



TO
À Alan Beesley

SECURITY
Sécurité

FROM
De Rof Baynes

DATE

REFERENCE
Référence

NUMBER
Numéro

SUBJECT
Sujet

FILE	DOSSIER
OTTAWA	
MISSION	

ENCLOSURES
Annexes

DISTRIBUTION

Re: Coordination of Press Inquiries

I heard from Mary Walsh that people in our department (Gary Vernon in particular) were receiving requests from the media for comment on LOS. Gary did not issue any comments.

After hearing this I called my Environment Canada home basex and arranged as follows;

i. Any request for comment that comes to Fisheries or Environment is to be routed to my Ottawa contact . He will then refer it to me and I will check with you. This will be taken care of in batches (i.e. a phone-call each day) unless the paper or the person calling is particularly influential or has a really urgent question.

This, by the way, only covers Environment. So I think that the telegram to External asking for coordination of other inquiries to other departments will help .

MS

1/2

A. P. ...

UNCLASSIFIED

FM ENVOTT/FISHERIES AND MARINE SVC OEVO000 MAR26/75

TO GENEV/LOS/BAYNES

THE FOLLOWING IS A NEWS ITEM IN THE MAR26 ISSUE OF THE GLOBE AND MAIL. QUOTE SHIP POLLUTION DIVISIVE ISSUE AT SEA TALKS GENEVA (REUTER) - SHARP DIFFERENCES OF OPINION ON THE RIGHTS OF COASTAL AND FLAG STATES MAY PREVENT AGREEMENT ON THE KEY ISSUE OF SHIP POLLUTION AT THE UN LAW OF THE SEA CONFERENCE HERE, DELS SAID YESTERDAY.

THE DIFFERENCES, WHICH WERE APPARENT DURING LAST YEARS CONFERENCE IN CRCAS, WERE AGGRAVATED BY THE SUBMISSION BY NINE COUNTRIES OF DRAFT TREATY ARTICLES. UNDER THEM COASTAL STATES WOULD ONLY HAVE THE RIGHT TO OBTAIN INFO ON SUSPECTED BREACHES OF ANTI-POLLUTION LEGISLATION.

CDA, WHICH CHALLENGED THE DRAFT ARTICLES, INSISTS THAT COASTAL STATES SHOULD HAVE THE POWER TO TAKE COURT ACTION AGAINST OWNERS OF SHIPS WHICH HAVE CAUSED POLLUTION.

ALAN BEESLEY, LEADER OF CANDEL WHICH CLAIMS SUPPORT FROM MANY DEVELOPING COUNTRIES SAID CDA BELIEVES THE SUBMISSION IS NOT QUOTE THE RIGHT ANSWER TO THE DANGER OF MARITIME POLLUTION. UNQUOTE.

UNQUOTE.

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MR. BAYNES.

UNCLASSIFIED

FM ENVOTT/HALLAM/FISHERIES AND MARINE SERVICE UNN APR1/75
TO LOSGENEV/BAYNES

THE FOLLOWING IS A RECENT NEWS CLIPPING ON PROCEEDINGS AT
THE LOS CONFERENCE-SIGNED ELAINE HALLAM, FISHERIES AND MARINE SERVICE
OTTAWA.

Boyle (BN) BACKGROUNDER-SEA CONFERENCE

LONDON--THE INTERNATIONAL LAW OF THE SEA CONFERENCE IN GENEV SEEMS
TO BE ENJOYING RELATIVELY SMOOTH SAILING IN ITS QUEST FOR AN ALL-
ENCOMPASSING LEGAL CODE GOVERNING THE USE OF THE WORLDS OCEANS.

THE LEADER OF THE CANADIAN DELEGATION AT THE NEGOTIATIONS, ALLAN
BEESLEY, SAYS THAT ON MANY ISSUES THE TALKS ARE QUOTE LIGHT YEARS
AHEAD UNQUOTE OF THE STAGE REACHED AT THE LAST CONVENTION IN
CARACAS NEARLY A YEAR AGO.

THERE IS STILL NO/NO GUARANTEE THAT A NEW LEGAL FRAMEWORK WILL BE
DEVELOPED BEFORE THE CONFERENCE CLOSES MAY 10TH. BUT ON NEARLY EVERY
MAJOR ISSUE THERE APPEARS TO HAVE BEEN NEW MOVES TOWARDS A CONSENSUS
AMONG THE MORE THAN 140 STATES REPRESENTED.

IF ENOUGH DRAFT ARTICLES ARE AGREED UPON IN GENEVA, ANOTHER MEETING
IS EXPECTED LATER THIS YEAR IN VIENNA BEFORE FINAL RATIFICATION
AT A FURTHER CARACAS CONVENTION IN 1976.

AT STAKE ARE BILLIONS AND BILLIONS OF DOLLARS WORTH OF MINERALS,
OIL, GAS AND FISH IN THE SEAS AND ON THE OCEAN FLOOR. THE QUESTION
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PAGE TWO OEV UNN UNCLAS

THESE AND WHO GETS TO SHARE IN THE RESULTING REVENUES.

IF THERE IS NO/NO AGREEMENT, THEN BIG COUNTRIES, SUCH AS THE UNITED STATES, SAY THEY WILL GO IT ALONE AND TAKE THE RESOURCES FOR THEMSELVES. SUCH A LAISSEZ-FAIRE FORM OF OCEANIC EXPLOITATION WOULD RESULT IN UNPREDICTABLE CONSEQUENCES FOR INTERNATIONAL WELFARE AND SECURITY.

BN BACKGROUNDER-SEA-LAST TAKE 2

THE CENTRAL ISSUE AROUND WHICH THE OTHER QUESTIONS REVOLVE IS A DEMAND BY COASTAL STATES, SUCH AS CANADA, FOR FULL RIGHTS OVER FISH, MINERAL RESOURCES AND POLLUTION IN A 200 MILE ECONOMIC ZONE OFF THEIR SHORES.

THEY ALSO WANT FULL SOVEREIGNTY OVER A 12 MILE OFFSHORE TERRITORIAL SEA, INSTEAD OF THE TRADITIONAL THREE MILES.

IN ADDITION, CANADA, AUSTRALIA, BRITAIN AND OTHERS FAVOR GIVING PRIORITY RIGHTS TO COASTAL STATES OVER MINERALS IN THE ENTIRE CONTINENTAL MARGIN IN CASES WHERE THIS EXCEEDS 200 MILES.

MR BEESLEY SAYS THERE NOW APPEARS TO BE GENERAL ACCEPTANCE OF THE 200 MILE ZONE ALTHOUGH DETAILS REMAIN TO BE SETTLED.

MR BEESLEY SAYS ONE OF THE MOST CONTENTIOUS OUTSTANDING ISSUES DEALS WITH RIGHTS OF PASSAGE IN THE STRAITS, MAINLY FOR STRATEGIC REASONS. CANADA, PARTICULARLY WORRIED ABOUT THE POSSIBLE POLLUTION THREAT OF UNRESTRICTED SHIPPING ON THE NORTHWEST PASSAGE, IS STRONGLY OPPOSED.

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MR BEESLEY SAYS THERE IS HOPE THAT GENERAL AGREEMENT CAN BE
REACHED ON A NEW INTERNATIONAL AGENCY WHICH WOULD HAVE THE JOB OF
DEVELOPING RESOURCES IN THE DEEP SEA AND SHARING REVENUES WITH
ALL COUNTRIES.

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Canadian view

Sea law meeting likened to UN in importance

By Kevin Doyle

Canadian Press staff writer

GENEVA — Alan Beesley, leader of Canada's delegation to the international Law of the Sea conference, says the outcome of this and similar meetings may eventually prove as important for the world as the talks establishing the United Nations in 1945.

"The conference will either contribute to peace and security," he said in an interview, "or do the opposite."

Beesley, 48-year-old Canadian ambassador to Austria, added that two main dangers face the talks here.

The first is that the more than 140 states represented will grow impatient and attempt to force the issues to divisive votes before negotiation has been given a full chance to promote general agreements.

In this case, minority interests would almost certainly be lost, Beesley said. "And if voting ignores any one group you are in effect legislating for future conflict."

He stressed that voting in itself was not necessarily dangerous but it would

be productive only if the questions involved had been fully argued out beforehand.

Beesley, generally regarded as one of the more skillful diplomats here, said another threat is that the conference will end up with a treaty so vague it will leave the big powers virtually free to take whatever kind of unilateral action they choose.

The talks here are generally expected to be followed by a further session in Vienna late this year and if this proves successful, a final conference for ratification of a treaty would be convened in Caracas sometime in 1976.

At stake are the rights and obligations of states over the immense mineral and fishing resources of the sea, the preservation of the planet's marine environment and the maintenance of the oceans as the most important highway for transport, communication and trade.

At least four Canadian ministers are expected to attend the Geneva conference for short periods during its eight-week session, including External Affairs Minister Allan MacEwen.

to visit city

ister Trudeau, Defence
Minister James Richard-

The Guardian, Charlottetown, Wed., Mar. 19, 1975. 7

GIRDLING THE GLOBE

Canadian Gives View At Sea Law Conference

GENEVA (CP) — Alan Beesley, leader of Canada's delegation to the international Law of the Sea conference, says the outcome of this and similar meetings may eventually prove as important for the world as

the talks establishing the United Nations in 1945.

"The conference will either contribute to peace and security," he said in an interview, "or do the opposite."

Beesley, 48-year-old Canadian ambassador to Austria, added that two main dangers face the talks here, which are, in effect, a continuation of a conference held in Caracas last summer to try to hammer out a new code of law for the world's oceans.

The first was that the more than 140 states represented will grow impatient and attempt to force the issues to divisive votes before negotiation has been given a full chance to produce general agreements.

Doyle

Sea law conference opens today in Geneva

By KEVIN DOYLE
GENEVA (CP) —

The international Law of the Sea conference slips into another stretch of stormy water today, steering gingerly to avoid the shoals and pitfalls waiting to wreck its hard-won progress.

It seems certain to speculate there was considerable optimism among the more than 140 states represented here that the global attempt to chart a new law for the world's oceans will avoid a permanent break-up.

Said a spokesman for the Commonwealth Secretariat: "I am now confident that the meeting will produce a framework within which a committee can start formulating specific articles for ratification at a future convention."

Should this happen, another meeting is likely late this year in Vienna before a final convention in Caracas, Venezuela, in 1976, where the whole issue came to full international attention during a world gathering last summer.

The Canadian delegation, headed by Alan Beesley, ambassador to Austria, has undertaken a highly-active diplomatic role although the mission's deputy leader, Paul Lapointe of Ottawa, took a cautious stance on the chances for success during

an interview.

Regardless of the outcome, however, the issues are of grave concern to coastal states such as Canada, as well as to the undeveloped countries and those with no coastline at all.

At stake, among other things, is who will develop the vast fishing and mineral wealth of the high seas and how the resulting riches will be distributed throughout the world.

And the threat under which the meeting convenes is that big countries, such as the United States, may give up in frustration, make their own laws and take the wealth for themselves.

This danger became clearly apparent last month when a U.S. firm, Deepsea Ventures Inc. of Delaware, placed a small ad in The Times of London announcing it was claiming mineral rights to 20,000 square miles of prime Pacific floor between Hawaii and California.

Millionaire industrialist Howard Hughes and a raft of U.S. mining companies have indicated they are ready to follow Deepsea's example in the absence of any law preventing

them.

The prospects for such companies are mouth-watering. A square mile of ocean floor in the right place can be covered by up to 75,000 tons of manganese nodules, potato-sized lumps rich in nickel, cobalt and copper, as well as manganese. Deepsea estimates the nodules should be worth at least \$75 a ton and plans to rush them up at the rate of a million tons a year.

Smaller, less-developed and land-locked states argue these resources belong to the entire world and should be shared.

So, the conference is striving to set up an international scaled authority to govern the activities of firms like Deepsea and oversee the distribution of profits from high-seas mining.

The Canadians and others are also seriously worried about the effects from the profitable mining of sea nodules on areas such as Sudbury, Ont., which are heavily dependent on land production of similar metals. They hope to establish some mechanism to protect or compensate such regions for any long-run ill effects

Kevin Doyle - filed
for Broadcast News / CP
covered across Canada print and radio

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Mr. Brown
Mr. Jones
Mr. Carter
CC CARDEL

UNCLASSIFIED

FM ENVOIT ENVO000 APR 18/75

TO LOSGENEV/BAYNES

DE ELAINE HALLAM

THE FOLLOWING NEWS CLIPPINGS FROM THE APR 18 GLOBE AND MAIL QUOTE
~~GENEVA~~ JEANNE SAUVE, CDN ENVIRONMENT MINISTER, TOLD THE LOS
CONFERENCE YESTERDAY THAT UNLESS SUBSTANTIAL PROGRESS IS MADE
IN THE NEGOTIATIONS, CDA AND OTHERS MAY FEEL QUOTE THEY HAVE BEEN
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MRS SAUVE REMINDED A CONFERENCE COMMITTEE DEALING WITH MARINE
POLLUTION AND RESEARCH THAT COUNTRIES HAVE SPENT THREE YEARS IN THE
UN, 10 WEEKS IN CRCAS AND 4 WEEKS IN GENEV TRYING TO WORK OUT A NEW
LAW FOR THE WORLDS OCEANS.

