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COMMITTEE ON THE PEACEFUL USES OF THE SEA-BED AND THE OCEAN FLOOR BEYOND THE LIMITS OF NATIONAL JURISDICTION

ECONOMIC AND TECHNICAL SUB-COMMITTEE

SUMMARY RECORDS OF THE THIRTY-FIFTH TO FORTIETH MEETINGS

held at the Palais des Nations, Geneva,
from 11 to 24 August 1970

The list of delegations attending the Committee's session is to be found in documents A/AC.138/INF.3 and Corr.1 and 2 and Add.1 and Corr.1, Add.2-4, Add.4/Corr.1 and Add.5.

Chairman:	Mr. DENORME	Belgium
Rapporteur:	Mr. PROHASKA	Austria

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ABBREVIATIONS

ILO	International Labour Organisation
IMCO	Inter-Governmental Marine Consultative Organization
IOC	Intergovernmental Oceanographic Commission
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
WMO	World Meteorological Organization

SUMMARY RECORD OF THE THIRTY-FIFTH MEETING

held on Tuesday 11 August, 1970, at 10.30 a.m.

Chairman: Mr. DENORME Belgium

OPENING OF THE SESSION (item 1 of the provisional agenda)

The CHAIRMAN declared open the session of the Sub-Committee.

ELECTION OF THE VICE-CHAIRMAN

The CHAIRMAN said that the Sub-Committee's Vice-Chairman, Mr. Teja, had not been able to attend the present session. Consultations he had held with delegations had confirmed the latter's desire that Mr. Ranganathan (India) should be elected Vice-Chairman for the duration of the present session.

Mr. Ranganathan (India) was elected Vice-Chairman by acclamation

ADOPTION OF THE AGENDA (item 2 of the provisional agenda) (A/AC.138/SC.2/L.7)

The provisional agenda was adopted.

STATEMENT BY THE CHAIRMAN (agenda item 3)

The CHAIRMAN 1/ said that when the United Nations had started three years previously to concern itself with the problem of the sea-bed, very little documentation had existed on the subject, and one of the first moves by the Ad Hoc Committee had been to request the Secretariat to prepare a number of studies and reports. There were now so many excellent documents prepared by the Secretariat on the one hand and by various delegations on the other that it would not be surprising if many delegations had not had time to study them all.

The Committee was at present concentrating its efforts on the drafting of a declaration of principles and on the study of international machinery, both of those questions having been given high priority by the General Assembly. But it should not be forgotten that the Committee had also been requested by the General Assembly, in resolution 2574 B (XXIV) of 15 December 1969, "to formulate recommendations regarding the economic and technical conditions and the rules for the exploitation of the resources of this area in the context of the régime to be set up". As indicated in its interim report, the Sub-Committee had already attempted to carry out its mandate at the March session, during which a number of delegations had participated in drawing up a list of economic and technical questions concerning the exploration of the sea-bed and the exploitation of its

1/ The full text of this statement was subsequently issued as document A/AC.138/SC.2/L.8

mineral resources (see A/AC.138/SC.2/L.6, annex I). In paragraph II of its interim report which had been adopted unanimously, the Sub-Committee had stated its intention "to study further systematically and identify the most suitable alternative solutions to the issues raised". It was specified in the same paragraph that the study should be made "with a view to incorporating the most suitable alternative solutions in a draft resolution to be recommended by the Committee to the General Assembly" and that the draft resolution might, inter alia, "request the Committee to pursue its consideration with a view to formulating acceptable draft provisions for the agreement establishing an international régime in the area.

While agreement had not yet been reached on a declaration of principles, which must provide the legal basis for the exploitation régime to be studied by the Sub-Committee, the consultations which had been taking place over the previous three years had enabled a consensus of opinion to be reached on many principles, even if the latter had not yet been drafted definitively. The fact that the study to be undertaken by the Sub-Committee must necessarily be based on a set of principles on which final agreement had not yet been reached by the main Committee did not mean that work on the study should cease until such time as the declaration had been drafted. Indeed, General Assembly resolution 2574 B (XXIV) specified that the economic and technical conditions and the rules for the exploitation of the area's resources should be drawn up in the context of the régime to be set up.

Furthermore, the General Assembly had requested the Committee to submit a report on the question of international machinery, the establishment of which was necessary for both the exploitation of resources and the implementation of the régime. There seemed to be general agreement that the international machinery would be an integral part of the régime itself. There was therefore every reason for the Sub-Committee to proceed without delay to study the economic and technical conditions and the rules for exploitation with a view to drawing up a set of generally acceptable recommendations. While the Sub-Committee's examination of those questions must needs remain superficial at the present stage, there was no justification for postponing action to a future session. After two years of work, the novelty of the subject and the complexity of the problems involved could no longer be invoked by the Committee as an excuse for the non-discharge of its

mandate. Neither could the Sub-Committee, which had been set up for the purpose of entrusting specialists with the study of technical and economic questions, reject its mandate or evade its responsibilities.

The Sub-Committee should abstain from examining any question which did not fall within its competence or was irrelevant to the discharge of its mandate. One question to be decided was whether two of the documents submitted to the Committee should be studied by the Sub-Committee or not. The first was the Secretary-General's report on marine pollution (A/7924). While the prevention of marine pollution, which would certainly be a very important function of the future régime, undoubtedly fell within the Sub-Committee's competence, it might well be preferable to await the complementary report to be drawn up by the Secretary-General in accordance with General Assembly resolution 2566 (XXIV) of 15 December 1969 rather than to study the Secretary-General's report, which provided only a tentative outline of the problems in question, in detail. The second document was a preliminary note by the Secretariat (A/AC.138/24) which dealt with a number of questions of a purely economic nature and also referred to various technical problems. The complex question of the distribution of financial proceeds would, after being studied by experts, require a decision at the political level, and might therefore be referred to the main Committee. The latter had already decided to undertake a preliminary study of the report of the Secretary-General entitled "Study on international machinery" (A/AC.138/23) and to refer to the relevant Sub-Committees any specific points needing detailed examination.

He would suggest that the Sub-Committee devote the time at its disposal to a systematic study of possible alternative solutions to the problems listed in annex I to the interim report. The working papers submitted by a number of delegations both in March and during the present session would be of assistance in that respect. Such a study should enable the Sub-Committee to formulate general recommendations which, after adoption by the Committee itself, would provide the General Assembly with adequate guidelines. To be of any value, those recommendations must obviously relate to questions within the competence of the Sub-Committee and be agreed unanimously.

STATEMENT BY THE UNDER-SECRETARY-GENERAL FOR ECONOMIC AND SOCIAL AFFAIRS

Mr. de SEYNES (Under-Secretary-General for Economic and Social Affairs)[2/] said that his Department was fully aware of its responsibilities in the vast field of exploration and exploitation of marine resources. He could not but admire the valuable work done by the Sub-Committee since its creation, particularly as he recalled the scepticism which had reigned at its first meeting, when discussion of the vast problem of the sea-bed had been in its earliest stages. At that time, certain delegations had described the problem as marginal, and maintained that its discussion was but a pretext to distract attention from more immediate problems.

That attitude had completely disappeared, thanks largely to the work of the Sub-Committee and its parent Committee. For two years now, the Committee had been dealing with a number of tasks and had been particularly successful in keeping both its members and the world community as a whole informed on the progress of the work. The reports drawn up by the Committee in 1968 and 1969 illustrated the scope and depth of its work, and many Governments, particularly those of the developing countries, now had a clearer idea of the possible size and location of the sea's mineral resources, of the techniques necessary for their exploitation, and of the dangers of irrational development.

In the performance of its information functions, the Committee had also played an exploratory role. In 1968 it had requested the Secretary-General to prepare a note on the economic implications of the exploitation of the mineral resources of the sea-bed (A/AC.135/14) and in 1970 it had requested a note on the possible methods and criteria for the sharing by the international community of proceeds and other benefits derived from the exploitation of the resources of the area beyond national jurisdiction (A/AC.138/24). Both those documents had proved extremely valuable.

The direction which the Committee's discussions had taken, and the desire of Governments of Member States to finalize the draft declaration of principles to be published in connexion with the twenty-fifth anniversary of the United Nations,

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2/ The full text of this statement was subsequently issued as document A/AC.138/SC.2/L.9.

made it essential to lay stress on the economic context, which was the background for all sea-bed activities and in particular for the immediate task of drawing up a declaration of principles.

The economic context had been modified by the recent discovery of huge oil deposits in the North Sea off the Norwegian coast, in a zone which might conceivably become the largest source of oil for Western Europe. Oil deposits had also been discovered recently off the coasts of Ghana and Argentina, while new deposits were discovered almost weekly in continental shelf areas. Submarine deposits of natural gas, iron ore and copper were also known to exist but were generally located below deeper waters and time would be needed to determine their economic value. In addition to those mineral discoveries, an important technological discovery had recently been made which provided a solution to the problem, in drilling, of re-entry into the borehole after changing the drilling-bit. Continuous drilling even in very deep water would now be possible and that would have a significant effect on both scientific research and prospecting, and mining proper.

The political context was also changing rapidly. In addition to the proposals put forward by the President of the United States (A/AC.138/22) working papers relating to the international régime to be set up had now been submitted by France (A/AC.138/27) and the United Kingdom (A/AC.138/26). The Sub-Committee and the Committee itself were passing from the stage of elucidation to that of negotiation and even, in the case of the declaration of principles, to that of decision, but the three stages could not be clearly separated and elucidation of the problems connected with the establishment of an international régime must be continued at the same time as negotiations on those issues on which negotiation was possible.

The political context had also been radically affected by what might be regarded as a milestone in the history of the international community, the acceptance of the concept of the "common heritage of mankind". Because of the changing political situation, it was essential that the elucidation of outstanding problems should continue as quickly as possible, since it would not be possible to reach agreement on legal and political questions so long as economic and technical questions remained unsettled.

A number of economic problems would persist during the discussion of the international régime. There was good reason to fear that there might develop, in the not too distant future, a world surplus of oil extracted from land or sea areas under national jurisdiction. The recent fall in the price of copper was also a matter for concern. The question therefore arose as to whether the resources of the sea-bed and the ocean floor should be exploited as quickly as was now possible through technological advances, seeing that such exploitation might lead to a redistribution of wealth which would not necessarily be in conformity with the objectives set by the United Nations in other areas. It was essential that the whole range of economic and financial aspects of the exploitation of sea-bed resources should be carefully studied, since there would be little point in distributing the benefits of such exploitation under an international régime to all developing countries if they were thereby deprived of some of the benefits they now enjoyed from the exploitation of their own natural resources, which constituted one of their rare advantages in a fiercely competitive world.

The international régime should therefore not disregard such problems as the provision of regulations covering imports and taxation, as well as perhaps a degree of planning, not only in relation to the actual exploitation of marine resources, but also in the context of a global development strategy. One of the principal problems to be faced was that, whereas the exploitation of natural resources on a large area of the sea-bed and ocean floor could be made subject to a rational, planned approach through an international régime, no such possibility existed in the case of natural resources on land.

The work of the Sub-Committee was essential for the successful completion by the plenary Committee of its political and legal tasks. It was important that the Sub-Committee should not work in isolation, but should keep itself constantly informed of related developments in other United Nations bodies. While the responsibility for activities relating to the sea-bed and the ocean floor might eventually be centralized in a single United Nations body, it was inevitable, for the time being, that it should continue to be dispersed over a number of bodies. For example, the Economic and Social Council had recently established a Committee on Natural Resources which would undoubtedly study many of the problems being examined by the Sub-Committee. The question of pollution too was being considered

by several bodies. That situation was no cause for alarm; indeed, it was certainly preferable to one in which some aspects of the problem might be neglected. Clearly, the basic responsibility lay with the Economic and Social Council, which was concerned not only with the sea-bed and the ocean floor beyond the limits of national jurisdiction, but also with the whole range of marine resources, pollution and technology within the larger context of a global development strategy.

The Department of Economic and Social Affairs would extent its fullest co-operation to the Sub-Committee within the narrow limits of the material and human resources available to it, which, it was hoped, would be increased as a result of the work requested from it and the administrative reform now in progress at Headquarters.

PROGRAMME OF WORK (agenda item 4)

Mr. ZEGERS (Chile) said that the Under-Secretary-General for Economic and Social Affairs had raised a number of important points in his statement on which he reserved the right to comment at a later stage.

The Chairman had reminded the Sub-Committee that the matters it was called upon to consider would form an integral part of the international régime to be established, and were therefore closely linked with the preparation of the draft declaration of principles. His delegation agreed with the Chairman's suggestion that the Sub-Committee should confine itself to a preliminary study of the issues before it, which meant that it should formulate the possible economic and technical elements of a régime governing the exploitation of natural resources on the sea-bed and the ocean floor beyond the limits of national jurisdiction. The question of international machinery would also have to be referred to, though naturally without prejudice to the debate now taking place in the plenary Committee, as well as possible methods and criteria for sharing the proceeds and other benefits derived from the exploitation of the resources of the area beyond national jurisdiction.

The CHAIRMAN said that, if there were no objection, he would take it that the Sub-Committee agreed to adopt the programme of work which he had outlined

It was so agreed.

The meeting rose at 11.50 a.m.

