

Third United Nations Conference on the Law of the Sea

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Letter dated 7 February 1975 from the representative of Turkey to the Special Representative of the Secretary-General

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of compensation must be decided beforehand for proper administration of the arrangement. In any event, the matter would appear to call for consideration in the context of the negotiations leading to a new law of the sea convention and taking account of the relevant provisions of the Declaration of Principles contained in General Assembly resolution 2749 (XXV).

32. Borrowing from the experience of the European Economic Community, one viable alternative would be to have the industrial consuming countries contribute to a fund which would be used by the Authority for compensation to those developing countries affected. The contribution of industrial consuming countries could be based on a proportion of a decrease in metal prices from levels prevailing before supplies from nodules reached the markets. The amounts involved for cobalt, manganese and nickel would not be very large, particularly if compensation were to be paid for a fixed period of time to permit the necessary readjustments in the economies of developing country producers.

33. As regards the question of administration of compensation, the calculation of "losses" justifying compensation is by no means a simple task. The price of minerals may fall due to reasons other than the supply from nodules, as in the case of copper which fell from a high of \$US 1.50/lb in April 1974 to \$US 0.62/lb by December 1974 as a result of a serious recession in industrial countries. A decline in the price of minerals may also be partly due to nodule mining within national jurisdiction. For example, one nodule operation of 3 million tons/year mining the cobalt-rich deposits in the vicinity of French Polynesia could supply some 45,000 tons of cobalt, which amounts to twice the present world production of this metal.

III. Conclusion

34. Studies carried out over the years have concluded that sea-bed mining is likely to affect some land producers of minerals. The many unknowns affecting the future volume of mineral production from nodules and the response of mineral markets to this additional source of supply explain why these studies vary in their conclusions as to the degree in which the four major minerals are likely to be affected. The question, therefore, is not whether

mineral markets will be affected by competition from nodules, but how soon, to what extent and by how much.

35. There is general agreement among experts that: (a) cobalt prices would be affected within a few years from the start of commercial operations; (b) manganese exports from developing countries could be affected within the first decade of operations of the industry if manganese recovery from nodules proved to be economical; (c) the projected steady rise in nickel prices could be stopped and probably reversed by the late 1980s under moderate to rapid rates of expansion of nodule mining; (d) an impact on copper prices might be possible in the more distant future if nodule mining were to expand at rates considerably higher than are foreseen at present; and (e) the exploitation of resources of the area will yield a net balance of benefits to the international community as a whole, and in particular to countries possessing nodule technology, to the major recipients of revenues from the Authority, and to some extent to mineral importing countries.

36. The proper use of policy instruments, such as those reviewed above in order to implement a broad strategy for nodule exploitation will be a rather complex task and it would accordingly seem desirable to consider means to provide the Authority with advice on which it could rely. This could include a review of factors affecting supply, demand and prices of minerals obtainable from the area and recommendations on a long-term plan for resource exploitation, including the measures necessary for its implementation. Among other things, such advice could cover:

(a) Schedules of the extent of the area or the volume of its resources which would be made available for exploitation;

(b) Guidelines regarding the size and composition of the take of the Authority to be negotiated in legal arrangements entered into with third parties for resource exploitation;

(c) Conditions for or limitations on the recovery of some of the minerals contained in sea-bed resources;

(d) Organization of and participation in international commodity arrangements for the stabilization of mineral prices at just and remunerative prices;

(e) Schedules of compensatory payments to be made to developing countries whose economies are adversely affected by resource exploitation.

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Letter dated 7 February 1975 from the representative of Turkey to the Special Representative of the Secretary-General

*[Original: English]
[18 February 1975]*

I have the honour to enclose herewith the text of a note dated 6 February 1975 from the Ministry of Foreign Affairs of Turkey to the Embassy of the Republic of Greece in Ankara regarding the Greek Government's proposal to take the dispute in the Aegean Sea to the International Court of Justice at The Hague.