IF THE GENEV MEETING CANNOT/NOT WORK OUT AT LEAST A SINGLE DRAFT
TREATY TEXT ON THE ISSUES UNDER STUDY, SHE SAID, THE CONSEQUENCES
WILL BE SERIOUS AND CDA AND OTHERS QUOTE MAY FEEL COMPELLED TO
TAKE MATTERS INTO THEIR OWN HANDS. UNQUOTE.

A SPOKESMAN FOR THE CDN DEL SAID MRS SAUVE SAID SHE WAS ENCOURAGED
BY PROGRESS SO FAR IN NEGOTIATIONS ON WAYS OF PREVENTING MARINE
POLLUTION. QUOTE BUT I AM ALARMED AT HOW MUCH REMAINS TO BE DONE,
UNQUOTE SHE ADDED.

THE MINISTER SAID THE SEA LAW TALKS ARE THE MOST IMPORTANT INNATL
UNDERTAKING SINCE THE 1944 SFRAN CONFERENCE WHICH ESTABLISHED
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FAILURE WORSE THAN FAILURE TO AGREE UPON A TREATY; THIS WOULD BE TO AGREE ON A TREATY THAT AUGMENTED THE WEALTH OF THE WEALTHY, AND MISSED THE OPPORTUNITY, PERHAPS THE LAST OPPORTUNITY, TO PROVIDE THE UN WITH THE AUTHORITY AND RESOURCES NECESSARY TO MAKE A SIGNIFICANT CONTRIBUTION TO THE WELL-BEING OF A MAJORITY OF THE HUMAN FAMILY.
PAYTON V LYON, OTT.

~~CONFIDENTIAL~~ MAR 17: QUOTE OPTIMISM STILL PREVAILS AT LAW OF SEA CONF UNQUOTE. *Charlotte town*

Mar 21

Doyle
GENEV (CP) - AT THE INNATL LAW OF THE SEA CONF SLIPS INTO ANOTHER STRETCH OF STORMY WATER TODAY, STEERING GINGERLY TO AVOID THE SHOALS AND PITFALLS WAITING TO WRECK ITS HARD-WON PROGRESS.

BUT DESPITE THE ROUGH PASSAGE IT SEEMS CERTAIN TO ENCOUNTER, THERE WAS CONSIDERABLE OPTIMISM AMONG THE MORE THAN 140 STATES REPRESENTED HERE THAT THE GLOBAL ATTEMPT TO CHART A NEW LAW FOR THE WORLDS OCEANS WILL AVOID A PERM BREAK-UP.

SAID A SPOKESMAN FOR THE COMWEL SECRETARIAT: QUOTE W AM NOW CONFIDENT THIS MTG WILL PRODUCE A FRAMEWORK WITHIN WHICH A CTTEE CAN START FORMULATING SPECIFIC ARTICLES FOR RATIFICATION AT A FUTURE CONVENTION UNQUOTE.

SHOULD THIS HAPPEN, ANOTHER MTG IS LIKELY LATE THIS YEAR IN VIENN BEFORE A FINAL CONVENTION IN CRCAS, VENEZUELA, IN 1976, WHERE THE WHOLE ISSUE CAME TO FULL INNATL ATTN DURING A WORLD GATHERING LAST SUMMER.

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THE CDN DEL, HEADED BY ALAN BEESLEY, AMBASSADOR TO AUSTRIA, HAS UNDERTAKEN A HIGHLY-ACTIVE DIPLO ROL ALTHOUGH THE MISSIONS DEPUTY LEADER, PAUL LAPOINTE OF OTT, TOOK A CAUTIOUS STANCE ON THE CHANCES FOR SUCCESS DURING AN INTERVIEW.

REGARDLESS OF THE OUTCOME, HOWEVER, THE ISSUES ARE OF GRAVE CONCERN TO COASTAL STATES SUCH AS CDA, AS WELL AS TO THE UNDEVELOPED COUNTRIES AND THOSE WITH NO/NO COASTLINE AT ALL.

RICHES AT STAKE:-AT STAKE, AMONG OTHER THINGS, IS WHO WILL DEVELOP THE VAST FISHING AND MINERAL WEALTH OF THE HIGH SEAS AND HOW THE RESULTING RICHES WILL BE DISTR THROUGHOUT THE WORLD.

AND THE THREAT UNDER WHICH THE MTG CONVENES IS THAT BIG COUNTRIES, SUCH AS THE USA, MAY GIVE UP IN FRUSTRATION, MAKE THEIR OWN LAWS AND TAKE THE WEALTH FOR THEMSELVES.

THIS DANGER BECAME CLEARLY APPARENT LAST MONTH WITH A USA FIRM, DEEPSEA VENTURES INC OF DELAWARE, PLACED A SMALL AD IN THE TIMES OF LDN ANNOUNCING IT WAS CLAIMING MINERAL RIGHTS TO 20,000 SQUARE MILES OF PRIME PACIFIC FLOOR BETWEEN HAWAII AND CALIFORNIA.

MILLIONAIRE INDUSTRIALIST HOWARD HUGHES AND A RAFT OF USA MINING COMPANIES HAVE INDICATED THEY ARE READY TO FOLLOW DEEPSEAS EXAMPLE IN THE ABSENCE OF ANY LAW PREVENTING THEM.

THE PROSPECTS FOR SUCH COMPANIES ARE MOUTH-WATERING. A SQUARE MILE OF OCEAN FLOOR IN THE RIGHT PLACE CAN BE COVERED BY UP TO 75,000 TONS OF MANGANESE NODULES, POTATO-SIZED LUMPS RICH IN NICKEL, COBALT

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AND COPPER, AS WELL AS MANGANESE. DEEPSEA ESTIMATES THE NODULES SHOULD BE WORTH AT LEAST DOLLARS 75 A TON AND PLANS TO SUCK THEM UP AT THE RATE OF A MILLION TONS A YEAR.

SMALLER, LESS-DEVELOPED AND LAND-LOCKED STATES ARGUE THESE RESOURCES BELONG TO THE ENTIRE WORLD AND SHOULD BE SHARED.

AUTHORITY SOUGHT: -SO, THE CONF IS STRIVING TO SET UP AN INNATL SEABED AUTHORITY TO GOVERN THE ACTIVITIES OF FIRMS LIKE DEEPSEA AND OVERSEE THE DISTR OF PROFITS FROM HIGH-SEAS MINING.

THE CDNS AND OTHERS ARE ALSO SERIOUSLY WORRIED ABOUT THE EFFECTS FROM THE PROFITABLE MINING OF SEA NODULES ON AREAS SUCH AS SUDBURY, ONT, WHICH ARE HEAVILY DEPENDENT ON LAND PRODUCTION OF SIMILAR METALS. THEY HOPE TO ESTABLISH SOME MECHANISM TO PROTECT OR COMPENSATE SUCH REGIONS FOR ANY LONG-RUN ILL EFFECTS.

THE MAIN DIFFICULTY IS THAT THE SMALLER, LESS-INDUSTRIALIZED COUNTRIES WANT THE SEABED AUTHORITY TO BE RUN ON A ONE-STATE, ONE-VOTE PRINCIPLE, GIVING THEM AN EFFECTIVE VETO IN ALL SITUATIONS, WHETHER ON POLITICAL OR OTHER GROUNDS.

THE BIGGER COUNTRIES, INCLUDING CDA, ARE ADAMANTLY OPPOSED AND CDA AND OTHERS PROPOSE THE AUTHORITY SHOULD HAVE AN ASSEMBLY WITH ALL COUNTRIES REPRESENTED AND EACH WITH A VOTE TO SET GENERAL GUIDELINES, LEAVING A SMALLER EXECUTIVE TO DEAL DIRECTLY WITH COMPANIES.

THE EXECUTIVE WOULD BE CONSTITUTED IN SUCH A WAY AS TO PREVENT ANY ONE GROUP HAVING AN AUTOMATIC MAJORITY. SO FAR, THE QUESTION

PAGE THIRTEEN ENVO000 UNCLAS

REMAINS FIRMLY DEADLOCKED.

MAY SHARE PROFITS:-AMONG OTHER ISSUES UNDER DISCUSSION:-THERE IS LIKELY TO BE GENERAL AGREEMENT GIVING COASTAL STATES PRIORITY FISHING AND MINERAL RIGHTS IN A 200-MILE ECONOMIC ZONE OFF THEIR SHORES. ATTEMPTS BY CDA AND OTHERS TO CONTROL MINERAL DEVELOPMENT OVER THE WHOLE CONTINENTAL MARGIN-THE CONTINENTAL SHELF, ITS SLOPE TOWARDS THE DEPTHS, AND A RISE WHICH COMES BEFORE A FINAL DROP-OFF TO THE SEABED-WHERE THIS EXCEEDS 200 MILES MAY ALSO BE ACCEPTED. IN RETURN, THESE STATES WOULD BE EXPECTED TO PLEDGE A PORTION OF THE PROFITS FROM DEVELOPING THIS AREA WITH OTHER COUNTEIS.

-THERE ALSO SEEMS GENERAL AGREEMENT THAT COASTAL STATES SHOULD HAVE FULL SOVEREIGNTY OVER AN AREA EXTENDING 12 MILES OFFSHORE. BUT THIS WILL BRING MORE THAN 100 FORMERLY-INNATL STRAITS BETWEEN THE HIGH SEAS UNDER NATL JURISDICTIONS AND THE USA AND THE USSR, PARTICULARLY, WILL NOT/NOT ACCEPT ANY RESULTING FORMULA WHICH MIGHT HINDER THEIR SHIPS AND SUBMARINES IN THESE WATERS.

GLOBE AND MAIL, TOR, MAR17:-QUOTE WALDHEIMS IDEA-PLAN FOR MINING SEA WOULD AID COUNTRIES UNQUOTE.

UNNY(AP)-SECGEN KURT WALDHEIM SUGGESTS THAT WHEN DEEP-SEA MINING OF VARIOUS MINERALS DRIVES THE WORLD PRICES DOWN, INDUSTRIAL CONSUMER COUNTRIES SHOULD COMPENSATE DEVELOPING PRODUCER COUNTRIES FOR THEIR LOSSES.

HIS SUGGESTION IS IN A 17-PAGE REPORT ISSUED HERE FOR CONSIDERATION

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PAGE FOURTEEN ENVO000 UNCLAS

IN THE 150-NATION UN CONF ON THE LAW OF THE SEA RESUMING TODAY IN GENEV.

TH REPORT, REQUESTED AT THE CONF SESSION LAST JUN20 TO AUG29 IN CRCAS, VENEZUELA, SPECULATES HOW METAL PRICES WOULD BE AFFECTED BY NEW PRODUCTION FROM THE UNCLAIMED DEEP OCEAN FLOOR SCOOPED UP IN SO-CALLED MANGANESE NODULES, WHICH ALSO CONTAIN NICKEL, COPPER AND COBALT.

MR WALDHEIM SAYS SOMETHING UNDER 10 INTL NODULE MINING CONSORTIUMS ARE QUOTE LIKELY TO BECOME OPERATIONAL WITH THE NEXT DECADE UNQUOTE MAINLY IN QUOTE THE INTL AREA UNQUOTE IN THE CENTRAL-EAST PACIFIC, WHERE QUOTE THE RICHEST NODULE DEPOSITS HAVE BEEN FOUND UNQUOTE.

HE SAYS ADVANCED COUNTRIES WITH NODULE TECHNOLOGY WOULD BENEFIT GREATLY FROM THE UNDERSEA MINING IN THAT QUOTE THEY WOULD BECOME NET EXPORTERS OF COBALT, AND PERHAPS OF MANGANESE AND NICKEL UNQUOTE AND GAIN MUCH REVENUE.

MR WALDHEIM CITES TENTATIVE ESTIMATES THAT BY 1985, NODULE MINING PROBABLY WILL DRIVE PRICES OF COBALT DOWN A THIRD AND MANGANESE A HALF AND QUOTE HELP TO COUNTER THE STEADY TREND OF PRICE INCREASES FOR NICKEL.

HE SAYS QUOTE SPECIAL MEASURES MIGHT BE CALLED FOR TO MINIMIZE THE IMPACT OF LOWER MINERAL PRICES ON THE ECONOMY OF DEVELOPING COUNTRY PRODUCERS UNQUOTE, EVEN THOUGH HARDLY ANY SUCH COUNTRIES

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ARE HIGHLY DEPENDENT ON COBALT, MANGANESE OR NICKEL.

POINTING OUT THE DIFFICULTIES OF ACCOMPLISHING THAT OBJECTIVE THROUGH COMMODITY AGREEMENTS, HE SUGGESTS THAT COMPENSATING THE DEVELOPING COUNTRIES FOR THEIR LOSSES IS THE ANSWER.