SUMMARY RECORD OF THE THIRTY-SIXTH MEETING

held on Thursday, 13 August 1970, at 10.30 a.m.

Chairman: Mr. DENORME Belgium

STUDY OF POSSIBLE ALTERNATIVE SOLUTIONS TO THE PROBLEMS LISTED IN ANNEX I TO THE INTERIM REPORT (A/AC.138/SC.2/L.6)

The CHAIRMAN said he wished the Sub-Committee to discuss possible alternative solutions to the problems listed in annex I to the Sub-Committee's Interim Report (A/AC.138/SC.2/L.6), as agreed at the conclusion of the 35th meeting.

Mr. LIVERMORE (Australia) said that the United Nations, during the three years in which it had been considering the use of sea-bed resources beyond the limits of national jurisdiction, had made progress which, it was hoped, would lead to agreement. At the previous session, a number of suggestions had been made for economic and technical rules and conditions for the régime to be set up. In his delegation's view, the encouragement of exploration was an aspect to be considered before laying down rules and conditions since, until sea-bed resources had been accurately evaluated and the necessary investment promoted, few resources would be delivered to the world's markets and mankind would receive little tangible benefit. The rules and conditions must, in keeping with the Committee's mandate, ensure that the area's resources were exploited in the interests of mankind, irrespective of the geographical location of States, with special consideration for the needs of the developing countries, whether land-locked or coastal.

Annex I to the Sub-Committee's interim report contained a list of suggested topics for study and he would like to comment on that list without, however, prejudging his Government's final position.

With regard to topic 1, the need for clear and agreed definitions was obvious. In his delegation's view, however, definitions should be left till later, when further progress had been made with the general framework of rules and conditions.

With regard to topics 2 and 3, his delegation felt that a State, or group of States, should be the basic entity to authorize or participate in the development of sea-bed resources. The State would be authorized by the international machinery and must accept responsibility for carrying out the régime's provisions. The State should also bear international responsibility for national activities on the sea-bed. Although the participation of international organizations should not be ruled out, it should perhaps be made conditional on a solution to the problems

mentioned in the penultimate sentence of paragraph 88 of the Secretary-General's report entitled "Study on international machinery" (A/AC.138/23). He agreed with the Cameroon representative that licences should not be granted to operating companies directly, but only through the intermediary of the State which would be responsible to the international machinery. For supervision of operations, the maximum use should be made of State administrations, but the international machinery should also have an effective role of inspection. There should also be, as the Polish representative had said at the previous session, agreed minimum requirements to be met by any State if it wished to be deemed competent to supervise operations in the international area. States not wishing to assume such responsibility might arrange for the international machinery to perform that task for a financial consideration.

With regard to topic 4, all commercial operations for the exploration and exploitation of sea-bed mineral resources should be licensed by the international machinery. The distinction, referred to in paragraph 86 of the Secretary-General's report between scientific investigation and economic exploration would not be easy to make; his delegation suggested that among the criteria to be considered should be advance notice of studies, open publication of results and free access to data and samples. Scientific investigation should be conducted in such a way as to harmonize with other sea-bed uses and not risk polluting the marine ecology. Paragraph 113 of the Secretary-General's report dealt with the functions relating to scientific research which might be entrusted to international machinery. The international machinery might register such activities, as distinct from licensing them. Drilling by scientific institutions should be specially authorized by the international machinery, since such work would be conducted under largely unknown conditions and would therefore call for special care.

Incidentally, he felt that 300 metres, the depth mentioned in paragraph 8 of Article 75 of the United States draft convention (A/AC.138/25) was too great for a "deep drilling" definition and that a limit of 300 feet would give more effective control. He would be interested to hear the comments of the United States or any other representatives on that point.

With regard to topics 5 and 6, he thought that there should be two types of title: the first, a non-exclusive title, or "hunting" licence, carrying no preferential rights, in order to encourage exploration; and the second an exclusive

title for a defined area, covering all aspects of exploration and evaluation as well as actual production. That two-title system accorded with the one outlined in the United States proposals. The first type followed the Canadian system, which seemed to work satisfactorily; he therefore doubted the need to limit that type to areas not covered by exclusive title, as proposed in the United Kingdom working paper (A/AC.138/26). With regard to the French proposal (A/AC.138/27) that production from mobile platforms should be on a non-exclusive basis, his own view was that non-exclusive licensing was unlikely to attract operators on account of the considerable investment required, even for dredging operations, at the depths encountered on the abyssal floor.

With regard to topic 7, he thought that minerals could be divided into three main categories: hydrocarbons and associated substances recovered through drill holes; manganese nodules and similar substances found on the sea-bed; and all other minerals. In his delegation's view, non-exclusive licences should cover all three categories of minerals. The sea-bed resources would be developed more rapidly if explorers were encouraged to obtain as much information as they could over as wide an area as possible. Exploitation rights, however, should apply to only one of the three categories, on account of the differences in their incidence and the proposed methods of recovery.

With regard to topic 8, some procedures for granting licences had been outlined in paragraph 91 of the Secretary-General's report. His delegation agreed with the point made in the French working paper that allocation based on the highest bid would probably be against the interests of companies from smaller States. A combination of methods might be the best to achieve an equitable distribution. Although clear guidelines must be established for the international machinery to follow, it would not be possible to make the whole procedure fully automatic. Some flexibility, and the possibility, envisaged in the French working paper, of seeking amicable settlement, was desirable.

With regard to topic 9, his delegation felt that, for non-exclusive titles, operators should indicate to the international machinery the general areas in which they would carry out operations; they should be encouraged to explore far and wide. For exclusive titles, the operator should be allowed as much initiative as possible in indicating the areas which he felt offered the greatest chance of success. Since the establishment of an automatic procedure was doubtful, it would

be important to build up a high degree of confidence in the international machinery's competence and integrity.

With regard to topics 10 and 11, his delegation agreed with the views expressed under those headings.

With regard to topic 12, his delegation thought it vital that the régime should provide specifically for a reduction of the explored area at stated intervals.

With regard to topic 13, his delegation thought that transfer of rights should be allowed, provided always that a State or group of States retained responsibility.

With regard to topic 14, his delegation felt that the setting of minimum work obligations should be a feature of the internationally agreed rules and conditions. Some flexibility should be allowed; the authority should have discretion to grant deferment if it was justified - for example, through the loss of a drilling rig which could not be replaced immediately.

With regard to topic 15, his delegation did not see the need for a specific limitation of area, provided that the international machinery remained able to determine the total proportion of the international sea bed which might be subject to exclusive title, that the financial obligations were heavy enough to ensure that title areas were effectively worked, that the size of individual titles was subject to internationally agreed limitations, and that the international machinery, before granting a title, was satisfied that the applicant had the necessary technical and financial competence and capacity. His delegation would, however, like to hear an elaboration by the United Kingdom delegation of the suggestion, in paragraph 8 (b) of its working paper, that agreement between contracting States should determine the proportion of the international sea-bed area which would be open for application by each signatory State.

Operational standards, which were dealt with under topic 17, would have to be of the highest order in order to ensure the safety of personnel and equipment and fulfil the various other responsibilities listed under that heading. Technology did not stand still so the international machinery would have to be capable of maintaining a continuous review of standards. On that account, his delegation was interested in the United States proposal, in article 42 of its working paper, that there should be a Rules and Recommended Practices Commission as well as an Operations Commission. The two bodies would have to co-operate closely, but he agreed with the United States representative on the need to separate the roles. A division of

responsibility on the lines proposed would lead to greater efficiency and better relations between the international machinery and national administrations acting on behalf of the international body.

With regard to topic 18, it was vital, in his delegation's view, that data acquired in exploration and exploitation operations should, after a suitable period, be made available to the international machinery for public inspection. He doubted the need to keep data confidential for periods as long as those mentioned in appendix A of the United States working paper; that point, however, could be discussed in detail later.

With regard to topic 19, his delegation supported the view that States sponsoring operations in the international sea-bed area should be liable for damage caused by activities carried out under their sponsorship. It supported the proposal that, after an appropriate time, ways of providing an adequate insurance scheme for such a liability should be explored.

With regard to topic 20, his delegation felt that royalties, although a well-established method of providing revenue, could be an insensitive financial burden on a producer of mineral resources and, in some circumstances, could result in the resource management receiving an inadequate share of the benefits. The merits of a profits tax instead of royalties might be considered. The advantages of such a tax were that the entrepreneur was not crippled by the royalty burden at the outset of his operations, and that the more profitable the enterprise, the greater the share received by the international community for distribution among the nations of the world.

Although the Sub-Committee might not be able to meet often during the current session, his delegation hoped that a consensus might be reached on, at any rate, some points, since it was clear from the previous session that the systematic examination of matters which should be included in a statement of rules and conditions governing the development of sea-bed resources was an important and worth-while task. Rules and conditions should be efficient in operation and equitable in their treatment of all parties. His delegation hoped that the General Assembly would authorize a continuation of work on those topics next year.

Mr. McKELVEY (United States of America) said he proposed to relate the rules set out in the working paper submitted by his delegation to the topics listed in annex I to the Sub-Committee's interim report.

With regard to topic 1, article 75 of the United States draft convention defined those terms which, it was felt, might lead to misunderstandings if not specifically defined. Exploration was a difficult term to define, since activities involved in searching for mineral deposits were also undertaken for purposes such as exploitation and scientific research. The definition given in article 75 of the United States proposals appeared to meet the needs of the draft convention, but his delegation would welcome any alternative suggestions.

With regard to topic 2, the United States draft convention provided that all licences must be obtained through States. The Trustee Party would issue licences for exploration or exploitation in the Trusteeship Area, and a Contracting Party would sponsor applications for licences outside it. States would be directly responsible for supervising the licensees' work, but the International Seabed Resource Authority would have full powers of inspection throughout the entire sea-bed area. The Authority might perform a supervisory and administrative function for a Trustee or Sponsoring Party in return for part of the latter's share of international payments. No State, therefore, would be prevented from participating in exploration or exploitation because of inability to administer licensing provisions.

With regard to topic 3, the United States draft proposed that States or groups of States Parties to the Convention, and natural or juridical persons sponsored by Contracting Parties, might apply for licences if they could show technical and financial competence and agreed to observe the Convention's provisions. That system would also allow a regional group of States to engage jointly in exploration and exploitation. The State or States would be responsible for the work of the Licensee. In the Trusteeship Area, the Trustee Party would have the right to decide to whom a licence should be issued.

With regard to topic 4, under the United States proposals all exploration, except scientific research, and exploitation in the international sea-bed area would be licensed. Since deep drilling could lead to the accidental release of oil and gas unless adequately supervised, the United States draft proposed that all drilling at depths greater than 300 metres should be controlled.

Topics 5 and 6 dealt with rights to be assigned. The United States proposal provided for two categories: non-exclusive exploration licences, not restricted as to area or type of minerals and renewable after two years; and exploitation

licences, granting exclusive rights, limited to specific minerals and expiring at the end of fifteen years if no commercial production had been achieved. Such a combination of licences should give the greatest encouragement to exploration. The former type would allow an operator to conduct a wide search for promising areas, while the latter would allow the operator to secure his interest in any promising area and obtain the necessary security to undertake the costly investment required.

The types of minerals to be covered by exploration and exploitation rights were dealt with in topic 7. The United States proposed that licence rights for a specific area should be limited to minerals in one of three categories: fluids or fluid-state minerals such as oil, gas and saline materials; manganese oxide nodules and other minerals occurring on the sea-bed surface; and all other minerals including those occurring below the sea-bed surface. In the unlikely event of minerals of more than one group being found in the same area, it would seem unwise to grant a licence for their exploitation to an operator likely to be interested in only one of them. In the International Trusteeship Area, the Trustee Party might license separately one or more of the minerals within those categories, but would not be able to license the exploitation of all minerals in a specific area.

With regard to topic 8, exploration and exploitation licences for the international sea-bed beyond the Trusteeship Area would be assigned initially on a first-come first-served basis. An operator applying for an exploitation licence through his sponsoring State could, in order to avoid piracy of the area, file a "notice of intent" which would reserve the area for 180 days, during which period the application should be received from the Sponsoring Party. If two or more notices of intent for the same area were received simultaneously, the licence would be sold by competitive bidding. The terms for licensing exploitation of the international sea-bed beyond the Trusteeship Area provided that a major part of the licensed area would be relinquished when production began. The United States proposals provided that those areas, as well as areas voluntarily relinquished prior to production and areas for which licences had been otherwise terminated, would be disposed of by competitive bidding. The proposed system would ensure that the international community's revenue increased as the advance of exploration and exploitation enhanced the economic value of the sea-bed. The same categories

of licences would apply to the International Trusteeship Area, but the Trustee Party would be able to use any system it chose, and extend its national practice and machinery if it saw fit, for the issuance of licences.

With regard to topic 9, under the United States proposals operators would take the initiative in selecting areas to be explored or exploited. Exploration would thereby be encouraged, and the burden of delineating promising areas would rest with the operator. In the Trusteeship Area, the Trustee Party would be free to select areas to be licensed if it so chose.

