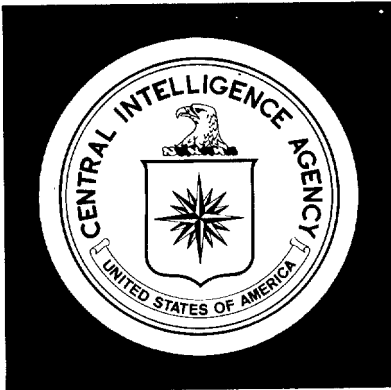


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Law of the Sea Country Study

Panama

Secret
BGI LOS 74-15
June 1974

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

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Automatically declassified on:
Date Impossible to Determine

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FOREWORD

The Law of the Sea Country Studies are prepared to support the NSC Interagency Task Force on the Law of the Sea. The countries to be included in the series are selected on the basis of priorities suggested by the chairman of the Task Force.

Each study has two parts. Part I is an analysis of the primary geographic, economic, and political factors that might influence the country's law of the sea policy, the public and private expressions of that policy, [REDACTED] Part II provides basic data and information bearing on law of the sea matters.

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This study was prepared by the Office of Basic and Geographic Intelligence. Biographic support was provided by the Central Reference Service. The study was coordinated within the Directorate of Intelligence and with the Department of State. Comments and questions may be directed to the LOS Country Studies Working Group, Code 143, Extension 2257.

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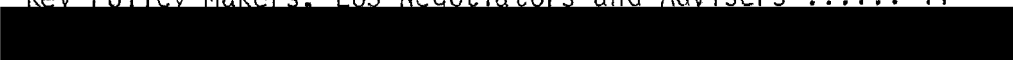
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ANNEX

- Draft articles submitted by Panama to the Seabed Committee
- Maps: Regional map
- Theoretical Division of the World Seabed

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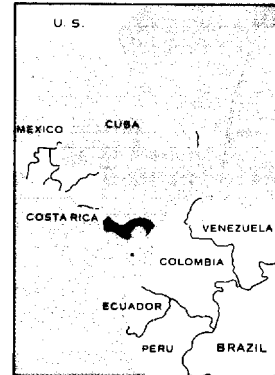
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PANAMA

Part I - Law of the Sea Analysis

A. SUMMARY

Panama, a potentially zone-locked nation with the possible exception of a narrow high-seas corridor to its Pacific coast, is expected to initially follow the lead of the Latin American 200-mile* "hard-liners" on the territorial sea issue at the Law of the Sea (LOS) Conference. Its principal LOS aim within the 200-mile limit, however, is coastal state jurisdiction over the renewable and non-renewable resources. Panama's extreme position on the territorial sea issue is held by a minority of the Latin American countries and appears to have been taken in payment for their active support on the Panama Canal issue. For example, Peru, one of the more vocal "hard-liners" and a strong supporter of Panama on the canal issue, has frequently received Panamanian support in Peru-U.S. LOS disputes.



The "hard-liners" have become increasingly more isolated, and there are signs some, including Panama, may be prepared to soften their stand on the territorial sea issue. Panama might eventually support a relatively narrow territorial sea, probably 12 miles, provided agreement is reached on a broad economic zone under coastal state jurisdiction over resources, scientific research, and pollution. International maritime traffic through the Panama Canal -- Panama's chief resource -- and the Caribbean Sea is vital to the Panamanian economy. Consequently, Panama's self-interest would seem to call for its opposition to any broad coastal state regime, such as a broad pollution zone, that could impede freedom of navigation. In this connection, Panama reportedly supports free transit through international straits. It has shown no great urgency about pollution problems, but is more concerned with avoiding pollution controls that might inhibit its exploitation of seabed hydrocarbons.

Panama has voiced opposition to the U.S. species approach to fisheries. It is an advocate of the archipelago concept, of coastal state consent and regulation of scientific research in the zone of national jurisdiction, and of the exclusive right of an international regime to exploit the seabed mineral resources beyond the limit of national jurisdiction.

*Distances and areas throughout this study are in nautical miles unless specified otherwise.

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B. FACTORS INFLUENCING LOS POLICY

Special Geographic Features

Panama has a narrow continental shelf, about 16,700 square miles in area, comprising less than half of a mostly narrow continental margin and less than one-fifth the area that accrues to Panama under its 200-mile claim. Off the Pacific coast the shelf, virtually nonexistent in places, has a maximum width of 85 miles, and the edge lies at depths of 100 to 300 meters. The margin extends to a depth of about 3,000 meters within 200 miles of all but the extreme western part of the Pacific coast. The Caribbean shelf is 5 to 30 miles wide and extends to a depth of about 200 meters. The edge of the margin, at depths of between 3,000 and 3,500 meters, lies within 100 miles of all but the extreme western part of the Caribbean coast, where the margin extends across the Caribbean Sea to the shelves of Cuba, Jamaica, and Hispaniola.

Panama considers the Gulf of Panama as internal waters, having declared the gulf a historic bay in 1956.

Uses of the Sea

Mineral Resources -- No commercial deposits of petroleum, either onshore or offshore, have been discovered. Crude oil is Panama's largest single import, and refined petroleum is its largest export item aside from bananas, accounting for about one-fifth of the 1971 exports. In an effort to reduce its dependence on crude oil imports for its refinery industry as well as its domestic energy needs, Panama is trying to attract private investment funds to locate and develop possible offshore petroleum deposits. In May 1973, the government signed a contract with Panama Exploration, Inc., an affiliate of Texaco, for offshore exploration of about 5,000 square kilometers in a Caribbean region stretching westward of Colon. Off the Pacific coast, extensive seismic surveys conducted in the Gulf of Panama indicate the existence of a large sedimentary basin and other geologic conditions conducive to the entrapment of hydrocarbons. In early December 1973, the government announced it would accept bids for petroleum exploration in a region covering about 1,900 square kilometers in the Gulf of Panama.

The most significant onshore deposit of metallic minerals consists of high-grade magnetite ore from the beaches west of Panama City. A firm incorporating Japanese capital processes and exports 25,000 tons of the ore to Japan each month. The possible commercial exploitation of copper deposits discovered by a UN mineral resources survey team in 1968 is under government study. Other metallic mineral deposits are bauxite, manganese, and gold, but all are too small to be commercially significant. Panama has no known exploitable offshore deposits of metallic minerals.

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Living Resources -- The main significance of the Panamanian fishing industry is as an earner of foreign exchange, accounting for about 8% of the value of all exports and about 1% of GDP. Shrimping dominates the industry and is carried out off the Pacific coast in depths of less than 100 meters in the Gulfs of Panama and Chiriqui. In 1972, shrimp exports were valued at about \$15 million, making shrimp the third largest export, behind bananas and refined petroleum products. Scallop exports, a new development in the fishing industry, were valued at \$2.0 million in 1972. Anchovy and thread herring are caught by the purse seiner fleet for processing into fish meal and fish oil, exports of which were valued at \$1.7 million in 1972.

The Panamanian industrial fishing fleet, which includes 60 oceangoing trawlers ranging from 100 to 3,999 gross register tons (g.r.t.) and a large fish factory ship of 24,402 g.r.t., operates in the Pacific. Operations off the Caribbean coast are little more than subsistence fisheries.

Marine Transportation -- Among world fleets, Panama's "flag of convenience" merchant fleet ranks sixth in deadweight tonnage and seventh in number of ships. Virtually the entire oceangoing fleet is foreign owned, the major interests being the United States (32%), Hong Kong (14%), and Japan (13%), followed by South Africa, Greece, the Republic of China, Italy, Switzerland, West Germany, and the Philippines. The "flag of convenience" merchant fleet rarely calls at Panamanian ports. Nevertheless, it's contribution to the economy of the nation -- ship tonnage taxes, registration payments, and counselor fees -- amounts to more than \$2 million annually.

