

there were some small variations as a result of rounding off the figures of annual growth rates. If figures correct to five decimal places had been used, those variations would not have occurred. At any rate, if it was so decided, the Secretariat could provide the more detailed figures for annual growth rates.

39. In preparing the report, the Secretariat had confined itself to drawing attention to certain phenomena resulting from the assumptions used and had not attempted to draw any conclusions from them. As the representative of Australia had said, the Secretariat had not used any hypothetical growth rates in excess of 2 per cent because it had had no mandate to do so. If the Committee felt that that should be done, the Secretariat could issue an addendum to the report reflecting growth rates between 2 and 3 per cent—for example, 2.3 and 2.7 per cent. Two comments had been made in the debate which clearly demonstrated the difficulties encountered in preparing the report: one representative had stated that the report was too complex and should be studied by an expert group, while another had stated that it was not precise enough. The Secretariat had attempted to take the middle course with a view to producing a document that delegations would not find too technical.

40. Mr. MWANANG'ONZE (Zambia), supported by Mr. CHINHENGO (Zimbabwe), said that an addendum of the kind proposed would be too limited and would be merely another attempt to avoid facing the problem. His delegation would agree to the issue of such an addendum, however, provided that it was also decided to establish a group of experts to study the report.

41. The CHAIRMAN said that there was no consensus with respect to the establishment of a group of experts and he therefore suggested that he should be authorized to hold informal consultations with a view to reaching consensus on how to proceed.

42. Mr. GIORGOLO (Italy) said that his delegation had made calculations based on a growth rate of 2.5 per cent and would provide the figures to the secretariat so that they could be made available to interested delegations.

43. The CHAIRMAN said that any delegation that wished to make calculations with respect to the growth rate of nickel consumption could do so and circulate them informally, since there seemed to be no agreement on the issuing of an addendum to the report.

*The meeting rose at 1.05 p.m.*

## 53rd meeting

Tuesday, 7 April 1981, at 10.30 a.m.

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

### Reports of the Secretary-General (concluded)

1. Mr. MAZILU (Romania) said that his delegation agreed with the opinion expressed by the Special Representative of the Secretary-General that the report on financial implications should be revised at some future date; it believed, indeed, that it would be desirable to carry out the revision prior to the adoption of the convention. It appreciated the difficulties of the Secretariat in preparing its preliminary study, based as it was on many different views and assumptions. Although it was obvious that the expenditure arising out of sea-bed activities and the operation of the Authority would be quite high, it should be kept as low as possible, and the financial contributions of the States parties should be kept at a minimum level. To that end the Authority and its organs should be organized in the most economic and efficient manner.

2. Mr. RATRAY (Jamaica) said that the figures contained in document A/CONF.62/L.65 were only approximate. The study indicated a possible range for each item of costs, depending on whether meetings were held or the activity performed in a country having a relatively low, medium or high cost-of-living index. It accordingly provided only a forecast of the possible order of magnitude of the costs involved, not detailed estimates.

3. Nevertheless, the study was a useful tool and reflected a highly professional approach. There were two components: non-recurring and recurring costs. Non-recurring costs included such items as construction and equipment costs for conference and office accommodation, and library and computer installations. The cost estimates for such items ranged from \$57 million to over \$115 million. Recurring costs included such items as staff and general expenditure, with estimates ranging from \$17.4 million to \$24.1 million. The study had separated the costs of the Enterprise from those of the Authority, in accordance with the provisions of the draft convention (A/CONF.62/WP.10/Rev.3 and Corr.1 and 3).

The Enterprise was an integral part of the Authority and would be required to operate in accordance with commercial principles and to meet certain standards of efficiency. Estimates of the non-recurring costs of the Enterprise ranged from \$31 million to almost \$70 million, while estimates for the recurring costs ranged from \$5.1 million to \$7.9 million.

4. The separation of costs meant that costs were higher than they would be if shared facilities were provided. For example, some \$30 million would be saved in the construction of conference halls if the Enterprise and the Authority used common facilities. If the Enterprise were to be regarded as part of the Authority and shared various facilities with it, the order of magnitude envisaged and the consequent burden on the international community could be substantially lower.

