

Third United Nations Conference on the Law of the Sea

1973-1982

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20th meeting of the First Committee

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ensure that the sea-bed was explored and exploited methodically and rationally and for the benefit of all mankind.

24. His Government considered that the institution to be established should represent all groups of interests and that the Authority's machinery should give it the widest latitude to decide what types of arrangement it would use. For that reason his Government was willing to support a "dualist" formula under which the Authority could explore and exploit the area itself, if it had the necessary financial and technical means, but could also conclude various types of contract with States or juridical persons undertaking exploration and exploitation on its behalf.

25. His delegation wished to take the opportunity to bring to the attention of the Committee a development which caused it concern. Some weeks previously his Government had received a notification from a United States company, Deepsea Ventures Inc., to the effect that it was claiming the exclusive right to exploit a sector of 60,000 square kilometres of sea-bed in the Pacific for 15 years. Subsequently the area of the sector exploited would be reduced to 30,000 square kilometres for an indefinite period. The company was clearly intending to establish for its own benefit a kind of priority right vis-à-vis the future International Authority and anyone who might wish to exploit that sector before the Authority's rights were duly recognized. The company had sent a similar notification to a number of other States. The document in question was reproduced in the January 1975 issue of the review *International Legal Materials*, published by the American Society of International Law. In its reply, his Government had stated that the company's claim was unacceptable. The principle of the freedom of the high seas did not permit companies of any nationality to claim exclusive rights over the resources of the high seas, its sea-bed or subsoil. Use was permitted; appropriation was not.

26. In recognition of the importance of the minerals of the deep sea-bed his Government would do its utmost to further the adoption of a solution acceptable to a large majority of the participants in the Conference.

27. Mr. CAMEJO ARGUDIN (Cuba) said that, as a member of the Group of 77, he entirely endorsed the comments made by the Peruvian representative on behalf of the Group. However, in his opinion, for the purposes of the Committee's work the State mentioned by the Peruvian representative should be named.

28. Mr. STEVENSON (United States of America) informed the representative of Peru, spokesman for the Group of 77, that the United States Government had not in any way changed its policy concerning the best and most appropriate means of providing for the exploitation of the mineral resources of the sea-bed. In its opinion, an internationally agreed régime would best meet the needs of all participants in the Conference. His delegation had come to Geneva with the firm intention of taking part in the negotiations to establish that régime and believed that the work done by the First Committee and the Working Group and during informal negotiations was extremely encouraging, because of the seriousness of purpose and constructive spirit with which it was being undertaken.

29. The Bill mentioned by the Peruvian representative had been proposed by one government agency for consideration within the United States Government; it had not been endorsed by the Executive Branch of the United States Government or submitted to Congress. Furthermore, it was a matter of public record that the Executive Branch of his Government had indicated to Congress that it was considering legislation relating to the sea-bed as a matter of prudence and that primary emphasis had always been on legislation for the provisional application of the convention in order to make applicable as quickly as possible provisions that might be decided on at the international level. Immediately after the end of the third session of the Conference, as had occurred following all previous sessions, members of the Executive Branch of his Government would report to Congress on the results of the Conference and would consider with Congress what legislative approaches could be agreed upon.

30. The Peruvian representative had referred to the Declaration of Principles adopted by the General Assembly in resolution 2749 (XXV). The United States delegation had voted in favour of that Declaration and continued to subscribe to it, but its interpretation of that resolution was different from that of the Peruvian representative, as the statement made by the United States representative when the Declaration was under consideration showed, and the Committee was referred to that statement as the official position of the United States on that matter. The United States was firmly dedicated to reaching an appropriate international solution to one of the most challenging problems which the international community had ever had to settle.

The meeting rose at 12.30 p.m.

20th meeting

Friday, 25 April 1975, at 11 a.m.

Chairman: Mr. P. B. ENGO (United Republic of Cameroon).

