

PRESS BRIEFING

SIXTH SESSION

THIRD U.N. CONFERENCE ON THE LAW OF THE SEA

New York, July 20, 1977

Mr. Beesley: I propose to begin with an overview of the results of this session as I see it and then say a few comments of a more specific nature with respect to Canadian interests at stake in the Conference. So the first two comments I would make are that I believe this session of the Conference has made tremendous progress and I would even go so far as to say that it has probably achieved more than was obtained in the last two sessions put together. I think that by any judgment, any basis for judgment, that much is clear. I would say also that insofar as Canada is concerned I don't know of any state other than the great powers which has more at stake in this Conference and from our own point of view we are well pleased with the results of the session. Now let me qualify both these statements by saying that I doubt if any delegation, any government, represented at this Conference would be able to say "I can accept this Informal Composite Negotiating Text as is". When you bear in mind that we're dealing with between 151 and 157 states, that we've got a document here 198 pages long with something over 400 articles including the provisions of the Annex, it is not surprising that there will be difficulties on various issues for almost every state - but we knew that before we began the exercise. The point is that we have now reached the stage where we have a document

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that can be presented to the next session as a basis for making decisions. That was the real point lying behind this attempt to produce an informal composite negotiating text. It was more than a scissors and paste job, more than a stapling exercise. We not only turned the results of the negotiations in three separate committees plus separate negotiations in plenary into one document which now looks like a draft treaty, but in the process we managed to move closer towards a consensus on a range of issues. Now, when I use that term consensus, if you take it literally, it does have to mean acceptance by every state of the result, but our procedure has been much more to work towards consensus between major interest groups, and that process has been advanced considerably. I'll give you one or two examples and then I think I would like to open the meeting to questions, and particularly questions you might wish to direct to some of my colleagues. I'll explain, in case any of you don't know, which of my colleagues are experts on which subjects.

You may know that for nearly two years there has been a very difficult dispute running through the Conference which seemed to just completely evade any sort of solution. That related to the status of the economic zone. In simple terms, that meant a disagreement as to whether the new concept of the economic zone constituted high seas, in essence, subject only to certain defined coastal rights, or whether, on the other hand, at the other end of the spectrum - the other point of view - that it was really territorial sea under another name, or whether, as the vast majority of states argued, it was a new concept partaking of some elements of both the pre-existing high seas regime and the

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territorial sea regime, but constituting in essence something totally new and different from either. Well, only at this session were we able to finally achieve a degree of consensus on that issue, which has more than theological or doctrinal significance. It has a tremendous impact, for example, on the issue as seen by some major maritime states, of the problem of creeping jurisdiction by coastal states. Where do the residual rights go? That kind of issue. On the other hand, it reflects the underlying importance of the extent to which freedom of navigation remains or is restricted by the provisions on the economic zone. Now, just on that issue, there have been continuing difficulties of a major order, but we now have the basis of a compromise between the coastal group and the major maritime powers. Not every member of the coastal group accepts this compromise; some of the territorialists have difficulty with it; so we're not out of the woods completely but we're much further advanced than we were, and the reason I am mentioning that is because had we not been able to resolve that question, it's always been recognized that that is a potential conference breaker because it has been so important from the point of view of the major powers.

An analogous difficulty, which some others of my colleagues may want to discuss with you, if you wish to put questions to them, related to the precise rules specifying the extent to which coastal states could regulate scientific research in the economic zone. Only at this session did we finally come up with a text which struck a balance between the competing interests of the coastal states, jealous to protect their sovereign rights and

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worried about what other states might be doing in their zone, and the major powers - but also the whole international community, in essence - who have a shared as well as an individual interest in maximizing freedom of scientific research. This is a tremendously important development.

Now, turning to other subject areas and possibly the one in which you are most interested, on Committee I, the whole area of the common heritage of mankind, I am certain that you would hear spokesmen from the Group of 77 - developing countries, and you'll hear spokesmen for developed countries saying they don't find the results satisfactory. That's inevitable. But what is quite clear is that there has been a major development in this session on the whole range of issues relating to the mining of the deep ocean seabed. That's the area perhaps of greatest progress. Views will differ as to whether the text accurately reflects the actual progress achieved in the negotiating process, but what is clear is that we no longer have either one thing or the other. It's neither a regime which is merely a licensing system, which does not give any real authority to the new international institution and which does not allow the proposed international enterprise to actively mine and exploit the resources of the deep ocean seabed, nor, on the other hand, is it the opposite, a unitary system that permits only the international enterprise to do the mining. Some of the drafting requires fairly careful interpretation in order to reach the conclusions as to precisely what the text embodies but, in essence, I have no hesitation in saying that I do consider that this text does provide for parallel access or guaranteed access, if you wish, the point of fundamental importance for so many developed states.

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Now, on particular issues, because of the language used, there may be differences of views requiring some further refinement and, indeed, some further negotiation, but at least the text does reflect the major movement by many, many developing states towards the acceptance of a system that would permit the exploitation of the area both by the international enterprise and also by states and by entities such as multi-national corporations - and we've been a long time getting to that point. Nine years, to put it simply. Some of the language would lead you to different conclusions, and I don't apologize for that, because I was only "associated" with the collegial group which finally put Humpty Dumpty together in this fashion. I was there in my capacity as Chairman of the Drafting Committee but only as an observer without any real responsibility for the language which had been put together by the respective chairmen of the several committees. But if you read the text carefully, I think you will find the kind of movement that I have suggested, which emerged in the negotiating process very clearly, and I think found its way into the text, perhaps imperfectly, but it's still there and this is a major step forward. Now that's all I propose to say for the moment. If you wish to direct particular questions on Committee I, the deep ocean seabed regime, Dr. Crosby will be pleased to answer you. If you wish to talk about some of the changes relating to marine scientific research, Jane Caskey will be happy to answer you. If you wish to deal with a range of issues, including the regime on international straits, delimitation position and such questions as preservation of the marine environment, Mary Walsh will deal with these questions. I also will answer any questions you wish to put to me.

QUESTION: (Everett Martin, Wall Street Journal)

Could you, before you get into specifics, give a little more background on the forming of this text, what it means. You speak of progress and so forth and yet it was finished, it was written by, essentially by, each committee chairman and then brought to the President. How does it differ than from what we've had before? Why is this more progress than before?

Mr. Beesley: Interestingly, as you may know, the President did request that this exercise be performed at the last session and the one before that and there was resistance to that idea on the grounds that we weren't yet ready for it, that the text hadn't progressed sufficiently in the three committees to warrant putting them together in one single treaty. Now, from a purely technical point of view, what was entailed was a good deal of drafting, eliminating unnecessary cross references, putting them in where they were not there, avoiding using similar terms to mean different things, inconsistencies, loopholes, etc. - almost a formal exercise - but coupled with it was an attempt to alter the substance so as to move closer towards consensus, and this has occurred on a range of issues as I mentioned. Nevertheless, as you point out, there is some similarity in what occurred before. Because as a result of procedural decisions made, the authority to produce this text was not delegated, for example, to the President of the Conference. That may occur at the next session, when he may have the major carriage of the final text.

QUESTION: Did Mr. Engo, for example, write Committee I again for the third time?

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Mr. Beesley: Yes he did, yes he did, although he consulted with the collegial group. Ambassador Aguilar wrote what was the Committee II text and Ambassador Yankov wrote what was the Committee III text and of course President Amerasinghe produced the provisions on dispute settlement. But in the process, they discussed with one another, they consulted closely to avoid inconsistencies, as I said, but they also consulted concerning what might be an acceptable formulation that would better reflect consensus, and we began this process of taking it out of the three committees as three separate operations and trying to weld it all together into a composite text; and as I say, it is more than a formal exercise because that process inevitably requires decisions on some of the outstanding issues such as the status of the economic zone, marine scientific research, etc.

QUESTION: This is liable to have a situation come up where it might be rejected, we just don't know, you say ... it heads towards consensus, it hasn't been tested ...

Mr. Beesley: It hasn't been tested. Moreover, the title makes clear it's a negotiating text. It's not a negotiated text, but I think on many issues it is, of course, a negotiated text.

QUESTION: (Ann Tucker, AFP) I'm reading there on page 81 the part that deals with the production, nickel and so forth. Could your Mr. Crosby, in layman's terms, explain what finally is the results on these figures of 60%, 40 or whatever?

Mr. Beesley: I am happy to defer to Dr. Crosby on this question.

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Dr. Crosby: Well, I'm sure that Mr. Beesley could do it every bit as well as I can, but what it amounts to is this. The resource policy article, which is now Article 150 -- it used to be old Article 9 -- incorporates essentially four features. The first of these is an economic target for the deep seabed and this means that there will be a number of mine sites allowed to come on production as soon as possible once commercial production is feasible in the deep seabed. The calculation is such that on the basis of what the increase in world demand for nickel will be, calculations start on January 1, 1980 and continue for seven years and on the basis of an appropriate split of that rate of increase in world nickel demand, the number of mine sites is calculated and that's the number of mine sites that will be allowed to come on production immediately.

QUESTION: What is the percentage ...

Dr. Crosby: Well, that's the next item. Item number 2 is that the split between the land-based production and deep seabed production will be 40-60. Now that split is of course the split in the increase in demand for world nickel. The third item ...

Mr. Beesley: Someone asked which is the 40 and which is the 60.

Dr. Crosby: Oh, the 40 is land-based, the 60 is deep seabed.

QUESTION: Deep seabed gets 60% of the increase in world nickel demand, gets to supply that specific amount of nickel?

Dr. Crosby: Well, it's allowed to increase to that amount - that's

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the limitation that will be placed on it. It's not an allocation as such.

QUESTION: It doesn't guarantee it as ...

