

...the cost could be even greater. That would be the end of a project that could put Canada in the lead in an

clause to break the agreement for world prices.

It was an action that could cost Canada Alsands and the Cold Lake plant.

inces already afraid that Ottawa will act unilaterally to change the British North America Act. We cannot detect anything in the commercials that presses for

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# What dispute?

BY GEOFFREY STEVENS

GENEVA

In politics, there is an old axiom that if you repeat something often enough, no matter how outrageous it may be, it will come to be accepted as fact.

It's like that in Geneva at the United Nations Law of the Sea Conference. In actual fact, there exists serious dispute between Canada and the United States over a production control system to regulate the amount of nickel, copper, cobalt and manganese to be mined from the international deep seabed — the intent being to protect land-based mineral producers (Canada prominently among them).

In perceived fact, in Geneva, however, there is no dispute. The Americans, in effect, are saying: what dispute? Once the production formula supported by the United States was properly understood by the Canadians, the problem went away. Or, as the American negotiator, Elliot Richardson, puts it: "It seems generally agreed at this stage that the formula should remain."

At a working luncheon last Friday, Mr. Richardson suggested that the Canadian negotiator, Alan Beesley, has been so successful in advancing the interests of the Canadian nickel industry that a monument in Mr. Beesley's honor ought to be erected in Sudbury.

If, however, Ottawa's projections as to the probable effect of the formula on land-based mining are correct, Mr. Beesley is more likely to be hung in effigy than raised on a pedestal in Sudbury (or Thompson, Man.).

The formula, which was written into the draft treaty earlier this year, is immensely complicated. The idea is to make seabed mining viable as quickly as possible, then to control its output so that the market for land-based mining is not destroyed.

To permit a fast start-up,

of nickel for five years would be allocated to the seabed sector at the outset. After that, the growth would be divided 60 per cent to the seabed and 40 per cent to land-based producers. But — and here's the hook — as a special protection for seabed miners, the growth rate would be deemed to be not less than 3 per cent annually, even if the actual growth was less (or non-existent).

The Canadians say the combination of the fast start-up and the 3 per cent floor could mean a progressively smaller market for land-based producers. The Americans say this couldn't happen.

It appears as though the United States will have its way because the mineral consumers have more clout than the mineral producers. The U.S. is supported by the Soviet Union, the members of the European Economic Community and Japan, among others. The only developed country supporting Canada is Australia.

The Canadian case for tough production controls has been undermined by a foolish letter that the mining association of Canada wrote to External Affairs Minister Mark MacGuigan last month. In it, the association, taking a strong free-enterprise stance, argued against any controls at all. A copy of the letter fell into the hands of the American delegation and is being distributed clandestinely.

The mood is getting unpleasant. Canadians use such words as "underhanded" and "shady" to describe U.S. tactics. Someone is spreading the allegation Canada is manipulating African delegations. Mr. Beesley denies it. If the U.S. wins the dispute, he says, the greatest victims will be the mineral-producing countries of the third world — "You can't compensate a country for the mines that don't open, for the development that doesn't come."

## Who is subsidized?

Having just read your editorial on Cityhome (Putting Their Houses in Order — Aug. 13) I wonder at the philosophy apparent in the implication that those you call the "fairly well-heeled" are purloining the public purse.

I am one of those who earn "between \$19,000 and \$30,000," and do not consider myself "fairly well-heeled" but simply part of the vast middle class which pays and pays and pays, more than any other income group, for the incredible number of services and subsidies that our various government officials are only too eager to offer.

I am a tenant in the St. Lawrence housing project and pay \$490 a month for the type of accommodation for which the "poor" in the project pay \$150. Who, may I ask, is doing the subsidizing here?

Jean Glushik  
Toronto

## Alsands project

As head of the Alsands consortium, I would like to reply to a letter to The Globe and Mail (Figures Distort Oil Picture — July 31) by Ontario Treasurer Frank Miller regarding the benefits of megaproject development accruing to Ontario.

The essential issue, it seems to me, is that regardless of the economic formulas employed for measurement, Ontario stands to be a major benefactor of energy development in Alberta as compared to importing equivalent quantities of oil from abroad.

Just how large these benefits may be remains an inexact science. The Canadian Petroleum Association's use of a multiplier of \$3.40 in economic gain for every new dollar invested in energy in Alberta stems directly from Statistics Canada data. These data measured gross direct and indirect economic activity. We readily point out that as Alberta industrializes, more of this benefit will remain there instead of flowing through to Ontario and other provinces to the extent it did in the past. Nevertheless, and irrespective of specific multipliers, I think we can demonstrate that Ontario would benefit directly from the Alsands tar sands project by at least \$1.5-billion. Since two projects are at the approval stage and a third one has been proposed, the benefit to Ontario should be at least \$4.5-billion.

