws and regulations of Canada in respect of fisheries.

4. Furthermore, Faroese fishing vessels may continue to fish for porbeagle shark by longline in that part of Zone 1 (Gulf of St. Lawrence) of the fishing zones of Canada defined in the chart annexed hereto, on the same conditions as before January 1, 1975, save only that such continued fishing shall be on the basis of a licence or licences to be issued by the Canadian authorities and may be terminated by the Canadian authorities upon not less than one year's notice in writing prior to the conclusion of any two year period following January 1, 1979.