Dr. Crosby: No, no. It simply says that until such time as deep seabed production gets to that level, no controls will be placed upon it though it will be allowed to go to that level.

QUESTION: Which might be when?

Dr. Crosby: Well, a lot depends on how soon production begins -- it will do it as soon as possible if the people who are mining out there have anything to say about it because they will indeed want to get their investment back, so as quickly as possible.

QUESTION: It's figured annually?

Dr. Crosby: Now that brings us to the third and fourth points. The third point is that the actual figure you will be using for the rate of increase in world nickel demand is a rolling average figure that will be adjusted on a five-year basis; every five years it will be adjusted. You'll obtain it by averaging back for the latest ten-year period available for which data are available.

QUESTION: This is a difference with the past -- where you had the ten past years, right? Now you have the years starting in '80, or was I mistaken? I mean there are many other differences, but this is one of them.

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Dr. Crosby: Yes, the main difference between this and the previous formulation in the RSNT on this particular aspect is that the previous formulation simply stated an average of 6% minimum. Now, you see, it will be adjusted in accordance with the actual figures.

QUESTION: The basis of calculation will change as time goes?

Dr. Crosby: Exactly. So as to remain very, very close to the facts.

QUESTION: (Unintelligible) ... in this result

Dr. Crosby: Well, of course the RSNT is quite unrealistic because nobody expects the world rate of nickel demand to increase exponentially at 6% -- it would be virtually impossible. So this is far more realistic, and the fourth point makes it even more realistic, because the base amount to which you will apply this figure for rate of increase is also obtained by using actual figures - and here you will use the five most recent years for which there is data available, and again you will adjust them every five years; so all in all, it's a much more realistic formulation and indeed it does represent a real effort by Chairman Engo to reach a compromise.

QUESTION: Was this agreed on, I mean, was there a compromise?

Dr. Crosby: This is Chairman Engo's formulation and it's not fair to say that any delegation agrees with it, but it does

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represent an honest effort by Chairman Engo to indeed reach a compromise situation.

QUESTION: How many sites do you think it might produce by 1990?

Dr. Crosby: Well, a lot depends of course on what actually does happen in the world market for nickel. But let's assume that it's more or less as we might predict it. Then one could say that probably those first seven years of mine site credits, if you want to put it that way, could amount to nine or ten mine sites.

QUESTION: By 1990?

Dr. Crosby: Well, that would be by 1987. The calculations would start in 1980.

QUESTION. The first seven years of mine site what?

Dr. Crosby: The calculations begin in 1980.

QUESTION: No, but you said, of mine site and then there was another word that I didn't get.

Dr. Crosby: Well, what we're doing is calculating the number of mine sites that will be allowed to come under production as soon as commercial production is feasible. And, under this formulation, that will probably amount to nine or ten, I would think.

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This would be about 1985, it would be between 1985 and 1990, in that range.

QUESTION: Plus one more for the enterprise?

Dr. Crosby: This is supposed to be the total number of mine sites that would be available. Now if the enterprise is to have half of them, I suppose it's half of that number.

QUESTION: You say if the enterprise. What is that part of the compromise, what do you mean by that?

Mr. Beesley: They will have half.

QUESTION: ... the banking system?

Dr. Crosby: In the text, it is stipulated that there be a banking system. This has not really changed. This is a feature that was there previously and under this provision, then for every area that a deep sea miner takes out, another area would be placed in the land bank. An area of similar possibilities ..

QUESTION: He must prospect two areas and choose one?

Dr. Crosby: Well, yes, he must come to the Authority and say that this is what he is interested in and then the Authority has the choice of which half will go to him. He may say two areas of which he'll get one, or a large area of which he'll get half. But, in any case, one becomes a non-reserved area for him to have a contract over and the other becomes an area reserved for the enterprise.

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QUESTION: Are there limits on the contract written in here ...
like 25 years?

Dr. Crosby: Well, actually, the figure quoted now in the text
is 20 years.

QUESTION: He has the rights to that for 20 years?

Dr. Crosby: That is the figure that is being thought of and
indeed there is now a new stipulation that after 20 years of
being in force, the system of exploitation will be reviewed.

QUESTION: But does it say how, does it say what the system
afterward will be, or what?

Dr. Crosby: Well, what it does say is this -- that if,
during the course of that review, it is not possible to reach
agreement and the amendment of the system of exploitation that
is eventually agreed to under the Convention, then the Authority
itself or the enterprise in joint venture arrangements with
other entities will undertake the activities in the inter-
national area.

QUESTION: So they will lose their sites if they became ...

Dr. Crosby: No, not at all, the existing contracts will not
be affected in any way. This is just for contracts past that
period, new contracts.

QUESTION: But if the existing contracts are for 20 years or
more, ...

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Dr. Crosby: They will not be affected, no.

QUESTION: Did I misunderstand, you said future contracts would have to be by joint venture?

Dr. Crosby: Well, under the terms of the Convention as now written, if no agreement could be reached during this review period, 20 years from the coming into force of the Convention, then yes, the Authority or the Authority in joint venture with other entities would be the operator in the area.

Mr. Beesley: You might look at Article 153 on page 85, not necessarily now, but that's the one that provides for this. Paragraph 6.

QUESTION: What compromises came out of that? There was a US attitude that you didn't tear it all apart and there was another feeling that you must tear it all up. How does it come out?

Dr. Crosby: Well, this is the compromise. There were those at one extreme who wanted no change, there were those at the other extreme who wanted the Authority to take over everything at the end of 20 years. The compromise is that you will try to reach agreement on a new regime or amending the current regime as it exists and if you cannot, then joint ventures or the enterprise itself carrying out the work will be the result. That's pending lack of agreement.

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QUESTION: So their offer in fact is exploration by joint venture.

Dr. Crosby: If agreement cannot be reached on a new regime or on amendment of the then existing regime or on just plain approval of an existing regime, yes that would be the end result. It would be mandatory joint ventures.

QUESTION: So there will be 20 years at least in computation.

Dr. Crosby: There will be.

Mr. Beesley: There may be anyhow. You know, we have taken the position that by then enough developing countries may have become interested in the activities in the non-reserved area, the area not set aside for the international enterprise, that they would not be so anxious to alter the system. I think that this is a real possibility, especially if you take into account the possibilities of joint ventures provided for on a permissive basis, (not as a mandatory function) during the first 20 years; so I think you're correct, that could occur but we've never thought that was an inevitable consequence; and it's worth noting also that the Article I just mentioned, Article 153, refers back to 151 and, without going into all the questions of interpretation concerned, the result is as explained by Dr. Crosby; but not all of the consequences are all that clear and this is another area for some further work.

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QUESTION: How does the Authority then relate with the company; say a private company goes through the process of getting a site, putting one in the bank, what is the Authority's role in this? What kind of decision-making power do they get?

Dr. Crosby: Well, the Authority, primarily through the Council, will administer the day-to-day activities in the area, of course, over all contractual relationships that may exist out there, and the operating arm of the Authority, the enterprise, that is, will be conducting operations on its own on behalf of the Authority.

QUESTION: But I mean, say, relationships with the private company, deep sea ventures or something like that; they go into a place, what relationship will they have with the Authority? Will they have a contract and that's the end of it or will there be ...

Dr. Crosby: There'll be a contract but just as under a system of national legislation, there will be administration and management of the actual activities. That will have to take place.

QUESTION: Does this spell out what the contract is to say or is that left up to the Authority when it negotiates?

Dr. Crosby: The outlines of a contract are spelled out here. The actual model of a contract is not yet determined. A great

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many blanks still exist; for example, the financial arrangements that will apply to contracts. An outline is now present for the first time in this text and it does stipulate certain types of financial payments that must be made. I could go over them very quickly if you'd like. There would have to be a fee, what we would call - I'll use Canadian type terminology rather than the terminology of the text - it would be what we would call an application fee for a contract. That's not stipulated - it's left blank - but there would be that. There would be an annual fixed charge for mining; and thirdly there would be a production charge - they call it. We would call it a royalty. Now there is a relationship between the annual fixed charge for mining and the production charge and the relationship is this - that at the outset of mining of course probably your profits would not be such that, or maybe even the level of production might not be such that it would be at the maximum until you got geared up. So, for the first three years, you would pay this annual fixed charge. Thereafter, you would pay the royalty and the annual fixed charge would be deducted from the royalty; so there is a relationship between the two. And the fourth item would be a shared net proceeds - now this is, you might say, a profit-sharing method of sorts. The actual method of calculation of the net proceeds is not spelled out too clearly as yet.

QUESTION: You don't know whether to deduct their own charges before you get your net.

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Dr. Crosby: Well, no doubt, operating charges and that sort of thing will be deductible.

QUESTION: They have a production charge and then they'll get a share of the net proceeds?

Dr. Crosby: Yes, well no doubt that will have to be allowed as we would allow in national legislation, we would allow royalties, for example ...

QUESTION: Canada has various arrangements for licensing. How does this lay down next to something you do, is this more stringent?

Dr. Crosby: Well, at first glance, it would appear to most people and most developed states a bit onerous, but when you think about it, it really depends how you define these things and how you relate one to the other. When you fill in the blanks, then we'll know; but I think it's fair to say the new national legislation for oil and gas for Canada lands and the territories and in the offshore has certain similarities to this system. That act, as you know, is presently being drafted. It will likely go before Parliament, I would imagine, at least the Minister has announced it as such, my Minister, in the near future, this fall, and there will be under that legislation an application fee, you could say. There will be a royalty and there will be what we are calling under our legislation nationally, a PIR, a progressive incremental royalty, which is in effect a share of the net proceeds; so you could

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correlate roughly this sort of system with a national system and you could go to the North Sea and you could see the British system there is not entirely dissimilar to this. The Norwegian system is not entirely dissimilar. I think what this reflects is a growing sophistication globally as to what the traffic will bear and how best to apportion financial charges for resource operations. So it may not be unreasonable. If, however, those blanks are filled in unreasonably, then it would be impossible to undertake mining; but this of course is not meant to be the case - otherwise there's no point in writing a Convention.