Mr. Miller said that these benefits may be more than offset if they are only obtained at the cost of raising energy prices since higher energy prices produce losses to the economy in terms of inflation, unemployment

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JEAN HO

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Letters will not be considered for publi

AUGUST 21/80

THURSDAY

G & M

# Sea pact may trip over poor countries

OTTAWA (CP) — The great powers may be getting so much out of the worldwide Law of the Sea conference that many countries would refuse to ratify the final agreement, a potentially disastrous development, says Alan Beesley, Canadian ambassador to the conference.

Beesley told a United Nations Association of Canada meeting Friday he feared that the sea law treaty "won't be ratified or

it won't be widely ratified" because poor countries felt it favored the big powers too much.

Later, he told reporters that a global treaty on the use of the world's oceans would give the sponsoring United Nations a "shot-in-the-arm" and would promote world peace.

But failure to reach agreement after years of effort would create widespread disillusionment and instability, Beesley said. Disputes over boundaries, seabed minerals and fisheries would multiply.

He said he thought a decision by many countries to refuse ratification "would be disastrous."

"I don't think it will happen, but I'm worried it will happen," Beesley said.

Beesley, who is ambassador to Argentina, will also be Canada's chief negotiator at the conference which it reaches in New York. The New York meeting will attempt to finish last year's and work out a final draft of the treaty.

"Seen from the point of view of the developing countries, they feel they aren't getting a square deal on transfers of technology," he said.

They also objected to the revenue-sharing plan for a proposed international enterprise that would mine the seabed for nickel and other minerals.

Canada objects to the current formula for seabed mining, which Ottawa feels could work against land-

based nickel mining interests in this country, particularly when world markets are depressed.

Beesley said the conference is close to agreement but it "could still come unstuck."

There were disputes over how to draw boundaries and battles over seabed mining rights to be resolved.

Developing countries stand to gain a great deal from the sea law treaty, he said.

"The conference has promoted a massive transfer of resources," he said, referring to possible economic gains for poor countries.

The conference was a major step on the way to the Law of the Sea Convention, which would be developed in 1982.

The conference will also discuss the transfer of technology to the members of rich states and third world for a value in world banking institutions.

NIMITZ.

Two F-14s from the Nimitz engaged a pair of Libyan Su-22s over waters inside the Bay of Sidra and shot them down with Sidewinder heat-seeking missiles Aug. 19.

The United States says the attack was provoked because one of the Soviet-supplied Libyan fighters fired off a heat-seeking missile that the F-14s easily ducked.

The area of the incident is about 60 nautical miles from the Libyan coast in the bay, claimed by Libya as its internal waters.

The whole U.S. 6th Fleet military exercise involving the flagship Nimitz was aimed at testing international waters for missile firing despite a halt in Reagan ties against the Libyan government which led to a break in diplomatic relations.

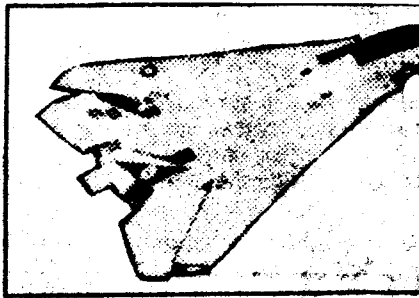
tensive capability, the Nimitz is not invulnerable to such attack.

This reporter can still vividly recall the sight of the U.S. aircraft carrier Franklin after it was hit by a Japanese suicide Kamokaze pilot in the spring of 1945 during the battle of Okinawa in the Second World War.

The Franklin was a mass of twisted steel with virtually every gun turret blown off. It barely remained afloat.

Former president Jimmy Carter twice ducked sending the 6th Fleet into the Bay of Sidra for manoeuvres, fearing an incident might happen. Reagan said he reversed the ban — leaving the bay as fair game for U.S. naval ships.

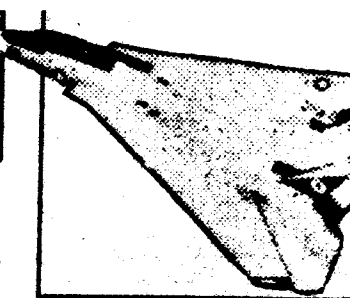
In 1973, the Libyan government proclaimed a 12-mile territorial sea and demarcated the line all across the mouth of the Bay of Sidra. It said it would extend the gulf up to 22



LIBYA

Air Clash

EGYPT



can be enclosed by a 24-mile line from shore to shore. The gulf is 273 nautical miles wide. Thus a 24-mile limit would enclose only a small part of it.

The convention became part of the proposed draft Law of the Sea treaty, an exercise that has been going on for more than 20 years in the UN with no end in sight.