5. The costs envisaged for the Preparatory Commission would vary according to whether its secretariat was at United Nations Headquarters, at some other established United Nations office or elsewhere.

6. It was clear that an early decision on the site of the Authority would result in savings and facilitate the initial stages of the Authority's work. The Committee should consider the information contained in the document in the light of how savings might be effected.

7. Mr. YARMOLOUK (Union of Soviet Socialist Republics) said that the Secretariat had recognized that document A/CONF.62/L.65 did not provide comprehensive data on the potential financial implications to the States Parties to the future convention on the law of the sea. The estimates were based on research conducted in various countries over the previous five years. The somewhat hypothetical figures given in the report led to conclusions different from those reached at the time of the first survey of costs, conducted in 1977.

8. It was obviously imperative to devise the most economical possible method of organizing the proposed new organs so as to maximize efficiency and minimize expenditure. His delegation agreed with the conclusion that the financial conse-

quences of establishing the Preparatory Commission could best be dealt with by having the necessary funds provided from the regular budget of the United Nations.

9. Mr. MONTAZ (Iran) said that his delegation was concerned at the high cost estimates for establishing and maintaining the various organs provided for in the draft convention. It seemed that the hopes for revenue so justly entertained by the poorer nations as a result of the exploitation of the common heritage of mankind might well become financial obligations which some of them would scarcely be able to meet. Every effort must be made to avoid excessive expenditure and to secure a more equitable distribution of financial burdens among States Parties.

10. He believed that one of the factors responsible for the rise in the estimated costs was that the sites of the Authority, the Enterprise and the Tribunal would be in different places, which for certain items multiplied expenditure by three. Without wishing to prejudice negotiations already under way concerning the siting of those organs, his delegation wondered if the best course might not be to strive for greater centralization. For example, it might be possible for the Tribunal to sit at the same place as the International Court of Justice and to have the Preparatory Commission meet in either Geneva or New York.

11. There was likewise a good case for departing from the United Nations scale of assessments by reducing the contributions of the least developed States to a minimum. In addition, some States, including those which were offering to serve as host for the Authority or other organs, might volunteer to bear a higher proportion of construction costs and meet architects' and engineers' fees. Alternatively, a higher proportion of expenditure might be borne by the United Nations regular budget.

12. Mr. GAUCI (Malta) said that the study contained in document A/CONF.62/L.65 was extremely comprehensive and offered a sound basis for more accurate projections of costs.

13. Mr. ADIO (Nigeria) said that his delegation had concluded that the study contained in document A/CONF.62/L.65 was of the very highest quality, and commended the Secretariat for its endeavours.

14. Mr. JITOKO (Fiji) said that the estimates contained in the Secretariat study were extremely helpful to his Government, which had offered to serve as host to the Authority. However, the question of the siting of the Authority did not have to be resolved before other outstanding questions. The estimates certainly merited careful study. It was possible that savings might be made in certain areas—for example, by holding meetings of the Preparatory Commission at United Nations Headquarters.

15. Mr. WUENSCHÉ (German Democratic Republic) said that the Secretary-General's report was useful, but that improvements in the estimates were necessary. As his delegation understood it, the intention at the outset of the Conference had been, especially in the context of Part XI of the draft convention, that the revenues accruing from deep-sea mining should be distributed, particularly among developing countries. However, the cost estimates given in the report gave cause for alarm in that it appeared that the revenues, if forthcoming, would be needed in their entirety for the International Sea-Bed Authority and the other organs to be established. The Committee should therefore give very careful consideration to the composition of those bodies in order to reduce the costs involved to a minimum.

16. Mr. SEALY (Trinidad and Tobago) said that his delegation shared the views expressed by the representatives of Jamaica and Iran.