QUESTION: Who's to fill in the blanks at the next meeting? Or is that the Authority?

Dr. Crosby: Well, the blanks are meant to be negotiated at the next session or the one following that as the case may be.

QUESTION: But it will not be left to the Authority to fill in the blanks.

Dr. Crosby: No, if you look at paragraph 7 of Annex II, which is on page 160 of your text, you will see the blanks. It's intended they be filled in.

QUESTION: In effect, it's the actual rates.

Dr. Crosby: Yes, you'll see the actual rates just show lines there; they are meant to be filled in. That's the intent at the present.

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QUESTION: This then satisfies the industrialized nations who were worried about the Authority . . .

Dr. Crosby: Oh, I think you'll hear a great deal of static on this particular point. Of course, nobody's going to be entirely happy with it - many people are going to be worried about how it will be interpreted.

QUESTION: Yeah, but at least they are satisfied that the Authority does not have the right to set these, that they will be set during negotiations.

Mr. Beesley: These conditions will be negotiated rather than left to the discretion of the Authority, which had worried many states, and I'd like to mention there's a strong possibility of intersessional negotiations on financial terms of contract, because it is recognized that this is an essential issue, and that it has now reached the point where it is not only relevant to settle those questions but essential to do so; whereas previously we were too far away from that kind of specificity to make it necessary or worthwhile.

QUESTION: Will the intersessional meeting be concerned only with financial aspects?

Mr. Beesley: I can't say that because it depends how it develops and who arranges it. For example, if the Norwegian Minister Evensen arranges intersessional negotiations, I know that he left New York with the view that this was one question that ought to be considered in such negotiations, but I'm not able to speak for him nor for anyone else as to whether they'd be willing to become involved in this kind of informal negotiation but - wouldn't you agree, Don, that that's an area where some work is needed before the

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next session if we want the next session really to make decisions?

QUESTION: If I may go to the Article 159, the composition of the Council, to what extent does this represent any move towards a consensus? I understood there was no consensus at all in sight so this text is what . . .

Mr. Beesley: Well, it's had a lot of input and a lot of changes from what had previously existed and it's generally felt that it's closer to representing a consensus, but I certainly would hesitate to say as to whether it does. I don't know whether you'd like to add to that, Don, either as a general proposition or in terms of Canada's particular interests.

QUESTION: Would the US get two under A and B - would they get one of each? They would obviously contribute the most towards the mining exploration and they would get a major importer of what they mine.

Dr. Crosby: I don't think it's intended that one nation would get two places . . .

Mr. Beesley: We give them two options though, if we wanted to make room for someone else perhaps, like Canada.

QUESTION: Do you have a place in this Council?

Mr. Beesley: We hope we do - we know that throughout the Conference it's always been the intention of the Group of 77 that we would be on the Council - but that kind of thing can never be guaranteed, especially, for example, if we had to be nominated, for example, by the Western European Group; if we had to stand for election in the Conference as a whole I don't think there's any doubt that we'd be elected. Maybe that's the first thing I've said that ought to be off the record. (Laughter)

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QUESTION: What about the financing of the enterprise?

Mr. Beesley: It at least opens a way for Canada to be member of the Council if we decide not to just sit on our hands and stare at the ceiling.

QUESTION: There is no existing right of a big land-based producer to be represented?

Mr. Beesley: Yes, but two of the four who would be selected because they're major land-based producers would be developing countries, and that's a new wrinkle and of course one of the others might be, for example, France, because of the words "under its jurisdiction" which would include New Caledonia; and, if the USA decided to go in under that one because of the tremendous amounts of manganese nodules which will be within US jurisdiction due to its islands in the South Pacific - who knows, they could be the two developed ones. I'm merely speculating, I'm not saying that that is what I think will happen, but there are no guarantees on this kind of thing.

QUESTION: Is the French anti-monopoly clause in there somewhere?

Mr. Beesley: The French anti-monopoly clause or an anti-monopoly clause? There is a provision and I don't think I'm in a position to comment on the extent to which it was a negotiated position. Certainly there were negotiations on that issue but I'm really just not at liberty to comment on that one.

QUESTION: Where will that be?

Mr. Beesley: What's the number, Don?

Dr. Crosby: I don't know right off hand where it would be under this new numbering system.

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Mr. Beesley: We can look it up for you while you go on to other things.

QUESTION: Could you clarify what we've gone over already which I'm still not too clear on. You say the current text would permit nine or ten mining sites by roughly speaking 1987. How much would the previous text have limited in terms of mining sites?

Dr. Crosby: There was no limitation actually in the previous text as such. The text - you mean the formulation in the RSNT - well the formulation in the RSNT was such that the limitation could never be reached, in effect.

QUESTION: So this, in fact, places a new limitation on the number of mining sites

Dr. Crosby: This is a realistic limitation - I would say around ten mine sites. Before there really was no limitation. The formulation was simply a formulation that was meaningless because when you calculated it you never could reach the limitation.

QUESTION: Does that mean five for companies and five for the enterprise?

Dr. Crosby: I'm really not too clear on exactly what the ratio would be or how arrangements would be reached between the Authority and entities on that and I would really hesitate to answer that question.

QUESTION: What if the enterprise gets into trouble - don't you run the risk of having a situation where company X is exploiting one side and, the enterprise is, say, floundering on the other half of that one? Can you go on to the next other site before the enterprise has got its first site going, - in other words, could you get to a point where the enterprise is doing one and private companies and state companies are doing nine? Would the treaty permit that as it stands?

Dr. Crosby: Well, that's the same question, I believe, the young lady was asking. I think a lot is going to depend on the realities of the moment as to how many are actually being developed by the enterprise as of a particular moment and as to how many are actually being developed by private enterprise or some state organization.

QUESTION: Just because it's reserved for the enterprise does not mean the enterprise must work it.

Dr. Crosby: Not at all, what could happen is that the enterprise could decide to enter into a joint venture arrangement with another party who did have the financial and technical expertise and the technological capability and under this arrangement, that party, that entity would put up all that, - the enterprise would put up the resource through the Authority, and you'd have a joint venture arrangement going where the enterprise would, in effect, have a sort of carried interest, we would call it in Canada, which could turn into a working interest perhaps later on, by investment by the enterprise.

QUESTION: It doesn't have to go in lock step as far as the development on one half of its site by the company and then the enterprise must be developing the other or the private enterprise can't go ahead.

Dr. Crosby: What I was really trying to describe is a system where you'd have a chap asking for this - he would get that, the enterprise would reserve this. This would be developed under a contract - this could be developed under a joint venture arrangement.

QUESTION: But I mean it doesn't have to start at the same time as the private or it could lie there in the bank for a number of years while the private does its half.

Dr. Crosby: There is an intention expressed in the Committee - I'm not saying it's a consensus as yet but there is an intention - that the enterprise would get into business about the same time as the other.

QUESTION: But could it fail supposing it just can't get its act together. 50 people in each position and it can't start mining - a private company has to wait until they can bring out the same equipment that the private company can.

Mr. Beesley: This isn't provided for - but - the point has been made many times that the international enterprise ought to be able to operate in roughly the same time frame as private enterprise and that is the reason for proposals to give initial funding.

QUESTION: But does it say ought to or have to?

Mr. Beesley: Well, I would think that some of those questions might become acute if there were difficulties in the international enterprise getting going, but that's one of the reasons for the offer made by the USA, as you know, to try and contribute to the funding in order to get it started, to prime the pump. ----

QUESTION: Is that written into here - the funding of the enterprise?

Dr. Crosby: Not in great detail. Not as yet. It has not yet been agreed upon in the Committee as a whole.

QUESTION: You still haven't answered the question though, I think, which is regardless of the oughts and buts and possibles, does this text make it compulsory for these two things to go

together or does it allow a certain amount of drift? What's in this text regardless of what the consensus was in the meeting? What does this text do?

Mr. Beesley: I wouldn't like to use the word "drift" - it allows a certain amount of flexibility. I wouldn't like to predict the consequences of the enterprise not ever getting started; that's recognized as much by developed states as by developing states as an essential part of the overall accommodation, that you don't just pay lip service to the idea of the enterprise, and it's got to be an operating enterprise or the regime won't work; and that's the underlying protection - that politically it's hard to predict what might happen in the Council and in the Assembly if ten years went by with a good deal of development by private enterprise and by states and still the international enterprise is looking for financing, etc. It's here, I think, that you will find some of the permissive provisions coming into play. It may turn out to be very much in the interest of private contractors or states to get involved in the development of the reserved area because there is another opportunity to exploit but, of course, at some price, at some cost. It has been discussed and argued that there should be a linkage, a mandatory linkage, and that's not been accepted by the developed states. But nevertheless linkage is possible and, speaking purely personally, I can see that is one of the best ways of making sure that we move in some kind of phased manner rather than on a hit and miss basis. But you won't find a mandatory linkage, and it would be unacceptable to developed states.

QUESTION: You mentioned ten mining sites which we're committed to produce by say 1987, - they could all be, in effect, private company mining sites, while there are ten mining sites put aside in the land bank simultaneously.

27. ..

Mr. Beesley: Well, there couldn't be 20 at that point.

QUESTION: ... but that's possible

Mr. Beesley: Well, Don, we should go back - are you talking about the period around 1987?

QUESTION: Judging on the basis of your production limitations.