Work on the draft was about 90 per cent complete before the Reagan administration began stalling final approval at the UN last spring and currently is doing the same at Geneva. Canadian Ambassador Alan Boesley, chairman of the drafting group, has warned many times that without an international regime of the sea law authority will prevail on the ocean commons.

There is ample evidence this already has happened.

Large parts of the oceans have been

chopped up into 12-mile territorial seas, 24-mile contiguous zones, 200-mile exclusive economic zones and definitions of the continental shelf that go out to 350 nautical miles and as deep as 2,500 metres.

Of the 120 coastal states, 80 have 200-mile zones.

A strange paradox in the Reagan administration's opposition to the treaty, mainly to its deep sea-mining regime, is that the Pentagon always has been a staunch supporter.

The treaty's main objective is that

● any act of propaganda affecting the defence or security of a coastal state;

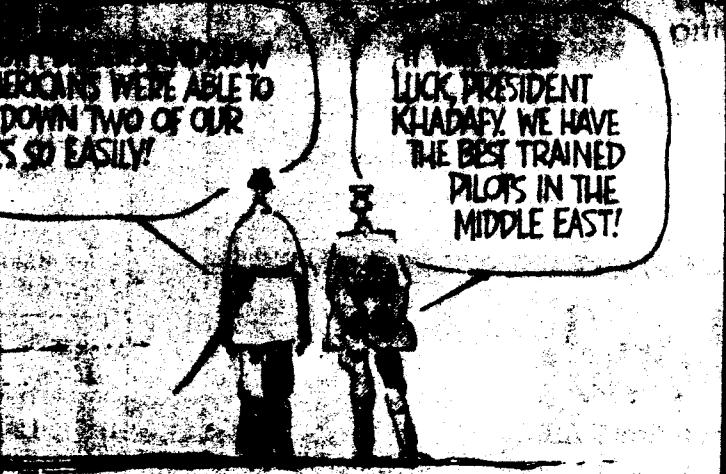
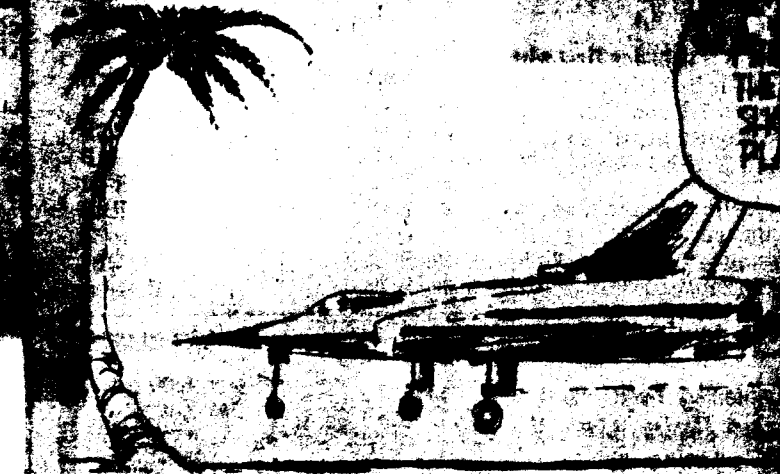
● the launching, landing or presence of any aircraft; and

● the launching, landing or presence of any military device.

Canadian Press

# Firm stand welcomed

James R. Schlesinger



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Need for a Law of the Sea treaty has never been greater

# Anarchy on the ocean commons

Al Colletti

The Gulf of Sidra incident between U.S. and Libyan fighter planes is a dangerous example of what can happen over disputed territorial waters without a regime to govern the seas.

The muscle-flexing of the United States military in maintaining the right of innocent passage in waters they consider international is one thing.

But lost in the bravura commentary of the Pentagon and President Reagan is the fact that the shooting down of Libyan planes controlled by an erratic radical Moslem regime could have led to a threat to the U.S. aircraft carrier Nimitz.

Two F-14s from the Nimitz engaged a pair of Libyan Su-22s over waters inside the Bay of Sidra and shot them down with Sidewinder heat-seeking missiles Aug. 19.

The United States says the attack was provoked because one of the Soviet-supplied Libyan fighters fired off a heat-seeking missile that the F-14s easily ducked.

The area of the incident is about 60 nautical miles from the Libyan coast in the bay, claimed by Libya as its internal waters.

The whole U.S. 6th Fleet military exercise involving the flagship Nimitz was aimed at testing international waters for missile-firing despite a built-in Reagan bias against the Libyan government which led to a break in diplomatic relations.

But what would have happened if the Libyans, in their anger, sent a suicide air squad to attack the Nimitz — a nuclear-powered carrier presumably carrying nuclear weapons?