Panama depends heavily and increasingly on foreign trade, most of which is carried by foreign-flag ships, particularly U.S. ships, operating between Panama and U.S. Atlantic and Gulf coast ports. In addition to the United States, Panama's major trading partners include the Canal Zone, the second most important recipient of Panamanian goods, and Venezuela, the second most important supplier. About 70% of Panama's ocean trade and most imports for the Canal Zone pass through the Cristobal/Colon/Coco Solo port complex, the largest port in Central America.

Naval and Military Air Transportation -- Panama's naval force is a small coast guard of 11 patrol craft capable of only very limited coastal patrol operations. The air force consists of 21 aircraft, including five helicopters. About half of the naval craft and all but one of the aircraft are based in the vicinity of Panama City. Both the coast guard and air force are primarily used in transport activities, although they do engage in sporadic coastal patrol and other operations. Tuna boats owned by U.S.

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interests have been captured by the coast guard in Panamanian territorial waters.

Other Uses -- Recently the tourist industry has shown rapid growth, becoming increasingly important to the Panamanian economy. In the government's announced priority areas, tourism ranks second behind agriculture. Coupled with a very active promotional campaign, the government has made investments for the basic development of tourist attractions, such as opening up beaches and offshore islands, and has provided attractive incentives to investors in tourist facilities.

Political and Other Factors

Panama, a staunch supporter of the United Nations, has served on numerous UN committees and commissions; from 1971 to 1973 it was a member of the Security Council. While it has supported the United States on most major issues of concern to Communist and Western nations, Panama has endeavored to identify with the position of the lesser developed countries on international issues, sometimes disagreeing with the U.S. position. In recent years, Panama has made a concerted effort in international forums to pattern a position displaying its independence of the United States.

Panama has also been a strong advocate of regional groupings such as the Organization of American States (OAS). Although it has supported the United States on OAS political issues, Panama feels U.S. financial and technical aid to Latin American states has been inadequate. In 1973, it called for the restructuring of the OAS to eliminate U.S. domination.

At times relations with the United States have been tense, the single overriding issue being the question of sovereignty over the Canal Zone. Under Gen. Omar Torrijos, Panama adopted an aggressive posture on the canal issue and attempted to bring regional and international pressures to bear upon the United States. Panama skillfully arranged for a UN Security Council meeting in Panama City in March 1973 that resulted in an almost unanimous pro-Panamanian resolution calling for prompt settlement of the issue. The United States vetoed the resolution. Torrijos decided to soften his intransigent attitude. This led to the signing of a set of principles with the United States that set the stage for further bilateral negotiations.

For the most part, relations with other Western Hemisphere nations have been cordial. Relations with Colombia are complicated by a 1914 U.S.-Colombia treaty that gives Colombia special rights

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regarding the use of the canal. Relations are friendly with Chile, and are particularly friendly with El Salvador. The good relations that have existed with Costa Rica since mid-1969 have been strengthened with the latter's support of Panama on the canal issue. Torrijos maintained friendly relations with the Allende government in Chile, and has expressed admiration for the nationalistic governments in Peru and Ecuador. He has improved relations with Cuba, stopping just short of renewing full diplomatic relations. Peru's active support of Panama on the canal issue has played no small part in the Panamanian support Peru has enjoyed in its LOS disputes with the United States.

Outside the Western Hemisphere, Panama's closest relations are with the Latin nations of Western Europe. Panama has improved relations with the People's Republic of China and has welcomed its support on the canal issue. Panama has long had diplomatic relations with Poland and Yugoslavia, and established relations with Romania in 1972 and Bulgaria and Czechoslovakia in 1973. On Middle East issues it has maintained a neutral position. A contingent of the Panamanian National Guard is serving with the UN peace keeping force in the Middle East. Panama emotionally identifies with Israel, but it established relations with Algeria and Libya in March 1973 and may be preparing to show greater consideration for the Arab cause in return for their support on the Canal Zone issue.

C. Law of the Sea Policy

Territorial Sea

In 1958, Panama unilaterally extended its territorial sea limit from 3 to 12 miles, citing the necessity to protect its offshore fisheries as justification. In 1967 it again extended its territorial sea, this time to 200 miles, with the justification that the action was necessary for the protection of its renewable as well as its non-renewable resources -- thereby putting into effect the resource conservation "principles" of the Declaration on the Maritime Zone* of 1952. The defense of Panamanian territory and the maintenance of the neutrality of the Panama Canal were also cited as justification. In May 1970 Panama reiterated the necessity for extending its "maritime sovereignty and jurisdiction" to 200 miles by signing the Montevideo Declaration on the Law of the Sea, with the understanding that "freedom of navigation" expressed therein referred to "that which is permitted in the

*This declaration, better known as the Declaration of Santiago, was signed by Chile, Ecuador, and Peru. It proclaims "sole sovereignty and jurisdiction" over the sea area extending not less than 200 miles offshore. It suggests a claim to resources although it has been treated both as a resource claim and a territorial sea claim.

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territorial sea, that is, innocent passage." In August 1970, Panama voted in favor of the Declaration of Latin American States on the Law of the Sea with the comment that the Declaration's reference to "freedom of navigation of vessels and overflight of aircraft" in the zone of coastal state "sovereignty or jurisdiction" could not affect national legislation or regulations already in force. It did not sign the Seabed Arms Control Treaty essentially because it felt such action might prejudice its 200-mile territorial sea claim. In July 1972, Panama abstained from voting on the Declaration of Santo Domingo, presumably because it objected to the Declaration's 12-mile definition of the territorial sea. In July 1973, it cosponsored, along with Ecuador and Peru, draft articles (see Annex) in Subcommittee II of the UN Seabed Committee that, among other things, called for coastal state "sovereignty and jurisdiction" in a 200-mile zone. In this zone "vessels [and aircraft] of any flag may sail freely, without restrictions other than those imposed by the duties of peaceful coexistence and compliance with the provisions laid down by the coastal state" as regards resource exploration, exploitation, and conservation; preservation of the marine environment; scientific research; emplacement of installations; and safeguards for navigation and shipping. Also set forth in the draft articles was the right of a coastal state to set additional provisions for the passage of foreign vessels and aircraft "within a limit close to its coast." It would appear that the draft articles indicate a softening of Panama's territorial sea claim and a tendency toward the patrimonial sea concept as set forth in the Declaration of Santo Domingo.

Straits and Semienclosed Seas

If the Panamanian 200-mile territorial sea claim were adopted by the international community the Caribbean Sea would be closed, except for innocent passage, to all but the Caribbean littoral independent states and those foreign states beyond the Caribbean that have territories in the Caribbean. All of the straits connecting the Caribbean Sea with the semienclosed Gulf of Mexico and the high seas of the Atlantic, as well as the Caribbean Sea itself, would be overlapped by territorial sea claims.

The likelihood of such a development, however, has become more remote as Panama, the Caribbean "hard-liner" on the 200-mile territorial sea issue, and other Latin American states (Brazil, Ecuador, and Peru) that have taken this minority position on the issue increasingly feel the effects of their isolation. It is more likely that Panama will eventually move toward the position held by a majority of the Caribbean and other Latin American states; i.e.

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a relatively narrow territorial sea, probably 12 miles, with the right of innocent passage; an adjacent 188-mile-wide exclusive economic zone under coastal state jurisdiction, with the right of freedom of navigation; and, where the continental shelf extends beyond 200 miles, coastal state resource jurisdiction seaward to the 200-meter isobath or the edge of the continental margin.