International régime for the sea-bed and the ocean floor beyond the limits of national jurisdiction (*continued*)

1. Mr. PINTO (Sri Lanka), Chairman of the Working Group of the Committee, said that the Group had met several times since the submission, at the 19th meeting, of its last progress report and had so far held a total of 25 meetings. The Working Group had continued consideration of the central issue before it, namely, the basic conditions for exploration of the area and the exploitation of its resources. After studying, at Caracas, article 9 of the draft

convention, entitled "Who may exploit the Area", the Working Group had, at the current session, taken up a second and virtually inseparable issue: that of "Basic conditions of exploration and exploitation". When submitting the previous report, he had indicated that the Working Group was, in the words of one delegation, trying to set up a model of a contractual joint venture exploitation system. The Working Group had hoped that that system might reveal an area of common ground, without prejudice to the other methods of exploitation felt by many to be of essential and even preponderant importance,

such as direct exploitation by the Authority itself. It was in that spirit that the Working Group had approached its task and had begun to assess the merits of the various proposals regarding such joint venture systems.

2. The Working Group might be viewed as being engaged in a threefold endeavour: first, to clarify the concept of the joint venture as a possible legal framework within which the Authority could offer terms, sufficiently attractive to those currently possessing the technology, for entering into a partnership with it for exploitation of the area; secondly, having clarified that concept, to reconcile views and determine common ground for the establishment of the joint venture system best suited to the Committee's purpose, without running counter to the conceptual approach of any delegation; thirdly, to reflect that joint venture concept in draft articles to be submitted to the Committee.

3. The Working Group was grateful to the representative of FAO and many delegations, including those of Nigeria, Austria and Australia, which had helped it to clarify the legal content of the joint venture system by giving the benefit of their experience in the matter. The spirit of common endeavour, not necessarily designed to promote any particular national position, but rather to further mutual understanding and progress, continued to characterize the work of the Group. At the request of several delegations, the Secretariat had also prepared and distributed a paper covering the legal and operational aspects of joint venture systems (C.1/Working Paper No. 5 and Add.1).

4. In the light of the many views expressed and written proposals submitted to the Committee by the United States (A/CONF.62/C.1/L.6),¹ the Group of 77 (A/CONF.62/C.1/L.7),¹ a group of eight European States (A/CONF.62/C.1/L.8),¹ Japan (A/CONF.62/C.1/L.9)¹ and the Soviet Union (A/CONF.62/C.1/L.12), the Working Group had attempted, in an anonymous and informal document (CP/Cab.12), to present a unified text on a contractual joint venture system for the Authority, which took account of the major concerns of delegations and could serve as a basis for discussion. In seeking, in that document, to reconcile the different points of view, the Group had entered into the second phase of its work. He hoped that that phase would run smoothly and uninterrupted into the third and final phase, which would consist in translating common agreement into draft articles.

5. He pointed out that that single document on "Basic conditions of exploration and exploitation" was in no sense a negotiated paper, despite its having been the subject of wide consultations on an individual basis; nor was it a paper that reflected a ready-made compromise. It was, however, intended to embody the major ideas of all the proposals made so far and thus to provide a basis for compromise. The text was based on the proposal of the Group of 77 and was an attempt to interpret document A/CONF.62/C.1/L.7 in the light of the statements of its sponsors, taking into account the basic concerns of other groups and delegations and without going against the fundamental concepts of any proposal.

6. Document CP/Cab.12 covered the basic conditions of a contractual joint venture between, on the one hand, the Authority, exercising the community's rights in the re-

sources of the common heritage and being the sole manager of those resources, and on the other hand, a State member of the Authority or a State enterprise, or a natural or legal person having the nationality of a contracting State or effectively controlled by its nationals, or any group of those entities. Beginning with an affirmation of the Authority's rights in the resources and the minerals derived from the area, the basic conditions provided for access to the area and its resources, the procedures and criteria for applications for contracts, the conditions to be fulfilled by applicants and the selection of applicants, taking into account *inter alia* the principle of maximizing the financial benefits to the Authority. They also laid down the rights and obligations of the Authority and its contracting partner in the joint venture, including clear assurances to the latter regarding security of tenure and a fair return on investment. They specified the range of subjects regarding which procedures, rules and regulations would have to be prescribed by the Authority and, with regard to certain operational subjects, they set out objective criteria which the Authority must apply in formulating specific procedures, rules and regulations. Other provisions dealt with the law applicable to the joint venture contract, which consisted solely in the provisions of the convention, the rules and regulations prescribed by the Authority and the terms and conditions of the contract, to the exclusion of all national legal systems. There were also provisions concerning liability for damage and the settlement of disputes.

