PRESS CONFERENCE

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to the United Nations Conference on the Law of the Sea

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BEESLEY I think probably you've had a fairly comprehensive discussion already on the results of the session, and so I will attempt to pick up where Elliot Richardson left off, especially on any issues where there might be minor nuances of interpretation or slight differences of appraisal. I will attempt to give you my own appraisal but I will not do it in any length or in depth unless people request it.

This session has achieved a very good deal. It's certainly achieved more than many critics within the Conference as well as outside the Conference felt could be achieved - so that's the good news. We did get through some very difficult areas of work which were not merely complex and controversial, but also of the kind that could easily take much longer simply because they require a mix of political decisions and detailed technical input.

The bad news is that we didn't meet our timetable, and that's a very serious slippage. I don't think anyone would have guaranteed at the beginning of this session that we would complete a final revision, but I believe everybody hoped we would; and right up to the closing days there were signs that we were going to be able to do that, but we haven't. (I'll only go into the reasons if someone asks me.) I think from that point of view the session was a disappointment and I'm talking about all of those delegates - and I think that includes the whole of the Conference membership - who really put a lot into this session, with the stated conviction included in our decisions that this would be the last negotiating session. Well, it isn't. And that cannot be glossed over or sugar-coated.

Now whether we can do it in Geneva is problematical, because we have only a five-week session, and of that period, should some delegation or a group of delegations begin the voting process - God forbid, because I'm one of those who fears that the voting process could tear the Conference to pieces, which is why we've always worked by consensus - but if we do have to take account of the possibility of voting (and after all that's a sovereign right of all states) then we need seventeen clear days to do so, which pushes us right back into the first ten days or so of the next session. So that means we have a very tight timetable to complete the negotiations.

Now given the amount of heavy work that's been cleared away by this session there isn't very much left to do in terms of numbers of issues, but the very fact that these particular issues are still unresolved is an indication of the seriousness of the differences of views which still remain. No one - no one - would pretend that any of these unresolved issues have simply been set aside because we haven't got around to them yet.

Let me mention, for example, the problem of the voting system for the Council. That is a very real difficulty. I think probably it's the only issue on which the USA and the USSR were not able to reach an agreed understanding prior to this session. On most other issues they were able to work together very closely but on that one they are not in agreement. Moreover, the USA and the other major industrialized powers, such as the EEC and Japan, are not in agreement with the Group of 77 as a whole; and that's a very difficult one because it boils down to the phrase I used in Plenary yesterday. The same kind of yardstick is being applied to the Council which we have had to apply throughout our whole negotiations. Although it sounds like a slogan, it happens to have been applied in this Conference, and I think it has some meaning. I'm talking about the "gentlemen's agreement", (or "gentlepersons' agreement") which later became built into our rules of procedure. The agreement is that we shall work by consensus, and in so doing shall prevent either the tyranny of the majority or the veto of the minority. So that is a difficult one - the Council.

Another unresolved issue, as you know, is the question of a nickel production floor. Fortunately, the nickel production ceiling has remained intact, and the developments that could occur, should future nickel market growth exceed 3%, ensure what is clearly now generally regarded as an equitable solution as between future seabed miners, land-based producers, the proposed International Enterprise, and potential land-based producers. The difficulty we've had I think is very evident from the general debate you're hearing in Plenary, but it was more evident of course in the negotiations in the smaller Nandan group. The proposal that is receiving most of the attention, the "Nandan proposal", is one that has yet to be interpreted to the satisfaction of all, and so that in itself could be a problem. I believe that problem could be cured. I don't think that the drafting difficulties are insuperable, relating to the so-called Nandan proposal.

There is another difficulty which isn't minor. Figures are proposed in that text, and as you know, the Group of 77 have queried both figures. The figure of 3% has been inserted and the figure of 100%. Three per cent is the floor and 100% is the amount that the seabed could assume, in other words, the

the whole of future world market growth in certain circumstances of low growth. The Group of 77 has said either that the 3% figure has to be reduced to 2.5 or the 100% has to be reduced to 80%. So you get some permutations and combinations within that general range of issues which make it abundantly clear that we still don't have agreement. In the case of my own delegation, we believe both kinds of changes are required. Of course we'll go on negotiating in the hope and expectation of achieving some amelioration on both headings - simply because we've continued to make appraisals of that formula and find that, although I wouldn't say it's inevitable, that it would produce an oversupply situation in certain circumstances - it's very likely that it would. And we don't think anyone wants that.