HE RULES OUT HAVING THE PROPOSED INNATL SEABED AUTHORITY PAY THEM OUT OF REVENUES DERIVED FROM ITS SHARE OF THE PROCEEDS OF THE UNDERSEA MINING. HE SAYS THAT MIGHT LEAVE VERY LITTLE FOR DISTR IN DEVELOPMENT AID TO DEVELOPING COUNTRIES GENERALLY.

QUOTE ONE VIABLE ALTERNATIVE UNQUOTE, HE CONCLUDES, QUOTE WOULD BE TO HAVE THE INDUSTRIAL CONSUMING COUNTRIES CONTRIBUTE TO A FUND WHICH WOULD BE USED BY THE AUTHORITY FOR COMPENSATION TO THOSE DEVELOPING COUNTRIES AFFECTED UNQUOTE.

MTL GAZETTE, MIL, MAR17: -QUOTE SEA CONF PRESIDENT HAS QUOTE LITTLE HOPE UNQUOTE OF SUCCESS UNQUOTE.

GENEV(AP)-HAMILTON AMERASINGHE OF SRI LANKA SAYS HE HAS LITTLE HOPE FOR SUCCESS IN ROUND THREE OF THE UN SEA LAW TALKS WHICH HE WILL OPEN HERE TODAY.

DELS FROM 150 COUNTRIES, INCLUDING CDA, WILL RESUME NEGOTIATIONS ON A SET OF RULES GOVERNING TERRITORIAL WATERS, OFFSHORE ECONOMIC ZONES AND EXPLOITATION OF THE HIGH SEAS. TWO PREVIOUS SESSIONS WERE HELD IN NY AND CRCAS LAST YEAR.

AMERASINGHE, THE CONF PRESIDENT, TOLD REPORTERS FRI: QUOTE THERE HAS BEEN NO/NO AGREEMENT ON ANY FINAL TEXT ON ANY SINGLE SUBJ OR

PAGE SIXTEEN ENVO000 UNCLAS

ISSUE. I DO NOT/NOT THINK THERE IS MUCH POSSIBILITY OF COMING TO
AGREEMENT IN THIS EIGHT-WEEK SESSION HERE UNQUOTE.

HE ADDED THE DELS MAY SCHEDULE YET ANOTHER ROUND OF THE COMPLEX
LEGAL MANOEUVRING.

END/044 211626Z 07200

in reply
Mr. Brien
Mr. Jaynes
Mr. Chittard
CC CARREL

UNCLASSIFIED

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MMW

PAGE THREE ENVOOOC UNCLASS

INFORMAL WORKING GROUPS. THE PROBLEM SEEMS TO BE COUNTRIES WITH SIMILAR INTERESTS (FOR EXAMPLE, CDA AND OTHER STATES WHICH HAVE LONG COASTLINES BUT ARE NOT MAJOR MARITIME POWERS) ARE SPENDING TOO MUCH TIME TALKING TO ONE ANOTHER AND NOT ENOUGH TIME TALKING TO OTHER GROUPS WITH QUITE DIFFERENT INTERESTS (FOR EXAMPLE, BIG SHIPPING, MILITARY NATIONS AND LAND-LOCKED STATES).

ALSO, A CERTAIN AMOUNT OF BAD FEELING MAY BE SETTING IN AMONG THE TIRED, PERHAPS FRUSTRATED, DIPLOMATS FROM THE 137 NATIONS. SOME OF THE CDNS WERE DISTRESSED BY A RECENT COMPLAINT BY A BRITISH DELEGATE THAT CDAS DEMANDS AT THE CONFERENCE ARE QUOTE TOO UNILATERAL, TOO GREEDY UNQUOTE. ONE EXPLANATION FOR THIS ALLEGATION-DESIDES THE FACT THAT IT CONTAINS AN ELEMENT OF TRUTH-IS THAT THE BRITISH ARE UNHAPPY BECAUSE THEY BELIEVE CDA IS FORSAKING ITS TRADITIONAL ALLIES (INCLUDING BRITAIN AND THE USA) IN FAVOR OF NEW ALLIANCES WITH THE COASTAL STATES OF THE THIRD WORLD.

THIS SORT OF DIPLOMATIC BITCHINESS AND BACKSTAGE WHISPERING ASIDE, THERE ARE SOME ENCOURAGING SIGNS.

PERHAPS THE MOST ENCOURAGING IS A MORE ACCOMMODATING STANCE TAKEN BY THE USA ON THE TWO MOST DIFFICULT ISSUES-PASSAGE THROUGH INNATL STRAITS AND CREATION OF A WORLD AUTHORITY TO CONTROL EXPLOITATION OF THE DEEP SEABED.

ONE WONDERS WHETHER THE TIME MAY NOT HAVE COME TO TAKE THE NEGOTIATIONS OUT OF THE HANDS OF THE DIPLOMATS (WHO, AFTER ALL, HAVE BEEN HAGGLING OVER THE LOS FOR 17 YEARS NOW) AND TURN THEM OVER TO

PAGE FIVE ENVOOCO UNCLAS

A MOVE SOON. HOPE THAT GENEV WOULD PRODUCE A DRAFT TREATY IS
FADING. THE QUESTION IS WHETHER THERE WILL BE ENOUGH PROGRESS ON
THE TOUGH ISSUES TO MAKE IT WORTHWHILE CONTINUING THE NEGOTIATIONS,
OR WHETHER EVERY NATION WILL GO ITS OWN WAY. THAT QUESTION IS STILL
VERY MUCH UP IN THE AIR. UNQUOTE

END/303 211427Z 01200

April 2, 1975

MR. BEESLEY

Miss Vanya Walker-Lee said that she had an appointment with you on Friday morning, not today. She said if necessary she could meet with you this afternoon. In view of the fact that you are expecting the telephone call, I told her that you would see her on Friday as planned and not this afternoon.

Bpf

Canada won't share, is rebuffed

BY PATRICK MARTIN

GENEVA

CANADA IS getting nowhere in arguing for control by coastal states over their continental margins at the Law of the Sea conference. However, there remains a strong possibility that an economic zone of 200 miles off coastlines may be established.

Delegates have been meeting each day behind well-closed doors, attempting to draft a proposal for such an economic zone. But Canada's interests go approximately 400 miles beyond an economic zone to the outer edge of the continental margin, or "natural prolongation of our land mass" as Canadian delegates like to describe it.

This margin of submerged land is composed of the continental shelf, a more familiar term, plus that structure known as the slope and rise where the shelf slopes down to the deep seabed. Contained within this sedimentary margin are untold supplies of oil and natural gas which only now are being revealed. The oil of the North Sea is found in such a margin.

In Caracas, last summer, large open assemblies served first and foremost to make the conference a political forum. But here delegates are determined to get down to serious negotiation and have broken up into small informal working groups, closing their doors to public scrutiny.

Some of the groups are merely closed-door versions of the same formal assemblies that met earlier. The same kind of political polarization exists, most strongly between the countries of the developing Third World and the industrialized nations. If any, the positions of the two major powers have drawn closer together.

The Russians, always unmovable in their insistence on freedom of the seas, including passage through international straits and freedom to exploit the deep-sea minerals have been

the margin beyond 200 miles be considered as part of an international area and that the development of the minerals contained be administered by an international authority being developed to handle the mineral wealth of the deep seabed.

But Canada is not quick to concede. As Energy Minister Donald Macdonald said last year before the Caracas session of the Law of the Sea Conference, "Canada has no intention of conceding any part of its margin."

Strong words, but the Minister of Energy, Mines and Resources is not here in Geneva to see first-hand the unpopularity of that statement.

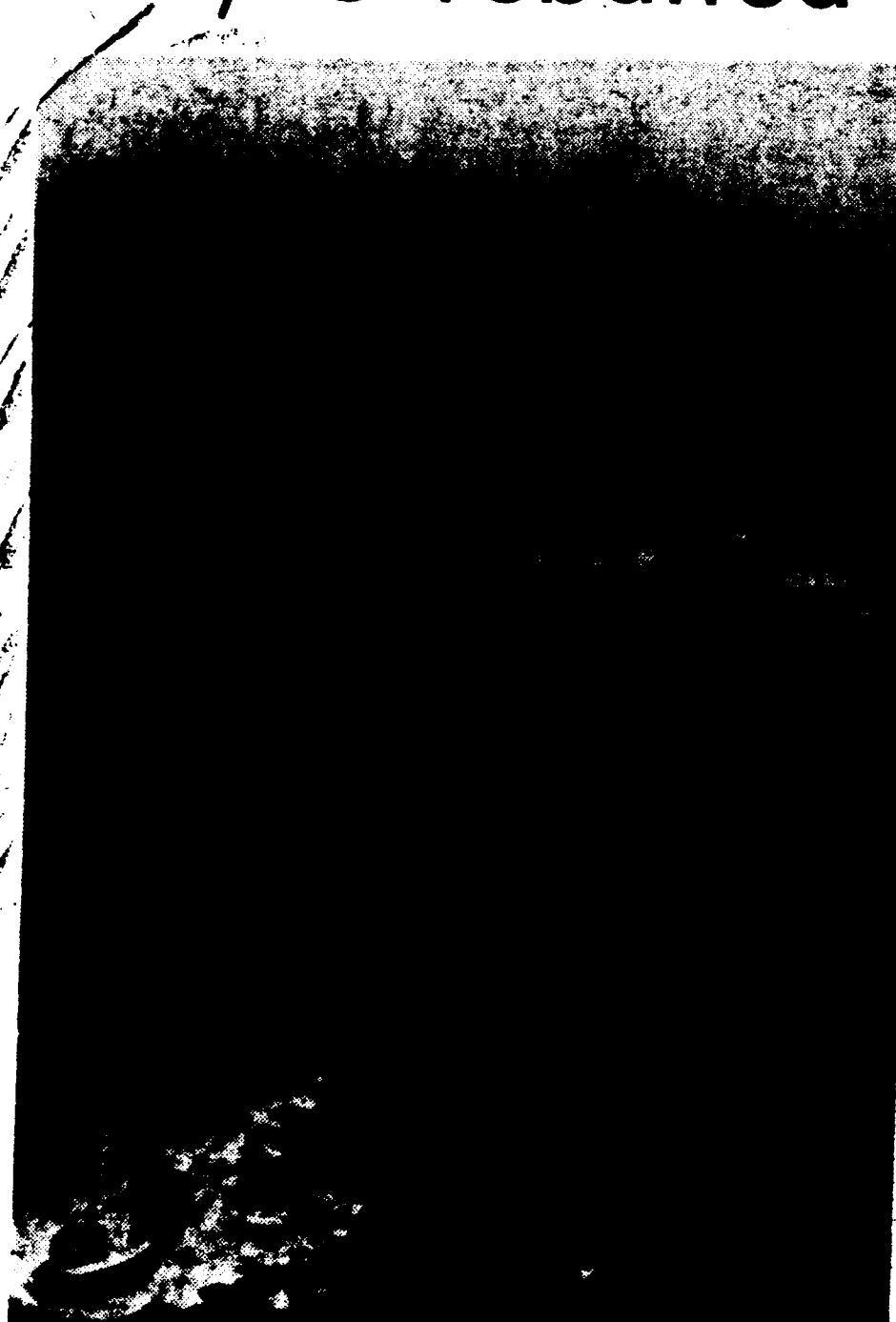
Canada has not been able to argue its claim, because it has nothing new to offer. The many delegations here heard Canada's argument last year and in general rejected it. In Geneva, the mood is far more serious and delegates are looking for a compromise which Canada has not offered.

Few nations backed Canada

At the end of the Caracas meeting a preschooler could easily count the number of nations which were in accord with the Canadian stand. Australia, the Soviet Union, Argentina, New Zealand and India were perhaps the strongest allies, with the United States, Britain, Mexico and Norway also in agreement.

There were others which were to various degrees sympathetic but the total number came nowhere near a third of the number of countries at the session, that being the figure which could block a vote to remove the margin to the international area. The situation as it stood looked hopeless for Canada.

Frank Niessens of the Kenyan Delegation



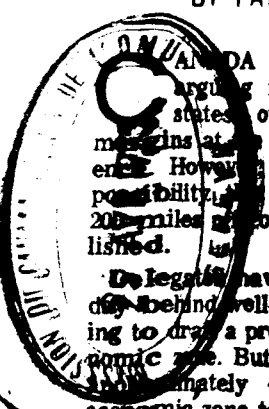
Bosley: others seek revenue share.

countries. Canada was not then taken up on the suggestion.

Cabot Martin, legal adviser to Newfoundland's Minister of Fisheries, in Geneva for the conference, says that, while he is primarily concerned with asserting Newfoundland's claim that the resources of the margin belong not to the federal Government but to the province, "We're basically against the principle of revenue-sharing but in negotiations like this, you've got to know when to give." He says "revenue-sharing represents a reasonable but last resort."

A glimmer of hope came in a new direction last week...

Blobe - April 19, 1975



tional straits and freedom to exploit the deep-sea minerals, have been joined by a recharged U.S. delegation.