In addition to seemingly negating the application of an international regime in the Caribbean for the mining of deep seabed minerals, international agreement on a 200-mile economic zone would find Panama completely zone locked in the Caribbean and largely, if not completely, zone locked in the Pacific. However, it has shown little concern regarding coastal state establishment of restrictive pollution control measures in such a zone. Presumably, it believes international and regional pollution agreements* will not affect the Panamanian-flag merchant fleet or maritime traffic to and from the Panama Canal. In this connection the July 1973 draft articles call for:

- a. cooperation and consultation among the coastal states of a region "in the legal, economic, scientific, and technical spheres relating to maritime questions," and
- b. "due regard to co-operation with other States and the recommendations of international technical organizations" in the establishment of pollution prevention measures in its "adjacent sea."

The draft articles also include a proposal for coastal states unable to extend their limits of national jurisdiction to the distance adopted by other coastal states in the same region to have preferential fishing privileges in the seas of the latter.

Until mid-1973, when it reportedly indicated support of free passage through international straits, Panama had been silent on the straits issue.

Archipelagos

Panama supports the archipelago concept. Included in the July 1973 draft articles is a proposal calling for archipelagian state

*By and large, the Latin American states have not shown great concern about pollution problems, being more concerned with avoiding regulations that would restrict their economic development.

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sovereignty over the waters enclosed by straight baselines joining the outermost points of the outer islands of the archipelago. These waters would be considered internal, although they would be open to navigation by vessels of any state "in accordance with the provisions set by the archipelagian state."

Coastal State Jurisdiction Beyond the Territorial Sea

In addition to the coastal state's right of sole sovereignty and jurisdiction within a 200-mile territorial sea, Panama maintains that where the continental shelf extends seaward of 200 miles the coastal state has exclusive exploration and exploitation rights to the seabed resources of the shelf to a depth of 200 meters or beyond to where the depth of the superjacent waters admits exploitation, presumably to the outer edge of the continental margin. Panama signed but did not ratify the Convention on the Continental Shelf. However, it helped shape Article 2 of the Convention by advocating inclusion of the provision that the sovereign rights of the coastal state over the shelf for the purposes of exploring and exploiting its natural resources were "exclusive" -- i.e., even if the coastal state takes no action to explore or exploit its shelf, no other state has the right to do so without its permission.

In August 1973, Panama cosponsored, along with Ecuador and Peru, draft articles on fisheries (see Annex) in Subcommittee II of the UN Seabed Committee. The articles not only reiterate Panama's support of coastal state exclusive fishing rights in a 200-mile zone but call for coastal state preferential fishing rights in "a sector of the sea adjacent to the zone under its sovereignty and jurisdiction," with the sector rights subject to international regulations. It has attacked the U.S. species approach on fisheries as unjust to small countries.

Deep Seabed

The concept of an international authority with jurisdiction over seabed resources beyond the limits of national jurisdiction has had consistent Panamanian support. Panama voted for the "moratorium" UN resolution of 1969, which calls on all states and entities to refrain from exploitation of deep seabed resources pending the establishment of an international authority, and supported the 1971 UN Declaration of Principles Governing the Deep Seabed, which embodies the concept of the "common heritage of mankind." Panama has opposed attempts to establish an interim regime -- a regime formed outside the LOS Conference by the unilateral action of one state or a group of states -- for the international area.

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Panama advocates the formation of a strong, highly centralized international regime to control the exploration and exploitation of the deep seabed mineral resources, with respect given to the rights and legitimate interests of coastal states. Membership in the "International Authority to the Seabed" would be open to all states, and the principal components of the Authority would be the Assembly, Council, Enterprise, and Secretariat. As the exploitation arm of the Authority, the Enterprise would have the exclusive right to exploit the deep seabed minerals. The authority also would be empowered to:

- a. undertake all production, processing, and marketing activities;
- b. regulate production of resources to minimize adverse economic effects of price fluctuations of raw materials in the world market;
- c. in addition to undertaking exploration and exploitation itself, avail itself of the services of state or private contractors through a system of contracts or joint ventures;
- d. provide for the equitable sharing of all benefits derived from the resource exploitation of the area, with special attention given to the interests and needs of developing countries;
- e. take measures to conserve the resources and prevent damage to the marine environment;
- f. provide to developing countries scientific and technical training of their nationals, as well as technical assistance in marine resource exploration and exploitation;
- g. promote the creation and development of entities in developing countries, and reserve zones in the international area for preferential exploitation by such entities;
- h. ensure employment of qualified personnel from developing countries in international area activities;
- i. give priority to developing countries in the location of processing plants for the resources extracted from the area.

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Panama proposes a dual criterion for setting the areal limits of the Authority -- 200 miles offshore or the edge of the continental margin, whichever is farther seaward. Under such a criterion the international regime seemingly would be inapplicable in the Caribbean in that no part of the sea lies beyond 200 miles of a littoral independent state or territory. Panama would also give up nothing to the international regime off its Pacific coast, where its 200-mile zone would abut on those of Costa Rica and Colombia.

Landlocked States

The draft articles cosponsored by Panama in July 1973 call for the right of a landlocked state to free access to the sea through neighboring coastal states for such uses and preferential regimes as may be agreed upon with neighboring coastal states in the waters claimed by the latter; and to preferential regimes, under regional or bilateral agreements, within the waters claimed by coastal states not adjacent to the landlocked state in the same region. In August 1971, Panama cosponsored, along with 12 other Latin American states, a working paper (see Annex) in the UN Seabed Committee advocating special consideration for developing countries, including landlocked states, in the distribution of benefits from the exploitation of deep seabed mineral resources of the international area. Similar consideration for equitable participation by landlocked states in the exploitation of fisheries in the international area was proposed in Subcommittee II draft articles cosponsored by Panama in August 1973 (see Annex).

Marine Pollution

Included in the July 1973 draft articles is a pollution control regime article stipulating coastal state control within an area extending as much as 200 miles offshore "with due regard to cooperation with other States and the recommendations of international technical organizations." The draft articles also include a proposal calling for international pollution regulations beyond the area of coastal state jurisdiction. However, not included are specific proposals on vessel-source pollution or pollution resulting from land-based or seabed exploitation activities. Rather, the pollution issue is addressed in the broadest terms, both in relation to the 200-mile zone and the international area. Panama is a party to only one of the four major oil pollution conventions -- the International Convention for the Prevention of Pollution of the Sea by Oil.*

*The other major oil pollution international conventions are Intervention on the High Seas in Cases of Oil Pollution Casualties, Civil Liability for Oil Pollution Damage, and Compensation for Oil Pollution Damage.

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Scientific Research

Panama maintains that any scientific research activity conducted within a coastal state's jurisdiction must be with the consent of the coastal state. In this connection the coastal state would also have the right to participate in the research and receive the research results. Beyond the area of coastal state sovereignty and jurisdiction, it supports freedom of scientific research.

Peaceful Uses of the Sea

Panama has not shown any great interest in the issue of prohibiting the use of the seabed for military purposes. It is not a party to the Nuclear Test Ban Treaty or the Seabeds Arms Limitation Treaty. However, there is mention in the July 1973 draft articles cosponsored by Panama in Subcommittee II of reserving the use of the seas beyond coastal state jurisdiction for peaceful purposes.

