

with the suggestion that, as a general rule, private persons and private companies should be placed on an equal footing with States. We are however prepared to examine an exception relating to the standing of private parties before the judicial organ of the International Seabed Authority in contractual matters.

6. One of the most complex and important issues relating to compulsory dispute settlement is that of the extent to which disputes arising out of the exercise of coastal state authority in the economic zone should be subject to compulsory dispute settlement. On the one hand, the resource rights and environmental duties of coastal States in the economic zone will involve the exercise of broad discretion there. On the other hand, these rights and corresponding duties must be exercised in conformity with the Convention and should not lead to interference with the legitimate rights of other States.

Canada is as concerned as any State to ensure that there be no undue restriction on the exercise of its resource rights and environmental duties within the economic zone. We do not, however, share the view that no disputes arising in the economic zone should be subject to compulsory dispute settlement. How do we ensure a proper balance of interests between all States concerned? Firstly, we believe that the primary protection of both coastal States and the other users