17. He hoped that the Special Representative of the Secretary-General would tell the Committee how the suggested

manning table of the future international sea-bed Authority compared with those of the United Nations and such specialized agencies as the World Intellectual Property Organization (WIPO), the World Meteorological Organization (WMO) and the International Telecommunication Union (ITU). What he was asking was, in other words, whether, on an ascending scale of budgetary costs for staffing, the Authority would fall within the lower, middle or upper range.

18. A similar query arose in connexion with the Enterprise. He was not sure to what extent the Secretariat had borne in mind the fact that the new body would be a commercial operation engaged in mining, transport, management and, perhaps, processing, and whether the manning tables reflected that commercial orientation. It was essential to avoid setting up an international bureaucracy modelled on that of other United Nations organizations.

19. Mr. ZULETA (Special Representative of the Secretary-General), replying to the representative of Jamaica, said that the Secretary-General had indicated in a foot-note to paragraph 30 of his report (A/CONF.62/L.65), that some of the expenses detailed in that paragraph could be reduced if the Enterprise and the Authority agreed to share common staff resources and facilities on a reimbursable basis, in conformity with paragraph 4 of article 11 of annex IV of the draft convention. At the same time, the Secretariat had not felt at liberty to give an opinion on that issue, which had political implications. However, there was no doubt that a cost-sharing arrangement would considerably reduce the expenditure involved.

20. Turning to the question of services for the Preparatory Commission, he said that, since the decision to set up the Commission would have financial implications, the General Assembly would have to take into account the provision, in paragraph 5 of section I of its resolution 31/140, on the holding of sessions of United Nations bodies away from their headquarters.

21. It should be noted that the estimates referred to in paragraph 6 of the report for various headquarters sites had been prepared without consultation with prospective host countries. The total cost involved would obviously fall considerably if prospective host countries for the Enterprise and the Authority were prepared to provide all or part of the facilities involved. The Secretariat had had no opportunity for detailed discussions with those countries and therefore felt it inappropriate to prejudge that aspect of the costings.

22. In connexion with the first question asked by the representative of Trinidad and Tobago, he said that the estimated staffing requirements for the international sea-bed Authority given in table 2 of the report were very much lower than those currently reflected in the reports of such United Nations bodies as WIPO or the United Nations Environment Programme (UNEP). Only 23 posts had been allocated for administrative and financial services, whereas 145 posts were envisaged for conference services. As the report stated, the latter figure was explained by the fact that the Authority would be using all six official languages in carrying out its duties and would therefore require extensive documentation and interpreting services.

23. With regard to the staffing requirements for the Enterprise, he said that the estimates given in the report obviously could not include management and administration services for an integrated sea-bed mining project. It should be emphasized that the estimates given in annex II of the report for the development of one such project were highly tentative and were based on such information as had been available to the Secretariat.

24. It should be pointed out that the estimates in paragraph 27 of the staff needs of the Enterprise provided only for a post of Director-General and 15 Professional posts, i.e., a

basic administrative structure compatible with the initial needs of the Enterprise. A much more complex staffing table, including a project manager and technical personnel, would obviously be required for the operation of an integrated seabed mining project.

**Draft convention on the law of the sea (informal text):  
article 156, paragraph 3**

25. The CHAIRMAN reminded delegations that it was not intended to take a decision on the question of the seat of the Authority in the First Committee, since that was a matter for the plenary meeting of the Conference. The Committee was considering the possible financial implications of adopting the convention, and it would thus be valuable to hear the views of delegations—and particularly the delegations of the prospective host countries—in the light of the Secretary-General's report (A/CONF.62/L.65).

26. Mr. GAUCI (Malta) said that his delegation felt compelled to raise the question of the site of the Authority, but only in response to actions taken with unseemly haste by certain other delegations. His delegation had received preliminary indications that, despite world-wide inflation, the estimates of the costs of constructing a site in Malta would be considerably lower than the minimum figure contained in the Secretariat study. His Government already had buildings available which the Authority and the Preparatory Commission could use. Alternatively, it was prepared to convert a historic building or to construct a new one. There were, of course, many other considerations besides cost to be taken into account.