Indeed, if I can make a somewhat controversial comment, I believe if we had to deal only with the USA we might not have to worry very much, because we had already worked out the basis of an agreement, as you know, with the USA, but it was ad referendum, and it has come unstuck. However, the essence of that agreement remains in the proposed revision, and that's the important thing; the ceiling remains; but we have not yet agreed on the floor nor on the mechanism. How I don't see much point in saying anything further about that unless I'm questioned.

The other major area of interest, not just to Canada, but to the Conference as a whole, because it could be a Conference breaker, relates not to the common heritage of mankind, which is what I've just been discussing, but the concepts of the economic zone and of the continental shelf. Ever since the origin of the common heritage concept there has been a real tension between those countries with extensive continental shelves - with continental shelves going beyond 200 miles - and those countries who do not have either any continental shelf or have only a small one. During the last revision the limits were included for the first time which reflect the position taken by countries like Canada for many, many years. In fact, I plead guilty to being a representative of a country which first made clear just how far out our limits extended. On the other hand, there appears to have been no real rejection neither of the limits nor the other part of the package, relating to revenue-sharing, and that part of the Conference negotiating package is so important that it could have destroyed everything else achieved, if we had found it coming apart at this session. It didn't.

There is difficulty remaining on such questions as marine scientific research. Many states are concerned about the way the pendulum has swung during this session, away from the kind of fundamental coastal state right to refuse research, in certain circumstances, to the point that a researching state now would have the right to demand the opportunity to carry out research unless certain rather circumscribed preconditions are fulfilled by the coastal state. I don't believe that the text will remain as is without some amelioration, but I'm giving you a highly subjective view on it, because we have not taken a neutral position on that issue.

Some states are worried about military activity, because we all know that there's no way anyone can differentiate between research directed primarily to resources, research carried out primarily for military reasons, research carried out for purely scientific research purposes and research that manages to do all three. That's the problem, and I think many coastal states will be very nervous about giving a kind of carte blanche except in those situations where they're about to drill. It's much too narrow a right to refuse that now remains, bearing in mind that the pre-existing rule was very clearly a coastal state consent regime. In other words, the coastal state had the clear right to say no when it saw fit to say no. So although I think there is no doubt some reason for satisfaction on the part of some states at the outcome on that issue, there are others who are equally dissatisfied. And, unfortunately, the ones who are dissatisfied are the ones who will say yes or no when the time comes. I don't think there is any way of forcing that kind of issue. I think it far preferable to have an acceptable treaty basis for determining whether or not that kind of activity can occur. Once again, I am discussing those parts of the treaty where we were not quite successful.

There are unresolved issues relating to final clauses. I won't go into them, but I think it's no secret that some of them are highly political. For example, should the EEC have the right to sign alone without the individual state members having to assume obligations? That kind of thing is still being thrashed out. There are difficulties in the minds of some delegations relating to the PLO, another political aspect. I believe, personally, we'll resolve those kinds of issues.

There's one other area of difficulty which touches on me personally and that relates to the Drafting Committee. Had we been able to produce a final text at this session, there's no doubt that the Drafting Committee would have had to meet inter-sessionally for six weeks, perhaps two months, to do the job that would turn a collection of political compromises into an enforceable treaty. Right now the treaty is a brilliant political accommodation but it's very bad law, in that it's virtually unenforceable. It's unenforceable on many important provisions, while clearly enforceable on others. And this is not satisfactory to anyone. But the Drafting Committee cannot begin its formal functions until we have a final text. It doesn't mean we can't do a lot of work; we have done a good deal of the groundwork, working informally, and we will be meeting intersessionally, I believe, if the Plenary accepts the recommendations I'll be putting to Plenary. We'll probably have a three-week intersessional meeting which will not do much more than scratch the surface of the remaining work. But it could make it possible for us to finish up in Geneva. Only, however, if we are given time in Geneva to do the task.

