INTERNATIONAL NORTH PACIFIC FISHERIES COMMISSION
First Meeting
Washington, D. C. - February 1, 1954

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SUMMARY MINUTES
THIRD MEETING
STANDING COMMITTEE ON FINANCE AND ADMINISTRATION
(February 9, 1954 - 9:00 a.m.)
The Committee examined the minutes for its first two sessions. The Chairman suggested that the minutes for the first session be corrected so as to provide for the Chairman to serve a term of one year and to be elected at the end of each annual meeting.

The Canadian Delegation suggested some corrections in the comments attributed to it concerning the fiscal years of the several international fisheries commissions. The Technical Secretary was instructed to make such changes.

The Japanese Delegation felt that the minutes did not correctly state its position with respect to fiscal years and requested permission to submit a summary of its position for inclusion in the revised minutes. This was agreed to, and further consideration of the minutes was postponed until a meeting of the Committee on February 10.

The Committee then reviewed the draft financial regulations discussed at the second session and tentatively accepted Regulation 1.1 as it appears in Doc. 3, and Regulations 2.2 to and including 3.6 as they appear in the minutes of the second session (FA/2).

During the discussion of Regulation 3.7, which had been examined during the Committee's second session, it was pointed out that it appeared desirable to strike the words "and shall be recommended to the Contracting Parties for approval" and treat the recommendation in a separate regulation which would also deal with the currency in which the budget should be submitted to the Contracting Parties and the action which would be taken in the event the budget were disapproved by any of the Contracting Parties. After some discussion of the need for the latter two provisions, it was agreed that they should be included in the Financial Regulations, and the Technical Secretary was asked to present a new draft regulation to guide the Commission on this matter.

There followed some discussion on the question of supplementary estimates and the manner in which they should be presented and adopted, and it was agreed that a new regulation would be necessary. The Technical Secretary was asked to prepare a new draft for consideration.
Regulation 4.1 was amended, and, as agreed to tenta­tively, reads:

"The appropriations voted by the Commission shall constitute, after approval of the budget by the three Contracting Parties, an authorization to the Executive Director to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amount so voted."

Regulation 4.2 was tentatively agreed to without change and reads:

"Appropriations shall be available for obligation during the financial year to which they relate."

Regulation 4.3 was agreed to without change and reads:

"Appropriations shall remain available for twelve months following the end of the financial year to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial year and to liquidate any other outstanding legal obligation of the year. The balance of the appropriations shall be surrendered in accordance with Regulation 5.2 (c)."

Regulation 4.4 was agreed to without change and reads:

"At the end of the twelve-month period provided in Regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered in accordance with Regulation 5.2 (c). Any unliquidated prior year obligations shall at the time be cancelled, or, where the obligation remains a valid charge, transferred as an obligation against current appropriations."
Regulation 4.5 was accepted without change and reads:

"No transfer between appropriation sections may be made without authorization by the Commission."

Regulation 5.1

The last sentence of this regulation, as it appears in Doc. 3, was deleted. The regulation, as tentatively agreed to, reads:

"The appropriations, subject to the adjustments effected in accordance with the provisions of Regulation 5.2 shall be financed by contributions from the Contracting Parties in accordance with the provisions of Article II, paragraph 11 of the International Convention for the High Seas Fisheries of the North Pacific Ocean."

Regulation 5.2 was agreed to tentatively with one amendment and reads:

"In the assessment of the contributions of Contracting Parties, adjustments shall be made to amounts of the appropriations approved by the Commission and the three Contracting Parties for the following financial year in respect of:

(a) Supplementary appropriations for which contributions have not previously been assessed on the Contracting Parties;

(b) Miscellaneous income for which credits have not previously been taken into account, and any adjustments in estimated miscellaneous income previously taken into account;

(c) Any balance of the appropriations surrendered under Regulations 4.3 and 4.4."
The Committee wished recorded its thinking that in the assessment of contributions pursuant to Regulation 5.2, downward adjustments made to the amounts of appropriations approved should be based on cash-on-hand rather than on monies expected during the year.

Regulation 5.3 was tentatively adopted with several amendments, and as agreed to, reads:

"After the Commission has adopted the budget, the Secretary shall:

(a) Transmit the relevant documents to the Contracting Parties;
(b) Inform the Contracting Parties of their assessments in respect of annual contributions;
(c) Request them to approve the budget and remit their contributions."

Considerable discussion attended the adoption of Regulation 5.3, and a number of procedural difficulties was foreseen. One problem stemmed from the provision of Article II, Section 11 of the Convention, which requires that budgets adopted by the Commission be approved by the Contracting Parties. Because of the fact that there were two separate fiscal years among the three Contracting Parties, and because approval of the budget in the United States required legislative action by the Congress, it was possible, even probable, that in many years, both Canada and Japan would find themselves asking their legislatures for funds for a budget which had not been approved by the three Contracting Parties. Another problem was the possibility that two Contracting Parties might make contributions to the Commission, and then find that the third was unable to approve the budget.

After some discussion, it appeared that, with regard to the first problem, the Committee would have to accept the fact that both Canada and Japan would be asking their respective legislatures for funds before the United States had approved the budget. The Canadian Delegation agreed to this procedure. The Japanese Delegation agreed to it with the understanding that provision would be made for
an adjustment of assessments if the United States Government in acting upon the budget, reduced the amount which it would contribute. This the Committee understood to be a matter of course.

In connection with the second problem, the solution appeared to be to arrange for payment of national contributions in semi-annual installments. Following this procedure, if Canada and Japan appropriated and paid to the Commission half of their contributions at the beginning of the fiscal year, and the United States was obliged to reduce its contribution, appropriate reductions could be made to the Japanese and Canadian contributions in the payment of the second installment. The Committee adopted these solutions tentatively and asked that a revised draft of Regulation 5.4 be written to provide for the payment of contributions in semi-annual installments.

The Committee then discussed the question of how the communications pursuant to Regulation 5.3 would be sent to the Contracting Parties after this meeting of the Commission. It was suggested that the Chairman might be authorized to sign the documents in the place of the Secretary, who is absent, and the Committee agreed to recommend to the Commission that following Rule 14 (h) of the Rules of Procedure, it authorize the Chairman to communicate with the Contracting Parties pursuant to Regulation 5.3, with respect to the Commission's first budget.

The Committee adjourned at 12:00 to meet again at 2:45 p.m.

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