Mr. Beesley: Now if there are ten, five will be reserved for the international enterprise. It's not first come, first served, that's for sure. Going back to one point, someone asked about anti-monopoly provisions. Look at Article 150, particularly paragraph (1)(f), but the whole article really. I wouldn't suggest you do it now but that's the reference. I think perhaps that it's fair to say that we haven't completed our negotiations on anti-monopoly provisions because it's an extremely complex range of questions that's raised by that.

QUESTION: That's not part of the package?

Mr. Beesley: Oh, I think it is, because there are some states, for example, Sweden, who have said that it may not be possible for some years for Sweden to participate but they don't want to be excluded. Countries like Sweden, and for that matter Canada, have made very clear that they're not so interested in an anti-monopoly provision as they are in some non-discrimination provision, so that eventually they will have the right to participate, and there's a widespread group feeling and a large number of countries that take that view. There's a recognition that otherwise only the major technologically developed countries and the countries with the capital will ever really be out there in the non-reserved area.

QUESTION: How would a country, using Sweden as an example, would they be going in as joint ventures or how would they participate?

Mr. Beesley: It's very hard to say; you might find Sweden and Brazil and some other country - or, perhaps, a private entity from a country like Canada or the United States or Germany or Japan - all finding it in their collective interest to work together. I don't think it's too easy to speculate, but I have a kind of gut feeling that there will be a good deal of interest in that sort of activity, and that it won't be confined to developed states, and it won't be confined to the major developed states. A country like Sweden - I shouldn't purport to speak for them - but they've managed to develop their own auto industry in a highly competitive market, they've developed their own aircraft industry. They don't have this kind of technology, but I would expect that they'll want to be allowed to participate in due course and so they spoke on this question; so did we. We said we were not so concerned to have a negative provision preventing monopolies as we were to have a positive provision ensuring non-discrimination. I'm sorry - that's more time than we wanted to spend on it.

QUESTION: What is the let's just finish up on the enterprise. All those technological transfer provisions of private companies, is that written in? Where each of the companies has an obligation?

Mr. Beesley: If you read this quickly, I think you may go away with the impression that there is mandatory transfer of technology, but if you have an opportunity to read it carefully and pursue the cross references right into the annexes, then I think you will conclude that what is really provided for is that as a pre-condition to getting a contract, an entity or a country must give an undertaking to enter into a technology transfer with respect to the second time around, so to speak; but even then, it's at fair and remunerative prices, etc., under license or some other arrangement,

there's no idea of an obligation laying down a mandatory transfer of technology. I would fear, for example, from my conversations with legislators from some countries, that such provisions would kill the treaty; but if you read the treaty carefully, the draft treaty, follow it through to the annexes, you find references back that have the end result of raising the question and proposing it as a pre-condition to the ultimate solution, but not simply providing for mandatory transfer of technology.

QUESTION: What do you mean by the second time around?

Mr. Beesley: One of the pre-conditions is that after the conclusion of the contract an entity will enter into an agreement concerning the transfer of technology.

QUESTION: It would do this before it starts mining?

Mr. Beesley: After it has concluded its contract which might last say 20 years.

QUESTION: Could I ask about the agreement on the EEZ - how it came out in the second committee?

Mr. Beesley: Well, the major development was the one I mentioned - that for the first time we have a text which strikes a balance between the positions taken by coastal states and the positions taken by some of the major maritime powers. It's a very ingenious solution involving some skillful drafting and I believe it settles the basic dispute. That to my mind is at least as important as anything that has come out of Committee I in terms of working towards a Conference solution. Similarly, although it may not seem as important an issue, the unresolved problems relating to marine scientific research definitely were a potential Conference-breaker and we've now got over the hurdle on that one.

QUESTION: Could you say that the agreement rejects the territorialist

position?

Mr. Beesley: The territorialist position? Well, they haven't been that unreasonable on this question of the status of the economic zone. They never alleged that it was territorial sea, but they've said absolutely that they could never accept a provision clearly categorizing it as high seas. From their point of view, they could go home and say we protected our basic rights under a new concept which didn't exist when we put forth our 200 mile territorial sea claim, but they can't go home and say that and then say "oh, by the way, it's called high seas". And we have to think of them as one element in the basic negotiation because they have an important position and it's an exercise, don't forget, intended from the beginning to strike a balance and to reach a compromise between those claiming wide territorial seas and those claiming narrow territorial seas. The economic zone represents that compromise.

QUESTION: Is there a right - would there be a transit right?

Mr. Beesley: Transit right is the wrong phrase but navigational rights will definitely be protected.

QUESTION: So, anybody can sail through an economic zone without prior clearance.

Mr. Beesley: That leads me to the next point I wanted to make. Are you interested at all in the marine environment because, by definition almost, when you act to preserve the marine environment you raise all the ~~known~~ uses of the sea and to act effectively to preserve the marine environment you raise the possibility of interfering with the many

31. . .

uses of the sea. So I think that's always, at least for Canada, been one of the most important issues under negotiation at this Conference. We are by and large satisfied with the results of the Conference on marine pollution because the basic compromise was retained consisting of several parts. The central feature is what we would call a global umbrella treaty not purporting to lay down every single aspect of the rights and obligations of states to preserve the marine environment but designed to pick up under its umbrella all of those existing treaties under IMCO auspices or otherwise intended to preserve the marine environment. This is retained. That was an originally Canadian idea. Moreover, there are basic obligations enshrined in the draft treaty to preserve the marine environment obligation that's been non-existent in international law prior to this Conference even though there were certain peripheral duties having the incidental effect of preserving the marine environment which came out of various IMCO Conventions. The major element of the compromise of course was that there would be concurrent or shared jurisdiction in the economic zone by both flag states and coastal states. That's been maintained, and the additional element is what's called port state jurisdiction, which is as new a concept as the coastal state jurisdiction and so, as a result of these three elements in the package, we have a compromise, a compromise that could come unstuck but hasn't so far. During this session, there have been some changes which may be subject to further discussion because in an attempt to take a balanced approach or a fair approach to the obligations to both flag states and coastal states, some changes occurred which may have simply had the effect of watering down the obligations of each. For example, we began

with language which simply imposed an obligation to apply and implement internationally agreed standards. Now we see an obligation to implement generally accepted international standards. Now, if that were applied only to flag states, it would mean that a flag state could say "well I don't think that's generally accepted - it may be in force but I haven't ratified it and other countries haven't ratified it so you wouldn't have done very much to preserve the marine environment." Well, to meet that point, a curious thing occurred, namely, that the same language was used for coastal states, so that they too don't have to do anything unless everybody Well, that may be a kind of trade-off between a flag state and a coastal state but it's no way of preserving the marine environment because then both flag states and coastal states can say, well there are still a substantial number of states that haven't accepted these regulations. So we're not encouraged by that particular variation in the overall package compromise. Moreover, we and the USA, as you know, have fought very hard to retain what we regard as the pre-existing right of coastal states to regulate construction, design, equipment and manning standards, in the territorial sea, and of course that kind of right is reflected in USA legislation, the Port and Waterways Authority Act and in Canadian legislation, principally, the Canada Shipping Act, and in Russian legislation, interestingly enough. Well if the present amendment prevails, then it is an amendment that improves the text considerably, because previously a coastal state was not even allowed to legislate in its own territorial sea over which it has sovereignty in order to implement an internationally agreed standard. It was a ridiculous situation and the language was so broad that a coastal state may even have been deprived of its right to regulate fishing. In other

words, while we've been fighting over the status of the economic zone, we've been altering the status of the territorial sea in a most peculiar fashion. So there is reason for satisfaction in that we have got rid of the provisos that would have handcuffed the coastal state completely. The coastal state now can act only to implement internationally agreed standards. I'm speaking now for Canada, not attempting to give any detached view. I don't like that solution and I hope that a better compromise could be found.

QUESTION: So it would wipe out your existing law.

Mr. Beesley: Ours, USA's and Russia's, amongst others. It wouldn't wipe it out - it would require its amendment. And I think that it's unwise, simply because even if it were accepted as part of an overall Conference solution, looking ahead a few years and recalling the series of marine disasters that have occurred recently, I don't think coastal states are going to stand by and wait for internationally agreed standards before they can act to protect an area that after all is close to 12 miles from their shore, and over which they have sovereignty. It's unrealistic. So, what will they do? They'll act and somehow interpret their actions as being consistent with the convention and we will be back to a kind of creeping jurisdiction, if you want, which we sought to get rid of. I think it would be far better to give this right in certain limited circumstances. So, I'm not happy with that solution and I find it a silly solution, but that's the one we've achieved out of this session and it is a better one than we began with.

QUESTION: Then there is no mechanism for setting international standards.

Mr. Beesley: Well, it lies in the eyes of the beholder and I've made many statements on that. If anyone can tell me what is meant

by an international standard or an internationally agreed standard, I'd feel more relieved. The history, as you know, of implementation of ratification of IMCO conventions has not been one that is very reassuring, and this is not a problem that is gradually going to diminish as the years go on - obviously, there is going to be more and more tanker traffic, bigger and bigger tankers, and apparently more and more unseaworthy tankers. I don't want to over-emphasize the point but I do feel that this requires further work and I would hope that we could reach a better solution.

QUESTION: Isn't most of what you're saying applying only to ships and pollution caused by ships - what about land pollution? Has it been agreed on that the treaty just won't deal with that question of the pollution from land?