Throughout this session we have not been given the time to do it; too many competing meetings of negotiating groups; and too many demands upon the Secretariat facilities. I'm concerned

not merely about the magnitude of the task, but about the danger the Drafting Committee could find itself in the position of being blamed for holding up the work of the Conference. We've had a lengthy discussion this morning within the Drafting Committee on how to avoid that situation, and I think it can be avoided. But it probably means that we won't be able to finish our work until the last minute of the last hour before final decisions are made, if for only one reason, that further negotiations are still underway and we won't know what we're working on until they're finished. But that is the smallest part of the problem. Anyone interested in that aspect doesn't need to take the time of this meeting, perhaps.

I've brought to you my statement trying to spell out for the first time just how serious the legal difficulties are which are embedded in the text that we have produced; always in these kinds of circumstances - extensive and intensive negotiations, always being hurried at the last minute - with the result that we use very curious language. I'd rather not give you too many examples.

To sum up, I feel, as I think anyone would who had been involved in this negotiation, some considerable satisfaction at those whole areas of work that we have finally completed. And going back a little bit, when we think of where we began, with violent disagreements on the twelve-mile territorial sea. Now it's settled. Very strong disagreements about a two-hundred mile fishing limit. Settled. Very strong disagreement over whether we should even attempt to create environmental law. It's settled. Strong disagreements about whether the coastal state would have resource rights over the seabed as well as the waters within two hundred miles. It's settled. Strong disagreement over whether we would have a totally new approach to passage through international straits. It's settled. Continuing disagreement as to the outer limits of the continental shelf. That's settled. Continuing disagreement as to whether there would be revenue sharing. Well, that's settled. Lingering disagreements as to how much revenue sharing. Well, I reserve my position on the precise formula, but many of the delegates tell me that that's settled.

With respect to the common heritage - the area of greatest difficulty, because of its novelty and because it poses such serious economic issues as well as highly difficult political issues - we not only have agreed on the fundamental approach of the parallel access system, first proposed by Canada and Australia, but we've agreed on these radical concepts of an International Enterprise which would actually mine the deep ocean seabed, an International Authority which will regulate the mining and a regime, a legal system, which is almost a mining code, to apply to the area. This is a fantastic achievement, by any standards. If we haven't yet reached agreement on issues like the Council, and the nickel production floor, I don't find it surprising, I find it disappointing.

Whatever does happen now, what we have at this moment, I suppose, is something like 98% of the job done. And that's no small achievement. It's quite true that the 2% remaining is like the top of Everest. We haven't got there, and we could slide right down the face of it if we can't finish off those remaining issues. I think it can be done, because the pendulum does swing a little bit. At this stage, the real danger, as I see it, is not the tyranny of the majority, it's the veto of the minority. But if the major developed countries are willing to take this treaty home and have a good hard look at those issues, where it's quite clear the majority of the states in the world, the vast majority of the people in the world are not satisfied with the solutions being imposed on them, then they can come back and still make very satisfactory accommodations, because for the developed world generally, the choice is between a series of desirable options. For the developing world, it's not that simple. In many cases it's a choice between desirable options and those undesirable ones that are being inflicted on them to the extent that they have to narrow their choice between which is the least damaging and which is damaging but attainable. That kind of thing. That's all I would say, and it's more than I intended; perhaps I was thinking aloud too much.

I don't find the prospect discouraging but I find it worrisome.

QUESTION - With all the other problems that were difficult and could be solved, wouldn't it be possible to build in safeguards with regard to marine research by having a broad base of international personnel, by having observers, by having open publication? Why is this such a seemingly insoluable problem?