Where once the United States might have been expected to compromise, there is now a Soviet-type wall. The Americans have taken too many international slaps in the face lately and are drawing a line over which they say they will not cross. While John Norton Moore, one of the two heads of the U.S. delegation, said in an interview this week, "We have come to Geneva to negotiate a treaty," he added, in almost the same breath, "No, we will not compromise in our stands on freedom of straits and ocean mining. These are absolutes."

Most groups avoid wrangling

Most working groups are of a much smaller nature and avoid such political wrangling. They include groups of countries having common interests such as the African Group, The Landlocked States Group and the Territorialists Group. Most of the groups, however, are of even less formal nature, often consisting of a handful of delegates determined to talk about some particular aspect of the sea treaty.

However, in none of these groups has Canada been able to argue its case for claiming the continental margin.

Canada's position has always been that by the 1958 Convention on the Continental Shelf the mineral rights to its entire continental margin were hers. However, there are very few other nations with similarly extensive margins and consequently very few which support that point of view.

Those in opposition point out that fewer than a third of the countries now involved in the Law of the Sea talks were signatories to that convention and, further, that the convention itself inadequately defined the outer limits of the shelf. These countries argue that the new concept of the economic zone has replaced the old idea of the shelf.

Most countries label Canada's claim to the continental margin as "the

Frank Njonga of the Kenyan delegation had said that, "If the Canadians would only offer revenue-sharing as a trade for their claim to the margin then there might still be a chance for agreement."

The principle to which he referred involves the sharing, presumably with the world community, of a portion of the revenue derived from the development of these minerals of the margin beyond the economic zone.

But at Caracas, no such proposal came from the Canadians. Then, during the winter, External Affairs Minister Alan MacEachern said in an interview that, "Yes, revenue-sharing was one of the possibilities being discussed."

In Boston, Mr. Macdonald told the American Society of International Law that revenue-sharing was "a concept that we are studying actively and urgently and one that I am certain will be seriously discussed at the forthcoming session in Geneva."

A ray of hope, for revenue-sharing is likely the only trade which would be acceptable to the deprived landlocked and African countries which are looking to get a great deal of revenue from an international authority.

Here in Geneva most delegates expected Canada finally to present a compromise proposal involving revenue-sharing. In fact, many nations have privately modified their positions substantially and seem willing to accept a compromise in this matter.

Even the landlocked states, Canada's biggest opponents, have drafted a paper which accepts the Canadian-type claim of the margin. They are not, however, going to present their paper until Canada first offers the sharing principle which these countries have expected.

But just one week before the conference convened in Geneva it became apparent that Canada would not be proposing a policy of revenue-sharing at this meeting. The same Mr. Macdonald who had spoken favorably of the principle a month earlier had suddenly changed his mind and in public spoken out strongly against the idea of sharing.

It is thought that Mr. Macdonald may have taken exception to some

Drilling for oil off the west coast. Sedimentary margin contains resources.

the evils of the industrialized world. Whatever his reason, the Cabinet remains split on this issue.

A more realistic External Affairs Department still seems to favor the concept, but Mr. Macdonald seems unwilling to budge. The result of this untimely division may very likely mean a big loss for Canada in these talks in Geneva.

Alan Beesley, Canada's chief negotiator at the conference, hesitated to talk about the matter but did say "a good number of states have become more sympathetic to the Canadian proposals. They may accept our position, but they are looking first for revenue-sharing."

Mr. Njonga updated his previous comments saying, "It's become apparent at Geneva that many countries are willing to consider the Canadian claim in the light of revenue-sharing. But now it appears that Canada may not want to compromise."

Jamaica favors revenue-sharing

Anthony Orr, a senior legal adviser in the Jamaica delegation, said "Jamaica would certainly look more favorably upon the Canadian claim if revenue-sharing were introduced. I think most developing countries feel very much the same way."

Britain, which like Canada lays claim to a margin greater than 200 miles from shore, has surprised many and spoken of its acceptance for sharing-revenue. In a recent statement

seriously at the idea of some sharing with the international community of the revenues from the area between 200 miles and the outer limit of the continental margin. I am sure that this flexible approach is helpful in promoting general agreement . . . The world badly needs agreement on the Law of the Sea. Without it some states will undoubtedly wish to take unilateral action . . . This would lead to sea-grabbing on the scale of 19th century land-grabbing."

Then, as one delegate put it, "If Britain with its proven reserves of North Sea oil, vital to its economy, can offer revenue-sharing, why won't Canada?"

The United States has, for some time, supported a system of shared revenue and Norway, with its rich shelf, has in Geneva accepted the concept. Australia and Canada remain nearly alone in opposition to this idea.

Ken Waller, of the Australian delegation, says "to accept the principle of revenue-sharing means betraying the principle of the margin. The margin and its resources are ours, part of our land mass; no one is going to put some international tax on our minerals." He says many more countries were now in support of claims for the margin but concedes most of the newer supporters place a qualification on their support.

"The qualifier," he admits, "is revenue-sharing".

The principle of revenue-sharing is not new. In 1960, at meetings of the United Nations Seabed Committee, Canada actually proposed a system whereby a small percentage of all rev-

with broad margins. The Soviet Union and some of its satellite allies presented a position paper concerning the subject of marine scientific research. In it they argue that scientific research of "non-resource" nature on the continental shelf should not be denied to any researchers by coastal states possessing shelves.

They believe that all shelves should be open to research. But for "research" read "placement of military devices". Many nations do read the gentle Soviet language as really meaning this and in response, Nigeria, a state locked-in by the shelves of other states, called the Soviet terminology "dubious and clandestine" and declared that states had a right to prevent research on their shelves.

Kenyan delegate spoke of research

William Mbote of the Kenyan delegation then took the floor in the debate and declared that, by the 1958 Continental Shelf Convention, states had "sovereign rights" to their entire continental shelves and had the right to grant or deny research there.

That these two nations so often opposed to Canadian claims to the margin should suddenly support the claims in one respect in order to oppose the Russians may help Canada and allies in their debate.

But in order to be sure of obtaining agreement to her margin claim, Canada must offer more. Canadian delegates refuse to comment on the Government's sudden refusal to offer revenue-sharing but they are obviously perplexed.

It is an awkward position for them. They have been given a gun from Ottawa and told to go out and shoot down opponents to the claims for an entire continental margin, but they have been given no ammunition.

They are being pressured by countries such as the African ones and the landlocked ones to offer something and revenue-sharing seems to be the

Mr. Beesley

Mr. Ledblanc & Co
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APRIL 25, 1975

MR. BAYNES

Re: CBC French language documentary

Ms C. Tremblay of the Permanent Mission in Brussels phoned this morning to advise that a Mr. P. A. Comeau of CBC French language will be in Geneva from April 29 to May 11 to do two documentaries one 60 minute in depth treatment of LOS in which he hopes to include interviews with Canadian negotiators and with representatives of other countries fishing in Canadian waters (eg Portugal, etc.); and second a twenty-minute general documentary of a more superficial nature. Would you please be prepared for Mr. Comeau's arrival and discuss with Beesley the extent to which he wants to cooperate in this endeavour.

The matter is now in your hands.

M. Shepard

P.S. The name of the programme - the long documentary will appear is Soixante.

Alan

This reporter has already ~~been~~ approached
(directly via telegram from EA
Brussels) the two Quebec delegates.
I don't know what else he has in
mind but will wait for his call.

Ron Baynes

2566
Bosman

Sea law paper backs 200-mile zones

LeBlanc and Hon Bastard, national revenue minister, who arrived here during the week-end.

The Evensen document was presented to a closed session of the conference but copies were later made available to some reporters.

The document's 200-mile economic zone proposal would give coastal states such as Canada "sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether renewable or non-renewable, of the seabed and subsoil and the superjacent waters."

It also would give coastal states the power to preserve the marine environment and to regulate scientific research.

Other countries would be allowed freedom of overflight, navigation, laying of submarine cables and pipelines "and other internationally lawful uses of the sea related to navigation and communication."

But most delegates appear to expect that another full-scale conference will be necessary in 1976, probably in New Delhi or Nairobi, to achieve a consensus on a total package of worldwide legislation.

Canada's views on the need for another full conference are expected to be outlined at a news conference tomorrow by Fisheries Minister Romeo LeBlanc and Hon Bastard, national revenue minister, who arrived here during the week-end.

He said Canada is not being greedy in seeking offshore rights over the world's richest continental shelves.

Canada's views on the need for another full conference are expected to be outlined at a news conference tomorrow by Fisheries Minister Romeo LeBlanc and Hon Bastard, national revenue minister, who arrived here during the week-end.

GENEVA — (CP) — A document that could eventually become the foundation for a treaty covering the world's oceans has shown up at the United Nations Law of the Sea conference here — but so far its proposals are being regarded merely as a basis for discussion.

The document contains 15 articles, including a proposal that economic zones be limited to 200 miles. It was prepared by a group of experts from about 30 countries under the leadership of Jens Eversen.

The 200-mile economic zone proposed by the Evensen document would cover most of Canada's continental shelf areas except in the Atlantic east of Newfoundland where the shelf extends more than 400 miles offshore.

Canada is seeking management rights for all living and mineral resources on its continental shelves. It also wants the right to set tough anti-pollution standards and world acknowledgment of its claims to ownership of the Northwest Passage.

The conference, a continuation of an international gathering last summer in Caracas, is to end May 10.

Some delegates suggested yesterday it would be futile to expect final agreement on any major issues before the conference ends.

The conference opened in this Swiss city March 17 and under the UN schedule was to have completed preparation of a draft treaty by May 10. The treaty was to have been polished and signed at a shorter meeting this summer in Caracas.

MINISTERS

OTTAWA: The Battle of the Atlantic, the longest battle of the Second World War, will be commemorated in ceremonies across the country May 4, the defence department announced. National observance of the battle is held annually at the Sailor's Memorial, Point Pleasant Park, Halifax.

Naval battle commemoration set

OTTAWA: The Battle of the Atlantic, the longest battle of the Second World War, will be commemorated in ceremonies across the country May 4, the defence department announced. National observance of the battle is held annually at the Sailor's Memorial, Point Pleasant Park, Halifax.



J.A. BEESLEY
... just first step

*The Brasby -
The Bowen
The Chantrel
The Boyne
cc memo.*

from [signature]

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FM EXTOIT FLO0497 MAY1/75

TO LOSGENEV

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LAVOIE MOTOIT/MACGILLIVRAY/HEMMING CIDAOTT/H STEINBERG EMROIT/
HOPPER/CROSEY INAOTT/ANGLIN ENVOTT/LUCAS/LEGAULT/CAMPELL/HACHE/
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---LOS:PRESS CONF

GEOFF STEVENS GLOEE ARTICLE ON CONF SENT IN PREVIOUS TEL(FLO-
496).CP ARTICLE IN GLOEE MAY1 REPORTING ON LEBLANC STATEMENT
FOLLOWS IN PARA2.APR30 STEVENS ARTICLE BAGGED BEFORE CLOSURE
OF BAG ARR IN GENEV MAY2.LE DEVOIR ARTICLE MAY1 WAS SIMPLY
FRENCH VERSION OF CP ARTICLE IN FOLLOWING PARA.WE WILL NOW
ENDEAVOUR TO SEND EVERY PRESS REPORT OBTAINABLE.PREVIOUS
CRITERIA WERE(A)CRITICISM OF CDN POSITION AND/OR(B)QUOTES OF
CDN REPS.REF IN TELCON APR30 TO LOS PRESS FEEDBACK WAS INTENDED
TO CONFIRM THESE ARRANGEMENTS ONLY.

2.TEXT BEGINS

CANADA WILL SEEK A 40 PER CENT REDUCTION IN THE INTERNATIONAL
FISHING EFFORT IN THE NORTHWEST ATLANTIC WHILE HOPING FOR

...2

PAGE TWO FLOC497 UNCLAS

AGREEMENT ON A 200-MILE ECONOMIC ZONE AT THE NEXT UNITED NATIONS LAW OF THE SEA CONFERENCE, A CANADIAN MINISTER TOLD YESTERDAY.

FISHERIES MINISTER ROMEO LEBLANC TOLD A NEWS CONFERENCE THAT THE 14 COUNTRIES WHICH FISH OFF NEWFOUNDLAND AND NOVASCOOTIA WILL BE ASKED AT A MEETING OF THE INTERNATIONAL COMMISSION FOR THE NORTHWEST ATLANTIC FISHERIES IN JUNE TO REDUCE THEIR EFFORTS.

MR LEBLANC SAID THE REQUEST WOULD BE MADE IN LIGHT OF THE FAILURE OF THE CURRENT SEA LAW CONFERENCE, NOW NEARING ITS END HERE, TO PRODUCE A GLOBAL TREATY COVERING USE AND PROTECTION OF THE OCEANS.

HE SAID CANADA WOULD REASSESS ITS POSITION REGARDING THE POSSIBILITY OF UNILATERAL ACTION IN TAKING OVER A 200-MILE ECONOMIC ZONE WHEN THE OUTCOME OF THE JUNE MEETING IS KNOWN.