Topic 10 dealt with the size of areas to which rights would apply. Under the United States proposals, the non-exclusive exploration licence would not be restricted as to area in the International Seabed Area beyond the Trusteeship Area. Exploitation licences, however, would apply only to a block of specified size. For minerals extracted in fluid state, the proposed size of the initial block would be approximately 500 sq. km. For manganese nodules, whose incidence was only one or two pounds per square foot, an initial block of 40,000 sq. km. was proposed. The proposed size of the initial block in respect of other categories of minerals was 500 sq. km. There would be no limit to the number of blocks which a single operator could take. In the Trusteeship Area, the Trustee Party could establish the sizes of blocks for which exploitation licences were issued, within the maximum limits specified for the International Seabed Area.

With regard to topic 11, under the United States proposals non-exclusive exploration licences would be issued for a two-year period and would be renewable, provided the operator had observed the Convention's provisions. Exploitation licences would expire at the end of fifteen years unless commercial production had been achieved within that time; if it had, the licence would be automatically renewed for twenty years from the beginning of production. At the end of that period, the operator would have the option of a twenty-year renewal at the rental fees and payment rates applicable to new licences at the time of renewal. At the end of the second twenty-year period the licence would be terminated and offered for sale by competitive bidding on a cash bonus basis, the previous licensee having no preferential rights. Again, the purpose was to enable the international community to receive greater returns from mineral production after allowing the operator ample time to recover his investment. A Trustee Party could establish the term of an exploitation licence and the conditions for its renewal in the

Trusteeship Area, provided the continuance of the licence after the first fifteen years was made contingent on the attainment of commercial production.

With regard to topic 12, under the United States proposals licensees must relinquish a substantial part of the licensed area when production began. In the case of oil and manganese nodules, the operator would be required to relinquish rights to three-quarters of the block, and for the other category, seven-eighths. The relinquished areas would be sold by competitive bidding on a cash bonus basis.

With regard to topic 13, there would be no reason for exploration licences to be transferable, since they would be short-term, easy to obtain and devoid of preferential rights. Exploitation licences, however, would carry exclusive rights to a specific area and might acquire a value much larger than their cost; since that value would result primarily from the licensee's own investment, it was reasonable to permit him to transfer his licence. The United States proposals would permit such a transfer, subject to the approval of the Sponsoring Party and the Authority, provided the transferee met the Convention's requirements and was sponsored by a Contracting Party, and that a $250,000 transfer fee was paid to the Authority. The purpose of the latter fee would be to discourage speculative acquisition of licences and to give the international community a share in any increased value of the licence. In the Trusteeship Area, the Trustee Party would establish the transfer terms.

With regard to topic 14, under the United States proposals the holder of an exploitation licence would be required to deposit an annual work requirement fee to be refunded if proof was supplied that that amount had been expended in actual operations. The fee would initially be set at a low figure, but would increase with time to a total of between two and six million dollars per block over the fifteen year period. Work requirement fees would effectively prevent a race to obtain and hold an area for speculative purposes. At the same time, the system would allow bona fide investors to prospect for mineral deposits over a wide area, and the international community would gain from the knowledge of the area thus acquired and from the enhanced value of relinquished land in the vicinity of any deposits brought into production.

With regard to topic 15, the United States proposal would not limit the size of the area that might be held by a single operator or State, because the provisions described under topic 14 would prevent a race to grab and hold large areas.

With regard to topic 16, no provision was made in the United States draft for any limitation on production in the International Seabed Area beyond the Trusteeship Area. While sympathizing with the plight of land producers whose production might suffer from the development of new or lower cost sources, his delegation believed that that was a problem which should be tackled globally without discrimination against ocean producers. To subject sea-bed production to special limitations would be a major deterrent to sea-bed exploration. Mineral producers would not be driven to the sea-bed by shortages of land minerals, potential resources of which were adequate, but would develop sea-bed production only if it offered better economic advantages. Any limitations on production would detract from those advantages and discourage sea-bed exploitation.

With regard to topic 17, the United States draft made full provision for operational standards to safeguard the safety of personnel and equipment and the other requirements listed. The necessary regulations would be prepared by a commission of experts and, after adoption by the Council, issued as annexes to the Convention. The Council would be authorized to issue emergency orders at the request of any Contracting Party to prevent serious harm to the marine environment arising out of any exploration or exploitation activity. Those standards would apply throughout the International Seabed Area, but the Trustee Party would be authorized to impose higher standards in the Trusteeship Area to meet its special needs.

With regard to topic 18, the proposed rules concerning the collection and dissemination of data would require the holder of an exploitation licence to maintain records to be made available on request to the Sponsoring Party, which would also be supplied, at five-year intervals with further specific information to be held in confidence for a period of ten years, after which it would be transmitted to the Authority and made available for public inspection. Those rules constituted a compromise between current national practices. The Secretary-General of the International Seabed Resource Authority would be authorized to collect, publish and disseminate information that would advance knowledge of the sea-bed and its resources.

With regard to topic 19, the operator and his Sponsoring Party would be liable for damage to other users of the marine environment and for cleaning and restoration costs. Operators would also be required to subscribe to an insurance plan or to

provide other acceptable guarantees. The problem of liability, however, required much further study and the provisions in the United States draft were still incomplete.

With regard to topics 20, the United States proposal made provision for a variety of payments. The fee for exploration and exploitation licences would be relatively low, being designed mainly to defray the administrative costs of the Authority and of the Sponsoring Party. Exploration licence fees would range from $500 to $1,500 and exploitation licence fees from $5,000 to $15,000. A proportion of both fees would be paid over by the Sponsoring Party to the Authority. Provision was also made for the annual payment of rental fees, beginning in the third year after issue of the licence, which would increase annually at a specified rate and would be in the range of $5,000 to $25,000 per block when production began. Rental fees were modest and designed to help offset the administrative costs of the Authority and the Sponsoring Party. The operator would pay a cash production bonus of between $500,000 and $2 million per block when commercial production began and thereafter would make payments based on production. Additional study would be required to determine the exact level and form of payment. The way in which economic rent or net resource value was collected varied considerably from country to country, and it would be difficult to find a means of payment which was fair to both socialist and non-socialist countries. The draft also proposed that the levels of fees, payments and work requirements might be graduated to take account of the probable risks and cost to the investor. Such graduated levels and rent would need to be formulated and described in such a way as to affect all licencees in each category equally. The Trustee Party could also collect fees and payments in addition to those specified for the International Seabed Area, but would be required to pay the same share as of other payments to the International Authority.

With regard to topic 21, the draft provided that the revenues derived from the exploration and exploitation of the mineral resources of the International Seabed Area would be used for the benefit of all mankind, particularly to promote the economic advancement of developing States Parties to the Convention. Disbursements would be made from the net income of the Authority, and the Council would be required to specify in the draft budget what proportion of the revenue would be used for paying the Authority's administrative expenses. The net income, after administrative expenses, would be devoted mainly to the economic advancement of developing States Parties and divided among international and regional development

organizations according to a formula yet to be devised. Another part of the net income would be used through co-operation with international or regional organizations, to promote efficient, safe and economic exploration of mineral resources of the sea-bed, to promote research on protection of the marine environment, to advance international efforts for the promotion of safe and efficient use of the marine environment, to promote the development of knowledge of the International Seabed Area, and to provide technical assistance to Contracting Parties or their nationals for those purposes. The Council would be authorized to establish a fund for emergency relief and assistance in the event of disasters arising from exploration or exploitation activities. The acquisition of technical competence in sea-bed operations would be one of the most important benefits accruing to the developing countries from the development of sea-bed resources. The long-term objective must be the development of all countries' capability to develop and produce sea-bed resources for their own use. The United States proposal provided for the training of nationals of any Contracting Party in the science and technology of exploration and exploitation, and for various forms of technical assistance designed to encourage their direct participation in sea-bed operations.

With regard to topic 22, the United States proposal provided for the revocation of the operator's licence in the event of gross and persistent violations. In the event of such revocation, there would be no reimbursement for any expense incurred by the licensee prior to the revocation. The licensee would, however, be entitled to recover installations or equipment.

With regard to topic 23, the draft Convention stipulated that Sponsoring Parties should supervise and inspect the operations of their licensees, and that the International Seabed Resource Authority might inspect operations at any time. Provision was also made for the imposition of fines for each day of violation of the Convention. The power to revoke licences for violations, however, would be the most effective means of ensuring compliance with the rules.

With regard to topic 24, a specialized juridical body, the Tribunal, would be established for the compulsory settlement of disputes between Contracting Parties or between Contracting Parties and the Authority.

His delegation recognized that many of the rules proposed in the United States draft required further study and might need to be modified. The combination of rules proposed in the United States draft was an attempt to reach a balance between

divergent views and differing experiences. The procedure proposed for establishing and amending specific rules would enable changes to be made quickly, thus enabling the rules to be adjusted as experience was acquired in the International Seabed Area.

The rules should be examined not only individually but in toto. They were designed to encourage the orderly development of sea-bed resources, to provide for international inspection of operations, to reduce sources of conflict to a minimum, and to assure the peaceful and equitable settlement of disputes. They would encourage exploration by making non-exclusive exploration licences easily available and encourage investment by providing security of tenure on reasonable terms. They would prevent a race to grab or hold claims for speculative purposes by imposing fees and work requirements which would make it too expensive for an operator to hold licences in larger areas than he could explore, by requiring relinquishment of part of the licensed area when production began, by making retention of licences dependent on the achievement and maintenance of production, and by limiting the period for which licences might be held thereafter. They would provide funds for administrative expenses and for international community purposes from licence fees, rentals and payments related to production, and would help the developing countries to acquire the capability to participate in sea-bed resource development. They would secure information to facilitate exploration by providing for publication of the results obtained by exploitation licensees. They would permit coastal States to share in the revenue from the Trusteeship Area, and allow those States to set higher standards in that Area and to decide to whom licences would be issued. They would also provide for the application of standards over the entire International Seabed Area which would guarantee that operations would be undertaken in such a way as to preserve the quality of the marine environment, to prevent interference with other users, and to avoid damage to other resources.

The United States delegation would be glad to discuss any of the proposed rules which needed clarification and would welcome any suggestions concerning them. The time had come to attempt to reach agreement on a set of rules to govern sea-bed exploration and development, and that subject must be given high priority in the Sub-Committee's future programme of work.

Mr. ARCHER (United Kingdom) said that the working paper submitted by his delegation to the Committee's present session was an expansion of the paper reproduced as annex V to the interim report. He would now relate some of the

tentative suggestions contained in the working paper to some of the twenty-four topics listed in annex I to the interim report.

With regard to the first topic, the definition of "continental margin" contained in paragraph 5(e) of annex I to the report of the Ad Hoc Committee to Study the Peaceful Uses of the Seabed and the Ocean Floor beyond the Limits of National Jurisdiction[3/] should, for the sake of clarity, be expanded by adding at the end of it, the sentence: "It includes the continental shelf, the continental slope and the continental rise."

Again, it had become obvious at earlier meetings of the Committee that different interpretations were commonly given to the terms applied to the different stages of activity which might lead to the production of minerals. The tendency to confusion stemmed in part from the fact that the distinction between the different stages of activity was seldom clear, each stage tending to merge with the next. It was also difficult to provide terminology equally applicable to all minerals, in view of the variety of techniques employed. For instance, in the definitions of "Exploration", "Evaluation" and "Exploitation" given in paragraph 12 of annex I to the report of the Ad Hoc Committee it might have been noted that "exploration" embraced prospecting. Also, it was seldom possible to determine the precise moment when "exploration" gave way to the next stage, "evaluation". The term "exploitation" would probably be regarded by most specialists as a synonym for production. However, "development" could include the later stages of the economic assessment or evaluation of a deposit and need not lead to production. For that reason, he would have preferred the definition of "Exploitation" to have used the word "production" rather than "development".

With regard to topic 5, the three categories of activity distinguished under that heading were not entirely consistent with the definitions given in the report of the Ad Hoc Committee. The "broad reconnaissance exploration" of topic 5(a) excluded deep drilling, whereas the definition of "exploration" given in paragraph 12(a) of annex I to the report of the Ad Hoc Committee included the discovery of minerals, and many minerals could only be discovered by deep drilling.

With regard to topic 6, the question whether or not exclusive rights should be granted would be influenced by the cost of the operations to be undertaken. As both categories (b) and (c) were likely to be high-cost operations, and as in the case of hydrocarbons there might be no clear distinction between discovery,

3/ Official Records of the General Assembly, Twenty-third Session, document A/7230.

evaluation and exploitation by means of deep drilling, the United Kingdom working paper suggested that for a given area those operations should be covered by a single exclusive licence.

It would be convenient if definitions of the operations or stages could be adopted which took account of those economic facts, and his delegation accordingly suggested the following definitions for the two stages into which, for the practical purposes of the régime, activities should be divided:

"Prospecting" meant broadly based surveys, generally of large areas in the first instance, leading by progressive narrowing of the search either to the location of mineral occurrences of possible economic importance or to the identification of areas where concealed minerals may occur; deep drilling was excluded and the activities covered would be the same as those distinguished as "broad reconnaissance exploration" in the interim report. It could also be described as "hunting".

"Development" meant all activity beyond the prospecting stage, up to and including production, and beginning with the detailed investigation of mineral occurrences or establishing whether concealed minerals were present in potentially favourable areas.