27. Mr. RATTRAY (Jamaica) said that the question of the siting of the Authority had been before the Conference for a considerable period, although it had not been the subject of detailed discussion. In the expectation that the current session would devote closer attention to the matter, his delegation and his Government had made extensive preparatory arrangements to provide adequate facilities for the Authority at the earliest possible opportunity. His Government had reiterated its commitment to act as host to the International Sea-Bed Authority in the confidence that the widespread support which had been voiced for his country's candidacy would be reflected in the Conference's decision. It should be noted that his country was the only candidate to be endorsed by the Group of 77, and that it enjoyed widespread and growing support beyond the confines of that Group.

28. His Government had accordingly made active preparations to accommodate the headquarters of the Authority. In particular, the building intended for the interim secretariat of the Authority, or any other preliminary body which might be established, would be completed by September 1981.

29. His delegation had been involved in extensive negotiations with a view to securing consensus on the question and thus promoting an early and successful conclusion to the Conference.

30. Mr. GAUCI (Malta) said that his delegation was perturbed by the procedural irregularity of the current discussion. At the previous meeting the Chairman had said that the Committee would be considering the two reports of the Secretary-General in documents A/CONF.62/L.65 and L.66. The President of the Conference had earlier indicated that he would be consulting the delegations concerned in order to ascertain the most suitable time to take up the question of the siting of the Authority. If, as appeared to be the case, there had been some meetings of the Collegium at which the matter had been discussed, it would surely have been appropriate to inform all delegations, and particularly those of the prospective host countries, of the intention to hold such discussions. His delegation, for one, had not been consulted.

31. He did not wish to make any substantive proposal on the question before the Committee since the plenary meeting of the Conference had not yet determined how and when it should be taken up formally. The handling of the question was a matter of principle for his delegation.

32. The CHAIRMAN commented that under the rules of procedure all outstanding matters concerning Part XI of the informal text of the convention (A/CONF.62/WP.10/Rev.3 and Corr.1 and 3) should be discussed in the First Committee. He had assented to having the final decision on the seat of the Authority taken in the plenary Conference under a "gentlemen's agreement" worked out by the former President and the Collegium. The Collegium had not discussed the question since, and he had not said anything that might imply that it had. As for the assertion that delegations had been taken aback to find the issue being raised, he had told the Committee at its first meeting of the current session that it was his intention to allow discussion on all outstanding matters within its purview. Indeed, all three prospective host countries had been notified at the end of the previous week that the matter would be discussed—but no decision taken—at the current meeting.

33. When the Committee had finished its discussions, he would report accordingly to the plenary, and it would then be for the plenary to reach a decision in due course on the seat of the Authority.

34. Mr. GAUCI (Malta) said that if the plenary Conference was going to take the decision, it would be more sensible to conduct the discussion in the plenary meeting as well. He had arrived at the meeting expecting to discuss only the two reports of the Secretary-General. The Chairman himself had intimated that the Conference had not yet put into motion the process by which a decision on the seat for the Authority would be taken. There was reason to wonder, therefore, how the Chairman had come to decide that the Committee should proceed to discuss the question.

35. His delegation maintained that the siting of the Authority was not a matter for discussion by the First Committee. It would not enter into the substance of the issue until the matter was raised in a body it considered appropriate.

36. Mr. JITOKO (Fiji) said that he too was disquieted to find the matter being taken up in the First Committee, which was not the appropriate body: the site of the Authority had always been discussed in plenary meetings. It was regrettable that one delegation should seek to gain an advantage by having the issue raised in the Committee prematurely.

37. The remark in the explanatory memorandum of the first President of the Conference (A/CONF.62/WP.10/Rev.3/Add.1, para. 9), to the effect that the foot-note to article 156, paragraph 3, of the informal text would be considered at the tenth session of the Conference had been based on the assumption that the tenth session would be the last. His delegation felt that the issue of the seat of the Authority should not be taken up until all the other outstanding points had been resolved; the consultations begun by the President at the current session should not be undermined by discussions in the First Committee. In any event, impressive as the Jamaican case might seem, Fiji could put up a case just as good.