Mr. Beesley: No, on the contrary, the basic obligation applies to land-based pollution also and, in specific terms, to a particular kind of land-based pollution, namely the dumping at sea of noxious materials originating on land. I should turn you over to Mary Walsh on this, because this is one of her areas of expertise, but it's very hard to go very far landwards into internal waters in the law of the sea because once you get into internal waters, you get into the area of total sovereignty of the coastal state and you can't go into a Law of the Sea Conference to regulate auto omission standards, for example. And yet something over 75% of marine pollution is said to be airborne pollution, so it's a major task, in any event; but it's argued that the least we can do is improve the law on these issues and, in fact, having sounded somewhat negative, I think I should say in all fairness that we now have a totally new branch of the law which didn't exist before. It's even, if you go to the

trouble of wading through some of these technical provisions, it's even provided that in passage through international straits, and damage is done by state-owned ships not engaged in commercial activities, there is a radically new concept of state responsibility going hand in hand with flag state jurisdiction. Well, that was never heard of until we began to talk about it a few years ago and I think that's an important concession from the major powers who have asked for free transit. So, I'm not all that disappointed, I suppose if you're measuring the results against the ideal, you'd be disappointed on every aspect of this treaty but it's the attainable that we've been seeking. I'm hoping that we can attain a little more than we have, I guess. Mary, did I do too much of what you would have wanted to do? Do you want to comment further at all?

Ms. Walsh: No, not unless anybody has any questions.

QUESTION: Well, when you talk about things, say, something a company puts into a river and then flows out to sea, pollution, do they control that sort of thing now? It's going to get out into the ocean eventually?

Ms. Walsh: Well, there is an attempt in the sense there is a global umbrella treaty to try and control pollution from all sources. There is an article, Article 208 on pollution from land-based sources. Similarly, there are articles on pollution from seabed activities, continental shelf drilling. There's a dumping article which is sort of a land pollution activity carried out in an operation at sea. There is also an article on pollution transmitted through the atmosphere but I think the main effect of these articles, - what they basically try to say, that the coastal state should establish laws and regulations implementing international standards and

recommended practices with regard to pollution prevention. The difficulty is, in the law of the sea convention, that you can try and attack at the source but, as Mr. Beesley said, there's just so far that you can go; at least there is an article encouraging states to try and prevent pollution of the sea from all sources.

QUESTION: But basically there is no international standards as yet?

Mr. Beesley: The closest we've come to it is what we achieved during the Stockholm Environmental Conference when we put forth a proposal --- a clean river register, and that's being worked away at. Then there are a number of bilateral arrangements and multi-lateral in the European context and, under the aegis of the Boundary Waters Treaty of 1909 between the United States and Canada, through the International Joint Commission; but this is a law of the sea treaty and although land-based pollution does affect the sea, you can't reach inwards and start regulating what happens in factories - that's a matter of national sovereignty.

QUESTION: But do they, do they make a kind of legislation --- you know a legislation that tries to be too specific sometimes it gets to be bad --- we do have things such as our saccharin legislation - is this kept sufficiently general so that progress can be made within it so it might be a good thing this way?

Ms. Walsh: Well, the articles, they are general, like, for example, Article 208, land-based sources, I mean, it's basically an encouragement to prevent pollution and preserve the environment.

QUESTION: Could this article be used to ensure implementation.

Mr. Beesley: Well, I wouldn't rule it out. We've got to go much further on liability and compensation but, as a possibility, a hypothetical possibility, it might be possible to found a right of action on this treaty against what is occurring as a result of the activities of a particular state within its own land territory. But you'd have a lot of difficulty establishing that; nevertheless, included in this draft treaty is a basic, fundamental obligation not to pollute the marine environment and that includes, of course, from land-based sources, in specific terms; but this is still a very primitive, I would say, undeveloped area of the law and it's got a long way to go. At least this treaty lays down totally new rules with respect to preservation of the marine environment - rules that were unimaginable ten years ago.

QUESTION: Well, does it set the direction?

Mr. Beesley: It doesn't merely set the direction - if you analyse the actual provisions - it sets the direction in terms of land-based pollution - but if you analyse the provisions embodying this compromise I mentioned, coastal state enforcement of international standards, flag state enforcement of international standards, port state enforcement even in areas beyond the economic zone ---- well, if an incident occurs beyond the economic zone, even, and then the ship comes into the port of a state - there are various provisos and safeguards but the port state, that state where the port is situated, can take action against the ship. You're getting into a very technical branch of the law now.

QUESTION: Even something happening in the international area ---???

Mr. Beesley: Yes. That's very new too. And I think the USA is mainly, if not solely, responsible for the creation of that concept. We supported them very strongly and it was rejected by other import-

tant maritime states in IMCO, but ultimately accepted in this text, and I think it's a very important part of the package. It would be wrong to go away discouraged about what occurred on the environment but I don't think we'll ever be satisfied totally because we are striving for the ideal.

QUESTION: You're the cutting edge, as it were

Mr. Beesley: Well, you said it. Do you want to enquire at all about why provisions relating to marine scientific research haven't turned into literally a Conference - breaker and only seem to be resolved at this session, because Jane Caskey can speak to you on that one if you wish to enquire. It's not a minor issue as you all know, but it doesn't sound like one that would break up a Conference, yet it developed into just such an issue and the fact that we waded our way through that one with a form of words which should be broadly acceptable, I think is another indication of the very real progress we've made at this Conference. I'd like to come back to that after perhaps you've talked to Ms. Caskey because I would personally, if you're willing to listen to it, like to offer a few words on what we've achieved, where we're going, what are the consequences of success or failure of the Conference because that's what I think it's all about. Jane, do you have any comments on marine scientific research?

Ms. Caskey: Well, do you want to understand a little of the background of it? This issue of course is intimately bound up with the whole question of the status of the zone because of course it is one of the elements or one of the jurisdictions of a coastal state in the economic zone. It really, I think, came to a head with the last session when Dr. Kissinger was here and he explained to us that there

were three - I'm not entirely sure how I should categorize this - but there were three issues which were of a very basic and fundamental interest to the United States, one of course related to Committee I, the other related to the question of the status of the zone and the high seas and the other one was the question of the conduct of marine scientific research in the economic zone. It is, of course, of very great interest to the scientific community and up until now the question of the conduct of scientific research beyond the territorial sea or unrelated to the continental shelf as is defined under the Continental Shelf Convention has really been completely open. We started this Conference with very polarized positions of the major maritime and researching states arguing really for freedom to conduct marine scientific research in these large areas which would be subsumed under the economic zone. A number of coastal states, but in particular the developing countries and a few of the rest of us like Canada and Australia and New Zealand and some others, took the position that scientific research in the economic zone should only be conducted with the consent of the coastal state. It's been a fairly tortuous negotiation over these past, basically six years. In the last text, the RSNT, we had what might be called a qualified consent regime - in other words, the coastal state would give its consent to research in the economic zone except in certain specified conditions and these basically related to the resources or involved drilling on the shelf or whatever. At this session, we managed to come up, as part of this negotiation on the economic zone - and it is reflected in the new text - with what really results in a new regime for research conducted in the territorial sea, continental

shelf and the economic zone. It uses language such as "coastal state shall in normal circumstances grant their consent to research." Well, this is quite true, in normal circumstances and usually coastal states will because it's generally in their own interest to have research done. However, it does leave that small area where it would presumably be alleged that research was not in normal circumstances. Now that whole phrase, of course, will be subject to a great deal of interpretation by coastal states and by researching states. The other part of that package, however, was that those provisions relating to a coastal state's right to refuse consent to conduct research and their right to cease or terminate any research that's going on are now removed from the dispute settlement articles.

QUESTION: Well they cannot

Ms. Caskey: Their rights to grant or refuse their consent to the conduct of research in the economic zone and

QUESTION: Does that mean it's a more absolute right now or less?

QUESTION: Yes, you've lost me too

Ms. Caskey: I'm sorry ----

QUESTION: I didn't understand - what direction did that go?
- tougher, or weaker?

Ms. Caskey: Well, I think that from the point of view, I suppose, of a coastal state who was looking to having rights protected with regard to research that's being conducted in the economic zone, I'm sure that they would consider that this text, in fact, protects these rights.

QUESTION: In other words, they cannot be questioned, say in the dispute settlement mechanism.

Ms. Caskey: In a dispute settlement mechanism, these very narrow categories of their rights to refuse consent and their right to cease a project which is in session under certain very specified conditions are now removed from the provisions of the dispute settlement.

QUESTION: To put it the other way around, they can now dispute and say no on any grounds they wish so long as they can argue that it comes under the heading of not normal circumstances. Right?

Ms. Caskey: In part, yes. The article further goes on and says the coastal state may, however, under their discretion withhold their consent to certain research and this again, specified research, very much like that which appears in the RSNT. But this other provision which says under normal circumstances you shall grant your consent leaves a clear obligation on coastal states.

QUESTION: So that's an additional safeguard.

Ms. Caskey: That's an addition to the text. This leaves a very small loophole.

QUESTION: Now, is there going to be a further attempt to elaborate this, "what is a normal circumstance? Is that something you'd expect in further negotiation of the treaty?"

Ms. Caskey: I would doubt that that would be a subject for further negotiations.

QUESTION: That really ends up - the state really ends up having full power then ----

Mr. Beesley: Ultimately - it does tend to have ultimate power but it's not meaningless when you put in a provision that the state shall, for example, normally grant consent because that was the provision in the pre-existing language of the Continental Shelf ---

"in normal circumstances", there's a variation on that and it's a slightly different concept but it's not a blanket coastal state consent regime.

QUESTION: What about sharing of the research information - is that written in yet?

Ms. Caskey: All of those provisions exist.

QUESTION: So, in other words, it really gets to be joint research.

Mr. Beesley: That's right.

Ms. Caskey: And, of course, throughout all of the text there are provisions which promote the conduct and facilitation of research which didn't exist before. There are certain duties on the coastal state to promote and facilitate research in areas under their jurisdiction.

QUESTION: Could you give any speculation as to how this will sit with the USA.

QUESTION: Are you saying, in effect, that Henry came up here last year and said we must have something better on this and you've given him something worse?

Mr. Beesley: Just the contrary, we met Henry on that one.