With regard to topics 8, 9 and 15, non-exclusive prospecting licences might be made available for any area not subject to exclusive licences. Provision must be made for equitable distribution of sea-bed areas for which exclusive development licences might be issued to all States parties to the régime. The United Kingdom working paper suggested that initially only a proportion of the total area should be available for assignment by exclusive development licences and that, within the limited number of blocks available, the proportion to be made available to each signatory State should also be determined. The choice of geographical location of the blocks could be left to the States. Subject to those provisions, licences could be awarded on a "first-come first-served" basis. Provision should also be made for the settlement of conflicting claims. If rival claims could not be resolved by negotiation between the parties, allocations might be decided on the basis of random selection. Non-exclusive prospecting licences need not be subject to the quotas available.

With regard to topic 10, the choice of sizes of the blocks to be subject to exclusive licensing arrangements would be influenced by several factors, including

the need to ensure that the area for which the licence was granted was large enough to afford a reasonable chance of proving mineral deposits of sufficient size to permit of economic development, and considerations related to the type of minerals involved, different sizes being appropriate for different minerals. No suggestions as to the appropriate sizes of areas were contained in the United Kingdom working paper, because little was known of the relevant economic and geological factors which would apply in the unexploited area, and because it was not clear to what extent existing national practices in the shallow waters of continental shelves were relevant as a guide.

For similar reasons, only general references had been made to the length of time for which licences should be issued, which was the subject of topic 11.

With regard to topic 20, the United Kingdom working paper suggested that the revenue from licensing fees should be used to meet the administrative expenses of the international body, and that the level of payment should not be so high as to discourage activity. The revenues to be distributed to the States parties should be levied at the production stage, by reference to the quantities produced rather than to the profits from the operations. It was also important that the scale of such payments should be known in advance.

Although he had commented on only a few of the twenty-four topics listed, all of them were regarded as important by his delegation. Those he had mentioned were of particular relevance to some of the suggestions made in the United Kingdom's working paper, but that selection did not imply any order of priority.

Mr. GRABOVSKY (Union of Soviet Socialist Republics) said it must be recognized that there was at present a serious lack of scientific knowledge of the resources of the sea-bed and the ocean floor. Little was known about the areas in which geological and geophysical prospecting for oil and natural gas might be successful. A great deal of surveying still had to be done before deep-water resources could be realistically exploited. One of the Sub-Committee's main tasks at the present stage was therefore to promote international co-operation in the exploration of the sea-bed and the ocean floor beyond the limits of national jurisdiction, with a view to their future exploitation in the interests of all mankind.

A successful example of such co-operation was the work of the Inter-Governmental Oceanographic Commission (IOC) of UNESCO, which had already organized national

expeditions and worked out a long-term survey programme. A permanent link should be established between the Committee on the Peaceful Uses of the Seabed and the Ocean Floor and IOC, which had more than seventy members and which benefited by the participation of outstanding scientists and specialists. A second international body whose assistance in the prevention of marine pollution should be enlisted was IMCO.

Another important task for the Sub-Committee was to evaluate the possibility of economic exploitation of minerals of the sea-bed and the ocean floor. Even in the shallow areas of the continental shelf, the average cost of operational drilling for oil and natural gas was four times higher than that of similar operations on land. Moreover, even when oil was discovered, the cost of installing the necessary equipment was two to three times higher than it was on land, and the cost increased in proportion to the distance from the shore. For that reason, his delegation attached priority to the question of possible methods and criteria for the sharing by the international community of the proceeds and other benefits derived from the exploitation of the resources of the area beyond national jurisdiction. His delegation was in favour of a cautious approach to the question of limits and was opposed to any idea of making unfounded promises.

The conclusion reached by the Sub-Committee in its interim report (para. 8) that it had not been in a position to advance concrete proposals about the economic and technical conditions and rules regarding exploration and exploitation of the resources of the sea-bed and the ocean-floor beyond the limits of national jurisdiction was still valid. Those conditions and rules must form part of an international regime. The Soviet delegation considered that the Sub-Committee's interim report could be adopted as its report on its present session for submission to its parent Committee, subject to the inclusion in the report of the principles that international responsibility for activities on the sea-bed and the ocean floor beyond the limits of national jurisdiction should be borne by States irrespective of whether such activities were carried out by government agencies, by juridical persons, or by natural persons, and that the activities of juridical and natural persons must be carried on with the authorization and under the continuous supervision of the State concerned.

Three categories of activity should be distinguished. First, scientific research surveys not directed to locating and evaluating mineral deposits or

obtaining direct economic advantage from the exploitation of mineral resources, including the laying of cables and pipelines; secondly, surveys for industrial purposes, including prospecting, drilling and bottom-core sampling for the purpose of locating and evaluating industrial mineral resources for commercial exploitation; and thirdly, industrial exploitation of mineral resources for the purpose of obtaining direct economic advantage. Those categories should, between them, cover all mineral discoveries in the area concerned. Mineral resources themselves should be divided into two categories: one, oil, natural gas and other minerals exploitable by deep drilling, and the other, hard minerals situated at or near the surface for which surveying and exploitation could be carried out by such methods as dredging.

The areas in which it was proposed to survey or exploit mineral resources should be selected and delimited on the basis of the maximum economic efficiency, scientifically justified methods of exploitation and avoidance of any hindrance to navigation and fishing. The State bearing international responsibility for national activities in the area concerned should ensure that the mineral resources being exploited were protected and not exposed to avoidable wastage, that pollution and any other damage to marine resources was prevented, that any obstacles to freedom of navigation and fishing the high seas were prohibited, and that the safety of personnel and property were protected in accordance with the recommendations of the ILO and IMCO. The results of the intensive scientific research that would be necessary for a full understanding of the marine environment should be widely publicized in order to allow all States to participate in the exploitation of marine resources.

Problems connected with marine pollution and related undesirable ecological changes had assumed particular importance with the expansion of national activities in the exploration and exploitation of marine resources. The Soviet delegation welcomed the positive approach of the parent Committee to those problems and the preliminary consideration of the role of the specialized agencies in preparing appropriate international agreements to promote the adoption by States of the necessary domestic measures.

The Secretary-General's report (A/7924) was an important contribution to the solution of problems of marine pollution, but it was largely preliminary in character and the Soviet delegation wished to make a number of comments on it.

First, with regard to the causes, types, effects and level of marine pollution and other hazardous and harmful effects, the provisions of the 1954 International Convention for the Prevention of Pollution of the Sea by Oil and its amendments should be strictly observed. The harmful effects of large discharges of oil could only be eliminated by joint action by all States in the area, on the basis of regional agreements. The restrictions on the dumping of radioactive wastes laid down in article 25 of the Convention on the High Seas were incomplete because they did not regulate the flow of radioactive wastes in coastal zones. The possibility of concluding a Convention limiting all types of marine pollution should be considered.

Secondly, with regard to research requirements, the Soviet delegation favoured the development of international co-operation in studying all the consequences of man's influence on the marine environment and the biological resources of the world's oceans. International co-operation in the preparation and standardization of technological methods of reducing undesirable emissions into the marine environment should be expanded.

Thirdly, with regard to the legal aspects of marine pollution, the Soviet delegation was in favour of a universal declaration on the protection and improvement of the natural environment which would include matters relating to the protection and use of the marine biosphere; the question of concluding an international treaty for the prevention and control of pollution of the marine environment in the high seas beyond the limits of national jurisdiction should also be studied. That question could be considered by a group of experts including representatives of IOC, IMCO, WMO and other organizations, under the auspices of IOC.

Fourthly, inadequate attention was devoted in the Secretary-General's report to the question of the biological consequences of pollution of oceanic shelf areas. Since the living resources of the ocean played an important role in providing protein-rich foods for the world's growing population, a fundamental problem which must be solved as rapidly as possible was that of pollution of the marine environment, which might undermine the biological basis for the reproduction of fish and other important marine organisms and upset the natural biological balance of marine life. The approach to the campaign against pollution must be positive, and must combine present-day interests with future prospects for the exploitation

of the biological and mineral resources of the sea-bed and the ocean floor in the interests of all mankind. It was therefore a matter of urgency to study, through international and national programmes, man's influence on the oceans and to prevent the harmful consequences of that influence. The Sub-Committee should devote its attention first and foremost to important problems of the day relating to co-operation in marine research and the prevention of marine pollution.

Mr. RAMANI (Malaysia) said he was extremely concerned at the pessimistic statement in paragraph 31 of the Secretary-General's report that "It may be taken as accepted that if pollution were to be prohibited in absolute terms, the exploration and exploitation of mineral resources could not be conducted."

He must confess to a certain obsession with the problem of pollution, to which he had already referred in his statement in the main Committee (33rd meeting), when he had expressed strong misgivings about the dumping of large quantities of nerve gas in the Atlantic Ocean. Although he himself was ignorant of the scientific and technical implications of that question, his remarks had been based on information given in the columns of various newspapers of such high repute that they could not be suspected of levity or irresponsibility. It was therefore all the more regrettable that no attempt had been made to provide a well-informed answer to his criticisms. It was perhaps fashionable to brush aside complaints for which a Government had no answer, but when such complaints came from serious and well-attested sources, a serious attempt should be made to provide a serious answer to them. The representative of the United States, exercising his right of reply in the Committee, had stated that his delegation would take up the issue during the discussion on pollution. Pollution was now being discussed, but the United States delegation had still not availed itself of the opportunity to refute the world-wide criticism of its government's action. The United States representative had said that his Government had satisfied itself that no damage would be caused to human life, and that damage to marine life would be very limited and only temporary. That statement appeared to him to be a contradiction in terms. Furthermore, to adopt a "We are satisfied" attitude was not sufficient when an issue might have repercussions on other members of the international community.

The CHAIRMAN said he must point out that the programme of work outlined in his statement to the Sub-Committee at its thirty-fifth meeting had been adopted unanimously. It had been agreed that, while the prevention of marine pollution

undoubtedly fell within the Sub-Committee's competence, it might be preferable to await the additional report to be drawn up by the Secretary-General in accordance with General Assembly resolution 2566 (XXIV) rather than to study in detail the present preliminary report which provided only a tentative outline of the problems and dealt almost exclusively with their legal aspects. Delegations were naturally entitled to address themselves to any important problem, including that of pollution, but certain delegations had no doubt abstained from referring to that problem because of the unanimous decision by the Sub-Committee that it would not be discussed until the additional report by the Secretary-General became available.

Mr. McKELVEY (United States of America) said that the question referred to by the Malaysian representative had been studied not only by United States experts but also by experts from a number of other countries. His delegation was willing to pursue the matter further at an appropriate time if other delegations so wished, and to provide detailed information on questions such as the methods and techniques of detoxification.

The meeting rose at 12.40 p.m.

SUMMARY RECORD OF THE THIRTY-SEVENTH MEETING

held on Tuesday, 18 August 1970, at 12 noon

Chairman: Mr. DENORME Belgium

STUDY OF POSSIBLE ALTERNATIVE SOLUTIONS TO THE PROBLEMS LISTED IN ANNEX I TO THE INTERIM REPORT (A/AC.138/SC.2/L.6) (continued)

Miss MARTIN-SANE (France) said that the working paper submitted by her delegation (A/AC.138/27) contained suggestions concerning the majority of the twenty-four topics listed in annex I of the interim report (A/AC.138/SC.2/L.6), and she would therefore confine her remarks to a few priority problems which must be solved before an international régime could be established. Her delegation hoped that preliminary recommendations on some of those problems might be drawn up for submission to the forthcoming session of the General Assembly.

With regard to topic 1, she agreed with the representatives of the United Kingdom and Australia on the need for universally accepted terminology. The term "exploration", for instance, should be defined by reference to basic scientific research, which was not covered by the international régime. It would also be preferable, as had been suggested, to speak of an international "organization" or "institution" instead of "machinery".

With regard to topics 2 and 3, States were the essential link between the international community, represented by the institution, and the operating companies. Groups of States also, whether already existing international or regional organizations or special associations of States, could obtain areas for purposes of exploration and exploitation. The Indian representative's suggestion in the main Committee (34th meeting) that the international institution might be empowered to grant licences to international business organizations of repute was most interesting. That possibility had been considered by her Government, and had been rejected only because of the difficulties which would arise if a régime were established in which States, groups of States and companies without international legal personality were placed on the same footing. Instead, the French working paper suggested that the granting of an area to a State should be subject to the submission of an application from a company for a licence within that area. The company must produce adequate technical and financial guarantees and must have an establishment on the territory of the State applying for the corresponding area.

Clearly, therefore, it would be for the State or group of States to ensure the application of the international rules in the areas allotted to it, and for the international institution to supervise the application of those rules.

With regard to topic 6, in general, rights granted by a State both at the exploration and at the exploitation stages should be exclusive. The State would first be granted a certain area for exploration and exploitation. It would then issue a company with an exploration licence which would automatically be converted into an exploitation licence if deposits were discovered. Non-exclusive licences might be granted, at least at the exploration stage, in the case of deposits occurring on the surface of the sea floor or in sediments capable of exploitation by dredging or similar processes with mobile equipment, while exclusive rights might be limited under a special international agreement to the expoloitation or development stage; but that was a question which needed more detailed study. It was interesting to note that the United States delegation had divided mineral resources into three categories instead of two.