7. He believed that most of the provisions in document CP/Cab. 12 could be agreed upon almost immediately by all members of the Working Group and perhaps even by all delegations at the Conference. There were, however, still differences of opinion on two fundamental matters, on which negotiations were continuing. Those matters reflected the concerns of two important groups of States with different economic systems, and they had to be considered against the different backgrounds of those systems.

8. The first matter related to the concern of one group of States that, while the Authority might have broad discretion as to how to exploit one part of the area, certain sections should be subject to a separate régime under which States members of the Authority might, on the basis of strict equality, have some autonomy, subject to the over-all supervision by the Authority. Some delegations regarded that system as the only guarantee that the entire sea-bed would not become a prey to exploitation by giant corporations, to the detriment of developing countries which currently lacked the technology to compete. That principle, which the Authority would be obliged to observe when opening up areas in the course of its regular resource management programme, had been the subject of much discussion in the Group. Those supporting the principle had suggested that the document should be amended to take it more fully into account, while others had questioned the desirability of including such a principle, which might prevent the Authority from freely choosing, in each case, the most advantageous method of exploitation.

9. The other matter, which reflected the concern of another group of States, related to a provision whereby an applicant for a contract for exploitation activities would be required to propose to the Authority two alternative areas of equivalent commercial interest for the conduct of operations under the contract. The Authority would then have the right to select one of those two areas for itself for exploitation virtually at its own discretion. The applicant could obtain the contract only on that condition and subject to the other basic conditions prescribed by the Authority, including direct and effective control over the

¹ See *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. III (United Nations publication, Sales No. E.75.V.5).

activities of the contractor. That was viewed by some as a useful and even necessary device which would ensure access to the resources of the area by qualified applicants only, and at the same time help the Authority to accumulate commercial data which it would otherwise find difficult or very expensive to acquire. The two-area system was viewed as part of an over-all agreement that would also cover matters such as certainty with regard to the opening of areas for continued exploitation and non-discriminatory treatment of applicants.

10. The two-area system had been the subject of considerable interest and discussion. There were those who thought that, like the other device he had mentioned, it might unduly limit the freedom of the Authority. Some might be tempted to say that while the first device reserved half of the area for individual States, few of which could exercise their right directly, the second device reserved half of the area for giant national corporations which existed in only a few States, and further, that the Authority, as representing the community in general and the developing countries in particular, would be at a disadvantage under either system. However, he was convinced that through patient negotiation, the Working Group would be able to reach agreement the following week. Where current proposals did not meet with general acceptance because they were, for example, inconsistent with the provisions of article 9 of the convention as conceived by the Group of 77, efforts were being made to find new solutions which, while meeting the concerns of other groups, could also be harmonized with the general position of the Group of 77.

11. He wished to add that at its last few meetings, the Working Group had been acutely aware of the relevance of the provisions on the international machinery, especially those relating to the structure and functions of the organs of the Authority, to the negotiation of the basic conditions; so much so that the Group had been considering holding a preliminary discussion of those questions, despite its restricted mandate. Now that the Committee, on the initiative of its Chairman, had decided itself to take up the subject of the machinery, all delegations would have an opportunity of expressing their views, while continuing negotiations on the basic conditions.

12. Owing to a lack of time, the Working Group had not examined the document on the basic conditions (CP/Cab.12) paragraph by paragraph, but had adopted a method permitting each delegation to go through the document indicating its views on all questions important to it. In order to expedite the work of the Working Group and make it more systematic, the Group of 77 had undertaken a joint survey of document CP/Cab.12 under the Chairmanship of Mr. Alvaro de Soto, representative of Peru, who was to submit the results to a meeting of the Working Group that afternoon. The Group would then immediately resume its informal negotiations. The agreement which should emerge from the negotiations the following week would be reflected in a revision of document CP/Cab.12, which could serve as the basic text at the next session of the Conference.