BEESLEY: - Well, I can't give you an answer to that. I can tell you my perception of it, because my delegation, and indeed I personally, worked very hard in the last two sessions to keep that question open, to give what was commonly known as the US point of view a chance to be heard. I spoke individually to the Heads of Delegations of those countries most strongly opposing the US position. Firstly, as I mentioned, there's no way of ensuring that research is purely scientific. I think probably the definitive statement in the Conference on that question was given by a Canadian scientist, Dr. Alf Needler. So there are those kinds of lingering suspicions, no matter how well or how ill-justified. But the problem now is the other way around. Under the present text the coastal state can only say no to scientific research beyond two hundred miles if it's in a position where it's virtually ready to authorize drilling. In other words, the right to say no has been restricted to the point that the area to be excluded from "scientific research" must be very, very site specific and very, very time specific, and in that situation, in our own case, for example, if we take the words literally, then we simply cannot comply with this purported treaty obligation, because we would be divulging proprietary information. There's no doubt whatsoever about that. If we take the text literally, we would be required to say: "sorry we can't authorize that, because that's an area which is an area

subject to detailed exploratory operation", which means in other words that it's not a huge block that we're allowed to say no to; we've got to be much more specific than that under the new text. As any normal person would interpret it, we've got to say "in this little area you can't come in". Well, that is just the kind of information that public servants are not even allowed to give one another in Canada, let alone to foreign corporations or the international community of scientists. I think we've just gone too far in tightening the screws on the coastal state. A little bit of loosening up and I think you'd have a solution.

QUESTION: - Mr. Beesley, you mentioned 98% of the text has been more or less settled. Is it your opinion that it can be finished in Geneva?

BEESLEY - It's my opinion that it can. I have doubts that it will. And it's worth remembering that every single area on which agreement has been reached is subject to being reopened. Nothing is final in this whole Conference. As a consequence, if we tried to take a time sequence approach to this Conference, you would see that those issues of the greatest importance to the major industrialized states, who happen to be also the major maritime powers and the major military powers, all of those issues were settled first. Only at the tail end of the Conference, after the pot was kept bubbling long enough, are we settling those resource issues which are of much greater interest to the developing countries. Now they know that, and they remember that they were told frequently that this is a Conference where the trade-off will be freedom of navigation in return for resources. So they made a lot of trade-offs. But then when it came time to settle the resource issue, they saw a kind of "gold rush" for manganese nodules and for oil by developed states the like of which the world had never seen. So they're wondering now if those deals on freedom of navigation - which is their big weapon, and they know it - if they should accept what is now being demanded when they know that they still have a very strong bargaining card. It's a very difficult one, because for them to act in ways that are open for them to do would be to act irresponsibly. They know that, and they want a treaty just as much as the major maritime powers.

Also I think what's made them uneasy is that in areas where the two super powers appear to be disagreeing with one another, one by one, as the session has proceeded, it's become evident that they've had the identical position, and it's merely been the case of who plays the role of the tough detective and who plays the role of the one who pats people on the head. And that hasn't been lost sight of. That kind of thing becomes evident as the Conference goes on. Now that in itself is not an evil thing.

There's nothing wrong with the two super powers agreeing. It's surprising, coming so quickly after Afghanistan, but maybe it's a good sign, that in spite of that, the two super powers are closer together in this session than they have ever been. But the difficulty is that when they tend to agree, they

tend to agree on what's of interest to them, and the rest of us are not very intimately involved in the negotiating process. And there is, I think, a strong feeling of objection that the major powers should decide what's good for the rest of us. Now usually, when that happens there's a reaction. And that process became so acute by the middle of last week that we've seen a kind of counter-vailing swing since. And I'm one of those that has been very concerned about that becasue I did discover, on almost a daily basis, that the latest issue on which the two powers were agreeing, gave away another Canadian interest. So while I applaud this idea of coming together of two great powers I'd rather they didn't do it at Canada's expense. But then that's my very subjective view, as one whose ox is being gored.

QUESTION - Can you give us an example?

BEESLEY - Well, it would take a while but I can give you quite a few. All right, until this session, on marine scientific research, the USA was having great difficulty getting a fair hearing. I was never one of those who associated myself with the criticism of the Chairman, merely because he's Bulgarian, but it is known that the USA was not getting anywhere with it's approach. At this session, for the first time, suddenly the USSR began to agree with the USA - much to the surprise of everyone - and there was no more difficulty in getting a fair hearing. But the proposals that kept emerging were not proposals that had been put forth by Canada, or by Norway, or the United Kingdom, or by Uruguay or by Brazil. They tended to be proposals by others. And that's not the way we normally negotiate. That's one area where we're delighted that they've agreed, but we wish they'd agreed earlier, so we would have had time to think through the implications a little earlier.