ASKED WHETHER CANADA WOULD SET A DEADLINE FOR TAKING UNILATERAL ACTION, MR LEBLANC REPLIED:

QUOTE I WOULD FIND IT DIFFICULT TO ASK FISHERMEN TO WAIT BEYOND THE END OF ANOTHER CONFERENCE. UNQUOTE.

QUOTE IT WOULD BE A QUESTION OF DETERMINING WHAT IS AN UNACCEPTABLE DELAY UNQUOTE, HE SAID IN REITERATING CANADA'S HOPE FOR WORLD-WIDE AGREEMENT ON A TREATY GIVING COASTAL STATES ECONOMIC ZONES OF 200 MILES OR MORE.

MR LEBLANC SAID HE WAS NOT/NOT MAKING THREATS BUT ONLY TRYING TO QUOTE STRESS THE URGENCY OF ACHIEVING GLOBAL, REGIONAL AND

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PAGE THREE FLOO527 UNCLAS

WITH OTHER COUNTRIES, UNQUOTE THE NEWFOUNDLAND MINISTER SAID.

ICELAND ALREADY HAS ANNOUNCED IT WILL EXTEND A 50-MILE FISHING LIMIT TO 200 MILES. NORWAY HAS BEEN NEGOTIATING WITH THE SOVIET UNION AND THE UNITED KINGDOM FOR A 50-MILE FISHING LIMIT. A NORWEGIAN SPOKESMAN SAID IN AN INTERVIEW TUESDAY HIS COUNTRY MAY START THINKING ABOUT A 200-MILE LIMIT BEFORE NEGOTIATIONS RESUME LATER THIS MONTH WITH THE RUSSIANS AND BRITAIN.

CROSBIE SUGGESTED THAT SETTLEMENT OF THE FISHERY LIMITS QUESTION MIGHT HAVE BEEN POSSIBLE AT GENEVA IF IT HAD BEEN TREATED AS A SEPARATE ISSUE.

PROGRESS MADE

QUOTE IT APPEARS THERE WAS CONSIDERABLE PROGRESS ON FISHING HERE BUT THAT IS OF LITTLE USE IF IT HAS TO WAIT UNTIL OTHER QUESTIONS ARE AGREED ON.

AGREEMENT ON OTHER QUESTIONS, SUCH AS INTERNATIONAL STRAITS AND UNDERSEA MINERALS, IS UNLIKELY IN THE FORSEEABLE FUTURE. UNQUOTE.

J ALAN BEESLEY, CANADA'S CHIEF NEGOTIATOR, SAID THE WHOLE QUESTION OF GLOBAL SEA LAW IS TOO INTER-RELATED FOR A TREATY TO BE ACHIEVED BY SEPARATE STEPS.

FISHERIES MINISTER A M SANDY CAMERON OF NOVA SCOTIA ALSO HAS SAID CANADA SHOULD LOOK SERIOUSLY AT THE POSSIBILITY OF UNILATERAL ACTION TO PROTECT THE FISHING INDUSTRY.

LANDING BY NOVA SCOTIAS 12,000 FISHERMEN INCREASED SLIGHTLY LAST YEAR,

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PAGE THREE FLOO497 UNCLAS

BILATERAL NEGOTIATIONS TO STOP RESOURCE DEPLETION AND ESTABLISH A FIRM BASIS FOR MANAGEMENT OF THE FISHERIES OF THE WORLD IN THE FUTURE UNQUOTE.

ALAN BEESLEY, CANADAS CHIEF NEGOTIATOR, SAID THAT IF SEA CONFERENCES COLLAPSE WITHOUT ACHIEVING GLOBAL AGREEMENT ON A TREATY COASTAL STATES COULD PROTECT THEIR WATERS BY OTHER MEANS INCLUDING CO-ORDINATED UNILATERAL ACTION. FOR INSTANCE, A NUMBER OF COUNTRIES COULD AGREE TO TAKE OVER THEIR CONTINENTAL SHELVES AT THE SAME TIME.

TWO COUNTRIES ARE PREPARING FOR UNILATERAL ACTION TO PROTECT THEIR FISHERIES. ICELAND WILL EXTEND ITS 50-MILE FISHING LIMIT TO 200 MILES BEFORE FALL AND NORWAY IS PLANNING A 50-MILE ZONE.

MR LEBLANC SAID THE REDUCTION WOULD APPLY TO ALL AREAS INCLUDING THE HAMILTON BANK, 110 MILES OFF LABRADOR, WHICH NEWFOUNDLAND CLAIMS IS BEING SERIOUSLY HURT BY WINTER FISHING. THE NEWFOUNDLAND LEGISLATURE HAS ASKED THE CANADIAN GOVERNMENT TO MAKE A STRONG CASE AT THE ICNAF MEETING FOR AN END TO FISHING ON HAMILTON BANK DURING THE WINTER COD-SPAWNING SEASON.

TEXT ENDS.

END/258 021823Z 00450

Mr. Beesley

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FM ERVOTT UHWCOC MAY2/75

TO LOSGNEV/BAYNES

DE HALLAN

---NEWS ITEM FROM MAY2 GLODE AND MAIL

QUOTE WATCH THE CHAIR--WARKER

WATCH DOUGLAS MCCASHIN.

WHO. DOUGLAS MCCASHIN, A YOUNG EXTERNAL AFFAIRS OFFICER FROM OTTAWA WHO IS ONE OF THE JUNIOR MEMBERS OF THE CANADIAN DELEGATION TO THE UNITED NATIONS LAW OF THE SEA CONFERENCE IN GENEVA. WHY DOUGLAS MCCASHIN. BECAUSE HE IS CANADAS OFFICIAL CHAIR-WARKER. THATS RIGHT: A CHAIR--WARKER.

YOU, TWO CABINET MINISTERS, ROMEO LEBLANC (FISHERIES) AND RONALD BASFORD (NATIONAL REVENUE), WERE IN GENEVA THIS WEEK TO DO A LITTLE HIGH-LEVEL LOBBYING ON CANADAS BEHALF. MR MCCASHIN'S JOB WAS TO GET OVER EARLY IN THE DAY TO THE PALAIS DES NATIONS, WHICH IS A PRETTY FANCY PLACE BUT HAS A SHORTAGE OF PLACES TO SIT DOWN, AND LAY CLAIM TO A FEW STRATEGICALLY LOCATED ARM-CHAIRS. WHEN MR LEBLANC AND MR BASFORD ARRIVED, MR MCCASHIN WOULD TURN THE CHAIRS OVER TO THEM. SENIOR DELEGATES FROM ANOTHER COUNTRY WOULD BE USHERED INTO THE MINISTERIAL PRESENCE AND BE INTRODUCED BY THE CANADIAN DELEGATION LEADER, AMBASSADOR J ALAN BEESLEY. THEN THEYD ALL (EXCEPT MR MCCASHIN) SIT DOWN FOR AN INFORMAL CHAT. THE BEAUTY OF THE OPERATION, REPEATED AT FREQUENT INTERVALS OVER

PAGE TWO UNKOCOO UNCLAS

THE COURSE OF THREE DAYS, WAS THAT WHILE IT LOOKED PERFECTLY SPONTANEOUS IT WAS, IN FACT ORGANIZED WITH ALL THE PRECISION OF A MILITARY MARCHPAST.

A PARTIAL LIST OF THE DELEGATIONS THAT THE MINISTERS TALKED TO OVER THE THREE DAYS GIVES AN IDEA OF THE SCOPE OF THEIR LOBBYING EFFORT-BRIT, CHILE, MEXICO, NORWAY, UNITED STATES, JAPAN, ICELAND, TANZANIA, DENMARK, CHINA, BULGARIA, AUSTRALIA, SOVIET UNION, INDIA.

THE MEETING WITH THE SOVIETS, A PARTICULARLY LONG ONE, TOOK PLACE ON WEDNESDAY MORNING IN A CLUSTER OF LOW-SLUNG LEATHER CHAIRS GROUPED AROUND A GLASS-TOPPED COFFEE TABLE ON THE THIRD LEVEL OF THE PALAIS DES NATIONS. THE PRINCIPALS WERE MR LEBLANC, MR BASFORD, MR BEESLEY, ALEKSEI A VOLKOV, THE SOVIETS VICE-MINISTER OF FISHERIES, ANOTHER RUSSIAN WHO IS A NAVAL EXPERT, AND AN INTERPRETER. HERE, AS RECONSTRUCTED LATER, IS AN OUTLINE OF WHAT WAS SAID ABOUT FISHERIES.

MR LEBLANC RAISED THE ISSUE OF THE MASSIVE SOVIET FISHING OPERATION (AROUND 100 TRAWLERS) IN THE ATLANTIC OUTSIDE CANADIAN TERRITORIAL WATERS. HE ASKED MR VOLKOV WHAT POSITION THE SOVIETS PLAN TO TAKE ON THE DRAFT TREATY ARTICLES PREPARED BY THE EVERSEN GROUP, MENTIONED IN EARLIER COLUMNS, WHICH WOULD GIVE THE COASTAL STATES (IN THIS CASE, CANADA) NEW POWERS TO CONTROL FISHING 200 MILES OFFSHORE. MR VOLKOV'S REPLY WAS ENCOURAGING. HE SAID HE

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PAGE THREE UNVOCCC UNCLAS

FELT THE EVERSEN ARTICLES COULD FORM THE BASIS FOR NEGOTIATIONS.

MR LEEBLANC STRESSED THE SERIOUSNESS OF DWINDLING FISH STOCKS AND SAID HE PLANS TO RAISE THE MATTER WHEN THE INTERNATIONAL COMMISSION FOR NORTHWEST ATLANTIC FISHERIES(ICNAF)MEETS IN HALIFAX NEXT MONTH(CANADA WILL SEEK A 40 PER CENT REDUCTION IN CATCHES).ALTHOUGH MR VOLKOV DID NOT/NOT COMMIT HIMSELF ON THE ICNAF NEGOTIATIONS,HE COMMENTED APPROVINGLY ON CANADAS EFFORTS TO CONSERVE STOCKS-(QUOTE SO THAT YOUR CHILDREN AND MY CHILDREN AND YOUR GRANDCHILDREN AND MY GRANDCHILDREN CAN CONTINUE TO EAT FISH UNQUOTE.

MR LEEBLANC REPLIED BY SAYING THAT IF OVER-FISHING CONTINUES, QUOTE OUR GRANDCHILDREN WILL NEVER BECOME OVERWEIGHT UNQUOTE.HE MADE THE POINT THAT,FOR CANADA,THIS IS NOT/NOT JUST AN ECONOMIC ISSUE.MORE IMPORTANT IS THE SOCIAL DISLOCATION OF FISHING COMMUNITIES.THESE PEOPLE,MR LEEBLANC SAID,ARE FORCED TO MOVE TO THE CITIES-(QUOTE THEY BECOME MIGRANTS IN THEIR OWN COUNTRY UNQUOTE.

MR VOLKOV REMINDED MR LEEBLANC THAT THE SOVIET UNION AND CANADA HAD BEEN ABLE TO COME TO AN UNDERSTANDING ON SOME FISHERIES QUESTIONS,NOT NOTABLY HADDOCK FISHING OFF NOVASCOOTIA.THE RUSSIAN ALSO SAID HE CONSIDERED ICNAF TO BE A QUOTE USEFUL UNQUOTE FORUM FOR DEALING WITH REGIONAL PROBLEMS.

THERE WAS A SMALL DIPLOMATIC TRAP HERE.THE SOVIETS PREFER TO

PAGE FOUR UNK0000 UNCLAS

DEAL WITH FISHERIES DEPUTIES THROUGH BILATERAL OR REGIONAL NEGOTIATIONS, RATHER THAN THROUGH A BINDING INTERNATIONAL TREATY. MR LEBLANC SPOTTED THE TRAP. HE REPLIED THAT CANADA DOES NOT/NOT CONSIDER BILATERAL OR REGIONAL DISCUSSIONS TO BE A SUBSTITUTE FOR A GLOBAL TREATY.

NOTHING MOMENTOUS TRANSPIRED AT THE INFORMAL MEETING, BUT THE PRESENCE OF THE TWO MINISTERS LENT A LITTLE EXTRA AUTHORITY TO THE CANADIAN CASE.

AS THE SOVIETS MOVED AWAY FROM THE CHAIRS, A GROUP FROM INDIA MOVED IN FOR A CHAT WITH THE CANADIAN MINISTERS. AND NOW THAT MR LEBLANC AND MR BASFORD HAVE LEFT GENEVA, DOUGLAS MCCASHIN IS GETTING READY TO WARM CHAIRS FOR EXTERNAL AFFAIRS MINISTER ALLAN MACEACHEN WHO ARRIVES NEXT WEEK.

UNQUOTE.