With regard to topic 8, concerning ways in which exploration and exploitation rights should be assigned, none of the four solutions listed in the interim report seemed satisfactory. Some were unduly favourable to the industrialized countries; others were too arbitrary. Her delegation could not accept the system of assignment to the highest bidder since, as had already been pointed out by the Australian representative (36th meeting), that would not be in the interests of the developing countries. There was no easy solution to the problem. In some cases, those described as "straightforward" in the French working paper, there would be no competition because only one State had submitted an application. In other cases, where there were rival applications, there would be negotiation. Probably only very few cases would need international arbitration or a decision by the Conference of Plenipotentiaries or its delegated Technical Committee. The provision for the allocation of areas to groups of States met the needs of existing international and regional organizations and would also enable States which had submitted rival applications to associate for the exploration and expoloitation of a given area. The suggestion by the United Kingdom delegation (ibid.) that the problem of rival applications might be solved through random selection by computer deserved consideration, although from a technical standpoint such a procedure would be difficult to operate.

Several solutions to the problem dealt with under topic 9 were envisaged in the interim report. With regard to the first of them, her delegation considered that the selection should be left not to the operator but to the State, on the conditions she had already described in commenting on topics 2 and 3. Only in the case of rival applications for the same area would recourse be had to other bodies. With regard to the second solution, it would not be desirable that the entire sea-bed area should be opened for exploration and exploitation simultaneously. In the initial stages, it would be important to ensure an equitable distribution among applicant States. Also measures would have to be taken to rationalize exploitation in order to prevent fluctuations in commodity prices. Decisions of that type would be a matter for the Conference of Plenipotentiaries. The third proposed solution appeared to be a compromise between the other two.

With regard to topic 10, under the French proposals States would be granted areas for both the exploration and exploitation stages and would themselves be able to grant exclusive rights to companies which had applied for licences within an area. The size of the areas covered by such licences would probably vary according to the stage of activity, and it was premature to suggest any figures in that respect.

With regard to topic 15, under the French proposals no State or group of States would be able to put in a claim for more than a certain number of square kilometres, either in one piece or in several, in a period of ten years. Although the establishment of appropriate criteria for that purpose would be difficult, it was essential that the necessary measures should be taken to protect the interests of all. Any State which had given back part of its area before its licence for the area expired might put in a claim for another area of equal size to that which had been given back. The same applied when a State had not made use of part of its area within a period of three years; that part would be treated as once more open to the international community.

With regard to topic 16, concerning production requirements, there was first the question whether continuing production should be made a condition for the retention of rights. Her delegation suggested that if within three years the State had not allocated new licences for the areas given back to it, the corresponding part of the area should be regarded as open once more to the international

community. States would also have to undertake to explore and subsequently to exploit their areas, so as to avoid "freezing". The rules to be established in that respect should be sufficiently flexible to allow of the establishment of reserves under clearly defined conditions.

A second question which had been mentioned by the Under-Secretary-General for Economic and Social Affairs (35th meeting) was that of the possible effects of marine exploitation on the market for land resources. Her delegation considered that the problem should be studied by the appropriate United Nations bodies as part of a global strategy for development.

As had been stressed by the Maltese representative in the main Committee (35th meeting), the problem of nodules was also a matter for concern, although the French delegation had certain reservations with regard to the figures quoted. As she had already suggested in connexion with topic 6, exclusive rights might perhaps be granted for the exploitation of such deposits.

With regard to topic 17, there seemed to be general agreement that operational standards would have to be drawn up and included in the international agreement; the United States proposals (A/AC.138/25) provided useful indications in that respect. Consideration should also be given to the Secretariat's proposal for a compulsory insurance system. Finally, her delegation associated itself with those delegations which had expressed concern at the risks of pollution of the marine environment as a result of exploration and exploitation of sea-bed resources.

While it was obvious that there were still considerable differences of opinion on a number of questions, which it would be impossible to resolve at the present session, there were other questions on which the Sub-Committee appeared to have reached general agreement. First, everyone seemed to be agreed on the need for appropriate terminology and precise definitions. Secondly, it seemed to be agreed that the international institution should deal with States or groups of States. Thirdly, it seemed to be agreed that different kinds of licences should be granted for exploration and exploitation. Fourthly, it seemed to be agreed that States should undertake to explore and exploit their areas within a certain period, failing which their rights would be forfeited. Finally, there seemed to be little doubt that the rights and obligations of companies should be clearly defined in the form of operating standards, as suggested in topic 17, and that a system of insurance to cover responsibility for damages was also essential.

Another point which should be emphasized, although it was not mentioned in annex I of the interim report, was the need for training schemes for technical experts in the developing countries. The point had been mentioned by various delegations and was also touched on in the United States draft. Her Government hoped that a recommendation on that subject would be included in the Sub-Committee's report.

There were a number of other points mentioned in annex I on which there seemed to be a measure of agreement, at least on the objectives to be achieved if not on the means of doing so. They were, first, that it was necessary to distinguish between exclusive and non-exclusive rights; secondly, that it would be for the administering authority to decide the areas to be explored and exploited; thirdly, that the criteria for deciding the size of areas should be international equity and economic efficiency; fourthly, that rights should be granted for sufficiently long periods to ensure economic efficiency without "freezing" large areas indefinitely; fifthly, that parts of areas might be given back by States or companies under conditions to be laid down; sixthly, that transfers of rights from one operator to another might be permitted; seventhly, that the collection and publication of exploration results should be organized; eighthly, that a moderate tax should be levied to meet the running costs of the institution; ninthly, that some supervision and control should be exercized by the international institution; and lastly, that provision should be made for the settlement of disputes, but that it would be premature to discuss specific measures at the present stage.

If a few recommendations on those lines could be included in the Sub-Committee's report they might prove a valuable guide for the next session's work.

Mr. LIVERMORE (Australia) said that at the thirty-sixth meeting he had put forward a number of ideas for possible economic rules and conditions which might in due course be included in an international régime. Although those ideas did not reflect the definitive views of his delegation, he was anxious that they should be discussed, and he intended, therefore, to submit a summary of them in a working paper for consideration by the Sub-Committee at some future time, possibly the following year.

Mr. RANGANATHAN (India) said that, as had been pointed out by the Under-Secretary-General for Economic and Social Affairs, it was essential that the whole range of economic and financial aspects of the exploitation of sea-bed resources should be carefully studied, since there would be little point in distributing the benefits of such exploitation under an international régime to all the developing countries if they were thereby deprived of some of the benefits they now enjoyed from the exploitation of their own natural resources, which constituted one of their rare advantages in a fiercely competitive world. Some of the questions to which the Under-Secretary-General had referred were dealt with by the Economic and Social Council, UNCTAD and other bodies; at a time when efforts were being made to fashion a new régime and machinery, it was important to adopt a co-ordinated approach to the subject.

There was a general realization that, although the economic and technical conditions for exploring and exploiting sea-bed resources had a crucial bearing on the proper utilization of such resources, the content of those conditions would depend on the broad framework of the international régime for the sea-bed, including the type of machinery, to be established. His delegation had already given its preliminary views on the nature and scope of the régime and the machinery to be established and on some of the proposals that had been made on the subject, so he would confine his present remarks to only two of many questions which required careful study.

Those questions were firstly, whether the economic and technical conditions should be expressed in the form of rules and regulations to be included as an integral part of the régime or whether they should be promulgated by the international machinery at its discretion, and secondly, the question of the conditions and terms of issue of licences for the exploration of areas and the exploitation of the resources of those areas. The detailed comments of the Australian, Canadian, United Kingdom, French and United States representatives had brought to light several factors based on their respective national experiences which would have to be taken into account when the economic and technical rules and standards were being formulated. Of course there were differences and nuances in their approaches to those matters stemming from the differing technological standards and their respective physical and geological circumstances. The Indian delegation would give its definitive views on those matters in due course. At the present juncture, he

wished to draw attention to annex III to the interim report, which was a working paper which set out the views of a number of developing countries, including India. Those views should be reflected adequately in the basic principles and subsequently in the rules and regulations to be drawn up for the international régime and machinery.

From what the French representative had just said, it was now clearer to him what was at the root of the difference in view between the French delegation and the Indian delegation on the granting of licences to reputable international business organizations which were able to provide an acceptable guarantee for their operations. The Indian delegation had proposed that licences should be granted to States or groups of States which might in turn grant sub-licences to operators for the exploration and exploitation of the sea-bed area, thus ensuring the responsibility of the State or group of States vis-à-vis the international machinery and other States for the observance of the terms of the licence and of the general regulations of the machinery; to international organizations; and to reputable international concerns which could provide acceptable guarantees. His delegation had said that the latter could not be permitted to operate under flags of convenience, that the rules and regulations applicable to them and the terms of their licences would require careful study, and that the question of accountability for their actions and consequent liability would have to be determined and clearly defined. His delegation's approach was a tentative one, but it was based on the reality of the mixed nature of industrial and commercial enterprises, not just in the developing countries, but also in developed capitalist and socialist countries alike.

The meeting rose at 12.50 p.m.

SUMMARY RECORD OF THE THIRTY-EIGHTH MEETING

held on Wednesday, 19 August 1970, at 10.45 a.m.

Chairman: Mr. DENORME Belgium

STUDY OF POSSIBLE ALTERNATIVE SOLUTIONS TO THE PROBLEMS LISTED IN ANNEX I TO THE INTERIM REPORT (A/AC.138/SC.2/L.6) (concluded)

Mr. GRABOVSKY (Union of Soviet Socialist Republics) said his delegation had now put into writing the proposals it had outlined at the thirty-sixth meeting and passed them to the Secretariat so that they might be annexed to the report to be prepared by the Sub-Committee on the work of its present session.

His delegation had been placed in a difficult situation during the session by the failure of the Secretariat to make all documents available in Russian. It could only participate fully in the work of the Sub-Committee if all working documents were made available to it in Russian in advance of their consideration. He particularly hoped that the Russian version of the Sub-Committee's draft report would be available in time for study.

The CHAIRMAN said he was sure there would be no objection to including the Soviet Union proposals, which he assumed would replace the proposals contained in annex II to the interim report (A/AC.138/SC.2/L.6), in the Sub-Committee's report on the work of its present session.

He could assure the Soviet Union delegation that every effort was made by the Secretariat to ensure that all documents required by the Sub-Committee were made available in all working languages. Delays in translating the summary records were understandable, but were perhaps not too important, since members of the Sub-Committee heard what was said at meetings and could make notes of any points of particular interest to them.

The Sub-Committee's final report would be a revised up-to-date version of the interim report.

Mr. CROSBY (Canada) said that in commenting on the problems listed in annex I to the interim report, he would refer to Canadian experience, where appropriate, in an effort to provide the Sub-Committee with as much information as possible.

With regard to topic 1, there was no doubt that comprehensive and readily understandable definitions were essential.

Topics 2 and 3 had already been dealt with at length by the Canadian delegation in the Committee (36th meeting).

Topic 4 was very important. In Canada, the practice was that no mineral resource activities of any kind could be undertaken without authorization from the administering authority. Any party in possession of such authorization had to give prior notice of every proposed programme of activity, with details of the area involved, the type of work envisaged, the equipment to be used and the name of the contractor. Every programme had to be approved before the activity commenced. His delegation suggested that a similar policy of authorization of all mineral resource exploration and exploitation should be adopted under the régime to be set up to govern off-shore mineral resources beyond the limits of national jurisdiction.

Some speakers had made a distinction between exploration work for commercial purposes and exploration work for scientific investigation but he could only repeat what he had said at the March session, namely, that it was important to ensure that all off-shore activities were carried out in accordance with adequate rules, including rules relating to pollution control. Although it was clearly in the interests of the international community to facilitate the progressive exploitation of sea-bed resources in the vast region beyond the limits of national jurisdiction, one of the objectives of resources management must be the protection of the seas and oceans. While scientific research should be encouraged in every possible way, the same rules should be applied to scientific research programmes with a potential for pollution as would be applied to commercial research programmes with a similar potential. Canada, for example, would not authorize any well-drilling programme on its continental margin, whether for scientific or for commercial purposes, without an assurance that adequate pollution-control equipment and procedures would be employed. The same rule should apply to the area beyond the limits of national jurisdiction.

There was a case for allowing some latitude in the case of projects for the acquisition of sub-surface geological information by means of shallow stratigraphic drilling, since geological features with a high oil and gas potential were known to occur off-shore at very shallow depths beneath the sea-bed. He would suggest that such stratigraphic drilling without strict operational controls, but subject to licence, should be allowed only to a depth of 150 metres.

Topics 5 and 6 went naturally together. Under the Canadian system of off-shore resource management, what was known as an exploratory licence had to be obtained before off-shore exploration work of any kind could be undertaken. An exploratory licence was non-exclusive, was granted for a nominal fee and was tenable of an annual basis. It authorized the licensee to carry out exploration in any region of the Canadian off-shore. Holders of such licences had to submit reports on the results of their exploration work; the administering authority was thus kept informed of what was going on in any part of the off-shore and obtained the technical information acquired by the operator through his activities. An exploratory licence did not authorize the type of activity that would be considered as coming within the category of evaluation work. His delegation commended that type of non-exclusive licence for inclusion in the international régime.

