

## 43rd meeting

Tuesday, 18 April 1978, at 3.30 p.m.

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

### Organization of work

1. The CHAIRMAN said that, pursuant to a decision which had been taken in the plenary and which had been noted by the Committee at its last meeting, it was necessary for the Committee to establish a new negotiating group whose terms of reference would be to carry out a study of, and make practical suggestions on, the technical and political aspects of the questions of financial arrangements relating to contracts concluded between the Authority and contractors, the financing of the Authority and the financing of the Enterprise. In addition, the new negotiating group would have to bear in mind the fact that its work was closely related to that of negotiating group 1 on the system of exploration and exploitation and resource policy. Accordingly, the chairman of the new negotiating group would report to him and he would, in turn, report to the Committee and to the President of the Conference on the progress made by the group. The chairman of the new negotiating group would also keep the Chairman of negotiating group 1 informed of the results of the work in the new negotiating group.

2. After consultations with members of the Committee, he had reached the conclusion that it would be unproductive for the Committee to engage in lengthy discussions on the composition of the new negotiating group. Accordingly, if he heard no objection, he would take it that the Committee wished that the new negotiating group should be open to all delegations and that the representative of Singapore, Mr. Koh, should be appointed as its chairman.

*It was so decided.*

3. Mr. KOH (Singapore) expressed his appreciation to the Chairman and to the Committee for their confidence in appointing him as chairman of the negotiating group on financial arrangements. He would make every effort to preside over the negotiations in the fairest and most impartial way. To that end, he hoped that he could count on the guidance and advice of delegations with broad experience in financial matters. Since the new negotiating group had been established by the Committee, it would be his duty to report to the Committee, through its chairman, on the results of the negotiating group's work. In view of the relationship between the question of financial arrangements and the system of exploration and exploitation, he would also have to keep the Chairman of negotiating group 1 informed, on a daily basis, of the results and progress of the work of the negotiating group on financial arrangements. In his opinion, it was quite natural for the two negotiating groups to co-ordinate their discus-

sions of various interrelated issues; and he thought that they should meet at different times, so that all delegations might take part in the work of both.

4. Mr. DE SOTO (Peru) said that, although his delegation had the greatest confidence in the ability of the chairman of the new negotiating group on financial arrangements to preside over the negotiations in the most competent manner, it was of the opinion that, in accordance with recommendation 5 in document A/CONF.62/62, the negotiating group to deal with the issue of financial arrangements should be established by the plenary. He requested the Chairman to provide further clarifications on that matter.

5. The CHAIRMAN, replying to the representative of Peru, recalled that the plenary had established negotiating group 1 to deal with item (1) of recommendation 5 but had decided that, in accordance with recommendation 2, item (2) of recommendation 5 should go to the First Committee for consideration and appropriate action. It had been decided that a negotiating group would be the most appropriate forum in which to consider the issue of financial arrangements.

6. Mr. DABB (Papua New Guinea) said he thought that it might be useful for the Chairman of the Committee to make it clear that the terms of reference of the negotiating group on financial arrangements should not be interpreted narrowly but as broadly as possible, so that the group would be able to deal with questions such as the liability to national taxation of profits from the exploitation of the resources of the area, a question which was referred to in paragraph 7 of annex II of the informal composite negotiating text.<sup>1</sup>

7. The CHAIRMAN said he did not think that the terms of reference of the negotiating group, as he had stated them, were so restrictive that they would rule out a discussion of the question referred to by the representative of Papua New Guinea.

8. Mr. UL-HAQUE (Pakistan) requested the Chairman to explain when the Committee would begin its work on item (3) of recommendation 5 relating to the organs of the Authority and their composition, powers and functions.

9. The CHAIRMAN said that it should be possible for the Committee to begin work on item (3) of recommendation 5 by the end of the current week.

*The meeting rose at 3.55 p.m.*

<sup>1</sup>Official Records of the Third United Nations Conference on the Law of the Sea, vol. VIII (United Nations publication, Sales No. E.78.V.4).