Key Policy Makers, LOS Negotiators and Advisers

Omar Torrijos, as "Supreme Revolutionary Leader," is the real power within the Panamanian Government, controlling all executive, legislative, and judicial power. A strong, pragmatic, nationalistic leader, and an instinctive populist, Torrijos gives his ministers free rein in carrying out broad policy directives. However, when he becomes interested in a particular issue he arrogates full control to himself.

The influence of President Lakas and Vice President Sucre, appointed by Torrijos after the coup attempt in 1969 and later elected to the posts by the Torrijos-dominated National Assembly, is almost totally dependent on their standing at the moment with Torrijos.

Panamanian officials who attended one or more of the preparatory sessions for the Third UN Conference on LOS or the organizational session of the Conference are as follows:

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Name and Title (as they appear in the latest UN listing)

	Seabed Committee Session						Org. Conf. Dec 73
	Mar 71	Jul Aug 71	Feb Mar 72	Jul Aug 72	Mar Apr 73	Jul Aug 73	
S.E. Lic. Aquilino E. BOYD Embajador Extraordinario y Plenipotenciario Representante Permanente ante las Naciones Unidas							X
S.E. Sr. Jose M. ESPINO GONZALEZ Embajador Representante Permanente ante la Oficina de las Naciones Unidas		X			X		X
Sr. Octavio FERRAR ANGUIZOLA Ministro Representante alterno Mision Permanente Geneva	X	X					
Licenciado Octavio A. FERRER Representante alterno ante la Oficina de las Naciones Unidas				X			
S.E. Dr. Omar JAEN SUAREZ Embajador Especial Asesor de Politica Exterior del Ministerio de Relaciones Exteriores							X
M. Luis Felipe MORA Secretario de Embajada Mission permanente aupres de l'office des Nations Unies		X					
Lic. Luis Felipe MORA BETHANCOURTH Encargado de Negocios a.e. Mision permanante ante la Oficina		X					
*S.E. Prof. Didimo RIOS Embajador Extraordinario y Plenipotenciario Representante Permanente Alterno ante las Naciones Unidas			X		X		X

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Name and Title

	Seabed Committee Session						Org. Conf. Dec 73
	Mar 71	Jul Aug 71	Feb Mar 72	Jul Aug 72	Mar Apr 73	Jul Aug 73	
Lic. Mitsi RIOS Vice Consul General en Ginebra				X			
Sr. Emilio ROYO LINARES Secretario Embajada Mision Permanente ante to Oficina de las Naciones Unidas	X	X					

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Part II - Background Information

Geography

World region: Latin America
Category: coastal (open shelf)
Bordering states: Costa Rica, Colombia
Bordering bodies of water: Caribbean Sea, Golfo de los Mosquitos,
Pacific Ocean, Gulf of Panama, Golfo de Chiriqui
Bordering semienclosed sea: Caribbean Sea
Area of continental shelf: 16,700 sq. mi.
Area to 200 mi. limit: 89,400 sq. mi.
Area to edge of continental margin: 40,300 sq. mi.
Coastline: 1,545 statute mi.
Land: 29,208 sq. statute mi. (excluding Canal Zone, 553 sq. statute mi.)
Population: 1,618,000

Industry and Trade

GDP: \$1,408 million, \$900 per capita (1973 est.)
Major industries: food processing, metal products, construction
materials, petroleum products, clothing
Exports: \$132 million (f.o.b., 1973 est.); bananas, petroleum
products, shrimp, sugar, meat, coffee
Imports: \$473 million (f.o.b., 1973 est.); manufactures, transporta-
tion equipment, crude petroleum, chemicals, foodstuffs
Major trade partners: exports - U.S. 38%, Canal Zone 32%, West
Germany 20%; imports - U.S. 33%, Venezuela 15% (1972 est.)
Merchant marine: 1,213 ships (1,000 GRT or over); 17 passenger,
813 cargo, 7 container, 204 tanker, 142 bulk, 1 combination
ore/oil, 29 specialized carrier

Marine Fisheries

Catch: 62,400 metric tons; exports - \$13.3 million, imports -
\$2.0 million (1971)
Economic importance: significant national (third most important
export); minor local
Ranking: 10th regionally
Nature: coastal, chiefly within 200 mi. of Pacific coast
Other countries fishing off coast: U.S. and others
Species: shrimp, herring, anchovy, scallops, some tuna
Marine fisheries techniques: modern, including trawls and purse
seines, largely limited to Pacific; domestic market partly
supplied by artisanal fisheries

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Navy

Ships: 7 patrol craft, 3 landing craft, and 1 service craft

Government Leaders

Constitutional President and Chief of State: Demetrio Lakas, but subordinate to General Omar Torrijos, the National Guard Commandant who was given special powers for 6 years by the Constitutional Assembly in 1972
Minister of Foreign Relations: Juan Antonio Tack

Multilateral Conventions

The date given is the date of the deposit of the instrument of acceptance

Convention for the Establishment of an Inter-American Tropical Tuna Commission, September 1953
Convention on the Inter-Governmental Maritime Consultative Organization, December 1958
International Convention for the Safety of Life at Sea, October 1965
International Convention on Loadlines, May 1966
International Convention for the Prevention of Pollution of the Sea by Oil, September 1963
(Panama ratified Convention for the Regulation of Whaling on 30 September 1948 and the Protocol to the Convention on 9 February 1959. It denounced the Convention with effect from June 30, 1969.)

Multilateral Declarations

Declaration of Latin American States on the Law of the Sea, August 1970
Montevideo Declaration on the Law of the Sea, May 1970

Membership in Organizations Related to LOS Interests

IADB Inter-American Defense Board
IAEA International Atomic Energy Agency
ICAO International Civil Aviation Organization
ITTC Inter-American Tropical Tuna Commission
OAS Organization of American States
Seabed Committee . . . United Nations Committee on the Peaceful Uses of the Seabed and Ocean Floor Beyond the Limits of National Jurisdiction
UN United Nations

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Present Ocean Claims

Type	Date	Terms	Source, Notes
Territorial Sea	1958	12 mi.	Act No. 58 of Dec. 18, 1958 (Doc. A/CONF. 1915, under Panama)
	1967	200 mi.	Law No. 31 of Feb. 2, 1967 <i>Gaceta Oficial No. 15,803, Feb. 14, 1967, at I, Col. I (200 mi. territorial sea)</i>
Continental Shelf	1946		Constitution Mar. 1, 1946, UN Leg. Series (145), Vol. 1, p. 15
	1963		Decree Law of Aug. 22, 1963-- Mineral Resources Code
	1967	Seabed and subsoil of 200 mi. Zone	Law No. 31 of Feb. 2, 1967 <i>Including sovereignty over superjacent waters</i>
Exclusive Fishing	1946	200 mi.	
Fisheries Conserva- tion	1953	To the continen- tal shelf	Decree No. 172, Aug. 5, 1953
Straight	1956		Ley No. 9, Jan. 30, 1956 <i>Gulf of Panama a historic bay from Punta Mala to Punta Jaque</i>

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Action on Significant UN Resolutions

- Moratorium Resolution (A/RES/2574 D, XXIV, 12/15/69) In favor
Pending establishment of international regime, States and persons are bound to refrain from exploiting resources of or laying claim to any part of the seabed and ocean floor beyond the limits of national jurisdiction.
- LOS Conference (A/RES/2750 C, XXV, 12/17/70) In favor
Convene in 1973 a Conference on Law of the Sea to deal with establishment of international regime for the seabed and ocean floor, and enlarge Seabed Committee by 44 members and instruct it to prepare for the conference draft treaty articles embodying international regime.
- LOS Conference, Timing and Site (A/RES/3029 A, XXVII, 12/18/72) Adopted w/o vote
- Indian Ocean as a Zone of Peace (A/RES/2992, XXVII, 12/15/72) In favor
Called upon littoral and hinterland states of Indian Ocean area, permanent members of the Security Council and other major maritime users of Indian Ocean to support concept that Indian Ocean should be zone of peace.
- Landlocked/Shelf-Locked Study Resolution (A/RES/3029 B, XXVII, 12/18/72) Against
Called for study of extent and economic significance, in terms of resources, of international area resulting from each proposal of limits of national jurisdiction presented to Seabed Committee.
- Peruvian Coastal State Study Resolution (A/RES/3029 C, XXVII, 12/18/72) In favor
Called for study of potential economic significance for riparian states, in terms of resources, of each of the proposals on limits of national jurisdiction presented to Seabed Committee.
- Permanent Sovereignty over Natural Resources (A/RES/3016 XXVII, 12/18/72) In favor
Reaffirmed right of states to permanent sovereignty over all their natural resources, wherever found.