With regard to the right to exploit commercial resources, there were two elements in the Canadian system; the exploratory permit and exploitation lease. The exploratory permit, in contrast to the exploratory licence, related to a specific area which was defined by lines of longitude and latitude so that it could be easily located and described. It gave the holder two advantages over his competitors: the option of acquiring exploratory rights within the permit area and the privilege of being allowed to drill wells within that area. However, the holder of a permit could not undertake commercial production; to do that, he had first to obtain an exploitation lease, and Canada then received royalties on production.

Both the exploratory permit and the exploitation lease were issued on an exclusive basis. It had not been found necessary to restrict the right to search granted under an exploratory licence to areas not held under permit or lease. The equivalent of the Canadian exploratory permit and exploitation lease could be combined in a single document of the type that had been proposed by other delegations.

With regard to topic 7, it was logical to arrange the various types of minerals under three general categories, hydrocarbons and minerals extracted in a fluid state through drill holes, manganese nodules and other minerals occurring on the sea-bed surface, and all other types of minerals. His delegation saw no particular objection to granting non-exclusive exploration licences for any or all of the minerals in those three categories; that was the practice followed in Canada and it

tended to encourage exploration activity, with the consequent acquisition of information, over as wide an area as possible. With regard to exclusive exploitation rights, his delegation suggested that exploitation rights should be granted only for individual minerals or for groups of minerals that occurred in close association with one another.

With regard to topic 8, no particular problems should arise over the granting of non-exclusive exploration rights, but there was a wide range of possibilities in the case of exclusive exploitation rights. The practice in Canada was to issue off-shore exploratory permits initially on a first-come first-served basis, with provision for relinquishment on conversion of the permits to exploitation leases. Different methods were followed for re-distribution of those rights, depending on circumstances; one method was re-distribution by public tender. Exploration rights were never issued, however, purely at the discretion of the administering authority. There was no aspect of resource administration with greater potential sensitivity than the allocation of exploration and exploitation rights; the international régime should be so designed as to enable the administrative authority to operate in the most objective fashion possible.

With regard to topic 9, operators in the Canadian off-shore were allowed to use their own initiative in selecting areas to be explored or exploited, and his delegation recommended a similar procedure for the area beyond the limits of national jurisdiction. Provision should, however, be made for reporting, both on current progress and on the results obtained, in connexion with all exploration and exploitation rights granted.

With regard to topics 10, 11 and 12, the principles underlying the Canadian system of off-shore resource management concerning the size of areas to be granted, the duration of rights and the eventual relinquishment of a certain proportion of the initial area, were consistent with those set out in annex I of the interim report. In Canada, there was no limit to the size of the area within which the holder of an exploratory licence might operate. The purpose of that was to encourage exploration and the acquisition of knowledge, thereby contributing to orderly and progressive development.

When exclusive rights were granted in the Canadian off-shore, specific areas were defined by means of lines of latitude and longitude. Individual permits

covered what were known as grid areas, which were 10' north-south and 15' east-west. Although there were specific time-limits for the tenure of grants, the size of the total area held by any one party was governed in the last resort by his ability to meet the work requirements and other obligations to which he committed himself when taking out the rights. To undertake commercial production, the holder of a permit had to relinquish a proportion, amounting to at least 50 per cent, of his holdings to the Canadian government, which disposed of them in one of a variety of ways.

With regard to topic 13, his delegation had no objection to allowing rights granted under the international régime to be transferable from one party to another, provided appropriate rules and conditions were drawn up to ensure that responsibility and accountability were in no way diminished. Transfers were a common practice under the Canadian system.

Work requirements to which topics 14 and 15 related, were a basic component of the Canadian off-shore resource management system. They increased progressively so as to reflect the increase in necessary expenditure from relatively inexpensive exploration work to high-cost development work. The size of the total area taken up by an operator was thus governed by his ability to meet the obligations imposed by the work requirement, within the period specified. The Canadian system also required the posting of a guarantee deposit, at the beginning of the specified work period, to the full amount of the work requirement, so as to ensure that an appropriate amount of work was carried out during each specified period; deposits were returned when evidence was received of satisfactory performance.

With regard to topics 16 and 17, his delegation attached the greatest importance to the manner in which exploration and exploitation operations were supervised and controlled. It had dealt at length with the subject at the previous session and had stressed its concern with the problem of pollution prevention. Operational aspects had so far received very little attention from the Sub-Committee, but they were highly complex and important, as could be seen from the wealth of detail contained in Canadian oil and gas legislation.

With regard to topic 18, under the Canadian system, all parties carrying out off-shore work must not only obtain prior authorization but also submit reports on current operations. The resulting information was recorded and made available to the public after a suitable period. The advantages of the system were that the administering authority was enabled to make up-to-date economic appraisals and

establish suitable management policies, while the dissemination of information and greater scientific knowledge encouraged resource development. His delegation advocated the application of similar arrangements to the area beyond the limits of national jurisdiction.

With regard to topic 20, under the Canadian system, fees and other direct payments were modest during the exploration stage, but increased at the production stage. His delegation recommended a similar policy for the area beyond the limits of national jurisdiction. Fees, however, should not be so high as to discourage exploration.

His delegation endorsed the comments which appeared under topic 22.

Since the Sub-Committee had so far hardly mentioned the operational field, his delegation thought it premature to attempt to discuss at length the means to ensure adequate inspection of operations and compliance with the rules, which was the problem dealt with in topic 23. If the international administering authority was to be entrusted with powers of inspection and enforcement, a very sophisticated organization, provided with scientific, technical and economic expertise, would have to be set up. He had suggested to the Sub-Committee, at its third session, the desirability of giving the coastal States adjacent to whose limits of national jurisdiction operations might take place, special rights over at least the manner in which such operations were to be conducted. Certain off-shore areas, such as fishing grounds, had a special need for protection and might be adversely affected by off-shore operations beyond the limits of national jurisdiction.

The difficulty in discussing many of the topics being considered by the Sub-Committee was that they involved problems never as yet encountered anywhere, although there was some background information on off-shore oil and gas exploration and exploitation. Off-shore mining, on the other hand, had not progressed to any great extent and information in that field was negligible in relation to the variety and types of off-shore mineral deposits that could be envisaged.

Mr. ODA (Japan) said that he wished to make some preliminary comments, without prejudice to his Government's final position, on some of the topics listed in annex I to the Sub-Committee's interim report.

Topic 4 was concerned with the distinction between exploration for scientific purposes and exploration for commercial purposes. In his delegation's view, scientific research in the area should be freely open to all nations and not

controlled by international machinery. Some internationally acceptable requirements should of course apply, such as prior notification of any scientific research project and subsequent dissemination of its results. Exploration for commercial purposes might have to be registered with or licensed by the international machinery. There were, of course, sometimes practical difficulties in distinguishing between scientific research and exploration for commercial purposes.

With regard to topics 5 and 6, his delegation basically agreed that registration with the international machinery would suffice in the case of activities in category (a); any registered operator might be allowed to conduct such activities on a non-exclusive basis, the results of which, as distinct from cases of scientific research, need not be published. The proposal that activities covered by topics 5 (b) and (c) should be carried out only under a licence granted by the international machinery on an exclusive basis deserved favourable consideration, on account of the different level of capital investment called for by activities in those two categories. He saw little reason for treating production from a mobile platform - for example, dredging - differently from production by drilling from a fixed installation. It might be, however, that exploration for hard minerals, such as manganese nodules, might be carried out only under the first category and thus did not require licensing by an international machinery; the second category of activities, however, was inevitably needed in exploration for hydrocarbons such as oil and natural gas.

The question dealt with in topic 7 should, in his delegation's view, be related to the categories of activity suggested under topic 5. The proposal which his delegation thought worthy of consideration was that broad reconnaissance exploration activities should be registered with an international machinery in the case of all minerals in a specific area; licences for the other two categories of activity should, however, be granted by an international machinery according to the mode of occurrence, such as nodules or hydrocarbons.

His delegation had noted with interest the four methods of assigning exploration and exploitation rights mentioned under topic 8. Licences for activities under the second and third category would be on an exclusive basis, and for that purpose his delegation tentatively favoured registration on a first-come first-served basis, without necessarily excluding other forms. As he had stated at the 33rd meeting of the plenary Committee, the licensing authority should be guided

primarily by objective criteria, which must be incorporated in the régime, and should not be in any way arbitrary in granting licences. His delegation would continue to study that most crucial issue, with a view to finding ways and means of licensing which would ensure the most effective and equitable exploitation of the area's mineral resources.

His delegation supported in principle the observations under topics 10 and 11. The size of areas could vary according to the type of minerals and also to the type of activity - either the second or third category. The size of area should, of course, be reasonable in each case. Regarding the duration of rights, the first category of activities might be registered with an international machinery for a relatively short duration on a renewal basis, while licences for the second and third categories of activities should be granted for a period long enough to interest entrepreneurs.

His delegation supported the proposal concerning means and magnitude of payments outlined under topic 20. It felt, however, that payments during production should be related not to the value at site of the minerals produced but to the profit derived therefrom.

With regard to topic 23, his delegation supported in principle the idea that the international machinery should have adequate powers to inspect operations and ensure compliance with established rules. It did not, however, see any compelling reason for giving the coastal State the rights mentioned in sub-topics (a) and (b).

Topics 19 and 24 involved the main issues of the declaration of legal principles at present being discussed in the Legal Sub-Committee. His delegation's detailed view would be formulated in the light of that Sub-Committee's deliberations.

Mr. SELLI (Italy) said that the Sub-Committee had now reached an advanced stage in its work, but little further progress would be possible until discussions were based on a universally accepted terminology. Topic 1 of annex I to the interim report therefore needed close examination.

Each definition must be clear, precise, unequivocal and practical. While the definitions given in the report of the Ad Hoc Committee (A/7230, annex I) were excellent so far as they went, they were not always complete and during the discussion different meanings had sometimes been attributed to particular terms. For example, the definition of the continental margin was undoubtedly accurate from the geological point of view, but it was not practical. Because highly sophisticated

and costly surveys were needed to define the sialic crust, the real composition of the earth's crust was known in only a few scattered areas of the globe. The proposal by the United Kingdom delegation (36th meeting) to clarify the definition by adding a new sentence to it was excellent but it entailed drafting more precise definitions of the continental shelf, the continental slope and the continental rise as well. Various criteria could be used as a basis for drafting such definitions, but up to the present the only one generally adopted had been that of inclination, which itself had not been very clearly defined.

Varying and sometimes imprecise connotations had been given to the terms "exploration" and "exploitation". Uncertainty in that respect was perhaps due to the fact that not two but four distinct stages preceded the stage of economic production, namely, prospection - consisting of geophysical surveys and surface geological research, exploration - consisting of exploratory deep drilling or extensive dredging, evaluation - meaning the precise delimitation of hydrocarbon or mineral deposits, and exploitation or real commercial production, which must be preceded by the phase of creation of production capacity. In many cases, practical and economic prospection as well as exploration was no different from scientific research. In order to make discussion more effective and to facilitate the reaching of a final agreement, it was essential to have precise definitions of those terms.

The definitions accepted up to the present did not take sufficient account of some of the sea-bed's particular features. He referred specifically to the internal, semi-enclosed or marginal seas, which accounted for about 7.2 per cent of the total marine area and were of vital importance to many States. Three main features could be distinguished in those seas, namely, the shelf, the continental slope and the batial plains. While defining the first two areas was no particular problem, it was less easy in the case of the batial plains which occupied the deeper part of semi-enclosed or marginal seas. Those plains resembled the abyssal plains of the ocean from a morphological point of view but were quite different geologically. The earth's crust was continental or intermediate, with a sialic layer which was more or less developed and not oceanic, the speed of sedimentation was higher than in the abyssal plains of the oceans, and the batial basins were shallower than the oceanic abyssal plains. In fact, the batial plains of semi-enclosed and marginal seas could be assimilated to the rise of the oceans, as both had the same geological

characteristics. It was therefore clear that the definition of a marine province or unit must be based not only on morphology or mean inclination but on more comprehensive geological aspects.

He hoped that the few examples he had given sufficiently illustrated the necessity to revise and complete the definitions of several important terms and concepts used continually during the Sub-Committee's discussions. His delegation would therefore urge that the programme of work for the next session of the Sub-Committee should include a special item devoted to the definition of terms. His delegation, with its technical experts, would be at the Sub-Committee's disposal for any assistance in that task.

The CHAIRMAN said that all the twenty-four topics listed in annex I to the interim report would require more detailed examination at future sessions. If there were no objection, he would consider that the discussion of possible alternative solutions to the problems listed in annex I to the interim report was now closed.

It was so agreed.

ADOPTION OF THE REPORT (agenda item 5)

The CHAIRMAN said that the Sub-Committee's report on its present session would be based on the interim report which had been unanimously adopted at the March 1970 session. The delegations of the USSR and France had each submitted proposals concerning the recommendations to be adopted by the Sub-Committee. He would ask the Rapporteur to provide further information on the report.

Mr. VELLA (Malta), Rapporteur of the Committee, said that the report would consist of three parts. The first would be an up-to-date revised version of the interim report; the second would contain recommendations adopted by the Sub-Committee pursuant to the instructions received from the General Assembly; the third would consist of the annexes to the interim report, revised or complemented during the present session, and of any other annexes which delegations might submit for inclusion.