Another example - this ocean ridges problem, which apparently has been settled. Well, the USSR informed the margineers, which includes Canada, and includes the USA, that they simply had to accept a USSR formulation on that very technical and highly political issue which, if not resolved, could permit states to go at great distances out into the ocean, so it had to be resolved. But the surprise to most of us was that the USSR insisted that only the USA would be allowed to make an interpretative statement that would protect its ocean ridges. Now other countries, like Australia, New Zealand, thought "well that's a good idea, we'll make one too". And the USSA said "no, only the USA can do so". Well, we thought, how strange this fondness for the USA. It turned out the USA had negotiated that deal with the USSR beforehand, and later told us so quite frankly. Well, this troubles the little countries who have been supporting the USA on so many situations, and I don't know what will be the eventual outcome on this, although I think that we'll find that no one will make major difficulties.

Another one - I think this is the classic example - it's amusing, if you want, because the joke's on Canada. For years we have been the Godfathers, if not the fathers, of a proposal for a Boundary Commission designed to reassure states

that coastal states would not simply march out indefinitely into the centre of the ocean, but it had to be a very carefully drafted text. Now, in fairness to the USA delegation, they made clear they weren't pleased with one aspect of the proposal. But to the surprise of the margineers, particularly the Canadian delegate who introduced it - rather against my instincts, but in any event it was introduced - promptly the USSR and the USA proposed an amendment that altered the whole nature, function and purpose of that Boundary Commission. Moreover, very quickly, even to our greater surprise - because we're all a little naive north of the border, as you know - we found a lot of landlocked and geographically disadvantaged countries supporting this same amendment. The difference is a simple one: whether coastal states should "take into account" the recommendations of the Boundary Commission or be obliged to make decisions "on the basis of" the Boundary Commission. Now you don't throw out a change like that in five minutes and say hands up unless you mean hands up with a gun. (laughter) And that's what we were told too, incidentally - that this was a precondition, we either accepted it or it wasn't on. Well, we were astounded to learn from the USA delegation that they had approached the USSR, reached agreement on the amendment, and then approached a series of representatives of landlocked and geographically disadvantaged states. Now that's not the normal way countries negotiate. At least not within the same group, a common interest group, like the margineers, the group, incidentally, that was first called together by Canada. We used to chair that group but long since we turned it over to the Irish delegation.

I can go on if you want to hear more, but the examples go right through the whole Conference. Perhaps one of the most interesting relates to the production ceiling where very, very heavy pressures have been put on land-based producer countries from the Third World. One state, I won't name it, but it has a vital interest in straits, was told that some people in Washington were linking the question of straits with the question of nickel production ceiling. I have yet to hear how anyone can link those two things in any way, except, perhaps, if you put manganese nodules on a vessel going through straits. I don't know. But that bothered that particular state. Another country, I prefer not to name, but it's a Latin American country with close affinities to one of the great powers, had been a very stauch land-based producer ally on this issue, and I think that country still is - but I know it's in some difficulty supporting the proposal which would best protect its interests. It turned out, although this was not surprising, that the basic position of the two super powers was now the same on that issue.

Incidentally, if anyone's here from the New York Times I would be happy to answer questions which the reporter didn't have time to ask me about the Canadian position. I say that because the Canadian position was mentioned quite frequently in that article, but I didn't know about the article, so I didn't have a chance to answer questions. It's quite true that the kinds of protection that would give some measure of safeguard to the developing land-based producers would also protect Canada. That

has hardly been any secret.. We have taken the lead in fighting that battle, but we've never pretended we were defending anyone's interests other than our own, and the developing countries have never set themselves up as our protector - it just happens to be an area of common interest. I think it's interesting that there is that much solidarily in the Group of 77, that in spite of the very heavy pressures exerted since the last session and during this session, they still haven't accepted the Nandan proposal. They said, it's okay provided you change either of the percentages, the 3% floor or the 100% seabed safeguard figure, both of which are very fundamental changes.