Even with all its weaponry and defensive capability, the Nimitz is not invulnerable to such attack.

This reporter can still vividly recall the sight of the U.S. aircraft carrier Franklin after it was hit by a Japanese suicide Kamokaze pilot in the spring of 1945 during the battle of Okinawa in the Second World War.

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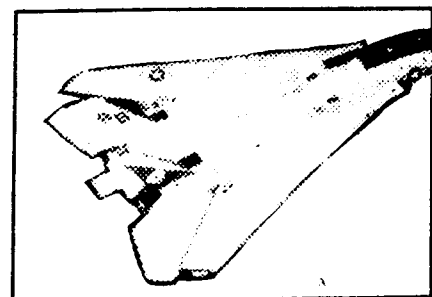
In 1973, the Libyan government proclaimed a 12-mile territorial sea and demarcated the line all across the mouth of the Bay of Sidra. It said it considered all of the gulf up to 32

degrees 20 minutes North Latitude to be part of its internal waters.

The United States told Libya in 1974 the claim was illegal under international law, citing the 1958 United Nations convention on the territorial sea and the contiguous zone. The United States acceded to the convention in 1964.

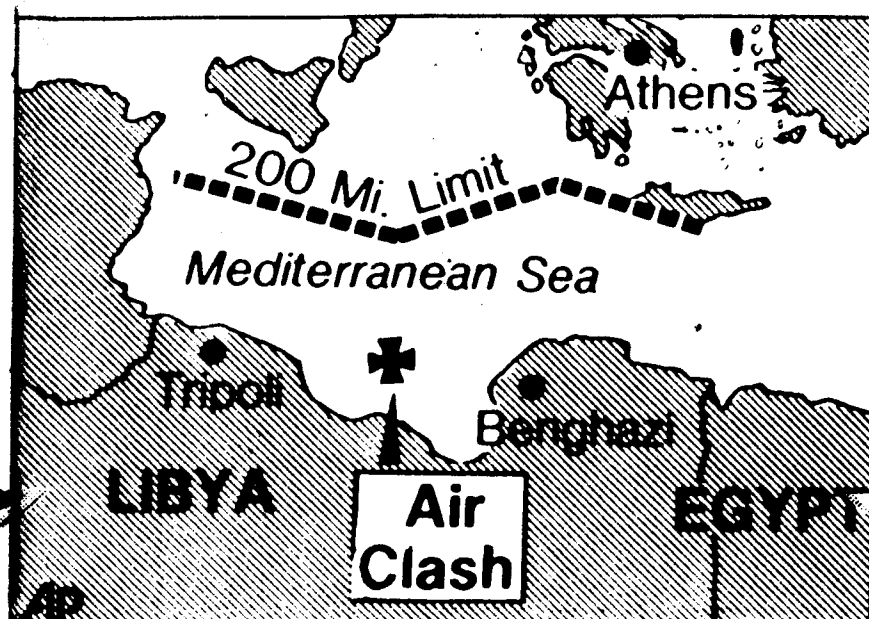
The 1958 convention allowed states to extend their internal waters to entire coastal embayments that are less than 24 nautical miles wide between the low-water marks at natural entrance points.

Where the bay is wider, only a part



can be enclosed by a 24-mile line from shore to shore. The gulf is 275 nautical miles wide. Thus a 24-mile limit would enclose only a small part of it.

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chopped up into 12-mile territorial seas, 24-mile contiguous zones, 200-mile exclusive economic zones and definitions of the continental shelf that go out to 350 nautical miles and as deep as 2,500 metres.

Of the 120 coastal states, 89 have 200-mile zones.

A strange paradox in the Reagan administration's opposition to the treaty, mainly to its deep sea-mining regime, is that the Pentagon always has been a staunch supporter.

The treaty includes articles that

guarantee all states, whether coastal or landlocked, the right of innocent passage through 12-mile territorial seas — and 24-mile contiguous zones.

Article 19 says passage is innocent as long as it is not prejudicial to the peace, good order or security of the coastal state.

But it would be considered prejudicial in the territorial sea if a foreign ship engages in such activities as:

- Any exercises or practice with weapons of any kind;
- any act aimed at collecting information to the prejudice of the defence or security of the coastal state;

- any act of propaganda aimed at affecting the defence or security of the coastal state;

- the launching, landing or taking on board of any aircraft; and

- the launching, landing or taking on board of any military device.

Canadian Press

## Firm stand welcomed

James R. Schlesinger



I STILL DON'T UNDERSTAND HOW THE AMERICANS WERE ABLE TO SHOT DOWN TWO OF OUR PLANES SO EASILY!

IT WAS SHEER LUCK, PRESIDENT KHADAFY. WE HAVE THE BEST TRAINED PILOTS IN THE MIDDLE EAST!