QUESTION: Well, I'm being blunt but you know what I mean. The U.S. scientific community has been very loud and vocal on this, do you think this is now going to meet their needs or do you think not?

Ms. Caskey: I think that concerns are not limited solely to the United States scientific community - I think that they exist in every scientific community that's been negotiating at the Conference. But I think what this text does now is really provide a balance between the rights and duties of coastal states to promote and facilitate research and the balance between some of their concerns on the other

hand to receive fully the results of the research that has been conducted, to participate in it and to really have some say in precisely what's going on.

QUESTION: But it does bring - it dissatisfies the scientific community in that now research gets to be a large political decision that now has entered into the situation.

QUESTION: The balance in fact has swung away from the United States on this issue.

Mr. Beesley: I don't think so.

QUESTION: I mean it's not clear from what you're saying to me, anyway.

Mr. Beesley: Well, then say it differently Jane. (Laughter)
All right, then let me tell you some background, firstly to explain the situation. I think you've got to give a yes or no answer, Jane, because you'll have to base it on that kind of consideration. Because of the difficulties encountered on this issue, the status of the economic zone and the problems relating to marine scientific research and the related question, the extent to which coastal states would be willing to litigate the rights which they felt they'd only just acquired, their sovereign rights over resources, it was found necessary to go outside the Conference machinery again and have what was called an after-dinner group - a dozen countries who were the major protagonists, and I give you this as background because it's the kind of thing that is better left as background information. Well this group met night and day, and I mean night and day - it met until 12:00 midnight, 1 a.m., etc. and it was a long arduous process but at the end of a three-week period, as a result of occasional, creative tension, occasional drafting suggestions here and there,

a series of proposals was presented, each one a development of an earlier one and finally a proposal was presented which the USA accepted and it did meet their basic concerns. Now, that's a short answer. Jane might or might not like to comment on the extent to which that negotiated solution found its way into the text. And, let me be very clear that when you're talking about a small group meeting outside the normal conference process, you get into some very difficult issues, which is why I'm just asking on a personal basis to treat it with discretion. The countries not involved in that kind of negotiation tend to say "well, why weren't we there?" That's the first question. Secondly, "I don't like the results without having seen it". And thirdly, "whatever we accept, we've got to do it differently - start from scratch again". We've run into this so many times in the Conference, but again and again we've had to go outside the normal Conference procedures in order to get solutions. That, in essence, is what the Evensen Group has been doing all along but because Evensen was wholly engaged in Committee I discussions, we formed another little group, and again for your background information, I would ask you not to report it, it's been called the Castaneda Group. Now, for example, if Elliot Richardson is willing to refer to that group, then obviously you're free to make use of the information. Ambassador Castaneda of Mexico first came up with the idea - I think we were the second delegation consulted.

QUESTION: Some of the other delegates have mentioned the Castaneda Group.

Mr. Beesley: Have they? If it's open information to you, then use it.

QUESTION: They haven't said what the agreement was.

Mr. Beesley: Oh, well, the essence of the agreement is found in this document and it's on those three issues - I hate to keep using that overworked term but each one of these issues could have caused the Conference to break down.

QUESTION: You think now this is not going to occur on these issues?

Mr. Beesley: I think there will be delegations that will raise hell over the results but will accept it in the final analysis. There may be some drafting changes here and there. I believe that it was a successful operation. Now, Jane, you've got to answer yes or no - the extent to which the composite text actually reflects the results of that negotiation. To the extent that it doesn't - you'll just have to ask others why it doesn't but I think that the key question is - does the compromise worked out in that group find its way into this text.

Ms. Caskey: Well, in its essential character, yes.

Mr. Beesley: But, of course, it's a question you ought better put to Elliot Richardson this afternoon and I can't possibly speak for him.

QUESTION: Could you say who the delegates were - who ----

Mr. Beesley: I think it better not to, in all honesty - I just find that over past experience, that the more attention that is focused on that kind of exercise, the less productive it becomes, the less fruitful it becomes.

QUESTION: Could you ----- did it have a representative from the Socialist bloc, for example, like the Russians. There's nobody like -----

Mr. Beesley: None of the major protagonists who had had strong views on this question were eliminated and none of the groups which had views were left out.

QUESTION: You didn't have a similar group in Geneva two years ago.

Mr. Beesley: No - no, it was an attempt to have a balanced group including, for example, territorialists, other coastal states who were not territorialists, major powers, etc.

QUESTION: How are the landlocked states taken care of in this - are they still sitting there as possible blocking potential?

Mr. Beesley: I don't think they're a blocking third - I think that's for them to say. I hope they're not thinking in those terms, but they do take the position that they haven't yet had their interests adequately recognized in the composite text and interestingly there, too, there were some informal negotiations even less formal or even more informal than previously had been the case, which resulted in a text which many people thought finally met the situation, but in the final analysis the landlocked and geographically disadvantaged group elected not to support the inclusion of that text in the composite text. This kind of thing happens - it doesn't mean they reject it. It could mean, for example, by putting it in it would rob them of their bargaining powers at the next session.

QUESTION: Do you think that they are saving up so that they can become the centerpiece of a final session or a session so that they can use their numbers as a blocking third?

Mr. Beesley: I don't think so ----

QUESTION: This would seem to be tactically very intelligent.

Mr. Beesley: Well, it depends, if the Conference fails as a result of that kind of tactic, the big losers will be the land-locked and the next most important losers will be the geographically disadvantaged. They're the ones who can only achieve their objectives through a conference solution. And I think they recognize that and will adopt a more responsible position ----

QUESTION: ----- aspect of it - would they make ---- to take it on now or is it an issue we can expect to come up in the next year.

Mr. Beesley: Well, I don't personally care to comment on their tactics. You know, it's been alleged that if they'd utilized different tactics we'd have a solution now, and of course their bargaining position is weakened once many states have taken unilateral action on the 200 mile fishing zone, but I haven't heard anyone say that that's the end of it, that we're not going to negotiate with them. On the contrary, as I have just explained, we really came close to a solution and speaking purely personally, I'm disappointed it didn't go into the composite text. But I understand full well the reasons why it wasn't accepted for inclusion, and I think we have to respect the views of those states who feel that they want to maintain their options for the next session - but I'm hoping it isn't that option they're talking about, threatening a vote, which could kill the Conference.

QUESTION: Well, I'm not talking about any option one way or another - I'm merely talking about they will become then as the issue, say as Committee I was this time and therefore get full attention which they have sort of missed.

Mr. Beesley: Well, I think that's not an unreasonable prognosis of several that one might think about - I said in plenary at the last session that I didn't think they'd been fairly dealt with and nothing has happened to change that position insofar as the text is concerned. A good deal has happened in terms of actual negotiations and a really sincere and honest effort to produce an accommodation but the results are not yet reflected in the text.

QUESTION: Does the accommodation go so far as to talk about corridors or is that still under negotiation?

Mr. Beesley: That is quite a separate issue and that was actually settled at the last session but if you put yourself in the position of the landlocked countries, understandably, they may wish to hold off agreeing to anything, even if it's acceptable, until they see the other parts of the package. They might, for example, refuse to accept the continental shelf concept until they had had what they consider to be fair treatment on access to fisheries. There's always a possibility in this Conference of delegations or groups relating seemingly unrelated issues. I don't suggest here the question is in any sense frivolous - I think it touches on a real problem - I'm not just trying to gloss over it. The reason I speak as I do is that if someone starts that kind of voting operation, it is very difficult to predict the result, but there could be a kind of domino effect; for example, suppose the landlocked and GDS were able to kill off the continental shelf - well then there would be a strong thrust on the part of some of the states affected to ensure that the landlocked and GDS didn't get what they wanted on fishing, and this kind of thing would snowball to the point that we wouldn't have a negotiation - we'd just have an

exercise in vindictiveness. What I think offsets that possibility is that although there is probably a blocking third on every issue, as I've mentioned often before, it's a different blocking third on each and the result of that is a curious one, that we tend to need each other whether we want to or not, and it has to be a negotiated solution. I do think we're very close to a solution on that one but you won't find, for example, the so-called Irish Formula in this text giving a more precise definition to the continental margin, and without going into all the background the main reason is that the landlocked/GDS problem has still not been fully resolved. What you will find is quite important - new provisions on revenue-sharing which are very specific and do represent a large measure of negotiation - I'm talking about revenue-sharing with respect to the resources of the continental shelf beyond 200 miles and out to the outer edge of national jurisdiction. That is a very singular development - one of tremendous importance - because it's always been thought of as a part of the overall package and I suppose if anyone deserves credit on that one, it's Don Crosby who had the most to do with working out that compromise. There is a small error in drafting which he'll probably want to point out to you but if you want to conclude almost immediately, I would like to make a few observations if you're willing to be patient enough to listen. Want to mention the drafting change, Don?

Dr. Crosby: No, I don't ----

Mr. Beesley: O.K. Well, in case there is any doubts amongst those present, the Canadian delegation is well satisfied with the results of the Conference for the reasons we've explained point by point. We haven't touched on everything - we haven't mentioned, for example, the maintenance of the Arctic exception but it's there,

it's unchanged, the maintenance of the special provisions on anadromous species - salmon - they're still there. No change in the basic accommodation on fisheries insofar as coastal state rights are concerned with respect to the living resources. No change with respect to coastal state rights over the non-living resources within the economic zone or with respect to the continental shelf beyond, the only new development being a much more specific provision, for example, with respect to revenue-sharing relating to the revenues to be derived from the resources of the continental shelf beyond 200 miles, and I could go on through the provisions. There are some new developments on straits which we think are an improvement from the pre-existing text. With respect to the seabed beyond, well before I even touch on that, I might mention that on delimitation, we're not particularly satisfied with the results because we fear we produced an unworkable rule for delimiting maritime boundaries between states. It's one that permits one side to say that's the boundary line because it's equitable, whereas the other one can say that's the boundary line because it's equitable and we find this a nonsense approach. We don't have a specific national interest because we have such a variety of geographical situations that sometimes we need the equidistance rule, sometimes we don't. But we don't like to see bad law and failing the linkage - the mandatory linkage - of mandatory dispute settlement with that kind of delimitation provision, I think we've got, if anything, a retrogressive step with possibly five or at least four different kinds of ways of delimiting marine boundaries depending on whether you're talking about the territorial sea, the economic zone, the contiguous zone, the continental shelf, the continental shelf not yet delimited,

continental shelves previously delimited, etc. So, we're not happy with that, but it's not going to cause a national crisis.