38. The CHAIRMAN said that he understood the First Committee to be an essential part of the Conference on the Law of the Sea, and the proper forum for the debate in progress.

39. Mr. HYERA (United Republic of Tanzania) said that the Group of 77 had unanimously welcomed Jamaica's offer, in 1974, to act as the host for the sea-bed Authority. Nothing had since happened to make his delegation want to change its position; he hoped that the Group of 77 would stand by its decision and that other delegations would join it in supporting Jamaica's candidacy.

40. Mr. GAUCI (Malta) said that his delegation, as a member of the Group of 77, was unaware of ever having authorized the United Republic of Tanzania to speak on its behalf.

41. Mr. ADIO (Nigeria) endorsed the Chairman's interpretation of the Conference's rules of procedure. A topic falling within the purview of the First Committee could not be arbitrarily referred to the plenary Conference, whether the parties concerned agreed or not, and the eventual site of the Authority concerned more than just the three prospective host countries.

42. He had thought that the question of the site had been settled in 1974, with the endorsement of Jamaica by the Group of 77. He would be reluctant to support Jamaica over Malta, but believed that in the event of equally valid claims, the prior claim took precedence.

43. Mr. RAOELINA (Madagascar) said that he believed that the question of the site for the Authority should not be considered until all other substantive issues had been settled, and that the appropriate body for such consideration was the plenary meeting of the Conference.

44. Mr. VALENCIA-RODRÍGUEZ (Ecuador), speaking on behalf of the group of Latin American States, said that they had decided in 1974 to support Jamaica's candidacy and had so notified the President of the Conference. At a meeting the previous day, the group had unanimously reaffirmed its position and resolved that the negotiations on the matter should be pursued vigorously during the current session. He therefore urged delegations to indicate their feelings on the question, so that the Conference might be properly briefed when it came to make its decision.

45. Mr. SOLANO (Mexico), Mr. GUERREIRO (Brazil), Mr. TORRAS de la LUZ (Cuba), Mr. LEGWAILA (Botswana), Mrs. KELLY de GUIBOURG (Argentina), Mr. MURARGY (Mozambique), Mr. ALVAREZ FERNÁNDEZ (Costa Rica), Mr. ROSALES-RIVERA (El Salvador), Mr. FOMBONA (Venezuela), Mr. FERNÁNDEZ BALLESTEROS (Uruguay), Mr. OGNIMBA (Congo), Mr. WALKER (Barbados), Mr. FLEMMING (Saint Lucia), Mr. SCOTLAND (Guyana) and Miss MEDINA KRAUDIE (Nicaragua) said that they believed that the First Committee was the proper body in which to discuss the question and expressed their delegations' support for Jamaica's candidacy.

46. Mr. CARÍAS (Honduras), Mr. de SOTO (Peru), Mr. JESUS (Cape Verde), Mr. GUEHI (Ivory Coast), Mr. del CORRAL (Colombia), Mr. MAQUIEIRA (Chile), Mr. TUBMAN (Liberia), Mr. GAYAN (Mauritius), Mr. CHINHENGU (Zimbabwe), Mr. STARCEVIĆ (Yugoslavia), Mr. MWANANG'ONZE (Zambia), Mr. WILLIAMS (Panama), Mr. SEALY (Trinidad and Tobago), Mr. JERE (Malawi), Mr. DUMEVI (Ghana) and Mr. STEWART (Bahamas) also expressed support for Jamaica's candidacy.

47. Mr. BENNOUNA (Morocco) said that his delegation's prime concern was to choose a site for the Authority which would provide optimum conditions for the Authority's work. One factor to be considered was ease of travel, and it was regrettable that the Secretariat had conducted no study on the matter. The Committee was, moreover, acting prematurely by discussing the question while consultations with the prospective host countries were still in progress.

