

I wish to welcome Ambassador Cutler and his delegation to Ottawa for this important meeting in our efforts to negotiate a long-term agreement on maritime boundaries and related resource issues. Our task has been made more urgent as a result of the suspension of the provisional implementation of the 1978 Interim Reciprocal Fisheries Agreement. While Canada took this decision with great reluctance nearly three weeks ago on June 2, both sides now have had an opportunity to reflect on the value to both countries of maintaining a reciprocal fishing relationship, and on the pressing need for a comprehensive agreement which includes institutional mechanisms for interpreting the agreement and for the settlement of differences.

On the Canadian side, we are prepared to devote as much time and energy as is required to develop a satisfactory framework for our future fisheries relations. In order to obtain the support of the fishing communities, the provinces, the states and the legislatures in both countries, an agreement must be fair and balanced and be seen to be fair and balanced: neither side can hope to attain the sum total of the objectives of all local and regional interests. Indeed, I believe our job as Special Negotiators is to determine our respective priority objectives and to try to achieve them in a manner which enhances the prospects for mutual acceptability.

I believe that in our negotiations from August

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last year up to the present, the two sides have made considerable progress towards an overall settlement. Nevertheless, a number of difficult issues remain to be resolved. In this new phase following the suspension of the Interim Agreement, we must now move forward as rapidly as possible on three fronts:

- 2 -

- Firstly, we must agree on percentage allocations for a number of important fish stocks on the east coast, and on the west coast we must develop the terms and conditions relating to the conduct of reciprocal fishing;
- 2) We must close the gap between our respective maritime boundary positions in the Gulf of Maine/Georges Bank area, off Juan de Fuca, in the Dixon Entrance area, and in the Beaufort Sea; and
- 3) While we pursue our efforts towards a comprehensive agreement, we must find the best means of promoting cooperation in our fisheries relations until such time as a permanent agreement can come into force.

With respect to the detailed fisheries issues, it would be useful to have Atlantic and Pacific working groups meet to review where we stood when we adjourned negotiations last March. These groups should also discuss any new ideas which can help to narrow the divergence between our respective

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positions. I would suggest that these working groups concentrate on the key issues, setting aside for the moment less important questions. On the Atlantic, I believe that we have reached agreement on the management regimes that would apply to all stocks with the exception of Georges Bank lobster and herring. As to entitlements, the most important differences concern Georges Bank scallops (particularly in the middle area), herring, cod and haddock, Canadian entitlements for Gulf of Maine herring and lolligo squid off New England, U.S. entitlements for Nova Scotia groundfish, including redfish, and the access and sharing questions with respect to transboundary stocks of mackerel and pollock.

- 3 -

On the Pacific, we should review again where we stand with respect to halibut and groundfish and the question of herring off Juan de Fuca.

When these working groups have finished their review, the Chief Negotiators could consider the extent to which the gaps can be narrowed or eliminated.

In the meantime, while our fisheries working groups are conducting their review, a drafting team could get together to discuss the structure and outline of the comprehensive treaty we hope to conclude. Later I would hope that this drafting group could also have the benefit of input from advisors on some of the outstanding issues such as management standards and the treatment of surplus, so

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they can take this into account in their work programme.

8. Before we conclude this session of meetings, we might wish to exchange views on future arrangements, pending the coming into force of an eventual permanent agreement. But this should await the results of our efforts to resolve the key fisheries issues. We could then consider whether it might be possible to take any agreed positions, "building blocks" if you will, and see if they can be put together in a structure designed to act as a bridge to the permanent agreement.

9. With only a short period of time available to us here in Ottawa this week, we must make every effort to make full use of it in the most effective way. For our part, I can assure you that I and my colleagues will do our best to move forward towards what remains our clear objective: conclusion of a mutually acceptable, fair and balanced comprehensive maritime boundaries and long-term fisheries agreement.

- 30 -