13. During the course of its work the Group had considered setting up a small drafting group to prepare texts for consideration by the main groups, but no agreement could be reached on the composition of a small, but truly representative, group. Hence consultations had to take place on an individual basis or in very casual groups, which took up much time. That was why it had not been possible to keep to the time-limit, namely, 18 April, which the Working Group had set itself for completion of its work on the basic conditions. It seemed, however, that thanks to the

steps now being taken in the Working Group, a revised text of document CP/Cab.12 accommodating all the major concerns of delegations could be prepared during the following week, provided that the malaise of recent weeks with which the Conference seemed to be afflicted did not retard the work of the Group.

14. Mr. KOH (Singapore) requested that the Secretariat should make a study of certain financial and technical aspects of mining in the high seas, so that the delegations of the least developed countries could bridge the gap which their lack of knowledge of such matters left between them and the delegations of the developed countries in the current negotiations on basic conditions. He would like the Secretariat to provide general technical information on nodule mining, to enable the delegations of the least developed countries to make a fully informed critical assessment of the various proposals submitted by the developed countries. In particular he would like the Secretariat to answer the following questions: first, what are the sizes of commercially viable mine-sites for the different minerals and substances? Secondly, does the concept of one-generation mine-sites, which is derived from the experience of land-based mining and offshore oil-wells, apply to deep sea-bed mining? Thirdly, to what extent, if any, can our knowledge of, and experience with, land-based mining and offshore oil-wells, be extrapolated to deep sea-bed mining?

15. He also asked if the Secretariat could supply information on all the important factors affecting the financial return on nodule mining, including initial investment, the financial structure of the project and operational costs and revenues, so as to facilitate future negotiations on the share of the proceeds to go to the Authority which would be compatible with a fair return on the operators' investment.

16. The CHAIRMAN turning to the question of the international machinery, said that that machinery must be established parallel to the international régime, which was being worked out on the basis of a broad declaration of principles. Pragmatism should guide the work of the First Committee, which was concerned with the creation of new institutions to facilitate the application of the principles, norms and rules laid down under the international régime. The concept of the common heritage of mankind as applied to the international area, together with the declaration of principles, postulated new ideas which must be seen to be original and perhaps even revolutionary.

17. It was therefore imperative to establish institutions that would be responsive not only to current, but also to future needs. Advances in science and technology would force men to co-operate. To reject the sweeping wave of change would be to allow illusions of power and wealth to cloud the new realities and dimensions of the quest for international peace and global development.

18. The First Committee had reached a stage at which it had cleared away many of the doubts about the international régime. It could now, perhaps, consider the structure, powers and functions of the international machinery. It had given special attention to the question "Who may exploit the Area?" dealt with in article 9, and to the basic conditions of exploitation. It had opened the way for consideration of the type of organs needed for the machinery and their respective functions and powers. Since the régime and the machinery were integral parts of the new order the Conference was seeking to establish under the convention, the debates could cover problems relating to both of them.

19. In making their comments, members of the Committee should bear in mind that the current exchange of views was intended to facilitate both future negotiations and the preparation of the negotiating text.

20. Mr. DE SOTO (Peru) said that in submitting his interim report the Chairman of the Working Group had indicated that a revised version of document CP/Cab.12 might possibly serve as the future negotiating text. That document was of limited scope, however, since it referred to only one method of exploitation, namely, joint ventures. But according to the Group of 77, the Authority should be free to choose from a number of methods and, where it did not carry out such activities directly, to keep a check on them at all times. He was not making a reservation on behalf of his delegation, but merely commenting that a document which was limited to contractual ventures would not accurately reflect the possible area of agreement reached by the members of the Working Group and would therefore be incomplete.

21. Regarding the second item on the agenda for the current meeting, he pointed out that the question of machinery had last been considered in 1973 by the sea-bed Committee and that the Conference had not yet taken it up. His delegation wished to outline the nature, powers and general functions of the principal organs of the Authority and to describe their composition, the procedure for taking decisions and their mutual relations.

22. The Authority should comprise an assembly, composed of all the members of the Authority, which would meet periodically, say, every two years. The assembly's task would be to formulate the general policy of the Authority and issue directives governing its functions. As the supreme organ, the assembly would also be vested with residuary decision-making powers. Its decisions would be taken by a majority of two-thirds on questions of substance and by a simple majority on other matters.