SECRET



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THE LIMITS OF NATIONAL JURISDICTION
SUB-COMMITTEE II

DRAFT ARTICLES FOR INCLUSION IN A CONVENTION ON THE LAW OF THE SEA

Working paper submitted by the delegations
of Ecuador, Panama and Peru

PART I

ADJACENT SEA

Section I - General provisions

Article 1

1. The sovereignty of the coastal State and, consequently, the exercise of its jurisdiction, shall extend to the sea adjacent to its coast up to a limit not exceeding a distance of 200 nautical miles measured from the appropriate baselines.
2. The aforesaid sovereignty and jurisdiction shall also extend to the air space over the adjacent sea, as well as to its bed and subsoil.

Article 2

It shall be the responsibility of every coastal State to fix the limits of the adjacent sea under its sovereignty and jurisdiction, within the maximum distance referred to in article 1, with due regard to reasonable criteria taking account of the relevant geographical, geological, ecological, economic and social factors, as well as of considerations of the preservation of the marine environment and of national security.

Section II - Baselines

... (Provisions on delimitation between States whose coasts are opposite or contiguous).....

Article 3

1. The area of sovereignty and jurisdiction of an archipelagian State may be measured from straight baselines joining the outermost points of the outer islands and reefs of the archipelago.

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page 2

2. In such cases, the waters enclosed by the baselines shall be considered internal waters, though vessels of any flag may sail in them, in accordance with the provisions laid down by the archipelagian State.

... (Complementary provisions)

Section III - Navigation régime

Article 4

1. In the sea under the sovereignty and jurisdiction of the coastal State, vessels of any flag may sail freely, without restrictions other than those imposed by the duties of peaceful co-existence and compliance with the provisions laid down by the coastal State as regards the prospecting, exploration, conservation and exploitation of resources, the preservation of the marine environment, scientific research, the emplacement of installations and safeguards for navigation and shipping.

2. In so far as they are relevant, the provisions of the preceding paragraph shall also apply to aircraft.

Article 5

Notwithstanding the provisions of article 4, the coastal State may lay down additional provisions for the passage of foreign vessels and aircraft within a limit close to its coast, for the purpose of safeguarding national peace, order and security.

... (Complementary provisions, including passage through straits used for international navigation)

Section IV - Natural resources régime

Article 6

The renewable and non-renewable resources of the sea, and of its bed and subsoil, within the limits referred to in article 1 shall be subject to the sovereignty and jurisdiction of the coastal State.

Article 7

The prospecting and exploration of the adjacent sea, as well as the exploitation of its non-renewable resources, shall be subject to the regulations of the coastal State, which may reserve the aforesaid activities for itself or its nationals, or permit them to be carried out by third parties in accordance with the provisions of its internal legislation and of any relevant international agreements it may conclude.

Article 8

The prospecting, protection, conservation and exploitation of the renewable resources of the adjacent sea shall also be subject to the regulations of the coastal State and to any relevant agreements which it may conclude, with due regard, so far as may be appropriate, to co-operation with other States and the recommendations of international technical organizations.

... (Complementary provisions on natural resources)

Section V - Pollution control régime

Article 9

It shall be the responsibility of the coastal State to establish measures to prevent, reduce or eliminate in its adjacent sea any damage or risks arising from pollution or other effects detrimental or dangerous to the ecological system of the marine environment, water quality and use, living resources, human health and the ~~recreation~~ ^{recreation} distribution of its population, with due regard to co-operation with other States and the recommendations of international technical organizations.

... (Complementary provisions on pollution)

Section VI - Scientific research régime

Article 10

1. It shall be for the coastal State to authorize any scientific research activities that may be conducted in its adjacent sea; the coastal State shall also have the right to participate in such activities and to receive the results obtained.

2. In the regulations which it establishes for this purpose, the coastal State shall bear particularly in mind the desirability of promoting and facilitating such activities and of co-operating with other States and international organizations in disseminating the results of the research.

... (Complementary provisions on scientific research)

Section VII - Régime governing installations

Article 11

The coastal State shall permit the laying of submarine cables and pipelines in its adjacent sea, without restrictions other than those that may result from the provisions referred to in article 4, paragraph 1.

Article 12

The emplacement and use of artificial islands and other installations and devices on the surface of the sea, in the water column and on the bed or in the subsoil of the adjacent sea shall be subject to authorization and regulation by the coastal State.

... (Complementary provisions on installations)

Section VIII - Regional and subregional régimes

Article 13

1. In regions or subregions in which certain coastal States, owing to geographical or ecological factors, are unable, before all their coastlines, to extend the limits of their sovereignty and jurisdiction up to distances equal to those adopted by other coastal States in the same region or subregion, the former States shall enjoy, in the seas of the latter States, a preferential régime vis-à-vis third States in

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page 4

matters relating to the exploitation of renewable resources, the said régime to be determined by regional, subregional or bilateral agreements taking into account the interests of the respective States.

2. Enjoyment of the preferential régime referred to in the preceding paragraph shall be reserved to nationals of the usufructuary States for internal use.

Article 14

The coastal States of a single region or subregion shall promote such forms of co-operation and consultation as they consider most appropriate in the legal, economic, scientific and technical spheres relating to maritime questions.

... (Complementary provisions on regional and subregional agreements).....

Section IX - Land-locked countries régime

Article 15

1. Land-locked States shall have the right of free access to the sea for the purpose of such uses and such preferential régime as they may agree upon with the neighbouring coastal States within the seas adjacent to the latter, and for enjoyment of the freedoms of the international seas.

2. Such uses and such preferential régime in the seas adjacent to the neighbouring coastal States as may be agreed upon shall be reserved to national enterprises of the land-locked State.

3. For the purposes provided for in this article, coastal States shall guarantee neighbouring land-locked States free passage through their territories, as well as equal treatment as regards entry into and use of ports, in accordance with internal legislation and any relevant agreements they may conclude.

Article 16

Coastal States which are not adjacent to land-locked States in the same region or subregion shall accord uses and a preferential régime within their adjacent seas to national enterprises of such land-locked States, under regional, subregional or bilateral agreements taking the interests of the respective States into account.

... (Complementary provisions on the régime for land-locked countries).....

PART II

CONTINENTAL SHELF

... (Provisions to be considered for cases in which the continental shelf extends beyond the limits referred to in article 1).

PART III
INTERNATIONAL SEAS

Article 17

The term "international seas" shall denote that part of the sea which is not subject to the sovereignty and jurisdiction of coastal States.

Article 18

The international seas shall be open to all States, whether coastal or land-locked, and their use shall be reserved for peaceful purposes.