It has been the consistent belief of the Turkish Government that disputes in areas with special characteristics, such as semi-enclosed and enclosed seas, should as a matter of principle be resolved by mutual agreement of the States of the area. It is with the conviction that this search by the two Governments for a settlement in the Aegean Sea

constitutes an example in support of the above-mentioned principle that Turkey has responded to the proposal by Greece. Turkey furthermore hopes that the Third United Nations Conference on the Law of the Sea will take due note of this development when considering the norms to be applied in areas with special characteristics.

I have the honour to request that this letter be circulated as an official document of the Third United Nations Conference on the Law of the Sea.

(Signed) Osman OLCAY
Permanent Representative of Turkey
to the United Nations

Note dated 6 February 1975 from the Ministry of Foreign Affairs of Turkey addressed to the Embassy of the Republic of Greece in Ankara

The Ministry of Foreign Affairs presents its compliments to the Embassy of Greece and, with reference to its note No. 6242.4/53/AS.293, of 27 January 1975 regarding the delimitation of the continental shelf in the Aegean Sea, has the honour to set forth the view of the Turkish Government for transmission to the Greek Government as follows.

The Ministry of Foreign Affairs welcomes the spirit of conciliation of Greece regarding its proposal to settle the dispute on the delimitation of the Aegean continental shelf through peaceful means.

It is the considered view of the Turkish Government that various vital questions concerning the Aegean Sea are still outstanding between Greece and Turkey and should be resolved through peaceful means. As Turkey and Greece are

compelled to be friendly and co-operative by virtue of geography and mutual interests, there seems to be no other alternative but to settle their disputes through negotiation.

Animated with this spirit, and in view of the special geographic structure of the Aegean Sea, wherein both countries are confronted with the issues yet to be settled, *inter alia* the breadth of the territorial seas in the Aegean and the use of its space, the Turkish Government hopes that the Government of Greece will agree as a matter of priority to enter into negotiations with the Government of the Republic of Turkey on the question of the Aegean continental shelf with a view to arriving at a mutually acceptable and satisfactory solution.

Indeed, Turkey had proposed on various occasions the initiation of negotiations between the two countries with the aim of solving the differences concerning the Aegean continental shelf peacefully, in a just and equitable manner. It should be noted regretfully that these Turkish proposals were not met by Greece and negotiations were thus prevented. There is no doubt that meaningful negotiations constitute a basic method for the settlement of international disputes. In view of the fact that such negotiations have not yet taken place, the issues relating to the disputes have neither been fully identified nor elucidated.

However, in principle the Turkish Government favourably considers the Greek Government's proposal to refer the dispute over the delimitation of the Aegean continental shelf jointly to the International Court of Justice. To this effect and to elaborate the terms under which the matter shall be referred to the Court, Turkey proposes high-level talks to be initiated between the two Governments. The Turkish Government is of the opinion that these talks should be held at the ministerial level.

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Letter dated 12 February 1975 from the representative of France to the Secretary-General

(Original: French)
[18 February 1975]

I have the honour to refer to the notes by which the Secretariat periodically advises Member States of the decisions taken by certain States extending the breadth of their territorial waters beyond 12 nautical miles.

The French Government believes that it is most regrettable that such measures should be taken at a time when the Third United Nations Conference on the Law of the Sea is seeking to propose to States the adoption of rules which take into account the interests of all States.

Furthermore, both at the bilateral level and in connexion with the work undertaken under the auspices of the United Nations to reform the law of the sea, the French Government has had occasion to indicate that in its opinion the maximum limit of 12 miles marking the breadth of territorial waters represented the best possible compromise between the interests of the international community and those of the coastal State, it being understood that the latter could exercise, beyond that limit, specific and wide-ranging economic prerogatives.

Under these circumstances, while it feels duty-bound to recall that it fully reserves its rights and those of its nationals with respect to vessels flying its flag and to aircraft registered in its territory, in connexion with the above-mentioned unilateral decisions, the French Government hopes that the Third United Nations Conference on the Law of the Sea, which is to continue its work at Geneva from 17 March to 10 May 1975, will make it possible to find a universally acceptable solution to the problem of the breadth of territorial waters.

I should be grateful if you would have this note circulated to the permanent missions of States Members of the United Nations.

(Signed) Jacques LÉCOMPT
Deputy Permanent Representative of France
to the United Nations