Now I have taken the position in Plenary - if anyone hasn't got my statement I brought my music with me - I took the position in Plenary, that when you have a proposal on which the two gut issues are unresolved, to date, to my knowledge, unless someone has rushed over to do it, on which nobody has accepted the figures in that formula, well it's an easy way out to say that therefore it must be a compromise. Well, it's an easy but a very dishonest way to approach it. The fact is, that if we care about "due process", and I hope we do - I note, for example, that Elliot Richardson does because I remember him publicly criticizing a chairman in a press conference here in New York whom he thought had been guilty of a breach of due process - if we care about due process, the first thing we would do is strike out the figures in that proposal, so that they remain blank. That leaves everything open. That's the only fair solution.

Another possible solution, but a little less elegant, would be to put the range of figures in, but in square brackets. That would be a respectable approach too. We've used both approaches in this Conference. What we've never done until now is push through a proposal strongly objected to by the majority, complete with unacceptable figures which even those who admit privately they're very delighted with will say are unacceptable to them. They can't have it both ways.

I mentioned for example, that at a speech in New York last week - a private one, but not as private as it was intended, I gather - the head of one of the major consumer delegations in question was referring to the 3% floor as a very real achievement for his country. In the Conference, understandably, he said it's not high enough. The problem in that situation is that we're not really making a treaty. We're simply reflecting the position of those who are in ascendancy at the moment. And if people are pushed too hard on that issue, at the same time that they are pushed on the Council and pushed too hard on marine scientific research and pushed too hard on transfer to technology, you may get a marvellous looking treaty but it will never be ratified by the people who count most. And that's the Catch 22 in this situation.

QUESTION - What would you like to see done on the voting in Council?

BEESLEY - To be quite honest with you I could live with any solution that the USA, the USSR and the Group of 77

could live with. (laughter), It's similar to my position on a site of the Authority. As you know Jamaica and Malta and Fiji all are contending to be the site for the International Authority. I have the firm conviction that it should go to a Commonwealth country. And I think that's the approach I have to take on some of these questions.

There's a category in the composition of the Council for land-based producers. I'm nervous when I see emerging at this Session a series of proposals giving everybody a veto except the land-based producers, so I'm not too sanguine about how that one will turn out, but I think it will suit a lot of people. I don't know if it'll suit us. But we're not interested in blocking any seabed development. People forget - or maybe they don't know - that the International Nickel Company of Canada is the only entity which has led a consortium which has proven out its technology. I never can catch up with the latest whispering campaign, but the latest one I've heard is that Canada really doesn't want seabed mining because of our own land-based production. Well, that's very hard to sell to Falconbridge or International Nickel Company of Canada who see themselves as legitimate seabed miners. But they probably don't wish to flood the market. That wouldn't help them in their capacity as seabed miners or land-based producers.

The problem for a country like Canada is that we are a major producer, we're the major exporter of nickel in the world. But we're not a major consumer. And so we're nervous when we see the major consumers working so closely together to become the major miners - and that's not a fiction, they will be the first to tell you that. Once the major producers become major seabed miners they will gradually become their own suppliers. Now who will the International Enterprise sell to in that situation? Who will the rest of us land-based producers sell to? It's a pretty obvious fact of life, therefore, that some attempt has to be made to phase in seabed production so it won't wipe out markets - and if you think it will hurt Canada, with the cheapest sulfide ores, how's it going to hit the developing countries with laterite ores? We're right next door to our biggest market. What about the ones who are not? So when we fight the battle we're certainly fighting for our own interests, but the interests of many others are engaged too.

Many of the copper producing countries, as such, are not going to be damaged by almost anything we could come up with, and that's why they have made the arrangement, let's call it, with the Group of 5, sometimes called the Gang of 5. But there are others, especially potential producers, all through Africa, and they are seriously worried about what's going to happen to them. But they are a minority, even within the Group of 77, and the Group of 77 is beginning to tire in the stretch. They want so much that they're not getting that they're willing to make accommodations that they would never have considered a year or two ago.