With respect to the seabed beyond national jurisdiction, obviously for the reasons explained by Dr. Crosby, we think it's a much better approach on production controls that's reflected in the text now. It's one that we think is a much more fair and much more sensible approach. We never could see sense to the old Article 9 formulation and I think it's to the credit of those delegations which supported that approach that they have been willing to seek alternative approaches, and I don't wish to say more than that. We're not entirely satisfied with the outcome - I'm quite certain they're not - but at least we've got away from that simplistic approach and simply adopted the skyrocket technique that the seabed mining could go wherever it wanted it to go but mainly upwards. For all these reasons, I think the Conference really is a much more successful one and this particular session has been a very real factor in taking us a long step closer to a final solution. Nobody can predict whether that will happen or not but at least what was needed has happened - a change in attitude, a change in psychology, a change in atmosphere. The negotiations on every issue have been friendly, constructive, sincere, they've been carried out in good faith.

There are some who may say, perhaps with good cause, that the results of the negotiations are not adequately reflected in the text, but that's understandable given the system adopted - ultimately the power is delegated to individual chairmen. But I believe that that atmosphere is tremendously important with respect to Committee I and whether it was a cause or an effect, we did find a real movement on the part of the Group of 77 on the one

hand, and the major developed states on the other hand, on the issues relating to deep sea mining, and this simply hasn't occurred in the past. We had on a good day a stalemate, on a bad day a paralysis in Committee I on many, many days in many sessions. This time that didn't occur. For all these reasons, I think that we have reason to be satisfied with what we've achieved at this session. Now that doesn't mean that it's in the bag and that all we have to do now is a little tinkering, a little drafting. There's still some further negotiation that must occur, but I think everyone's aware now that time is running out, that if we don't wrap this up in the next session, time will have run out. For example, important states will have begun to take unilateral action on the seabed. This brings me to the one important point I wanted to make to you.

It's very easy to take the position, for example, taken in a recent column in the New York Times, that the best thing that could happen would be for the Conference to fall apart. I think, and I'm speaking purely personally here, but I have no doubt that the Canadian government would back me up on this, that everybody needs a Conference solution now. For somewhat differing reasons, but also for some basic reasons that affect everyone, the reason, in essence, is that we've gone too far in redeveloping the law, in rejecting the pre-existing law not to carry the process through to fruition. No one can pretend now that the three mile territorial sea represents the norm - customary international law. Over 86 states now claim a territorial sea of twelve miles or beyond. That simple fact alone is the best reason for trying to achieve a Conference solution, because if you couple the twelve mile territorial sea with the problems of the straits around the world, you've got a built-in conflict, unless you get agreed rules concerning passage through these international straits, and you can only get that kind

of agreed rule by unilateral action. You can extend coastal jurisdiction or coastal sovereignty for unilateral action but you can't protect freedom of navigation for unilateral action, except of the kind that most people consider unthinkable, namely the threat or use of force. But there's more at stake; we all tend to think that the economic zone has been pinned down and that we now are agreed on the economic zone as a compromise, but there are many states who have made clear that they would move to a 200 mile territorial sea if the Conference fails. That's their preferred position but they're willing to accept the economic zone as a compromise. Well, if you think of the consequences of that for freedom of navigation and if you think of the intensive negotiations that have been devoted to resolving this problem of the status of the economic zone, you can see the implications just as a result of states claiming a 200 mile territorial sea. But I think there's a lot more at stake too. If we think of the delimitation provisions, the ones I just criticized, well there too we will have certainly eroded the pre-existing rules but we won't have set up the kind of dispute settlement machinery which will be essential to prevent every state in the world from having another look at its boundaries and having another go at them; or, if they haven't already settled them, from making the most outrageous arguments because you can justify anything in the eyes of the beholder on the basis of equity. It's when you get to the deep ocean seabed though that I think the real trouble occurs.

I think it's a very gross error to assume that developed states will have a free hand to legislate as they see fit concerning the deep ocean seabed. I'm not now talking about the extent to which

/ resolutions passed in the U.N.

or draft treaties reflect the development of customary law. Leave that aside for the moment. I think that if states do act unilaterally, it's virtually certain that other states who've made their views known on this issue, would also act unilaterally in a different way, and for every state that attempts to legislate to permit its miners to go out into the deep ocean seabed, there would be states who would remind everyone that nothing has happened to alter the 1958 Geneva Continental Shelf Convention which provides in specific terms that the outer limit of coastal jurisdiction over the continental shelf is the exploitability test; to say "that's our jurisdiction" - and I suppose, at the least, you'd get a case in the international court. At worst, you could get conflicts. In some quarters, it's being argued that there should be military protection given to the deep sea mining just in case this kind of thing happened. My fear, I suppose, is that if the Conference is allowed to collapse at this stage, you will see the kinds of disputes which will be far worse, far more acute and much more complex and diverse in nature and variety than we've ever seen before breaking out all over the world. I really think that the difficulties we saw between some of our friends such as Iceland and the U.K., for example, or Turkey and Greece would just pale into insignificance by comparison to what we could envisage if the Conference failed. There are states who can protect their range of interests by unilateral action, but then many states cannot, and certainly any state that is dependent on freedom of navigation as a vital, strategic, global interest can't afford to have the Conference fail, and certainly can't afford to be the one that precipitates its failure by taking unilateral action. For all

these reasons and for all that we're weary of this exercise, I think we just have to press on and finish it off. My hope is that we can do it in one more session.

QUESTION: Why do you say "one more" because you've been saying one more?

Mr. Beesley: We've said one more in the past in the hopes that the things that have occurred at this session would occur. They didn't. What I'm saying now - the only difference, I suppose - is that I'm talking against the background of what occurred at this session.

QUESTION: Now you have what you should have had before you went into Caracas?

Mr. Beesley: Yes, precisely. It's taken that much longer. Of course, in terms of law-making, things take this long. I told someone before that I'd been involved in two seven-year law-making exercises, which were peripheral by comparison to this. And this is a major undertaking. It doesn't lie in my mouth - enough people have said it - but I think it's generally accepted that this is a fundamental law-making exercise that may compare in importance to what occurred in San Francisco when the U.N. was founded. We have a chance of an order regime which can make a major contribution to peace and security while conserving the fisheries, oceans, preserving the marine environment, and laying down a system for proper husbanding and rational exploitation of both the living and non-living resources. The other alternative is chaos, should the Conference fail.

QUESTION: Now, is there anything or can you envision how many years it'll take to get these things through all the various ratification procedures?

Mr. Beesley: No, but I know that there is a widespread school of thought that it should be accelerated. I have a personal suggestion which I wouldn't dare make publicly. Just say that the first 30 countries, say, or the first 40 countries who ratify get to be on the Seabed Council - you'll get a big rush of ratifications. (Laughter)

Question: Is there a procedure in here during the period of ratification of reaching a certain point in numbers of countries that some of the provisions will go into effect?

Mr. Beesley: Well, the USA has often argued, and I think wisely, that there should be arrangements made for provisional entry into force and I'm still hopeful that they'll be successful in that matter.

QUESTION: So this is not in force.

Mr. Beesley: Not yet.

QUESTION: Is it being discussed?

Mr. Beesley: Well, you know, it isn't discussed seriously because people say wait a minute, we want to know what it is we're bringing into force before we put our minds to that problem. It isn't ruled out.

QUESTION: I have heard talk about an eighth session. Is that a realistic thing?

Mr. Beesley: Well, here I'm being a little subjective because I'm not that unhappy with most of what's in the text, although

I'm aware that there could be a lot of improvements here and there, especially in some of the Committee I provisions. But if you talk to someone who thinks Committee I is a disaster in terms of the text that emerged, I guess they wouldn't be quite so optimistic. It's very hard to give you an answer that is anything more than a subjective evaluation.

QUESTION: And, consequently, if you fail at the next session, I think the American legislation

Mr. Beesley: I can't comment on that, but I can say that there are several countries which are readying themselves for unilateral action if necessary.

QUESTION: Would that sink it? I mean I've heard some of the U.S. senators argue that, in fact, all this noise about U.S. legislation wouldn't really sink the Conference.... It's just a lot of noise that's being made.

Mr. Beesley: Well, I can give you, once again, my own personal view, but it's based on what's been said to me by many, many delegates and, quite frankly, I've organized luncheons and breakfasts, even working breakfasts, in order to allow legislators from other countries to hear directly from delegates what their views are. The last time I did that

two delegates said they would walk out; one said he would recommend to his country that it no longer participate and another one said that he would give up the office he now holds in the Conference -- so I don't think it's going to be a minor event. It's not something that should be likened to unilateral action on fisheries. That was something that was a spin-off of the Conference. It came as a consequence of the Conference negotiations, admittedly incomplete, but the action taken by virtually every state is within the outlines of this draft treaty. But if a state acts unilaterally on the seabed, I'm not saying this as a personal criticism, I'm saying that it would be regarded as an action diametrically opposed to one of the fundamental concepts emerging from this Conference; namely, the concept of the "common heritage of mankind", rightly or wrongly. I've talked to some of the individual legislators and they don't see it in those terms at all. I'm trying to tell you what the perspective of many, many delegates would be and, well, one of our closest friends, a western colleague, expressed his view in the presence of the head of the USA delegation that it would simply kill the Conference. He used the words "disastrous consequences". He could be wrong, but I don't think he's wrong.