END/258 021613Z 00600

*Mr. Boardman
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Mr. Tele. Room
Miss Holmes
Miss Gandy*

UNCLASSIFIED

FM EXTOIT FLO0531 MAY875

TO LOGGENEV

--LOC:PRESS REPORTS

LATEST(MAY8)STEVENS ARTICLE IN GLOBE ENTITLED QUOTE REVENUE--SHARING INEVITABLE.UNQUOTE IN FOLLOWING PARA.CBC MORNING NEWS MAY 8 HAD BRIEF ITEM ON QUOTE CONFD FORMULA UNQUOTE NEGOTIATED BY CDA TO SOLVE PROBLEM OF CDN JURISDICTION OVER ARCTIC WATERS AND NW PASSAGE, BROADLY ACCEPTABLE TO USA AND USSR.IN RADIO-PRESS CONF,BEESLEY DISCUSSED FORMULA AND INDICATED CDA MIGHT WELL BE PREPARED TO LIFT ICJ RESERVATION ON IMPLEMENTATION OF CDN ARCTIC LEGISLATION.
2.YESTERDAYS COLUMN STARTED A DISCUSSION OF VARIOUS APPROACHES TO REVENUE-SHARING FOR THE SEABED RESOURCES OF THE CONTINENTAL MARGIN-THAT EXPANSE WHICH STRETCHES FROM A LINE 200 MILES OFFSHORE TO THE BEGINNING OF THE DEEP OCEAN FLOOR.
THE FOUR MAIN APPROACHES WERE NARROWED DOWN TO TWO IN THE PIECE YESTERDAY-THE PRODUCTION PAYMENTS PROPOSAL ADVANCED BY THE UNITED STATES AND THE PROFIT-SHARING APPROACH FAVORED BY,AMONG OTHERS,BRITAIN AND NEW ZEALAND.

AS EXPLAINED BY US OFFICIALS,A PORTION OF THE SELLING PRICE OF THE RESOURCE WOULD BE PAID INTO AN INTERNATIONAL FUND FOR THE BENEFIT OF THE DEVELOPING WORLD.TO ASSIST RECOVERY OF THE HIGH COSTS OF OFFSHORE EXPLOITATION,NO/NO ROYALTY WOULD BE PAID FOR THE FIRST FIVE YEARS OF PRODUCTION.STARTING IN THE SIXTH YEAR,

PAGE TWO FLO0531 UNCLAS

A ROYALTY (IN THE CASE OF OIL AND GAS) OF 1 PER CENT OF THE WELL-HEAD PRICE WOULD BE PAID INTO THE FUND. THE ROYALTY WOULD RISE BY 1 PERCENTAGE POINT PER YEAR UNTIL IT REACHED A CEILING OF 5 PER CENT IN THE TENTH YEAR. IN OTHER WORDS, IF THE WELL-HEAD PRICE WERE DOLLARS 12 A BARREL, THE DEVELOPING COUNTRIES WOULD COLLECT 12 CENTS PER BARREL IN THE SIXTH YEAR, RISING TO 60 CENTS IN THE TENTH AND SUBSEQUENT YEARS.

THE TWO MAIN ATTRACTIVE ASPECTS OF THE US PROPOSAL ARE EASE OF ACCOUNTING (THERE WOULD BE NO NEED TO TRY TO DEFINE QUOTE PROFIT UNQUOTE IN A WAY THAT FREE ENTERPRISES, COMMUNISTS AND EVERYONE ELSE COULD ACCEPT) AND GUARANTEED RETURN (EVEN IF THE BOTTOM FELL OUT OF THE WORLD MARKET, THE INTERNATIONAL FUND WOULD COLLECT ITS PREDETERMINED SHARE). THE DRAWBACKS ARE THREEFOLD. FIRST, THE FIVE-YEAR DELAY IN STARTING PAYMENTS. SECOND, THE ROYALTY FIGURES WHICH, POLITICALLY SPEAKING, LOOK VERY LOW. THIRD, THE DANGER THAT, IF DEVELOPMENT COSTS WERE TOO HIGH OR THE WORLD PRICE TOO LOW, THE COUNTRIES CLAIMING OWNERSHIP OF THE RESOURCES OF THE CONTINENTAL MARGIN (THE UNITED STATES, CANADA AND SO ON) COULD LOSE A GREAT DEAL OF MONEY ON THE PRODUCTION PAYMENTS.

THERE ARE A NUMBER OF VARIATIONS ON PROFIT-SHARING. ESSENTIALLY, HOWEVER, IT MEANS THAT IF MINING OR DRILLING OPERATIONS ON THE MARGIN PROVED PROFITABLE, A NEGOTIATED PERCENTAGE OF THE PROFIT WOULD BE TURNED OVER TO THE INTERNATIONAL FUND. THE

...3

PAGE THREE FLOO531 UNCLAS

PERCENTAGE COULD START AT A FAIRLY LOW FIGURE AND INCREASE OVER TIME. IT COULD VARY BY THE TYPE, LOCATION AND RISK INVOLVED IN THE OPERATION. THE PROFIT-SHARING APPROACH HAS THE ADVANTAGE THAT THE COASTAL STATES WHOSE MARGINS WERE BEING DEVELOPED WOULD NOT/NOT RUN THE RISK OF LOSING MONEY.

THE BRITISH FEEL, BASED ON THEIR NORTH SEA EXPERIENCE, THAT THE ACCOUNTING PROBLEM CAN BE OVERCOME. BUT-AND THIS IS A SERIOUS DRAWBACK-THERE WOULD BE NO/NO GUARANTEED RETURN. IF THERE WERE NO/NO PROFIT, THERE WOULD BE NO SHARING.

SOME FORM OF REVENUE-SHARING SEEMS ABSOLUTELY INEVITABLE AND IT COULD TURN OUT TO BE A COMBINATION OF PRODUCTION PAYMENTS AND PROFIT-SHARING. THE DANGER IS THAT IF THE COASTAL STATES WHICH HAVE CONTINENTAL MARGINS DO NOT/NOT QUICKLY ACCEPT THE PRINCIPLE OF REVENUE-SHARING, AND IF THEY DO NOT/NOT AGREE ON A FORMULA THAT SEEMS EQUITABLE TO OTHER COUNTRIES, THEY MAY LOSE THEIR CLAIM TO OWNERSHIP OF THE RESOURCES OF THE MARGIN AND MAY HAVE TO SETTLE FOR NOTHING BEYOND THE PROPOSED 200-MILE ECONOMIC ZONE.

AMBASSADOR JOHN NORTON MOORE, THE VICE-CHAIRMAN OF THE US DELEGATION TO THE LAW OF THE SEA CONFERENCE, CARRIED THIS A STEP FURTHER IN AN INTERVIEW. HE WARNED THAT IF STATES WHICH ARE PRESSING CLAIMS TO OWNERSHIP OF THEIR CONTINENTAL MARGINS ALSO PRESS TOO HARD FOR JURISDICTION OVER SUCH THINGS AS NAVIGATION OFF THEIR COASTS AND MARINE SCIENTIFIC RESEARCH, THEY MAY CAUSE OTHER

...4

PAGE FOUR FLO0531 UNCLAS

STATES TO DECIDE IT WOULD BE BEST TO DRAW THE LINE AT 200 MILES AND LET IT GO AT THAT. GIVEN THE FACT THAT AMBASSADOR MOORE WAS SPEAKING TO A CANADIAN JOURNALIST, IT SEEMS REASONABLE TO INFER THERE WAS A MESSAGE FOR CANADA IN HIS WORDS.

FINALLY, IT MIGHT BE NOTED THAT REVENUE-SHARING IS NOT/NOT A NEW IDEA. BACK IN 1970, BOTH CANADA AND THE UNITED STATES WERE OFFERING TO SHARE WITH THE REST OF THE WORLD SEABED REVENUES IN THE WHOLE AREA FROM THE COASTLINE TO THE OUTER LIMIT OF THE CONTINENTAL MARGIN-NOT/NOT JUST IN THE AREA BETWEEN 200 MILES AND THE MARGIN. THESE OFFERS LAPSED WHEN AN INTERNATIONAL SEABED AGENCY WAS NOT/NOT ESTABLISHED.

THE POINT IS SIMPLY THAT THE REVENUE-SHARING PROPOSALS OF 1975 ARE NEITHER REVOLUTIONARY NOR EXCESSIVELY GENEROUS.

END/074 081929Z 00860

Aug 5

J.C.

ALAN BEESLEY
RON BAYNES

Re: THE LANDGRAB ISSUE

I have seen TIME with its repetition of the landgrab theme. I have two suggestions:

(a). Madame Sauve will, I think, be looking for guidance on what she should say at her press conference. She is also an articulate spokeswoman and a former journalist. As Environment Minister she would be a logical person to hammer home the verities about the needs of coastal states to have jurisdiction in order to protect the coastal environment and to conserve its resources (when LeBlanc comes in the same message can be transmitted with a Fisheries emphasis). Your comments to other reporters (the proportion of world population living in coastal states; the analogy with air travel, etc.) might very well be repeated by Sauve. I don't think that the picture of Canada as a tough bargainer is necessarily a liability in most of Canada, but a statement by Madame Sauve might help to bring our environmentalists in with some support. I am also working on a couple of speeches for the lady to be delivered within the next month and can ~~find~~ write the same thoughts into those

(b) The Geoff Stevens interview tomorrow is another good opportunity to counteract some of the misunderstanding ~~made~~ One ~~xxx~~ can never be sure what the final product will read like but I was very much impressed by your presentation to Vinocur and would like to have Geoff hear it.

(c) The fact that we won't finish in Geneva may be construed as total failure. An explanation of progress (relative to the start of Caracas) would fit well into both (a) and (b)6

MS

Oral Questions

Mr. Crouse: Mr. Speaker, I wish to thank the minister for his remarks in welcoming me back to the House from the conference. I would point out that at the conference the USSR—

Mr. Speaker: Order, please. If the hon. member has a supplementary question will he put it directly, please.

Mr. Crouse: Thank you, Mr. Speaker. In light of the strength of the negotiating teams of the USSR, the United States and other world powers at the conference, will the minister consider sending the Deputy Minister of External Affairs or a Deputy Minister of Fisheries or the Environment in order to equalize in strength the debating teams which other countries have placed in charge of their affairs at the conference?

Mr. MacEachen: Mr. Speaker, I would be happy to consider any worthwhile suggestion, but I am sure that my hon. friend would agree that the deputy head of our delegation, Ambassador Beasley, is one of the most competent personalities in the field of the law of the sea, and probably there is no other person at that level in the federal service of Canada with the same competence and experience. I have full confidence in his ability to represent Canada at the conference, but I will take into account the views of the hon. member in respect of any steps that can be taken to support his work.

* * *

AGRICULTURE

POTATOES—POSSIBILITY OF ALTERATIONS IN SUPPORT PAYMENT PROGRAM

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of Agriculture, but in his absence perhaps I might address it to the acting minister who might take it as notice, if he so wishes. Is the minister in a position to state what alterations, if any, are being made to the program of support payments to potato growers in the Atlantic provinces? I am especially concerned, as are the growers, about the limitation of two carloads per grower. I am also concerned about the situation in respect of the growers, especially certified seed growers, who have sold all of their potatoes before April 1.

• (1429)

Hon. Daniel J. MacDonald (Acting Minister of Agriculture): Mr. Speaker, the Minister of Agriculture today is meeting with the ministers of agriculture from all across Canada. The topic is the stabilization of agricultural prices. This meeting includes all the ministers of agriculture, with the exception of the minister from Newfoundland, who could not get here because of a snow storm. I should say it may be of interest to the hon. member to know that the Minister of Agriculture for Prince Edward Island appointed a man by the name of Mr. Faulkner to be the co-ordinator with the federal Department of Agriculture. I shall take the member's other question as notice.

[Mr. MacEachen.]

NATIONAL DEFENCE

TRANSFER OF PERSONNEL FROM WINNIPEG BASE—LOCATION OF AIR COMMAND HEADQUARTERS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. Over the past few months up to 125 servicemen have been transferred from the Canadian Forces base at Winnipeg to other bases in Canada. Is it the intention of the minister to reduce the Winnipeg base to a token force?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

Mr. McKenzie: Mr. Speaker, it is four months since the minister announced the new air command would be located in western Canada. Will the minister be placing the air command in Winnipeg to partially make up for the transfer of these 125 men which has had an adverse effect on the economy of Manitoba?

Mr. Richardson: Mr. Speaker, I have already advised the House that I will be receiving a recommendation from the chief of the defence staff and when I have that I will make an announcement.

* * *

LABOUR CONDITIONS

POSSIBILITY OF FURTHER GRAIN HANDLERS' STRIKE—GOVERNMENT POSITION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Minister of Labour. In view of the fact that it will be six months tomorrow since Bill C-12, the grain handlers strike bill, was passed by this House ordering grain handlers back to work, is the minister fully aware of the imminent possibility of a further grain handlers strike because neither the union nor management have signed an agreement pursuant to that order.

Hon. John C. Munro (Minister of Labour): No, I am not aware and I hope that can be avoided, Mr. Speaker.

