

the committee should try to capitalize on the fruitful informal intersessional discussions held under the chairmanship of Jens Evensen of Norway in Geneva in February/March 1977. Mr. Evensen was asked by the chairman of Committee I to chair informal working group meetings of the Committee with a view to drafting new compromise formulations on the basis of intersessional discussions. This process proved largely productive and many of the new provisions in the ICNT, based on Evensen's drafts, represent a forward step from the analogous RSNT provisions.

As a result of the points raised in the informal Committee I working group, by concerned land-based mineral producers, including Canada, the ICNT now contains the framework (Article 150) for a workable formulation for achieving a relationship between deep seabed mining and total world production (in contrast to the old RSNT formula) which could go some way in meeting Canadian objectives to provide protection against market disruption of land-based producers of minerals due to deep seabed production of the same minerals, principally the production of nickel. The formula would allow an economic incentive of up to 9 deep seabed mine sites upon the outset of commercial production and it would further allow deep seabed production to compete for 60% of the cumulative growth of world nickel demand.

On the basic question of parallel access to the deep seabed (an issue over which the Conference was deadlocked at the Fifth Session), the ICNT article, while not free from major problems and some ambiguity, theoretically appears to ensure that private corporations or state entities will obtain contracts from the International Seabed Authority to mine in the international seabed area. The text of Article 151, when read in combination with the conditions for granting of contracts by the Authority in Annex II of the ICNT, could be interpreted as restricting access to the seabed area by imposing burdens on applicants respecting transfer of technology to the Enterprise; it does indicate however that conditions for such contracts must be under "fair and reasonable terms and conditions". Article 151 and Annex II diverge from the compromise formulations suggested by Mr. Evensen during the session and might prove difficult for most industrialized countries, whose corporations have invested considerable money in deep seabed research and development, to accept.

Useful time was devoted to discussing the legal status and financing of the Enterprise, a matter which the Committee had not yet reviewed in detail. While the ICNT text on both points will require considerable improvement, particularly with respect to the various approaches to financing the operations of the Enterprise, the text has helped at least to focus attention on the key problem areas. The objective is to develop a system for financing the Enterprise in order to allow it the means of becoming a going concern roughly in phase with the corresponding mining activities of private corporations or state owned entities.