23. The council would be a smaller body than the assembly: in 1973 it had been suggested that it should have 36 members, but that was still only a suggestion. It would be the permanent executive organ of the Authority. It would authorize the activities provided for in paragraphs 1 and 2 of article 9. The composition of the council should respect the principle of equitable geographical distribution, but should also take account of the interests concerned and possibly affected by activities in the area. Nevertheless, the Group of 77 could not accept any system of veto or weighted voting.

24. The main operative body, the enterprise, would consist of a small number of experts responsible for undertaking the activities provided for in paragraph 1 of article 9. It would award contracts for service by partnership or other means, to third parties, on behalf of the Authority, its activities would be carried out under the supervision and authority of the council and would be administered by a small governing board.

25. Lastly, there would have to be a system for settling disputes and, in view of the novelty of the international machinery, some imagination would have to be used in devising that system.

26. He would comment later on the other questions relating to the machinery, in particular the regulation of production.

27. Mr. LANGEVAD (Zambia), dealing more especially with the need to give the machinery the power to control

and plan production, said that high priority should be given to that matter because it was one on which delegations might hold conflicting views. In that connexion, he referred the Committee to the Secretary-General's report on the economic implications of sea-bed mining in the international area (A/CONF.62/37). The Authority to be set up would have to organize and supervise a new industry, which would produce a considerable tonnage of metals. Production of the various metals would not, however, necessarily match demand; thus, while production of a given metal could meet a genuine market demand, there might also be production of metals for which the world would have no use and which would perhaps even have to be dumped back into the sea. That example illustrated the complexity of the production planning problems which would have to be solved if the industry was to be operated properly. Despite the economic surveys carried out on the matter, no accurate idea had yet been gained of the impact that sea-bed mining could have on traditional markets, but it was quite evident that it would have a significant effect on some markets and a secondary effect on others. His delegation believed that, if an industry of that kind were launched, without any control, at a time when the primary commodity markets of the world were in disarray, the Conference would have taken an unwise decision. His delegation would even go so far as to say that the Conference might be accused of having acted irresponsibly, and it therefore recommended that the machinery should have a planning organization with power to control and plan production and to develop the industry in an orderly fashion.

28. If any delegation had misgivings about the advisability of conferring such powers on the Authority, he would point out that Zambia, which was dependent on mining, had, six years previously, enacted legislation empowering the Government to curtail production in the interest of the State. The mining companies, which had seen in that legislation a means of sharing and jointly solving their production problems, had accepted it well and the wisdom of the legislation, emulated by several countries, had not been questioned. His delegation was confident that the same idea could also be applied on an international basis.

29. Mr. BARNES (Liberia) asked that the statement by the Chairman of the Working Group should be reported *in extenso* in the summary record of the meeting, as that would facilitate the Committee's work.

30. Mr. ORREGO (Chile) said that he would confine himself to a few specific comments on some of the main powers which should be conferred on the council and which would be the sole means of ensuring that the idea of the common heritage of mankind was put into effect. The purpose of production control was not only to guard against consequences liable to injure countries exploiting land deposits, but also to ensure that exploitation was carried out in an orderly and rational way. To disregard that requirement, as several developed countries sought to do, would be to flout the Conference's terms of reference. In that connexion, the Group of 77 had taken a position which was based, in particular, on numerous resolutions of the United Nations General Assembly and the United Nations Conference on Trade and Development (UNCTAD). Moreover, at the last meeting of the UNCTAD Trade and Development Board, the Group of 77 had joined in a wide measure of agreement on the matter. Consequently, any proposal regarding the international machinery should provide, as a *sine qua non* for its acceptance, that the council would have the powers necessary for effective action. Similarly, the principle that detrimental

effects should be anticipated and reduced to a minimum should be included among the main principles concerning the international régime.

31. Some developed countries had suggested that the developing countries exploiting land deposits wished to prevent exploitation of the international area by controlling production. But that was not so: it was not a question of hindering production, but of rationalizing it; and in the twentieth century it was impossible to adopt a system of economic laissez-faire permitting private or public transnational concerns to operate freely in defiance of the interests of the international community.

32. His delegation therefore saw merit in the idea of setting up a technical body, which might be called the planning commission, to examine problems in the first instance. It was willing to study thoroughly the nature and duties of such a technical body, but considered that care should be taken not to curtail the council's powers in that sphere.