Article 19

The following freedoms shall be exercised on the international seas:

- (1) freedom of navigation;
- (2) freedom of overflight;
- (3) freedom to lay submarine cables and pipelines;
- (4) freedom to emplace artificial islands and other installations permitted under international law, without prejudice to the provisions of article 24;
- (5) freedom of fishing, subject to the conditions laid down in article 20;
- (6) freedom of scientific research, subject to the conditions laid down in article 23.

These freedoms shall be exercised by any State, with due consideration for the interests of other States in the exercise of the same freedom.

... (Complementary provisions)

Article 20

- 1. Fishing and hunting in the international seas shall be subject to regulations of a world-wide and regional nature.
- 2. The aforesaid activities shall be carried out by techniques and methods which do not jeopardize adequate conservation of the renewable resources of the international seas.

Article 21

The coastal State has a special interest in maintaining the productivity of renewable resources in any part of the international seas adjacent to the area subject to its sovereignty and jurisdiction.

Article 22

All States shall be obliged to comply with international regulations designed to prevent, reduce or eliminate any damage or risks arising from pollution or other effects detrimental or dangerous to the ecological system of the international seas, water quality and use, living resources and human health.

... (Complementary provisions on pollution)

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Article 23

Scientific research in the international seas shall be open to any State and shall be promoted and facilitated under forms of co-operation and assistance which permit the participation of all States, irrespective of their level of development or of whether they are coastal or land-locked.

... (Complementary provisions on scientific research)

Article 24

The emplacement of artificial islands or any other type of installations apart from submarine cables or pipelines shall be subject to international regulations.

... (Complementary provisions on the international seas)

PART IV

BED AND SUBSOIL OF THE INTERNATIONAL SEAS

.....

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Working paper submitted by the delegations of
Ecuador, Panama and Peru

Corrigendum

Page 1

1. PART I

The title should read [ADJACENT SEA]

2. Not applicable to English

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Page 3, Section V, Article 9, fifth line

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COMMITTEE ON THE PEACEFUL USES OF THE SEA-BED AND THE
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SUB-COMMITTEE II

DRAFT ARTICLES ON FISHERIES IN NATIONAL AND
INTERNATIONAL ZONES IN OCEAN SPACE

Submitted by the delegations of Ecuador, Panama and Peru

Note: These draft articles supplement the provisions contained in part I (articles 6 and 8) - and part III (articles 19, 20 and 21) of the Draft Articles for Inclusion in a Convention on the Law of the Sea, submitted in document A/AC.138/SC.II/L.27. They incorporate some of the concepts contained in proposals of other delegations concerning fishery régimes.

I. Fisheries in zones of national sovereignty and jurisdiction

Article A

It shall be the responsibility of the coastal State to prescribe legal provisions relating to the management and exploitation of living resources in the maritime zone under its sovereignty and jurisdiction, primarily for the purposes of ensuring the conservation and rational utilization of such resources, the development of its fishing and related industries and the improvement of the nutritional levels of peoples.

Article B

The coastal State may reserve the exploitation of living resources in the maritime zone under its sovereignty and jurisdiction to itself or its nationals, having regard to the need to promote the efficient utilization of such resources, economic stability and maximum social benefits.

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Article C

Where the coastal State permits nationals of other States to exploit living resources in the maritime zone under its sovereignty and jurisdiction, it shall establish conditions for such exploitation, including, inter alia:

- (a) obtaining fishing and marine hunting licences and permits through payment of the corresponding fees;
- (b) specifying the species that may be caught;
- (c) fixing the age and size of the fish or other resources that may be caught;
- (d) establishing prohibited areas for fishing and hunting;
- (e) fixing the periods during which the indicated species may be caught;
- (f) fixing the maximum size of catches;
- (g) limiting the number and tonnage of the vessels and the gear that may be used;
- (h) specifying the gear permitted to be used;
- (i) procedures and penalties applicable in cases of violation.

Article D

1. In adopting measures to conserve living resources in the maritime zone subject to its sovereignty and jurisdiction, the coastal State shall endeavour to maintain the productivity of species and avoid harmful effects for the survival of living resources outside the said zone.

2. The coastal State shall, for the foregoing purposes, promote any necessary co-operation with other States and with competent international organizations.

Article E

The coastal State may, within the limits of the maritime zone under its sovereignty and jurisdiction, board and inspect foreign-flag fishing or hunting vessels; if it finds evidence or indications of a breach of the legal provisions of the coastal State, it shall proceed to apprehend the vessel in question and take it to port for the corresponding proceedings.

Article F

Any dispute concerning fishing or hunting activities by foreign-flag vessels within the zone under the sovereignty and jurisdiction of the coastal State shall be settled by the competent authorities of the coastal State.

(II) Fisheries in international seas

Article G

Fishing and marine hunting activities in the international seas shall be conducted in conformity with the articles of this Convention and with any agreements that are concluded at the world or regional level.

Article H

1. Regulations adopted to regulate fishing and hunting in the international seas shall ensure the conservation and rational utilization of living resources and the equitable participation of all States in their exploitation, with due regard to the special needs of the developing countries, including those of the land-locked countries.
2. Such regulations shall establish conditions and methods of fishing and hunting which prevent the indiscriminate exploitation of species and avert the danger of their extinction.

Article I

The coastal State shall enjoy preferential rights to exploit living resources in a sector of the sea adjacent to the zone under its sovereignty and jurisdiction, and may reserve to itself or its nationals a part of the permissible catch of such resources.

Article J

With regard to the living resources of an area of the sea situated beyond the limits of the zones of sovereignty and jurisdiction of two or more States, which breed, feed and live by reason of the resources of that area, the States concerned may agree among themselves on appropriate regulations for the exploration, conservation and exploitation of such resources.

Article K

States shall ensure that the vessels of their flag comply with the fishing and hunting regulations applicable in the international seas; and they shall punish those responsible for any breach that may come to their notice.

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Article L

Where a State has good reason to believe that vessels of the flag of another State have violated fishing and hunting regulations applicable to the international seas, the former State may request the flag State to take the necessary steps to punish those responsible.

Article II

Any dispute relating to the interpretation or application of articles G to L of this Convention and of any international or regional regulations that may be adopted, or in respect of fishing and hunting activities in the international sea, shall be submitted to the procedures for peaceful settlement provided for in the Convention.



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LIMITS OF NATIONAL JURISDICTION

Dual distribution

WORKING PAPER ON THE REGIME FOR THE SEA BED AND OCEAN
FLOOR AND ITS SUBSOIL BEYOND THE LIMITS OF NATIONAL JURISDICTION

Submitted by Chile, Colombia, Ecuador, El Salvador, Guatemala, Guyana,
Jamaica, Mexico, Panama, Peru, Trinidad and Tobago, Uruguay, Venezuela.

P R E A M B L E

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.....

C H A P T E R I

Fundamental principles

Art. 1.- The Sea Bed and Ocean Floor and the subsoil thereof beyond the limits of national jurisdiction (hereinafter referred to as "the area") as well as its resources are the common heritage of mankind.

Art. 2.- The area and its resources shall not be subject to appropriation by any means whatsoever by States or persons, natural or juridical, and no State shall claim or exercise sovereignty over any part of the area and its resources, nor shall it claim or exercise any rights except as hereinafter provided.

Art. 3.- Exclusive jurisdiction over the area and administration of its resources shall be exercised on behalf of mankind by the Authority established under this Convention.

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Art. 4.- The benefits obtained from exploitation of the resources of the area shall be distributed equitably among all States, irrespective of their geographical location, giving special consideration to the interests and needs of developing countries, whether coastal or landlocked.