QUESTION: Well, he might be wrong in the sense that you have said. That so much of it is accepted . . . Much of it is already accepted in international law, so it can't kill it.

Mr. Beesley: It'll never kill the 200 mile limit, but you might kill a 200 mile economic zone and create a 200 mile territorial sea instead.

QUESTION: Could you tell me, are we not . . . Does this thing, this document, now say that there is a 12 mile territorial sea and a 200 mile economic zone?

Mr. Beesley: Yes, exactly.

QUESTION: Why do you think there was so much progress or movement in this session?

Mr. Beesley: There were some new faces, some new people, some good people such as Ambassador Richardson, plus some new attitudes on the part of the people who aren't new. I think that there was a recognition, stemming in part from the negative developments at the last session, that we either really sat down and negotiated seriously or we could forget the whole thing. Governments are getting impatient, the public is getting impatient, the press is getting impatient, legislators are getting impatient. And what happened is that, while I don't like to use this term the moderates took over and they no longer permitted this dialogue of the deaf which is so easy if one wants to maintain a national position and prevent movement. This shake-up began in Geneva when we had intersessional negotiations under Evensen's chairmanship, and that's when some rather startling, but encouraging,

things occurred. Individual representatives who had previously stuck to very stiff positions put forth positions that obviously were intended to lead to an accommodation - not their preferred position, not their ideal position - and they made concessions and that brought about a response from the other side. Now this is not the final settlement, but at least it's a far cry from the stalemate approaching paralysis in the first Committee at the last session, in spite of all the imperfections in the Committee I text, for Canada as well as other states.

QUESTION: You say there's a Group of 77. Are they a leading moderate group that has come along?

Mr. Beesley: No, I wouldn't say that because it's a collection of individuals. If I could make a generalization ...

QUESTION: Is it a bloc or certain African countries or Latin American countries ...

Mr. Beesley: If you want my candid opinion, but here you would say I couldn't possibly be objective, in most cases it's the countries who have been the movers behind everything else. It's the coastal group who finally got impatient, but there are some others who are not members of the coastal group. At this point, I would single out some, Singapore, for example, who attempted to do something constructive there. Another curiosity - no, I won't even mention the name of that one - but the people who really decided to push things included some of those who had previously not wanted to push too far too fast. It was a recognition that the time had come to either fish or cut bait.

QUESTION: (something about the Algerians)

Mr. Beesley: I would just say that the Algerians maintained their position in principle but, in so doing, said they were going to do it even if they were isolated. I wouldn't like to say more except that I respect the Algerian position of principle, while disagreeing with it.

QUESTION: Have the Mexicans become a moderating force after so many years of taking a tough position in Committee I?

Mr. Beesley: Well, you're the one characterizing their previous position. I would only say they certainly were a moderating force in this session on a range of issues, a very, very constructive force on a range of issues.

QUESTION: To go back to when you talked about unilateral legislation, do you think something like the Fraser Bill would be as damaging as the Murphy Bill?

Mr. Beesley: Could I ask you not to attribute this and I'll just give you my personal view because I think now that I'm verging on really meddling in internal affairs. For your private information, I've talked to some congressmen here and in Washington I've spoken to a group of them, and I'm told that eventually, it'll go into the Congressional record as will Paul Engo's comments, but it's still not public that it occurred, so I'm doing a peculiar thing in telling you about it; yet, if I didn't tell you, you would think I'd misled you. I can say this much, that Fraser's approach is of course one that I believe would be much less damaging to the Conference, but that very question has been put in my presence when people said "I don't care what kind it is, unilateral legislation is out". I know one representative of a developing country who was quoted

as having told the main mover behind one bill that it wouldn't wreck the Conference, that it wouldn't make much difference at all, so I included him in the breakfast meeting that I'd held recently and asked him to comment, and he didn't say that. He expressed different views. He said he couldn't predict the consequences, but he thought it would have a negative effect on the Conference. He's the only one I've been able to unearth who has ever expressed reservations about the effects. I'm talking now not only of developing countries but of some of the key people from developed states who've worked so hard to try and get the Conference working. Naturally, they don't want to see it fail. But they're in very close touch with many other delegations. This is one of the effects of the whole coastal group approach. You will find in talking to landlocked countries that they would be very much inside the skin of other landlocked and geographically disadvantaged states. The coastal group is an interesting cross section of people from various parts of the world, both developing and developed, and we tend to know what one another feels, and it's my impression - strong impression - that there'd be a very negative reaction from the Conference to unilateral legislation. Now the difficulty is that this text on seabed mining - I'm not going to purport to give a US view but I can well imagine that this falls well short of the ideal from the US point of view. But you'll hear about that this afternoon.

QUESTION: What would the consequences be for Canada if the US took unilateral legislation?

Mr. Beesley: I don't know. I don't know that there would be damaging consequences for Canada as distinct from our

generalized interest in the desirability of a conference solution that would contribute to an orderly regime rather than chaos. We'd have to analyse that, I think....

QUESTION: Would it not destroy the Canadian wish to maintain land-based nickel production?

Mr. Beesley: It could, but needn't necessarily and we're not going to fold up and die anyhow, and it wouldn't necessarily have a direct impact, but if it were followed by unilateral action elsewhere and there was a concerted move towards rushing in to mine deep ocean resources without any regard to the impact on land-based producers then I'm sure it would have a negative effect on us. My own position on that issue hasn't been based on the problem of damage to Canada; only in the sense that as a member of the international community, we, like everyone, will be damaged if the Conference fails. I mean that some of the countries, I don't want to name any, who are seemingly closest to unilateral action are the ones who would lose the most as a result of it. Ironically, they are the countries that would attach overwhelming importance to the freedom of navigation. And they're the ones who'd kill it in one fell swoop. And don't forget - a very important point is that when this Conference began, when we agreed that the mammoth undertaking of such a huge agenda, the basic trade-off being argued - I never liked this - but the trade-off being argued was resources in return for freedom of navigation. Now think about that. Many of the developed states who argued that the basic trade-off would be resources for

freedom of navigation have now led the rush to take unilateral action on fisheries. Some of the same states now want to lead the nickel rush in the deep ocean seabed. What are they going to have to offer to those who do have the opportunity to interfere with freedom of navigation if they see fit to do so. The basis for the trade-off is gone. That's why I think it's such a foolish thing to consider, especially when we all know that nobody is going to be out there until 1985 or 1987 anyway. There's a widespread feeling, which I can only describe as a false sense of urgency, - this urgency about concluding the Conference is not urgency about rushing out there tomorrow to do the deep seabed mining.

QUESTION: Well, these companies cannot just put their technology on the shelf while law of the sea continues its developments. They must go ahead with the development of their technology.

Mr. Beesley: They're doing that anyhow.

QUESTION: Well, they're doing it but they're reaching a point where they need; for their investment money, they're going to need some kind of settlement one way or another.

Mr. Beesley: Yes, of course.

QUESTION: Either they blockade or

You alluded to other countries besides the USA regarding unilateral action and, of course, these companies are not actually US companies but are actually consortiums ...

Mr. Beesley: I didn't even mention the United States.

QUESTION: I know you didn't, but I mean ...

Mr. Beesley: Well, I've had legislators from other countries come to me and say "Why aren't you doing it?"

QUESTION: Well, you have Canadian companies and there are Belgian companies and there are Japanese companies. In other words, it's not a U.S. company doing this. It is the industrialized world...

Mr. Beesley: Five consortia.

QUESTION: And they sort of make up the industrialized world, in a sense, against the third world on this issue. Is there any movement in those other countries that you have just heard about to take the same kind of action that might be threatened in Washington.

Mr. Beesley : What do I say on that one? I mean,...

QUESTION: I mean, just as an observation, without tying it to Canada or anything.

Mr. Beesley: Without attributing it to me?

QUESTION: Yeah.

Mr. Beesley: For background information?

QUESTION: Yeah

Mr. Beesley: There sure is. There was a resolution passed in the German Parliament and ...

QUESTION: So, you can't lay all of it on the US side.

Mr. Beesley: I really hope nobody writes this down, but there have been both Japanese and German legislators consulting delegates here on that issue of unilateral action.

QUESTION: Well, that's indicative ...

Mr. Beesley: I gave one of them a copy of a speech I delivered and told him what was in it and he thanked me for it because he said that this hadn't been pointed out to him, that maybe he'd kill off his country's interest in freedom of navigation by going for this hysterical mining rush approach. You know there's been such a lot of nonsense talk. If you talk to the nickel miners, the people who know nickel, they'll tell you something quite different. You know we've been told 1976 was the year of decision, 1977 was the year, '78 was the year of decision. Companies were poised to leap out there. Now, everybody is admitting that it's really 1985 or 1987. We've said that consistently, not because we're any cleverer than anyone else but because, after all, we do have access to a lot of information on this matter. We are the major nickel-producer in the world so we tend to talk to people who produce nickel.

QUESTION: Have you heard more about manganese?

Mr. Beesley: Lately, I think there's more being said about it, but you find a lot of lobbies on this are made up of mining companies who've never seen a nickel nodule until, you know, they got involved in these consortia. They're not nickel-mining

companies and that's why there's a lot of misinformation filtering around.

QUESTION: You'd think nickel was suddenly the most important thing in the world.

Mr. Beesley: That's right. Maybe it will be one day but ...

QUESTION: We're all going to be walking on nickel!

Mr. Beesley: Thank you very much.

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