The CHAIRMAN said that the first part of the report should give no difficulty, as it was merely a question of bringing up to date a report which had already been adopted. Nor should there be any difficulty over the third part, which would consist of annexes published under the responsibility of their authors. The second part, however, would be devoted to concrete recommendations, for which

two delegations had already submitted proposals. He therefore suggested that informal consultations be held that afternoon with the participation of the officers of the Sub-Committee, the delegations which had submitted proposals for recommendations, and any other interested delegations. A preliminary exchange of views would facilitate the adoption of the Sub-Committee's report and enable the Rapporteur to draft the second part of the report in good time.

As far as the annexes were concerned, annex I to the interim report, which had formed the basis for the Sub-Committee's work, would be retained. He understood that the USSR delegation had already submitted a new version of annex II. The co-sponsors of annex III would no doubt wish that annex to be retained. The delegations of the United States and the United Kingdom might wish to state their intentions with regard to annexes IV and V. He assumed that the delegation of El Salvador wished its working paper, contained in annex VI to the interim report, to be included in the report. Finally, the Australian delegation had announced that it would submit a working paper to be annexed to the report.

Mr. NJENGA (Kenya) said he could confirm that the sponsors of annex III wished that annex to be incorporated without change in the report.

Mr. WILLIAMS (United Kingdom) said that his delegation did not wish annex V to the interim report to be reproduced in the Sub-Committee's report, as it had been overtaken by the new working paper (A/AC.138/26), which should now be reproduced as an annex either to the Sub-Committee's report or to the report of the Committee. As no decision had yet been taken on the form of the latter's report, he would ask that the United Kingdom working paper be provisionally included as an annex to the Sub-Committee's report.

Mr. McKELVEY (United States of America) said his delegation wished annex IV to the interim report to be retained in the Sub-Committee's final report. It also wished the working paper it had submitted (A/AC.138/25) to be reproduced as an annex either to the Sub-Committee's report or to the Committee's report. Provisionally, therefore, it should be treated in the same way as the United Kingdom working paper.

The meeting rose at 12.30 p.m.

SUMMARY RECORD OF THE THIRTY-NINTH MEETING

Held on Friday, 21 August 1970, at 10.40 a.m.

Chairman: Mr. DENORME Belgium

ADOPTION OF THE REPORT (agenda item 5) (A/AC.138/SC.2/L.10 and Corr.1) (continued)

The CHAIRMAN invited the Sub-Committee to adopt, paragraph by paragraph, the draft report (A/AC.138/SC.2/L.10). Paragraphs 12 to 17 were to be replaced by those in document A/AC.138/SC.2/L.10/Corr.1.

The draft report was based on the interim report (A/AC.138/SC.2/L.6) unanimously adopted by the Sub-Committee in March 1970.

Paragraphs 1, 2, 3

Paragraphs 1, 2 and 3 were adopted.

Paragraph 4

Mr. ZIMAN (Kuwait) asked that the word "requirements" be changed to "conditions", as had already been agreed.

It was so agreed.

Paragraph 4, as amended, was adopted.

Paragraph 5

Mr. MEYER (Mexico) suggested that the Spanish version of the first sentence which said that documents had been submitted to the Sub-Committee, be amended to agree with the English version, which said that the Sub-Committee had the documents at its disposal.

It was so agreed.

Mr. ZIMAN (Kuwait) said that the word "on" in the penultimate line should be deleted.

It was so agreed.

Paragraph 5, as amended, was adopted.

Paragraph 6

Mr. PAVICEVIC (Yugoslavia), supported by Mr. de SOTO (Peru) and Mr. S'LAZAR (Chile), proposed that, in addition to the comments on the timeliness of the preliminary note by the Secretariat (A/AC.138/24), some mention should be included of the comments of delegations regarding the drafting of the paper. After some discussion, it was suggested that paragraph 6 be deleted, and that the Secretariat note be mentioned in paragraph 5 as one of the documents at the Sub-Committee's disposal.

It was so agreed.

Paragraph 6 was deleted.

Paragraph 7

Paragraph 7 was adopted.

Paragraph 8

Mr. ZOLOTOV (Union of Soviet Socialist Republics) said that the formulation of recommendations regarding the economic and technical requirements and rules mentioned in the first sentence constituted the Sub-Committee's entire task. He therefore failed to see the need for the words "in particular" after the word "requested".

The CHAIRMAN pointed out that the request made by the General Assembly in resolution 2574 B (XXIV) had been addressed to the Committee, not the Sub-Committee. The words "in particular" could, however, be deleted if they caused difficulty for any delegation.

Mr. BRECKENRIDGE (Ceylon) said that he supported the Soviet Union representative's point. The Sub-Committee's task had been allotted to its pursuant to General Assembly resolution 2574 B (XXIV), a fact which did not require qualification by the words "in particular".

The CHAIRMAN said that, if there were no objection, he would take it that the Sub-Committee agreed to the deletion of the words "in particular" from the first sentence.

It was so agreed.

Paragraph 8, as amended, was adopted.

Paragraph 9

Paragraph 9 was adopted.

Paragraph 10

Mr. ZOLOTOV (Union of Soviet Socialist Republics) suggested that the word "convention", in the first sentence be replaced by the word "agreement", so as not to prejudge the form of instrument which would establish the régime concerned.

It was so agreed.

Paragraph 10, as amended, was adopted.

Paragraph 11

Mr. PROHASKA (Austria), Rapporteur, said that the word "requirements" should be replaced by the word "conditions", consequent on the amendment to paragraph 4.

Mr. CAMPBELL (United Kingdom) said that a number of delegations did not agree that the international machinery should be responsible for management of the area as a whole; in their view, the responsibility of the international machinery should be limited to exploration and exploitation activities. He therefore suggested the deletion of the words "the" and "which will be" in the fourth line.

Mr. BRECKENRIDGE (Ceylon) said that to take up the suggestion made by the United Kingdom representative would be to reopen discussion on a question which had been resolved only after long and difficult negotiations at the March session. The wording of the sentence in question reproduced exactly the wording used in the first sentence of paragraph 9 of the interim report, which had been unanimously adopted, and should therefore be left unchanged.

Mr. EL-HUSSEIN (Sudan), supported by Mr. IMAM (Kuwait) and Mr. BALLAH (Trinidad and Tobago), said that the opening words of the sentence referred to by the United Kingdom representative made it quite clear that what followed was nothing more than a reflexion of the views of certain delegations on the nature of the international machinery to be established.

Mr. PAVICEVIC (Yugoslavia), supported by Mr. MEHDI (Pakistan), appealed to the United Kingdom delegation to withdraw its amendment.

Mr. McKELVEY (United States of America) said that the use of the word "will" in the fourth line implied that a decision had been taken, which was not the case. It would therefore be better to replace the word "will" by the word "might".

Mr. DIGGS (Liberia), supported by Mr. RANGANATHAN (India), said that the same question had been raised at the March 1970 session, and that on that occasion specific agreement had been reached on the use of the word "will".

Mr. CAMPBELL (United Kingdom) said that his delegation would not press its amendment, if the sentence was understood in the way suggested by the representatives of Sudan, Kuwait and Trinidad and Tobago, although he was not satisfied that that was a natural way to construe the words. His delegation's view was still that the functions of the international machinery should be limited to management of the exploration and exploitation of the area's resources.

Mr. ZOLOTOV (Union of Soviet Socialist Republics) suggested that at the end of the paragraph the second sentence of paragraph 8 of the interim report be added.

Mr. BRECKENRIDGE (Ceylon) said that the wording of the paragraph should be brought more closely into line with that of paragraph 9 of the interim report by incorporating the phrase "as well as some possible alternative solutions", perhaps at the end of the third sentence.

Mr. McKELVEY (United States of America) said that, in his opinion, the present text, which was an up to date version of the interim report, accurately reflected the developments which had taken place since the March session.

Mr. PAVICEVIC (Yugoslavia) suggested that the second sentence beginning with the words "Several topics were suggested," be replaced by the second sentence of paragraph 9 of the interim report, which began with the words "Several representatives suggested".

Mr. BRECKENRIDGE (Ceylon) said he would withdraw his suggestion in favour of that of the Yugoslav representative. The new second sentence might then be linked with the third sentence by the addition of the word "and".

The CHAIRMAN suggested a short suspension of the meeting in order to enable consultations to be held with delegations which had proposed amendments to the paragraph.

It was so agreed.

The meeting was suspended at 12 noon and resumed at 12.20 p.m.

Mr. RANGANATHAN (India) proposed that the paragraph be amended in the following way. The first sentence would remain unchanged. The second sentence would be replaced by the second sentence of paragraph 9 of the interim report. The third sentence would be linked to the new second sentence by the word "and". The fourth sentence became the third sentence and would remain unchanged. Three new sentences would then be added: the two sentences constituting paragraph 12 of the corrigendum to the draft report, together with the second sentence of paragraph 8 of the interim report. Paragraph 12, as a separate paragraph, would thus disappear.

Mr. BRECKENRIDGE (Ceylon) suggested that in the second sentence of paragraph 12 which, under the proposal by the representative of India, would be incorporated in paragraph 11, the words "working papers annexed" be replaced by the word "annexes".

Mr. McKELVEY (United States of America) said he thought that the Sub-Committee's discussions would be better reflected if paragraphs 11 and 12 were kept separate. He would not, however, press the point.

Mr. SOLOTOV (Union of Soviet Socialist Republics) said that his delegation favoured the proposal put forward by the representative of India, as amended by the representative of Ceylon.

The CHAIRMAN said that paragraph 11, as amended by the representatives of India and Ceylon, would now read:

"During the debate, several representatives indicated their views as to the economic and technical rules and conditions of exploitation, the nature and scope of the régime to be established, and the principles to be reflected in this régime, as well as to the international machinery which will be responsible for management of the area and its resources. Several representa- gives suggested topics with regard to the economic and technical conditions and rules for the exploitation of ~~the resources~~ of this area which might, inter alia, be usefully considered in the context of the international régime to be set up and a number of considerations were expressed on various approaches and possible forms of solution. They are listed in annex I to this report. In addition, various proposals emerged which might also be usefully considered during future sessions of the Economic and Technical Sub-Committee in accordance with its terms of reference. Some of them are contained in annexes to this report. However, the Sub-Committee considered that at this stage it was not in a position to advance concrete proposals about the economic and technical conditions and rules regarding exploration and exploitation of the resources of this area."

Paragraph 11, as thus amended, was adopted.

Paragraph 12

Paragraph 12 was deleted.

Paragraph 13

Paragraph 13 was adopted.

Paragraph 14

Mr. BRECKENRIDGE (Ceylon) said he did not think that the second sentence of the paragraph accurately reflected what had actually happened. Several delegations had stressed the need for precise definitions of the economic and technical terms used and at least one had insisted that the matter was urgent. He suggested, therefore, that the word "eventually" be deleted and that the word "noted" be replaced by the word "stressed".

Mr. FONTANA (Italy) said he agreed with those views. He would suggest, however, that the words "agreed definitions" in that sentence be replaced by the

words "an early agreement on definitions" since the stress had been on preparing definitions at an early date, and that the words "taking also into consideration the situation of the enclosed and marginal seas" be inserted after the word "definitions" in order to meet the point made during the discussion that some definitions would not necessarily be the same for the enclosed and marginal seas as for the open seas.

Mr. IMAM (Kuwait) said that at the informal meetings during which the text had been prepared, his delegation had originally proposed that the second sentence should be qualified by an indication that it represented the views of several delegations. However, on being urged not to insist on the formula "Several delegations stressed ...", it had ultimately accepted the wording as it now appeared, which indicated that there had been no consensus on the point. If the word "noted" were now to be replaced by the word "stressed", his delegation would revert to its original proposal.

The CHAIRMAN asked if he was to assume that the Kuwaiti delegation objected to stressing the need for definitions. If there had been no consensus, that meant that some delegations had disagreed, and he must know if that was the case.

Mr. IMAM (Kuwait) said that his delegations' objection was not to stressing the need for definitions, but to making an inaccurate statement in the report. The question of definitions had not been fully discussed; several delegations had stressed the need for them, but others had not mentioned them at all. In those circumstances, his delegation did not consider that a statement should be made in the report which might give the impression that a consensus had been reached. The de facto situation was that the need for definitions had been noted but that there had been no opportunity to discover whether there was a consensus on the point or not.

The CHAIRMAN said that the Sub-Committee had always worked on the basis of consensuses, which meant that a consensus could be assumed to have been reached if no delegation objected to a stated position. If no objection were raised to a given stand taken up during the discussion, he, the Chairman, felt entitled to conclude that there was a consensus which could be reflected in the report. If there had not been a consensus on the need for definitions, he would be grateful if those delegations that objected to the statement that there was such a need would now say so.

Mr. IMAM (Kuwait) said he agreed with the Chairman's interpretation of the consensus procedure. Since his delegation did not object to the statement that there was a need for definitions, it was prepared to agree to any wording for the second sentence that was acceptable to the Sub-Committee.

Miss MARTIN-SANE (France) said she believed the best solution would be to accept the wording proposed by the representative of Ceylon.