48. Mr. MUDHO (Kenya) said that the issue properly belonged in the First Committee. He understood that the proposed consultations between the President and the three prospective host countries would be for the purpose of securing an endorsement of Jamaica's candidacy by consensus. His delegation had examined the merits of all candidates and found nothing to cause it to relinquish its support for Jamaica.

49. Mr. AL-WITRI (Iraq) said that his delegation was surprised that the matter should have been raised at such a sensitive stage of the Conference's negotiations. It felt that neither

the time nor the place was right for discussing the controversial question of where the seat of the Authority should be: the appropriate forum was the plenary meeting of the Conference, after consultations with the parties concerned. There were clearly differences among delegations, and some were seeking to mobilize a majority for one candidate. His delegation felt bound to object to such methods and would prefer negotiations and dialogue based on an understanding between the various candidates.

50. Mr. MOMTAZ (Iran) said that, on the choice of site for the Authority, he could only repeat his earlier reference to the decision taken by the Group of 77 at Caracas in 1974, when Jamaica alone had offered to act as host. Two more countries had since become candidates, and the situation had completely changed. His delegation considered that the Committee could not continue to expect consensus but would have to treat the candidates equally and study the financial implications of a particular choice for, for example, the travel costs of delegations.

51. Mr. DJALAL (Indonesia) said that his delegation hoped for more consultations between the President and the three candidates before being asked to make a choice. So far as his delegation was concerned, it was also important to know the full financial implications of the choice of site for both the Authority and its members. The group of Asian States had not discussed the question recently. For that reason, and since a decision was, as had earlier been decided, to be taken by vote, his delegation would reserve its detailed comments until a later stage.

52. Mr. NDIAYE (Senegal) supported the observations made by the representative of Iran. When the decision had been taken to back Jamaica in 1974, there had been only one candidate. With three offers to be considered, the question had to be treated differently, and there must be strict equality among the candidates. The financial, communications and transport implications of the decision would also have to be carefully evaluated.

53. Mr. GAUCI (Malta) said that the statements of earlier speakers to the effect that when the Group of 77 had endorsed the candidacy of Jamaica in 1974, the other candidates had not offered themselves as alternatives were somewhat misleading. At that time Malta had not been a member of the Group and so could not have submitted its candidacy. Moreover, his Government had assumed that the consideration of any candidacies would depend on the progress made on the substantive issues before the Conference and had therefore waited until there was sufficient evidence of progress on the substance before putting forward its candidacy. In any event, there was no reason why the first candidate should automatically be chosen. In fact, there could have been no candidacy proposed unless the substance of the question was first raised, and all delegations knew which country had introduced this item. One representative had suggested that the consultations in which the President was engaged were designed to produce consensus in favour of Jamaica: that was not his delegation's understanding.

54. Information relevant to the substance of the issue would soon be available, and that was what should be discussed in the appropriate forum at the proper time, when Malta would be ready to make its contribution.

#### Organization of work

55. The CHAIRMAN asked what other issues delegations wished to be brought up in connexion with Part XI of the draft convention.

56. Mr. BRENNAN (Australia) said that his delegation attached considerable importance to the eventual inclusion in the text of a clause prohibiting any resort to unfair economic practices, such as subsidizing the production or marketing of

minerals from the Area. He was not sure whether that issue should be discussed at formal meetings of the Committee or in some other way of the Chairman's choosing.

57. The CHAIRMAN said that it was his feeling that he should have consultations with other delegations before bringing the matter before the Committee. If he heard no objections, he would undertake consultations with a view to finding out if there was a basis for consensus.

58. Mr. DORON (Israel) said that the matter of the Prepara-

tory Commission had so far been discussed only in the working group of 21. His delegation, like others, would like to express its views on the subject in the First Committee when possible.

59. The CHAIRMAN said that delegations would have such an opportunity when the working group of 21 submitted its report to the Committee.

*The meeting rose at 1.15 p.m.*

## 54th meeting

Thursday, 27 August 1981, at 4.05 p.m.

