

implied that no activity of any sort, even exploratory or experimental work, could be carried out in the area prior to the establishment of a permanent regime, Canada along with most developed countries abstained on the resolution, since it seemed to restrict unduly scientific and technological progress and could have resulted in an unacceptable delay in making these resources available to all.

Since then, and in spite of the moratorium resolution, a number of technologically advanced countries have undertaken exploration activities in the international area, and a number of American companies are now said to be ready to move within two or three years to the exploitation stage. These activities have led to strong criticism on the part of the developing countries. The United States have also put forth a proposal for putting into force, immediately following agreement on the seabed issue at the forthcoming Law of the Sea Conference, and without awaiting necessary ratifications, the new regime in a provisional form so that the entrepreneurs can initiate exploitation without delay.

While it is generally agreed that a new International Authority should be established to govern activities in the international area, serious difficulties have been encountered as regards the powers to be given to this body. Developing countries are insisting that all activities in the area, including scientific research, be conducted solely by the Authority through a subsidiary organ they call the Enterprise. However, they now recognize that the high cost of seabed exploration and exploitation would necessitate engaging in joint ventures, service contracts or production sharing arrangements with contracting states or their nationals. Several developed countries for their part prefer a licensing scheme whereby exploration and exploitation would be undertaken by contracting states and their nationals under license from the Authority. Canada has recognized the necessity of compromise in this delicate issue and has proposed a system involving a mix of licensing as well as activities contracted by the Authority, including the possibility of direct exploration and exploitation by the Authority itself when it acquires the means to do so.