

in nickel, copper, manganese and cobalt. The International Seabed Authority will govern all resource-related activities in the Area, and an "Enterprise", the operating arm of the Authority, will exploit these resources in tandem with suitably qualified privately or nationally owned seabed mining consortia. Under this "parallel system", a consortium must identify two mine sites when applying for a production licence, one of which will be reserved for the Enterprise. To ensure that the Enterprise becomes a viable entity, parties to the Convention will have to jointly fund one Enterprise mine site and those engaged in seabed mining will have to transfer any necessary seabed mining technology if this technology is not available on the open market.

Deep seabed mining consortia have been in existence since 1974 and have done some exploratory and developmental work. If all goes well, it will still be at least 9 to 15 years before commercial production of seabed minerals can begin. However, in light of the present mineral markets and the stage of development of the mining systems, it is more realistic to consider that possible production would not begin until the late 1990's or after the year 2000.

Two Canadian companies, INCO and Noranda, are involved in seabed mining consortia. Canada is also a land based producer of the main minerals found on the seabed and the Canadian delegation worked to ensure that Canada's position in this regard was recognized and protected. There are two relevant mechanisms. The first is a formula in the Convention which is designed to phase in the production of seabed minerals by limiting this production to a portion of any growth in the consumption of nickel. The second is an anti-subsidization clause which utilizes the GATT mechanisms in the event a state should use measures to stimulate uneconomic seabed production.

The seabed mining provisions of the Convention on the Law of the Sea have been among the most contentious issues discussed in the Conference. As a result of its opposition to aspects of the seabed regime, the USA voted against the adoption of the Convention in April. While the USA has announced that it will not sign the Convention, Canada has been working with other supporters of the Convention to encourage support for it and it appears that the majority of states, including many from Western Europe, will sign the treaty in Montego Bay. Following the 50th signature, a Preparatory Commission will be established to make recommendations on the rules and regulations for seabed mining and for the creation of the Authority. Canada will be participating fully in the Commission's work.