

Council. As a major land-based producer of minerals that eventually will be exploited from the seabed and as a potential seabed mining state and major financial contributor under the Convention, Canada fully expects to be a member of the Council. Our position as a seabed mining state has been secured under the Conference Resolution on Preparatory Investment Protection and the Canadian delegation has initiated negotiations to resolve overlapping seabed mining claims in a manner compatible with the Resolution and the Convention. This is consistent with the leading role Canada played in the development of the concept of the "parallel system" in which private and national seabed mining companies will exploit the seabed in parallel with the ISA's operating arm, the Enterprise. In order to ensure that the Enterprise becomes a viable entity, the Convention includes several unique provisions. Parties to the Convention will be required to finance one Enterprise mine site on the basis of the UN scale of assessment calculated as being applicable to all nations, including non-UN members. Private and national operators will have to agree to transfer technology to the Enterprise under certain circumstances and pursuant to defined terms and conditions. While the extent of the funds provided the Enterprise to purchase technology might well be such so to make the transfer of mining technology provisions unnecessary, their temporary and unique nature cannot make them precedents for other international negotiations.

We must also recognize that the best way to ensure that there are sufficient funds to establish the Enterprise is through universal acceptance of the Convention. The future will depend on how well the Preparatory Commission does its work with respect to seabed mining and the outer continental shelf. We know that some governments have difficulties with the seabed mining provisions of the Convention. We hope that these problems can be resolved through the development by the Preparatory Commission of rules, regulations and procedures. Canada looks to their satisfactory resolution. If the Preparatory Commission adopts a realistic and pragmatic attitude the future is assured.

One of the most overlooked aspects of the Convention might well be among the most important. Provisions on the peaceful settlement of disputes have been made a fundamental part of the Law of the Sea Convention -- an historic achievement for an international treaty of such magnitude. Parties to the Convention will be obligated to ensure that disputes on the interpretation of the Convention will be settled by peaceful means agreeable to the parties concerned. Of course only parties to the Convention will be bound by these provisions, but those that might challenge