Art. 5.- Exploitation of the resources of the area shall be carried out in a rational manner so as to ensure their conservation and to minimize any fluctuation in the prices of minerals and raw materials from terrestrial sources that may result from such exploitation and adversely affect the exports of the developing countries.

Art. 6.- All activities in the area shall be carried out in such a manner as to protect and conserve the natural resources of the area and to prevent damage to the fauna and flora of the marine environment.

Art. 7.- The area shall be used exclusively for peaceful purposes.

Art. 8.- In the activities carried out in the area, the rights and legitimate interests of coastal States shall be respected. Consultations shall be maintained with the coastal States concerned with respect to activities relating to the exploration of the area and the exploitation of resources with a view to avoiding infringement of such rights and interests. Coastal States shall have the right to adopt such measures as may be necessary to prevent, mitigate or eliminate grave danger to their coasts or related interests that may result from pollution, the threat of pollution or from any other hazardous occurrences resulting from or caused by such activities.

CHAPTER II

The Authority. Members. Functions and Powers.

Art. 9.- The Parties to this Convention do hereby establish an International Authority for the Sea bed, herein referred to as "The Authority".

Art.10.- The seat of The Authority shall be - It may be transferred by the Assembly on the affirmative vote of two thirds of its members.

Art.11.- Membership in the Authority shall be open to all States.

Art.12.- The Authority shall have such international legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purposes.

Art.13.- The Authority shall enjoy in the territory of each of its members, such privileges and immunities as are necessary for the fulfilment of its purposes.

Art.14.- The International Seabed Authority, hereby established, is empowered:

(a) to provide for the orderly and safe development and rational management of the area and its resources for the benefit of mankind;

(c) to undertake exploration of the area, and exploitation of its resources as well as all activities relating to production, processing and marketing;

(d) to provide for the equitable sharing of benefits deriving from the exploration of the area and the exploitation of its resources, taking into account the special interests and needs of the developing countries, whether landlocked or coastal, in accordance with precise criteria to be established by the Assembly;

(e) to take all necessary measures, including inter alia, control, reduction or suspension of production or fixing of prices of products obtained from exploitation of the area, whenever it deems that such production may have adverse economic effects for developing countries, exporters of raw materials;

(f) to take measures to prevent, mitigate or eliminate pollution or the threat of pollution as well as other hazardous occurrences resulting from or caused by any activities in the area;

(g) to make, on the initiative of interested States or in agreement with them, such regional or subregional arrangements, including the establishment of subsidiary organs and regional or subregional facilities, as it deems necessary for the exercise of its functions;

(h) to take measures to ensure the implementation of the principles and provisions of this convention.

Art.15.- The Authority shall itself undertake exploration and exploitation activities in the area; it may, however, avail itself for this purpose of the services of persons, natural or juridical, public or private, national or international, by a system of contracts or by the establishment of joint ventures. The Authority itself may also undertake scientific research. It may authorize other persons to carry out or undertake such research, provided that the Authority may supervise any research authorized by it.

Art.16.- In order to ensure the participation of developing countries on terms of equality with developed countries in all aspects of the activities carried out in the area, the Authority:

(a) shall establish oceanographic institutions on a regional basis for the training of nationals of developing countries in all aspects of marine science and technology;

(b) shall provide to developing countries on request technical assistance and experts in the field of oceanographic exploration and exploitation;

(c) shall adopt all appropriate measures to ensure the employment of qualified personnel from developing countries in all aspects of the activities carried out in the area;

(d) shall give priority to the location in developing countries of processing plants for the resources extracted from the area;

(e) shall, in the conclusion of contracts and the establishment of joint ventures, give due consideration to entities from developing countries; shall make adequate plans to promote the creation and development of such entities and reserve zones within the area for preferential exploitation by such entities.

Art.17.- Authorization for scientific research shall be granted to any entity offering, in the judgment of the Council, the necessary guarantees as to its technical competence and undertaking to assume responsibility for any damage that may be caused to the marine environment and to comply with the regulations adopted in this regard by the Authority. Such authorization may be denied whenever, in the judgment of the Council, there are reasons to believe that the proposed activities do not have a peaceful purpose, or that they are to be pursued with a view to financial gain or that they are likely to involve risks to the marine environment.

Authorization may also be revoked at any time for violation of the applicable regulations adopted by the Authority.

Art.18.- The Authority shall at all times have access to all research data as well as to interim and final results of research. Such results and data must be communicated to the Authority before their publication or communication to other institutions or governments.

Art.19.- The Authority has the right to supervise at all times all stages of any scientific research programme which is carried out in the area or to participate in any or all stages of such research whenever it considers participation desirable.

C H A P T E R III

STRUCTURE

Organs

Art.20.- The principal organs of the Authority shall be the Assembly, the Council, the International Seabed Enterprise (ISBE) hereinafter referred to as the Enterprise, and the Secretariat.

SECTION 1

The Assembly

Art.21.- The Assembly shall be the supreme organ of the International Seabed Authority and shall consist of all States members of the Authority.

Art.22.- The Assembly shall meet in ordinary session annually. Extraordinary sessions of the Assembly shall be convoked by the Secretary-General at the request of the Council or of a simple majority of the members.

A simple majority of the members shall constitute a quorum at meetings of the Assembly. Each State member of the Assembly shall have one vote.

Decisions of the Assembly shall be taken by a majority of the members present and voting.

Art.23.- The Assembly may discuss and decide on any questions or any matters within the scope of the present Convention or relating to the powers and functions of the Authority as embodied in Article 14, and give directions to the Council and other organs of the Authority on any of those questions or matters.

Art.24.- The Assembly shall inter alia be empowered:

- (a) to elect its President and other officers;
- (b) to elect the members of the Council after having determined the group to which each Contracting Party will belong for the purpose of those elections, in accordance with the terms of Article 14 on the distribution of seats;
- (c) to determine its rules of procedure and constitute such subsidiary organs as it may consider necessary or desirable;
- (d) to decide on the question of contribution;
- (e) to approve the Authority's budget;
- (f) to consider the annual reports from the Council and the Secretary-General as well as any special ones which it may receive, including those submitted upon its own request;
- (g) to approve the regulations proposed by the Council relating to the formation of contracts and joint ventures with juridical persons, duly sponsored by States for the exploitation of the resources of the area;
- (h) to approve the report of the Enterprise, submitted through the Council;

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(i) to adopt precise criteria for the sharing of benefits as well as approve annually the plan submitted by the Council on the basis of such criteria;

(j) Question of the powers and functions of the Assembly relating to the Enterprise.

(k) to decide from time to time which parts of the area are open to exploration and exploitation, and to establish as may be deemed necessary for the orderly development of the area and preservation of the marine environment and its living resources, reserve areas free from exploration and exploitation.

Art.25.- The Assembly shall establish, as an advisory body to the Council, a Planning Commission to draw up plans and make recommendations, as may be necessary, for the development and use of the area and its resources, including appropriate measures for the strengthening of the technological capability of developing countries and for preventing any fluctuation in the prices of raw materials that may adversely affect the economy of developing countries.

SECTION 2

COUNCIL

Art.26.- The Council shall comprise 35 members and shall meet as often as necessary for the performance of its functions.

Art.27.- Members of the Council shall be elected by the Assembly, from the lists prepared in accordance with Article... having due regard to the principle of equitable geographical representation.

Art.28.- The members of the Council shall serve for a term of three years and shall be eligible for re-election. Elections shall be held every year. The Assembly shall determine, by drawing lots, after the first election, that the mandate of twelve members shall expire at the end of one year and that of twelve other members at the end of two years.