I assume you all know what I'm referring to when I talk about the Gang of 5. Once again, it's not a figment of anyone's imagination. It's an interest group, a perfectly legitimate one, just like the ones I belong to. I belong to the land-based producer group, the coastal group, and the margineers group. We still do, and indeed we called the first meetings of each one of those groups. So we recognize this as a legitimate part of the negotiating process. Our difficulty is that when the Gang of 5 meet it has rather greater implications for the rest of us. The Group of 5 is the USA, USSR, the UK, France and Germany - no pardon me, Germany would like to be in the Group of 5 - Japan. That was a Freudian slip. Japan is the fifth member. Now amusingly enough, we were invited into that group a couple of years ago. I've never felt we made a mistake in saying no, because I did not feel that that was the group that really reflected our approach to the Conference.

I could show you documents that are not confidential; documents dated December 14, when I believe the Group met in Washington, which predetermined the outcome on a series of issues at this Session, one by one as they became put into use. Now there's nothing evil in that, but it's very hard for a small country like Canada to cope with that kind of concerted pressure. Because that's what it is - pressure. Now don't misunderstand me. I'm not crying in my beer. We can defend our intersts and we have. We don't do so, incidentally, by being soft. (Whatever else you'll hear about us, I don't think you'll hear, in the Conference, that we're soft. That's being said at home. That we're too soft.) When you reach the end of any negotiating process, of any conference of any importance all kinds of pressures develop. Normally, the Group of 77 can gang up on the developed world. But the developed world here has the key to the door to seabed mining, and the Group of 77 knows this. It's the developed countries that have the money, the financial power and the technology. The problem is that the developed countries also have markets without which the common heritage will mean nothing. The developing countries are never going to make the International Enterprise profitable by selling to each other. And they know that. And so many of them, the ones who are closest to the problem of the nickel production issue, are very seriously concerned about what's going to happen ten or twenty years from now. They'll have the right to produce but who will they sell to? If they manage to develop fast enough, if they can sell to each other, but that's another part of the problem. There are provisions in the treaty to compensate developing countries, land-based producers for the losses that are obviously going to be incurred as a result of this. There could be no such provisions in a treaty unless it was admitted that there will be damage to them. How do you compensate a country for non-development? How do you compensate them for the roads, the railroads, the infrastructure, everything that goes with it? Social services, schools that go with development? And so some of them say, we'd rather have our own share in the management of our own affairs. Don't just give us compensation after the damage is done. But having said all that, of course, the actual producers, even added to the potential producers, represent a minority. But to the credit of the Group

of 77 they do tend to stick together. So I don't believe we've heard the last on the nickel production issue.

QUESTION - Mr. Beesley, do you think Canada's interests are in fact being hurt through the manipulations of those five powers that you named and indeed the closer cooperation that we've perhaps seen for a while of the two main powers there, the Soviet Union and the United States? Is Canada's interests being hurt?

BEESLEY - Well, first let me give you a diplomatic reply. I'm not aware of any issue in which it has done us any good or where it's helped us. I believe that if the proposals put forth by these countries go into the final text, then the issue would be whether we could ratify or not. Because they definitely would hurt Canada, right across the board. I mean it wasn't Canada that proposed 7%, it was the USA. But it's Canada who will have to pay the shot.

I tried to get a manganese nodule to bring with me but I couldn't. But I got this. This is a fluid sample of oil from the Grand Banks, 1979. Chevron Hibernia, P-15, etc. That field is 186 miles from shore. There are traces of oil just beyond 200 miles. Now my friends from Newfoundland say to me, justifiably or not, "why should Canada provide the signature bonus for the treaty? Why should Canada pay - according to their estimates, which I don't have any way of verifying, sometime in the '80s - up to three hundred million a year, because of an offer made by another country. An offer we never made and we never really were asked to accept. We were told we had no option if we wanted to protect our limits. Now I don't say that we wouldn't have come out with the same formula in any event, but we would rather it had been a joint proposal, just as we had rather the Boundary Commission had been a joint proposal, just as we would rather the scientific research had been a joint proposal, just as we would rather, as at one time was the case, the production control formula was a joint proposal. We like to be consulted when its our interests that are being bartered away. So, oh yes, it hasn't helped us at all and it's done us a lot of damage but I'm not sure that the damage is permanent.