REQUEST FOR EXPEDITING OF BAYDA COMMISSION REPORT

Mr. Ray Hnatyshyn (Saskatoon-Bigger): I have a supplementary question, Mr. Speaker. Before the Easter recess the minister corrected an answer he gave while I was in the House but the correction was made after I left the House. He said that the Bayda commission report would not be received until possibly this summer. In view of the unfortunate circumstances which have developed on the west coast again, will the minister and the government now take steps to give all the necessary assistance to this commission to ensure that the report and recommendation will come forward much before next summer and in fact within the next few weeks.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think the hon. member will appreciate that it is a very complex question Mr. Justice Bayda is looking into. This is the time frame he has set. We are giving him all the back-up he requests and are prepared to continue to do

April 1, 1975

Alan Beesley

Ron Baynes

Media Relations

1. Patrick Martin is in town covering the Conference for Globe and Mail according to my information. He will also accompany McEachen to Africa, returning here (I dont know whether this makes sense in light of the schedules but its what I have heard. Martin's coming wont affect Geoff Stevens' plans as far as I know
2. Robert Hutchison (Financial Post) has asked me to / have lunch with him tomorrow. I told him I wasn't a spokesman but would be glad to give him the standard kit and tell him about our modus operandi for press relations (how to get in touch with us , etc.) He still seemed interested. I then asked him if there was some particular area he was focussing on. He said yes there was -- the international Common Heritage seabed and the mineral resources thereof. He agreed that an interview with you would be indicated later but at this point wants to have lunch anyway. I imagine this is a preliminary reconnaissance to find the best field for further exploration (stories that is). I will also dig up some public info material on seabed mineral resources. His latest source is a 1971 document.

RR

Butler
to your file

Alan

Here, as requested is the Doyle collection.

Also, in separate envelopes, coverage from other writers, other agencies. Looked at this way it gives a different impression from that created by a tight focus on the Globe and Mail.

Keeping in mind that in Canada CP is the big gun; that Stevens is explicitly an OPINION writer and that we're getting, so far, favorable press from the biggest American wire service (AP), I really don't think we're giving our opponents much cause for comfort.

I do think we ought to continue to cultivate Doyle and Calamai - the former because he is a good productive reporter - has been filing (and more important getting it published) plenty; the latter because he knows what Doyle gets from us and anyway does a competent job once he gets on track.

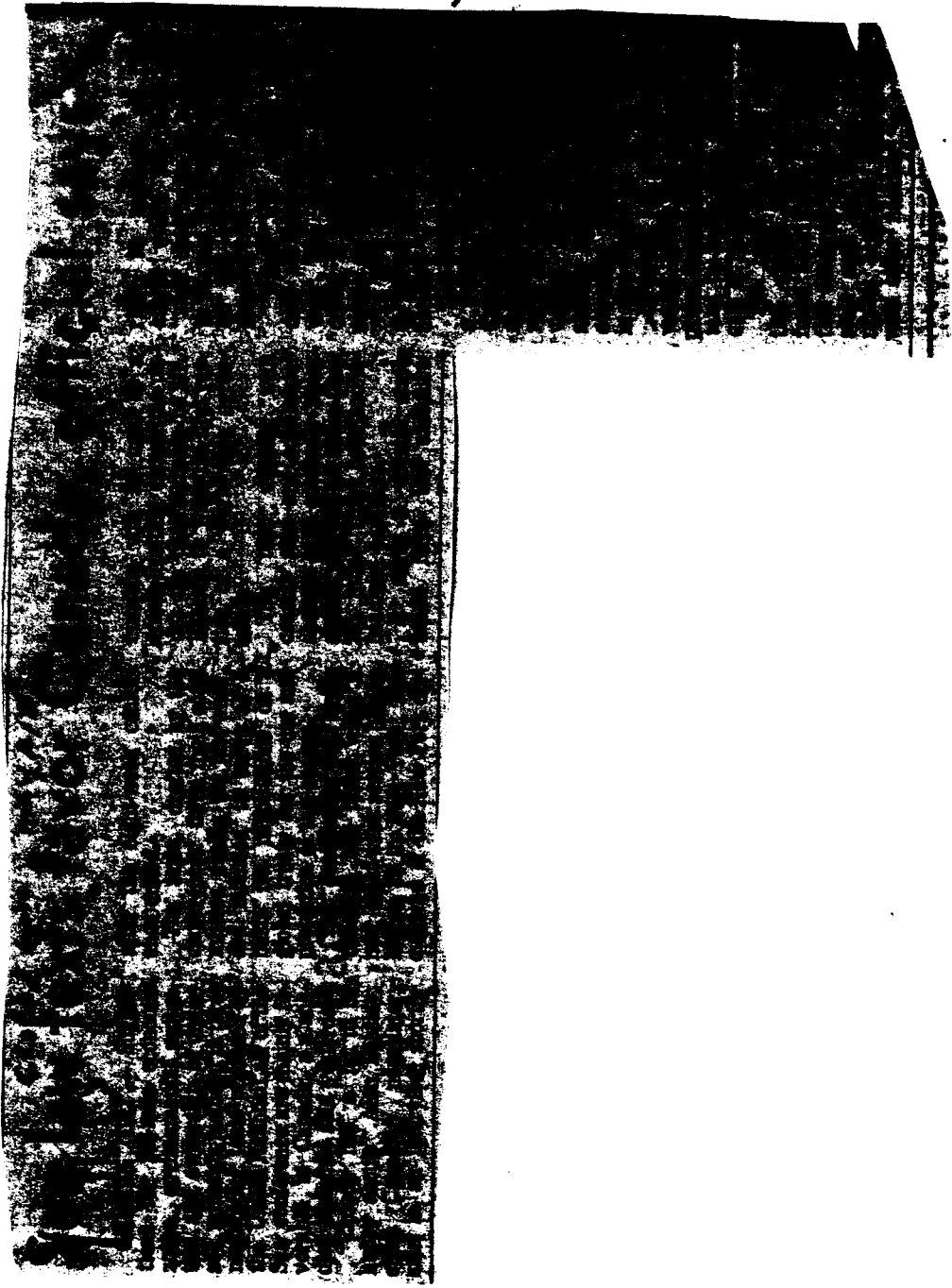
The results of our coasted press campaign should show, if at all, soon.

Tom B

LOS PRESS FILE

GLOBE AND MAIL

MAY 10, 1975



Page 4 is in confide!

CANADA, THE THIRD WORLD AND THE LAW OF THE SEA

John J. Logue*

It is a great pleasure and privilege to come back to Canada in order to give a second lecture on the Law of the Sea. It is a special pleasure to accept the invitation of the Society for International Development to speak on the subject of "Canada, the Third World and the Law of the Sea."

Since my last visit in February of 1974 I have spoken on the Law of the sea in eleven countries on four continents and last summer I had the honor of serving as chairman of the non-governmental observers at the Caracas session of the United Nations Conference on the Law of the Sea.

When I spoke at Queens University in February of last year I said I believed that the thousands of billions of dollars of ocean mineral wealth could and should provide "a trillion dollar opportunity" to promote Third World development, to promote peace and to promote ecological sanity. A year later I still believe that a substantial part of that wealth can and should be regarded as "the common heritage of mankind" and become a major force for the kind of economic and social progress which your society is devoted to.

You have asked me to comment on Canadian ocean policy and I have agreed to do so. I am afraid I am going to say some things that many Canadians may not like to hear. I can only plead - with Edmund Burke - that the best way I can demonstrate my admiration and affection for Canada - a nation which has made so many contributions to the cause of peace - is to tell you what I really feel. Let me stress that I speak only for myself. I am not and never have been a member of the U.S. delegation. Indeed in my own country the few people who know me - or know of me - know that I am a severe critic of U.S. ocean policy. I have criticized that policy in my book The Fate of the Oceans, in articles, in lectures, in testimony before Congressional committees and in public and private exchange with my country's ocean policy makers.

In my trip abroad to discuss the ocean question I was frank with my audiences just as I will try to be frank with you. Last May in the Norwegian Stortinget I told a group of parliamentarians that I thought Norway should share a substantial portion of the oil she claims as her exclusive property. In Caracas last August I told a press conference that I thought the nations at the Law of the Sea Conference were ignoring the vision of Simon Bolivar the Unifier who has I think, as much to teach as Simon Bolivar the Liberator who was, - and rightly so - praised so highly at Caracas.

In Britain's House of Commons last November I said I believed that Britain ought to contribute some of the revenues from North Sea oil to a world common heritage fund even though all - or almost all - of that oil is in waters less than 200 meters deep. In January of this year I told the Indian Society of International Law - and high government officials - that I hoped India, a poor nation blessed with a very long coastline, would help lead a movement away from the exclusive economic zone and help revive the common heritage. Needless to say such a policy would require some sacrifice on the part of India.

*Dr. Logue, Director of Villanova University's World Order Research Institute gave this talk on March 11, to Canada's Society for International Development. He gave shorter versions of the same lecture to a breakfast meeting of 25 Canadian parliamentarians in The House of Commons and to a seminar at Carleton University.

The central thing I want to say to you this evening is that I believe Canada is the most influential force for nationalism in the current negotiations for a law of the sea treaty. The basic message I want to leave with you is that I hope Canadians will take a closer look at their country's ocean policy and ask themselves whether this ocean nationalism is not a radical departure from Canada's great tradition of internationalism. And it is my hope that your Great Prime Minister will reexamine Canada's law of the sea policy and then direct it into channels which would more adequately reflect his own deep concern for peace, for justice and for Third World development.

What I want to say to you was said much better by a poet. The poet Eliot said somewhere - and surely it is one of the most cynical observations on record - that those is only one thing worse in life than not to realize your dreams - and that is to realize them! Fortunately what Eliot said is not always true. But sometimes it is true. Personally I feel that it is true of Canada's ocean policy.

For years now Canadian diplomats have been working for a new law of the sea, a law of the sea which would give coastal states the overwhelming share of ocean resources. That dream is almost a reality. The Law of the Sea Conference may soon agree that all of the twenty thousand billion dollars of oil and gas within 200 miles of coastal states belongs to these coastal states. And coastal states will probably get oil - or most of the fish off their shores. Should this happen, Canada can claim a large share of the credit - and, of course, an immense share of the wealth.

Your diplomats have helped persuade Third World states - that law of the sea policy which will bring great rewards to Canada, the second largest country in the world, a nation with tremendous wealth off its shores will, by some unexplained logic be wonderful policies for the Third World.

In fact these Canadian policies are helping to kill the idea of concept of the common heritage and with it the idea of a substantial world common heritage fund, the only mechanisms by which most Third World Countries can hope to get any meaningful share in ocean mineral wealth.

Somehow - but Canadian diplomats do not and cannot explain how - 200 miles exclusive economic zones (and exclusive economic zones which go far behind 200 miles) are good for all states, even landlocked states, shelf-locked states, steep shelf-states and short coastline states. Like Adam Smith's laissez-faire economic system this 200-mile EEZ must be taken on faith. It cannot stand close scrutiny. And so one hopes that Third World leaders will see the ideology of laissez-faire economics for what it is, a disguise for the interest of the "have classes, will see the arguments for the EEZ for what they are: a disguise for the interest of a few geographically fortunate states, many of them already very rich.

There were many obstacles in the way of achieving coastal states ownership of all the really valuable resources off their coasts, i.e. the ones within 200 miles of the shore. (I am not for the moment commenting on the special case of the few states with margins which go beyond 200 miles.)

Traditional international law held that the resources of the sea belonged to no one, were res nullius. But, especially since World War II, coastal states began to grab them, sometimes apologetically. And, as you know, President Truman's famous 1945 Continental Shelf Proclamation was one of the earliest and most influential of those grabs. Most states were a bit apologetic about their grabs. They justified them at considerable length, citing arguments legal, historical, zoological, moral and what have you. But Canada's special contribution, or so it seems to me, was not to argue in behalf of a particular example of unilateralism but to argue in favor of unilateralism itself. As Ambassador Bessley said in 1972: "We do not consider that either the unilateral approach or the unilateral approach should be allowed to predominate on the international scene."

And whenever a regional gathering of diplomats pushed a multilateral declaration of exclusive sovereignty over resources one could count on Canada to praise that declaration as "historic". Indeed perhaps one of you can tell me of an occasion when Canadian diplomats expressed regret at an extension of claims by coastal states. I do not know of one.

Eloquent spokesmen - such as Ambassador Pardo of Malta - argued that a common heritage approach to seabed resources could make a tremendous contribution to Third World Development. Indeed in this city last May - before the Commission on International Law of Year House of Commons - he said that he had been conservative - yes, I said, conservative, in his 1967 estimate that by 1975 ocean wealth could provide as much as 15 billion dollars a year for international community purposes. He said that his hope had been that the common heritage fund would begin only twelve miles out from shore.

What has Canada's response been to Dr. Pardo's call for retraining? A year ago in your House of Commons Mr. Jack Davis, your Minister of the Environment and Fisheries of Fisheries" celebrated Canadian unilateralism in an unusually frank speech. In this he said:

We are pushing our limits seaward, pushing them to the edge of the continental shelf, to the continental margin, to the margin including the slope. We are extending our resource base and adding to it by between one-quarter and one-third. We are adding immensely to the total area of land and sea for which Canada is responsible. Our area in acreage terms is being increased by forty percent over little more than a decade.