Mr. ZOLOTOV (Union of Soviet Socialist Republics) said he agreed with the Chairman's interpretation of the consensus procedure. During the informal meetings, however, attention had been drawn to the fact that the first sentence of the paragraph dealt with two matters which were being considered by the Legal Sub-Committee. Since the consensus reached in that body was likely to differ somewhat from the one which appeared to have been reached in the Economic and Technical Sub-Committee, it would be wise to replace the word "by" before the words "the Sub-Committee", at the end of the first sentence, by the word "in".

He was prepared to accept the amendment to the second sentence proposed by the representative of Ceylon.

Mr. LIVERMORE (Australia) said he supported the amendment proposed by the representative of Ceylon.

With regard to the USSR representative's remarks, he saw nothing inconsistent between the present wording of the first sentence and any recommendation the Legal Sub-Committee might make. The subjects being dealt with by the two bodies were much the same, but the Economic and Technical Sub-Committee was not attempting to define legal principles. The sentence in question referred to two aspects of seabed resource exploitation, which were very much within the Sub-Committee's competence, and he hoped that it would be retained as it stood.

Mr. BRECKENRIDGE (Ceylon) said he fully endorsed those views. If the word "in" were employed in the present instance, the door would be opened to its use throughout the report and the consensus approach would be destroyed.

Mr. RANGANATHAN (India) said he too endorsed the Australian representative's views.

The CHAIRMAN said he thought it would be wise to deal first with the amendments to the second sentence. There seemed to be no support for the Italian representative's amendments, but considerable support for those of the representative of Ceylon. In the absence of any objection, he would thus assume that the Sub-Committee accepted the amendments to the second sentence suggested by the representative of Ceylon.

It was so agreed.

Mr. MEYER (Mexico) said it was his understanding that the sea-bed and ocean floor referred to in the first sentence were the sea-bed and ocean floor beyond the limits of national jurisdiction. In order to avoid any possible confusion, it might be wise to include the full term in the text.

The CHAIRMAN said the Mexican representative's understanding was correct. The reference might be to "the area", which was the term used elsewhere in the draft report.

If there were no objection, he would take it that the first sentence, as amended by replacing the words "the sea-bed and ocean floor" by the words "the area", was adopted.

Mr. ZOLOTOV (Union of Soviet Socialist Republics) said he must draw attention to the proposal he had made earlier. He did not consider that the Sub-Committee should record a consensus on matters being dealt with, and upon which a different consensus might be reached, by the Legal Sub-Committee. If the word "by" were replaced by the word "in" that would reflect what had taken place without indicating that a consensus had been reached.

Mr. BRECKENRIDGE (Ceylon) said he hoped the USSR representative would not insist on his amendment. The Sub-Committee worked on the basis of consensuses. All members understood what was behind any particular wording which, in any case, did not prejudge the point of view of any delegation as recorded in the summary records.

Mr. ZOLOTOV (Union of Soviet Socialist Republics) said the views of his delegation on the two matters dealt with in the sentence were well known. He did not consider, however, that the Sub-Committee should prejudge the work of another body, which was what it would be doing if it accepted the wording of the sentence as it stood. He urged the Sub-Committee to agree to the amendment he had proposed.

The CHAIRMAN said he could only do what he had done earlier when the representative of Kuwait had found himself in a similar position, namely, ask the USSR representative if he opposed stressing the need to provide training in sea-bed operations for nationals in developing countries as well as the importance of ensuring the widespread dissemination and availability to all States of the results of scientific research and exploration of the area. If the USSR representative did oppose that, note would be made of his opposition and no agreement would be reported.

He would point out that the Legal Sub-Committee was drawing up legal principles, where the question of form was of the essence. The question of form was of much less importance in the Economic and Technical Sub-Committee; what it was concerned with was the substance of economic and technical matters, which included technical assistance.

Mr. ZOLOTOV (Union of Soviet Socialist Republics) said he did not wish to appear to be opposed to the idea of providing training for nationals of developing countries. If all members of the Sub-Committee were prepared to accept the sentence as it stood, he would not insist on his amendment.

The CHAIRMAN thanked the USSR representative for his co-operation. In the absence of any further objection, he would assume that the first sentence of the paragraph, amended as he had indicated earlier, was approved.

It was so agreed.

Mr. TODD (United Kingdom) said he wished to make his delegation's position quite clear on one point. When the paragraph had first been drafted, it had been prefaced by a statement that the points singled out did not imply any order of priority or prejudice the adoption of final recommendations. No such qualification was made in the paragraph as it stood. He must, therefore, point out that, while the United Kingdom delegation warmly endorsed the reference in the first sentence to making the results of scientific research generally available, it could not accept that the phrase "ensuring widespread dissemination" imposed an obligation upon States to circulate the results of research on a systematic or government-to-government basis. It believed that such a practice could be counter-productive, it did not believe that it would provide the most useful service to governments, and it considered that it would impose a considerable financial burden which might itself hamper research.

The meeting rose at 1.10 p.m.

SUMMARY RECORD OF THE FORTIETH MEETING

Held on Monday, 24 August 1970, at 11.45 a.m.

Chairman: Mr. DENORME Belgium

ADOPTION OF THE REPORT (agenda item 5) (A/AC.138/SC.2/L.10 and Corr.1) (concluded)

Paragraph 14 (concluded)

The CHAIRMAN invited the Sub-Committee to continue consideration of its draft report by examining the third and fourth sentences of paragraph 14 (A/AC.138/SC.2/L.10/Corr.1), the first and second sentences having been adopted, after amendment, at the thirty-ninth meeting.

Mr. BRECKENRIDGE (Ceylon) proposed that the third and fourth sentences be amended to read:

> "The Sub-Committee was conscious of the priority task of the Geneva session which was the preparation of an agreed declaration of principles and the carrying out of further discussions on international machinery. It refrained therefore from making selective recommendations in terms of the task assigned to it by the Committee under operative paragraph 6 of General Assembly resolution 2574 B (XXIV) until further progress was made in the above matters".

His proposal, if accepted, would entail the deletion of the first sentence of paragraph 15 and the insertion of the word "however" after the word "feels" in the second sentence of that paragraph.

Mr. DIGGS (Liberia) and Mr. de SOTO (Peru) supported the proposal of the representative of Ceylon.

Miss MARTIN-SANE (France) suggested the deletion of the phrase "until further progress was made in the above matters" from the proposed amendment, which was otherwise acceptable to her delegation.

Mr. BRECKENRIDGE (Ceylon) said he could accept the French representative's amendment.

Mr. TODD (United Kingdom), supported by Mr. McKELVEY (United States of America), said he considered that the important final phrase of the original text of the paragraph, "so that it could present its recommendations as a balanced and coherent whole", should be included in the amendment proposed by the representative of Ceylon.

Mr. LIVERMORE (Australia) suggested that the wishes of both the French and the United Kingdom delegations would be met if the phrase "until further progress was made in the above matters", in the text proposed by the representative of Ceylon, were replaced by the phrase "until, following further progress, it could present its recommendations as a balanced and coherent whole".

Miss MARTIN-SANE (France) said her delegation could accept the Australian amendment.

Mr. BRECKENRIDGE (Ceylon) said that the Australian amendment was also acceptable to his delegation.

The third and fourth sentences, as amended by the representatives of Ceylon and Australia, were adopted.

Paragraph 14, as amended, was adopted.

Paragraph 15

The CHAIRMAN drew attention to the proposal by the representative of Ceylon that the first sentence of the paragraph be deleted and that the word "however" be inserted after the word "feels" in the second sentence.

Mr. DIGGS (Liberia) supported the proposal by the representative of Ceylon.

Paragraph 15, as amended, was adopted.

Paragraph 16

Mr. LIVERMORE (Australia) proposed the replacement of the word "established" by the word "confirmed".

Paragraph 16, as amended, was adopted.

Paragraph 17

Mr. BRECKENRIDGE (Ceylon), referring to the words "its mandate" in the second line, said that since the Sub-Committee did not receive instructions directly from the General Assembly, it would be more correct to speak of "the mandate given to the Committee".

Mr. BALLAH (Trinidad and Tobago), supported by Mr. McKELVEY (United States of America), proposed that the phrase "to study further and systematically the issues raised in order to identify the most suitable solutions" be removed from the end of the first sentence and inserted after the word "session" in the second line.

Mr. ZEGERS (Chile) said that both in the Sub-Committee and in the Committee, his delegation had referred to the preliminary note by the Secretariat on possible methods and criteria for the sharing by the international community of proceeds and other benefits derived from the exploitation of the resources of the area beyond national jurisdiction (A/AC.138/24) and on both occasions had stressed that the document was of a purely provisional nature and would have to be supplemented by a more comprehensive study which set out clearly the possible alternative formulas. He therefore proposed the insertion in paragraph 17 of a sentence along the following lines: "Bearing in mind the provisional character of his preliminary note, the Sub-Committee agreed to request the Secretary-General to make a more comprehensive study of this subject, and formulate and develop possible alternative formulas".

Mr. BRECKENRIDGE (Ceylon), Mr. BALLAH (Trinidad and Tobago), Mr. AMARAL de SAMPAIO (Brazil) and Mr. McKELVEY (United States of America) supported the proposal by the representative of Chile.

Mr. KHANACHET (Kuwait) said he supported the proposal by the representative of Chile but must point out that it would be for the Committee, not the Sub-Committee, to request the Secretary-General to make the study in question. He would also suggest the addition after the sentence proposed by the Chilian representative of a further sentence to the effect that the report in question should be submitted to the Committee at one of its 1971 sessions.

Mr. OSIECKI (Poland), referring to the first sentence, said that his delegation had serious doubts as to the appropriateness of using the word "unanimous" in a sentence which went on to refer to General Assembly resolutions which might not have been unanimously adopted and to documents which had been prepared as a result of such resolutions. It would be better either to delete the words "keeping in mind the relevant resolutions .... as well as comments thereon" or, alternatively, to redraft the sentence in some other way.

Mr. ZOLOTOV (Union of Soviet Socialist Republics) said he associated himself with the views of the Polish representative. It would be quite adequate for the purposes of the report to refer only to General Assembly resolutions 2467 A (XXIII) and 2574 B (XXIV).

During the March 1970 session his delegation had voiced serious doubts as to the relevance and timeliness of drawing up a study on possible methods and criteria for the sharing by the international community of proceeds and other benefits derived from the exploitation of the resources of the area beyond national jurisdiction. Those doubts had been confirmed by the fact that the Secretariat's preliminary note had been of little value to the Sub-Committee in its work. He therefore proposed the addition, at an appropriate point in the paragraph, of the sentence: "Some delegations expressed doubts as to the necessity of this study for the discharge of its mandate by the Sub-Committee."

Mr. BRECKENRIDGE (Ceylon) said he hoped that the suggestion by the Polish representative would not result in the deletion of a substantial part of the paragraph, which at present was quite comprehensive.

The CHAIRMAN said that if the first sentence of the paragraph were replaced by the following two sentences, that would, he believed, take account of all the suggestions and comments which had been made during the discussion:

> "It was the unanimous recommendation of the Sub-Committee that it be re-instructed at its future session to study further and systematically the issues raised in order to identify the most suitable solutions, in accordance with the mandate given to the Committee as set out in General Assembly resolutions 2467 A (XXIII) and 2574 B (XXIV). In doing so, it would keep in mind the relevant resolutions of the General Assembly as well as the concurrent studies of the Main Committee and the Legal Sub-Committee, and take into account the reports of the Secretary-General on international machinery, the preliminary note on possible methods and criteria for the sharing by the international community of proceeds and other benefits derived from the exploitation of the resources of the area, as well as comments thereon."

It was so agreed.

Miss MARTIN-SANE (France) said that the French translation of the last two sentences of the paragraph did not correspond exactly to the English text, and she hoped the Secretariat would make the necessary corrections.

Mr. ZOLOTOV (Union of Soviet Socialist Republics) said that there were also a number of inaccuracies in the Russian version which required correction.

The CHAIRMAN said that if there were no objection, he would take it that the third and fourth sentences of the paragraph were acceptable to the Sub-Committee, subject to the necessary drafting changes to bring the other language versions into line with the English.

It was so agreed.

Paragraph 17, as amended, was adopted.

The CHAIRMAN suggested the addition of a new paragraph to be numbered paragraph 18, to take account of the proposals made by the representatives of Chile and the Union of Soviet Socialist Republics. The paragraph might read:

> "The Sub-Committee agreed that the Committee should request the Secretary-General for a more comprehensive study on possible methods and criteria for the sharing by the international community of proceeds and other benefits derived from the exploitation of the resources of the area, which will formulate and develop several possible alternatives. The report should be presented in one of the sessions of 1971. Some delegations expressed doubts about the necessity of this study for the discharge by the Sub-Committee of its mandate."

It was so agreed.

The new paragraph 18 was adopted.

The draft report as a whole, as amended, was adopted.

Miss MARTIN-SANE (France) said that her delegation wished its working paper (A/AC.138/27) to be annexed to the Committee's report. Should the Committee decide to draw up its report in a form which excluded that possibility, she would request that her delegation's working paper be dealt with in the same way as those of the United Kingdom (A/AC.138/26) and the United States (A/AC.138/25) and annexed to the report of the Sub-Committee.

CLOSURE OF THE SESSION

The CHAIRMAN declared the session of the Economic and Technical Sub-Committee closed.

The meeting rose at 1.10 p.m.