33. Some developed countries claimed that the developing consumer countries would have a clear advantage if exploitation in the area was not controlled, but it should not be forgotten that any developing country might suffer from the adverse economic consequences of exploitation, since new marine resources would continue to be discovered. Hence all countries producing raw materials should be given adequate guarantees forthwith.

34. Lastly, the developed countries put forward the argument which had been advanced since time immemorial in regard to the international economic system: that the international division of labour was in the interests of all nations. But everyone knew which countries had benefited from an international economic system free of all control. It was precisely for that reason that the developing countries were striving for a new international economic order, as could be seen from the agreements reached at the sixth special session of the General Assembly and the work of UNCTAD. The machinery which the Conference aimed to set up should be based on the same principles; the power of international control was the essential element that separated the old order from the new, by serving the interests of the international community as a whole.

35. Mr. MALDONADO AGUIRRE (Guatemala) said that his delegation fully endorsed the Chilean representative's views. The Authority should have the power to adopt economic policy provisions with the object of stabilizing the situation for developing countries with whose production—present or future—it might enter into competition. Indeed, the Authority's powers should reflect not only the principle of economic justice, but also the principle of international law according to which it was the duty of industrial States to lend assistance to developing countries—in the case in question, to ensure that the exploitation of the common heritage of mankind was not detrimental to some of those countries. The Authority should use its powers to prevent exploitation of the resources of the sea-bed by large companies from competing with the land-based production of developing countries. It was to be expected that, with the increase in population, demand would rise in quantity and quality and be able to absorb an increase in production from all sources, whether on land or in the sea.

36. With regard to the machinery itself, he thought that provision should be made for replacement of members of the main organs of the Authority by a system of rotation.

That would make it possible to renew the membership of the organs while ensuring continuity on the basis of experience.

37. Mr. RATINER (United States of America) said that the comments made by the Peruvian representative on the informal paper (CP/Cab.12) on basic conditions of exploration and exploitation, called for clarification. It might appear from the Peruvian representative's remarks that the paper referred only to contractual joint ventures. That paper, although not agreed, did not reflect a single approach to joint ventures and also dealt with other approaches to exploitation. It would be important to keep that point in mind should the paper eventually be submitted to the Committee. Moreover, in any discussion of the international machinery, it was inevitable that there should be some reference to the substantive underlying issues, such as the economic implications. Many useful documents had been submitted on that subject at Caracas, and the Committee was referred to the records of the meetings. Nevertheless, it would be desirable at the current stage to confine the discussion as strictly as possible to the machinery itself and to its actual powers.

38. Mr. DE SOTO (Peru) reiterated that in his view the paper in question did refer to the conditions of exploration and exploitation applicable to contractual joint ventures, as the Chairman of the Working Group had said.

39. The CHAIRMAN pointed out that the plenary Committee could not discuss an informal paper which had not been submitted to it.

40. Mr. LAHLOU (Morocco) said that his delegation had followed with interest the statement made by the Chairman of the Working Group and the remarks of the various representatives who had spoken on the proposed organs of the future International Authority and their respective powers. His delegation was mainly concerned about the question of controlling the exploitation of sea-bed nodules. At Caracas, it had supported the idea of a preventive approach put forward by Zaire on behalf of the group of African countries, which called for the appointment of a commission to plan production and stabilize prices. That idea was associated with the concept of the common heritage of mankind, which was itself intended to help under-developed countries and to bridge the gap separating developing from developed countries. The object of international public service was to work in the general interest and not for lucrative ends.

41. He thought it was rather too early to draw up a list of the powers to be conferred on the various organs of the future International Authority. Any authority that might be established would have the task of controlling and planning production in the universal interest, but it would be premature to say exactly which organ should be entrusted with that task, in view of the possible economic consequences for the countries affected by the exploitation of sea-bed resources. In any event, the proposed planning commission could have an advisory role vis-à-vis the body set up.

42. Mr. GORALCZYK (Poland) supported the Liberian proposal that the progress report by the Chairman of the Working Group should be recorded *in extenso* in the summary record.

43. The CHAIRMAN said that if there were no objections he would take it that the Committee requested that the

report by the Chairman of the Working Group should appear *in extenso* in the summary record of the meeting.

It was so decided.