Said Mr. Davis:

This is a remarkable accomplishment. It is remarkable when one realizes that Canada in its land mass is the second largest country in the world. The extension of our area of responsibility by forty percent is a great achievement. Our continental shelf is immense. We have the world's biggest continental shelf. We are taking over these great resources, making them ours from the management point of view and, indeed, an ownership point of view, with very little effort and very little attention.

. . . Here is where the action is in terms of the extension of our boundaries; here is where we are increasing our resource base fantastically and in a remarkably short period of time.

Mr. David isn't only celebrating past seizures. He is heralding future ones.

When our limits are extended to the edge of the continental shelf we shall, physically and economically, be forty percent larger than we are now. . .

He goes on:

We must push out our limits, especially our resources and development limits, limits connected with fisheries, oil and gas. . .

It is not surprising that ocean nationalism has made Dr. Pardo a very disillusioned man. In the summer of 1973 he said that the common heritage would soon be limited to "a few fish and some seaweed." More recently he has described the struggle for ocean resources in the following way:

The situation now is like sharks smelling blood in the water; they go crazy, attacking the carcass, tear it to pieces - and kill each other; all at the same time. The states are trying to swallow the carcass of ocean space beyond national jurisdiction and, in the process, are very likely to inflict serious injury on themselves.

And, saddest of all, I believe that it is Canada's great and well-deserved reputation for internationalism that has made other states hesitate to understand that, to the Minister Jack Davis' own phrase: That Canada has "led the charge" in establishing the rights of coastal states.

Presumably Calamai
although I don't understand
lack of byline could also
be CP (balk). If doesn't
read like
Peter

PAGE FIVE ENVO000 UNCLAS

OTHER NATIONS, INCLUDING THE USA, WANT THE AUTHORITY TO HAVE LIMITED LICENCING POWERS AND TO BE GOVERNED BY AN ASSEMBLY BALANCING THE VOTES OF DEVELOPED AND DEVELOPING COUNTRIES.

~~OTTAWA~~, MAR 19: QUOTE CDN VIEW-SEA LAW MTG LIKENED TO UN IN IMPORTANCE UNQUOTE.

GENEV-ALAN BEESLEY, LEADER OF CDAS DEL TO THE INNAITL LAW OF THE SEA CONF, SAYS THE OUTCOME OF THIS AND SIMILAR MTGS MAY EVENTUALLY PROVE AS IMPORTANT FOR THE WORLD AS THE TALKS ESTABLISHING THE UN IN 1945.

QUOTE THE CONF WILL EITHER CONTRIBUTE TO PEACE AND SECURITY, UNQUOTE HE SAID IN AN INTERVIEW, QUOTE OR DO THE OPPOSITE UNQUOTE.

BEESLEY, 48-YEAR-OLD CDN AMBASSADOR TO AUSTRINADDED THAT TWO MAIN DANGERS FACE THE TALKS HERE.

THE FIRST IS THAT THE MORE THAN 140 STATES REPRESENTED WILL GROW IMPATIENT AND ATTEMPT TO FORCE THE ISSUES TO DIVISIVE VOTES BEFORE NEGOTIATION HAS BEEN GIVEN A FULL CHANCE TO PROMOTE GENERAL AGREEMENTS.

IN THIS CASE, MINORITY INTERESTS WOULD ALMOST CERTAINLY BE LOST, BEESLEY SAID. QUOTE AND IF VOTING IGNORES ANY ONE GROUP YOU ARE IN EFFECT LEGISLATING FOR FUTURE CONFLICT UNQUOTE.

HE STRESSED THAT VOTING IN ITSELF WAS NOT/NOT NECESSARILY DANGEROUS BUT IT WOULD BE PRODUCTIVE ONLY IF THE QUESTIONS INVOLVED HAD BEEN FULLY ARGUED OUT BEFOREHAND.

BEESLEY, GENERALLY REGARDED AS ONE OF THE MORE SKILFULL DIPLOMATS



VANCOUVER SUN

N.D.P. LEADERSHIP CONTESTANTS ROSEMARY BROWN AND ED BROADBENT
Formidable competition from an unexpected source.

but if elected, "I will get some weekends to spend with my family, listen to Bach or read novels."

The only problem with that pleasant and sensible arrangement is that Broadbent now has competition for the job, and the final decision will not be made by the party's brass, but by 1,500 or so voting delegates. Last week, Lorne Nyström, 28, the bright, gregarious M.P. for Yorkton-Melville, announced that he will run for the leadership. Former M.P. John Harney, who ran third at the last such convention in 1971, is expected to announce his candidacy soon. Neither is likely to win—Nyström because of his youth, Harney because he lost his seat in last July's election—but Broadbent could face more formidable competition from an unexpected source. She is Rosemary Brown, 44, a chic, articulate, Jamaican-born member of British Columbia's Legislative Assembly. She has been campaigning hard for the leadership for the past month, and is "taking the party by storm," in the words of one provincial leader. Brown promises a "strong campaign, based on a commitment to socialism, feminism, the preservation of our natural resources, the protection of our environment and for the rights of workers and all people." She says it with so much conviction that Broadbent may yet have to choose between his weekends and his job.

THE SEA

Defining the Limits

The ocean, declared the Dutch jurist Hugo Grotius, "is common to all, because it is so limitless that it cannot become the possession of anyone." That was nearly 400 years ago. Today, with the depletion of world fish stocks, the rush for many undersea minerals and a dawning sense of the fragility and finiteness of the marine environment, there is a growing desire to control and own the resources of the oceans. Since 1958,



CHARLES MITCHELL—CP

guys who come to a party with six socks. But after all, we are a very porous coastal state."

At the last meeting in Caracas in 1974, about the only points of agreement were that the laws of the sea are outdated and that unless they changed soon, there will be a series of unilateral "sea grabs." Most of the additional maritime powers—included Britain and the U.S.—adhere to three-mile territorial limits set out originally by the range of 18th century coastal batteries even though they favor a twelve-mile territorial limit. Several Latin American countries, including Mexico, Peru and Ecuador, have claimed jurisdiction within a 200-mile limit.

"Economic Zone." Canada, too, has taken several unilateral actions. In 1964, Ottawa established a nine-mile fishing zone beyond the territorial limit (The U.S. first protested the move, then followed suit.) Then, in 1970, Canada extended its territorial limits to twelve miles and set up 80,000 sq. mi. of exclusive fishing grounds, including the Gulf of St. Lawrence, the Bay of Fundy and Queen Charlotte Sound. After the U.S. tanker *S.S. Manihatan* navigated the Northwest Passage in 1969, Ottawa laid claim to jurisdiction—though not so eagerly—over arctic waters for 10 miles off the coast to protect the fragile environment of the north from potential foreign polluters.

Canada has won considerable support for that claim in Caracas and Geneva, in part because the Arctic is so highly vulnerable to ecological catastrophe, and partly because other nations—chiefly the Soviet Union—stand to benefit from any Canadian precedent. Canada is also supporting the wider

the nations of the world have intermittently been trying to write a new law of the sea. Last week in Geneva, the process seemed to be finally reaching a make-or-break point as more than 2,000 delegates from 137 countries argued and haggled over the central issues of the debate.

"Sea Grabs." For Canada, as much as for any nation, the outcome is crucial. Ottawa's 57-man delegation, operating on a lavish, \$1,000,000 budget, is attempting to make major territorial and jurisdictional claims beyond and around the world's longest coastline. This position is curiously at odds with Canada's usual internationalist stance on the world stage—a fact that little perturbs the delegates themselves. Says J. Alan Beesley, who doubles as ambassador in Vienna and Canada's law of the sea expert: "I know that we are still being regarded here as the upstarts, the

RALPH SHINE



AMBASSADOR J. ALAN BEESLEY AT THE LAW OF THE SEA CONFERENCE IN GENEVA

ship. Goal of a twelve-mile territorial limit and a 400-mile "economic zone" that would give coastal nations power over how offshore waters are fished and exploited for minerals.

What is really making waves in Geneva, however, is Canada's insistence that maritime nations have full economic control over their so-called continental margins, the slope that extends beyond the continental shelf to the ocean-floor plain. In Canada's case, this would for example stretch 640 miles into the Atlantic and would be the equivalent of about 40% of the country's land mass. "It is simply too much, too unilateral, too greedy," says one of the British delegates. Comments a Dutch specialist: "It makes a sham of the avowed purpose of this conference to share marine resources with the havemots." Although some 40 states support the proposal the chances of winning the necessary two-thirds majority support seem slim.

"New Urgency." Canada is also pushing for a ban on salmon fishing in international waters, claiming that a salmon spawned in Canadian waters remains Canadian wherever it may subsequently travel—and that as a result, harvesting should be under Ottawa's control. Says one senior Canadian official in Ottawa: "We've got to make a big noise about it, because it is vital to our interests and there is not much support for it." Apparently aiming to promote its cause, the Canadian delegation last week flew in 150 lbs. of smoked salmon and New Brunswick crab meat and threw a party that, even by Geneva standards, was of potlatch-like proportions.

Few, if any, delegations are willing to predict a successful outcome of what

may be a last attempt to codify a universal sea law. Beesley himself finds that the early part of the Geneva talks (the conference will last another five weeks) has not been particularly discouraging.

"The harsh polemics of the previous meetings have turned into genuine negotiations," he says. "In the dozens of committees, working groups and informal talks, there is a new sense of urgency." The problem is that the whole conference could founder on an issue such as the free passage of ships through straits narrower than 24 miles—especially since a one-third vote can block any major measure. But so far, says Beesley, "the votes have not been pressed, and that's why I remain relatively optimistic."

FINANCE

Power Play

Since he took over as chairman in 1968, Montreal Financier Paul Desmarais has aggressively built Power Corp., once a Quebec hydroelectric power supplier, into the largest investor-owned industrial holding company in the country, with assets estimated at some \$500 million. The second-ranking industrial holding company is Toronto's Argus Corp. Ltd., which was set up in 1945 by a group led by Beer Tycoon E. P. Taylor and today is reckoned to be worth around \$200 million. Last week in a daring move that startled most businessmen and puzzled some, Desmarais' Power Corp. announced that it would attempt to take over Argus—and immediately ran into a solid wall of resistance thrown up by the older firm's controlling interests.

CANADIAN FORCES



CANADIAN FORCES HELICOPTER SURVEYING RUSSIAN FISHING VESSEL

CANADA

If successful, the takeover could bring about a concentration of wealth and financial clout unprecedented among Canadian holding firms. Under the leadership of President John A. ("Bud") McDougald, Argus is a profitable but cautious giant that specializes in holding relatively small but significant interests in a select number of blue-chip firms. Among Argus' major holdings: a 23.6% interest in Dominion Stores Ltd., Canada's largest supermarket chain; 16.9% of Domtar Ltd., the country's biggest diversified maker of packaging and construction materials; 21.2% of Hollinger Mines Ltd., which in turn has a controlling interest in Noranda Mines Ltd.; 15.6% of Missey-Ferguson Ltd., one of the world's major farm machinery manufacturers; and 47.7% of Standard Broadcasting Corp. Ltd., which operates Toronto's CFRB radio and Montreal's CHAD.

Unlike Argus, Power Corp. customarily goes after outright majority control of firms covering a far more diversified front. Power Corp.'s main operating subsidiary is Canada Steamship Lines, Ltd., which it wholly owns. Power Corp.'s portfolio also includes a 37% interest in the forest products firm of Consolidated-Bathurst Ltd., which also controls Dominion Glass Co. Ltd., 56.5% of Winnipeg's Investors Group whose subsidiaries include The Great-West Life Assurance Co. and the Montreal Trust Co., 51.2% of Toronto's Imperial Life Assurance Co. of Canada and 53.1% interest in Vancouver's Laurentide Financial Corp. Ltd. Through another firm, Gesca Ltée, Desmarais also owns or controls Montreal's *La Presse*, *Montréal-Matin* and three other Quebec dailies. With extensive business interests in Quebec, Manitoba and British Columbia, notes a Power Corp. official, "there's a big hole in the middle—in Ontario—and that's where Argus has its strength."

Serious Obstacle. Power Corp. prepared its offer in secret—"the stock market didn't get a whiff until we were ready," says one executive, and then, after Desmarais personally met McDougald to tell him about the bid, announced its intentions. This week the company planned to mail out offers to 1,517,252 holders of Argus common stock (a Power Corp. subsidiary already owns 175,484 shares, a 10.3% interest). Power will offer \$22 each for the shares, which closed out the week on the Toronto Stock Exchange at 19½, up from 15¼ before the takeover attempt was announced—an indication of the market's strong interest in Power Corp.'s offer. Power Corp. also will offer \$17 for each of the 6,770,944 class C, nonvoting Argus shares that ended the week at 14½, up from 12½ before the announcement. The total cost, if Power Corp. succeeds in buying all the outstanding shares