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

### Report by the Chairman of the First Committee

1. The CHAIRMAN said that, as he had done at earlier sessions of the Conference, he wished now to report to the First Committee before he presented to the plenary his appraisal of work done during the resumed tenth session on matters with the Committee's mandate.<sup>1</sup>

2. In the first place, the question of the Preparatory Commission had been considered further by the working group of 21. The meetings had been conducted jointly by the President of the Conference and the Chairman of the First Committee. The group had used, as a basis, the draft resolution contained in annex II to document A/CONF.62/L.55.<sup>2</sup> Upon completion of a first reading of the text of the draft resolution, the co-Chairmen had prepared a draft with a view to reflecting suggestions for improvements made during the negotiating process (WG.21/Informal Paper 15). The co-ordinator of the Group of 77 had also submitted informal suggestions contained in WG.21/Informal Paper 16. Following the completion of a second reading, the President of the Conference and he himself had prepared a further draft text (WG.21/Informal Paper 17) which reflected areas of agreement and those of possible compromise.

3. As could readily be seen, the working group of 21 had made progress in its work and substantial agreement had been reached on many basic issues relating to the establishment of the preparatory commission for the Authority and for the Law of the Sea Tribunal. The following issues, however, remained unresolved: membership, how decisions should be made on substantive issues, financing and termination. They should be dealt with in a package; compromise was needed from all sides. He was confident that those issues would be resolved at the final decision-making session in 1982.

4. Secondly, on the subject of production policy, he said that though there had been no formal negotiations on the matter, he had encouraged intensive and extensive discussions bilaterally, multilaterally and in a general framework. One conclusion that had emerged from the consultations was that no single measure might be adequate to resolve the matter and that there might be a need for a combination of measures for that purpose.

5. He ventured to project some ideas because of his belief that the current stalemate called for some fresh look at the central problem. He was convinced that the ideas he was men-

tioning addressed the issue and consequently were worth exploring. He would urge delegations to give serious thought to them during the intersessional period, and try to work out details. He stressed that nothing that he said should be construed, in any way, as undermining the basic principles or the substance of the text of Part XI. He thought that the introduction of comparatively minor changes could trigger new elements of agreement, and thus enhance the prospects of broader consensus.

6. It was possible that a solution to the problem of production policy lay in some economic scheme for which the Conference had neither the time nor facilities to devise. As a first measure, provision had been made in article 151, paragraph 4, for a machinery of investigation into the matter and that, one might confidently expect, would provide a solution. However, the experts admitted that time was an important factor and that States which were likely to be adversely affected would like to see such an investigation or study already under way before the full impact of sea-bed mining affected their industries. That would suggest that the preparatory commission could be involved in such a study. It was also reasonable that the States affected would wish to be closely associated in both drafting the terms of such an investigation and in the composition of the study group.

7. It would appear that since the problem was one which, through market disruptions, might affect not only land-based producers but also sea-bed miners and consumers of the metals, ways and means should be explored of reaching a mutual accommodation among producers and consumers. Article 151, paragraph 1, provided that the Authority could take the necessary measures with regard to any resultant arrangement or agreement. Again, keeping in view the time factor, the Conference might wish to provide that the preparatory commission be involved in studying possibilities in that regard and prepare recommendations for the Authority.

8. Thirdly, with regard to unfair economic practices, he said that it was generally recognized in the negotiating effort that the exploitation of the resources of the sea-bed, which were the common heritage of mankind, should be based on fair economic practices. In order to ensure that the common understanding was adhered to, some delegations, notably that of Australia, had made a proposal to the effect that States Parties, in the production, processing, transport and marketing of minerals and commodities derived from the resources of the Area, should avoid economic practices which caused, or threatened to cause, material injury to the interests of another State party. He had encouraged serious consultations on that matter, co-ordinated by the Chairman of the Australian delegation, who would inform the Committee about the details of those consultations later.

<sup>1</sup> The full text of the Chairman's report was circulated under the symbol A/CONF.62/C.1/L.29.

<sup>2</sup> *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. XIII (United Nations publication, Sales No. E.81.V.5).