Art.29.- Each member of the Council shall have one vote. Substantive decisions of the Council shall be made by a two-thirds majority of the members of the Council present and voting. Procedural decisions (including the question as to whether a particular decision is substantive) shall be made by a simple majority of members of the Council present and voting.

Art.30.- The Council shall elect its Chairman, three Vice-Chairmen and one Rapporteur for a term of one year.

The Chairman, or in case of his incapacity, the Vice-Chairman, appointed by him shall:

Convene and conduct the meetings of the Council and carry out such other functions as may be assigned to him by the Council.

Art.31.- Any Contracting Party not represented on the Council may participate without vote in the consideration by the Council of any question which is of particular interest to it.

Art.32.- The powers and duties of the Council shall be to:

(a) submit annual reports to the Assembly as well as special reports which it may deem necessary or when requested by the Assembly;

(b) determine its rules of procedure;

(c) propose to the Assembly the establishment of subsidiary organs, as may be necessary or desirable, and the definition of their duties;

(d) to make recommendations to the Assembly as to the contribution of member States;

(e) submit proposed budgets to the Assembly for its approval, and supervise their execution;

(f) issue regulations pertaining to all activities undertaken in the area, including those related to the resources thereof, and supervise those activities, in accordance with such criteria as may be laid down by the Assembly;

(g) submit to the Assembly proposed rules and regulations on the formation of joint ventures with juridical persons, duly sponsored by States, for the exploration and exploitation of the resources of the area;

(h) submit to the Assembly the scale of distribution among Contracting Parties of benefits from activities in the area;

(i) authorize scientific research in the area;

(j) set rules and standards for the prevention of pollution and contamination of the marine environment from seabed activities;

(k) adopt, for the benefit of developing countries, measures designed to attain the aims set forth in Art. 16.

(l) to make recommendations to the Assembly with respect to reserve areas as provided for in Art. 24j;

(m) (question of the powers and functions of the Council with regard to the Enterprise)]

SECTION 3

THE ENTERPRISE

Art.33.- The Enterprise is the organ of the Authority empowered to undertake all technical, industrial or commercial activities relating to the exploration of the area and exploitation of its resources (by itself, or in joint ventures with juridical persons duly sponsored by States).

Art.34.- The Enterprise shall have an independent legal personality and such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purposes.

Art.35.- (Questions relating to the structure and functions of the Enterprise).

SECTION 4

THE SECRETARIAT

Art.36.- There shall be a Secretary-General, elected by the Assembly for a term of five years. The Secretary-General shall be the chief administrative officer of the Authority.

Art.37.- The Secretary-General shall act in that capacity in all meetings of the Assembly and the Council and shall perform such other duties as are entrusted to him by these organs. He shall make an annual report to the Assembly on the work of the Authority.

Art.38.- The Secretary-General shall act in an advisory capacity to the Enterprise.

Art.39.- The Secretary-General shall be responsible for the distribution of all information obtained from scientific research in the area.

Art.40.- The Secretary-General shall draw the attention of the Council to any matter which in his opinion may require its urgent consideration.

Art.41.- In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any Government or from any other authority external to the Authority. They shall refrain from any action which might reflect on their position as international officials responsible only to the Authority.

Art.42.- Each Member of the Authority undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and shall not seek to influence them in the discharge of their responsibilities.

Art.43.- The staff shall be appointed by the Secretary-General under regulations established by the Assembly.

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Art.44.- Appropriate staffs shall be permanently assigned to the Assembly and the Council, and, as required, to other organs of the Authority. These staffs shall form a part of the Secretariat.

Art.45.- The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

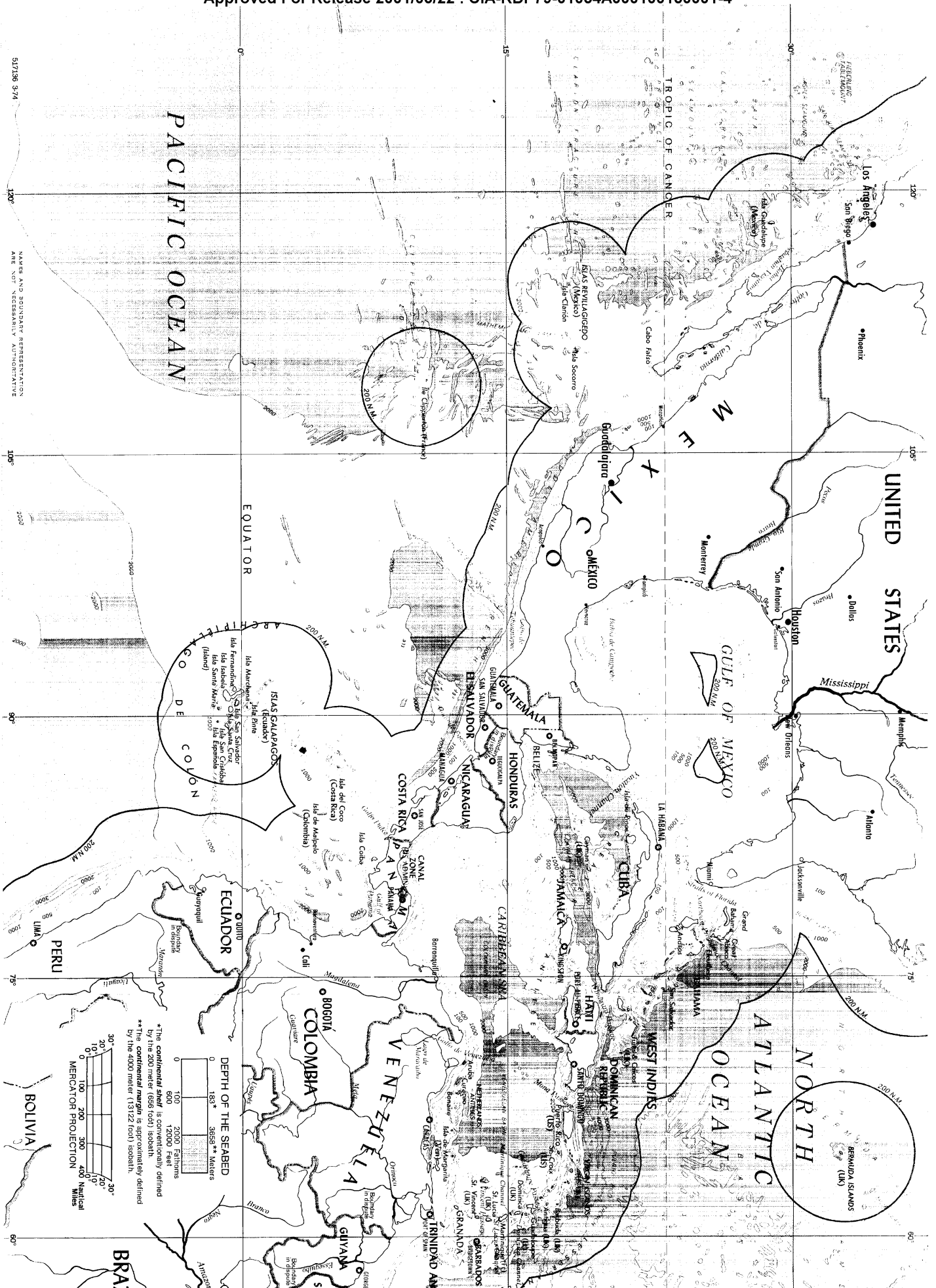
CHAPTER IV

SETTLEMENT OF DISPUTES

CHAPTER V

FINAL PROVISIONS

(Questions relating to amendments, ratification, accessions, reservations, entry into force, etc.)



Secret

Secret