QUESTION - Ambassador Beesley, ... oil and gas, and you said it's 186 miles off shore.

BEESLEY - As far as I know. You're getting there. You'll be getting your revenue sharing pretty soon. But you're talking to the representative of the only country who may be contributing over the next decade or two. So you're not just talking to just another coastal state. Australia would have the same deal, but they could live with a provision that would give them a twenty year leeway because they are not about to (well, let me be very careful there) I am told, and after all Australia is the country I'm accredited to - that it's not likely Australia will be very active beyond 200 miles over the next two decades. Well, it's happened already in Canada. So it's a vital issue. It's understandable that we'd like to be told whether we're going to pay, if somebody is about to offer 7%, instead of 5% - well, we're interested.

QUESTION - What is the figure right now?

BEESLEY - Seven.

QUESTION - The new figure?

BEESLEY - Hasn't been changed again to my knowledge. I'd better have another look, it could have been changed since I last looked. All I can tell you is that I wasn't consulted.

QUESTION - But then it's not a problem if this is from one hundred...

BEESLEY - No, I'm referring to the fact that we're already out that far and that traces of oil have been found beyond two hundred and that the optimists in Canada think that we'll have oil beyond two hundred miles. And don't forget, let me read the important part of my statement. Fortunately, I can quote someone more eminent, (I was about to read my Drafting Committee statement but I don't think that's the one that applies). Back in 1975 the following statement was made and I'll only give you a bit of it. It was the Hon. Allan J. MacEachen, then Secretary of State for External Affairs, who is now Minister of Finance, in Geneva on May 8, 1975. "My country is one of those which has a longstanding position concerning the nature and extent of the continental shelf. We are a party to the 1958 Geneva Convention on the Continental Shelf which recognizes coastal state rights to the point of exploitability. Our position is based also on the decision of the International Court in the North Sea Continental Shelf cases which repeatedly referred to the Continental Shelf as the submerged natural prolongation of the land territory of the coastal state. In addition, our position is based on long standing state practice, including the extensive issuance of oil and gas permits on the Canadian continental margin, and similar action by other coastal states. Canada does not intend to give up its existing sovereign rights to the edge of the continental margin" - with the greatest respect, Mr. Hudson. "At the same time we are conscious of the need to work out equitable arrangements with respect to those countries which are either land-locked or do not have a continental shelf. Canada is maintaining its position that it is entitled to exercise sovereign rights over the continental margin beyond two hundred miels out to the edge of the margin. But we are prepared to explore the possibility of financial contributions related to the net revenues derived from the resources of the continental shelf between two hundred miles from shore and the seaward edge of the continental margin. We are prepared to explore that possibility and we are prepared to support that principle in order to promote an accommodation." That's back in 1975. So we haven't exactly been dragged along by the heels kicking and screaming. But on the other hand, if we're paying the shot we like to be consulted. I don't know - you keep asking me about the USA. I keep waiting to find out what this means, (holding up sign reading "THANK YOU CANADA!"), I'm told this is all over the shop in the United States. But when I came here to find out what it meant, I find that what they're saying is "what have you done for us lately"?

(laughter, chattering)

QUESTION - (First part drowned out by noise and talking)... in accepting all these other things that Canada was about to do something, since it didn't take the high seas, the fisheries.

BEESLEY - Not really, we didn't ratify them because we thought they were already out of date by the time they were negotiated and we're already seeking to change them and we've had a very large part in changing them.

SPEAKER - That may be true.

BEESLEY - No doubt about it. Canada is probably more deeply committed than any other country to a successful Conference, to a treaty we can ratify. But I think it's only honest to acknowledge, I have the quote here by our present Secretary of State for External Affairs, the Hon. Mark MacGuigan who stated on March 19, 1980, "We're not giving away anything at this stage; we're trying to influence the world community to respect Canada's interests as much as possible. We hope we can do that, but even if, contrary to our beliefs, that should prove not to be the case, we'll be no worse off than before. We still have the 1958 Convention to rely on, and we have the right not to sign and not to ratify the treaty."