44. Mr. CHATENAY (International Bank for Reconstruction and Development), speaking at the invitation of the Chairman, said that the Bank was ready, should Governments so desire, to place its experience and information at the disposal of the Conference for its study of problems relating to the establishment of international machinery. The Bank's co-operation might be of particular relevance in certain areas. For example, the Bank and its affiliate, the International Finance Corporation, operated very often within the framework of joint ventures, under different forms according to circumstances, and with various types of partners—governmental or non-governmental, or private enterprises—in countries with widely differing economic and social structures. The Bank had been instrumental in the launching and running of joint bodies such as consortia, consultative groups and joint ventures.

45. One of the Bank's central functions was the financing of development projects, either directly or through intermediaries such as the specialized agencies and national economic development banks and corporations. Its staff had special competence in the analysis of development projects from the economic, financial and technical viewpoints, and of the impact of those projects on the economies of developing member countries. It had also considerable experience in institution-building. The Bank

operated in all the major economic sectors: industry, in particular extractive industry, agriculture, transport, energy, education, etc. Inasmuch as the new machinery might become a source of additional financing for third world development, the Bank's experience might also be entirely relevant in that context.

46. The World Bank had accumulated a considerable amount of economic and financial data on the current and future position of its developing member States. That type of information, together with specialist staff, had been placed at the disposal of Mr. Prebisch at the time of the setting up of the United Nations Emergency Operation after the sixth special session of the General Assembly in April 1974. There was no doubt that the Bank could make that sort of information available to assist in the establishment of the new machinery contemplated by the Committee.

47. In brief, the World Bank was ready, within its means, to assist the international community in the organization of the new international machinery that should bring as much advantage as possible to the developing countries and particularly to the poorest countries.

48. The CHAIRMAN said that if other specialized agencies had, like the Bank, information which might prove useful to the Committee in its consideration of the item under discussion, they should not hesitate to make it available.

The meeting rose at 12.50 p.m.

21st meeting

Monday, 28 April 1975, at 10.35 a.m.

Chairman: Mr. P. B. ENGO (United Republic of Cameroon).

International régime for the sea-bed and the ocean floor
beyond the limits of national jurisdiction (*continued*)

1. Mr. BASABE (Argentina) said that, by considering the question of the régime and that of the machinery and economic implications separately, the Committee might be overlooking the conceptual unity of the future convention; it should be guided in its work by the ideas underlying the Declaration of Principles contained in General Assembly resolution 2749 (XXV). In order to achieve the aims set forth in the Declaration, a strong Authority which could not relinquish the powers vested in it or dispose of the resources of the area would have to be established. The same legal régime should be applied to the whole of the area to be explored and exploited by the Authority either directly or by means of contracts with third parties.

2. He wished to emphasize some points in connexion with the machinery which his delegation considered essential. The assembly, on which all member States would be represented, should be the supreme organ of the Authority. It would meet annually but could also hold special sessions. The convention should confer on the assembly regulatory powers, which it would exercise in accordance with rules laid down in the treaty. The council, a body of limited membership, would perform the functions assigned to it in the convention and those delegated to it by the assembly, and would be held responsible by the assembly for implementing that body's instructions and recommenda-

tions. Its membership would be based essentially on the principle of equitable geographical distribution and also on appropriate representation of all the interests involved, particularly those associated with activities in the area. His delegation was opposed to any form of weighted vote and any system involving a veto; each delegation should have one vote. The enterprise would be one of the principal organs of the Authority, as the organ responsible for carrying out all operations in the area, either itself or by the means described in the second paragraph of article 9 (variant B).¹ The enterprise would be responsible to the council and the assembly.

3. There were those who held that the Authority should be considered as an entity for promoting exploration and exploitation of the sea-bed. His delegation thought it should be made very clear that the Authority would perform that function only when its own mining policy required it. The Authority's principal function would be to organize those activities so that the minerals extracted could be absorbed by the world economy without causing irreparable damage to the economies of developing countries which exported the same raw materials. Nearly all the developing countries were involved, since they were all potential producers. The adverse effects of unplanned

¹ See *Official Records of the Third United Conference on the Law of the Sea*, vol. III (United Nations publication, Sales No. E.75.V.5), document A/CONF.62/C.1/L.3.