

*Subject*

*cc master ops*

*Regr*

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL NO. T130A/C3

CONFIDENTIAL

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*14/9*

OO BONN  
GRS 482  
CONFIDENTIAL  
FM FCO 131454Z SEPT 83  
TO IMMEDIATE BONN  
TELEGRAM NUMBER 459 OF 13 SEPTEMBER  
INFO PRIORITY KINGSTON, WASHINGTON, ROME, BRUSSELS, LUXEMBOURG  
MIPT: UNLOSC CONVENTION: FRG

1. FOLLOWING IS TEXT OF MESSAGE REFERRED TO IN MIPT  
BEGINS:

I AM WRITING TO YOU ABOUT THE UNITED NATIONS LAW OF THE SEA CONVENTION AS I UNDERSTAND THAT YOU AND YOUR COLLEAGUES MAY AT SOME TIME IN THE NEAR FUTURE BE GIVING CONSIDERATION TO THE POSSIBILITY OF SIGNATURE.

I KNOW THAT YOU ARE ALREADY AWARE OF THE BASIC ARGUMENTS AGAINST SIGNATURE OF THE CONVENTION AS IT STANDS AT PRESENT. ITS PROVISIONS RELATING TO DEEP SEABED MINING SET UNSATISFACTORY PRECEDENTS FOR COMPULSORY TRANSFER TO TECHNOLOGY AND LIMITATION OF PRODUCTION. THE STRUCTURE PROPOSED FOR THE INTERNATIONAL SEABED AUTHORITY IS DISPROPORTIONATELY ELABORATE FOR THE NATURE AND NUMBER OF OPERATIONS IT WOULD OVERSEE AND WOULD REQUIRE UNACCEPTABLY HIGH FINANCIAL CONTRIBUTIONS FROM STATES. FURTHERMORE, THE POWERS OF THE AUTHORITY GO BEYOND WHAT IS NEEDED FOR AN EFFICIENT LICENSING BODY AND WOULD IMPOSE UNDESIRABLE FEATURES OF CENTRAL PLANNING. THE EXCESSIVE FEES CHARGED BY THE AUTHORITY AND THE OBLIGATIONS FOR COMPULSORY TRANSFER OF TECHNOLOGY WOULD CONSTITUTE AN UNACCEPTABLE BURDEN ON THE MINING COMPANIES. THESE FACTORS AND THE GENERAL UNCERTAINTY ABOUT HOW THE REGIME WOULD FUNCTION IN PRACTICE WOULD DISCOURAGE PRIVATE ENTERPRISE FROM INVESTING IN THIS EXPENSIVE AND NEW AREA OF DEVELOPMENT. NEITHER THE

INDUSTRIALISED NOR THE DEVELOPING COUNTRIES WOULD BE ABLE TO BENEFIT FROM THE POTENTIAL OFFERED BY THE DEEP SEABED. INDEED, WE MAY WELL FIND, WHEN THE AUTHORITY IS SET UP, THAT A MAJORITY OF ITS MEMBERS ARE HOSTILE TO PRIVATE ENTERPRISE.

THE ARGUMENT IS SOMETIMES MADE THAT WESTERN COUNTRIES



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COULD ADVANCE THEIR VIEWS ON THE CONVENTION MORE EFFECTIVELY AFTER SIGNATURE. HOWEVER, WHILE WE CONTINUE STRONGLY TO DEFEND THE RIGHT OF OBSERVERS TO PARTICIPATE FULLY IN THE PREPARATORY COMMISSION, WE BELIEVE THAT IN THE LONG TERM MORE ACCOUNT WILL BE TAKEN OF OUR OBJECTIONS IF WE MAINTAIN OUR NON-SIGNATORY STATUS FOR THE TIME BEING. MOREOVER, THERE ARE SOME DEFECTS WHICH CANNOT BE REMEDIED BY THE COMMISSION, HOWEVER WELL IT WORKS. BUT MY FUNDAMENTAL CONCERN REMAINS THAT SIGNATURE BY THE FEDERAL REPUBLIC OF GERMANY, FAR FROM ENCOURAGING IMPROVEMENTS IN THE CONVENTION, WOULD BE TAKEN AS AN INDICATION THAT THE INDUSTRIALISED COUNTRIES WERE BEGINNING TO REDUCE THEIR OPPOSITION TO UNSATISFACTORY ASPECTS OF THE SEABED MINING REGIME.

I THEREFORE URGE THAT THE FEDERAL REPUBLIC SHOULD NOT TAKE A DECISION IN FAVOUR OF SIGNATURE OF THE CONVENTION SO LONG AS THE DIFFICULTIES OF THE MINING REGIME REMAIN.

I WAS GLAD TO HEAR THAT HANS-DIETRICH GENSCHER HAD TOLD GEOFFREY HOWE RECENTLY THAT NO DECISION ON THIS QUESTION WOULD BE TAKEN WITHOUT CONSULTING WITH US FIRST. WE ATTACH CONSIDERABLE IMPORTANCE TO WORKING TOGETHER ON THIS ISSUE IF AT ALL POSSIBLE.

HOWE

LAW OF THE SEA CONFERENCE (UNLOSC)  
LIMITED  
MAED  
UND  
ECD(E)  
→ SPD(S) WED  
LEGAL ADVISERS  
NEWS DEPT  
PS

PS/LADY YOUNG  
PS/MR RIFKIND  
PS/MR WHITNEY  
PS/PUS  
MR WRIGHT  
MR EVANS  
MR ADAMS

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MR P FIFOOT ) ADVISERS

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10 DOWNING STREET

Prime Minutes

Law of the Sea

Your minute below.

The seabed Authority has not yet been constituted.

---

I attach a note about it.

I have added a sentence which may cover what you have in mind.

Agree to despatch letter?

Yours  
mb

A. J. C.  $\frac{13}{9}$ .





*File Ho*

10 DOWNING STREET

*From the Private Secretary*

13 September 1983

UNLOSC: PRIME MINISTERIAL MESSAGE TO  
CHANCELLOR KOHL

---

Thank you for your letter of 5 September recommending that the Prime Minister should send a message to Chancellor Kohl on this subject. We have since discussed certain changes which Mrs. Thatcher wished to see made to the draft.

I now enclose the text of a message which has been approved by the Prime Minister and should be grateful if you would arrange for its transmission.

A. J. COLES

John Holmes Esq  
Foreign and Commonwealth Office



MESSAGE TO CHANCELLOR KOHL FROM THE PRIME MINISTER

I am writing to you about the United Nations Law of the Sea Convention as I understand that you and your colleagues may at some time in the near future be giving consideration to the possibility of signature.

I know that you are already aware of the basic arguments against signature of the Convention as it stands at present. Its provisions relating to deep seabed mining set unsatisfactory precedents for compulsory transfer of technology and limitation of production. The structure proposed for the International Seabed Authority is disproportionately elaborate for the nature and number of operations it would oversee and would require unacceptably high financial contributions from States. Furthermore, the powers of the Authority go beyond what is needed for an efficient licensing body and would impose undesirable features of central planning. The excessive fees charged by the Authority and the obligations for compulsory transfer of technology would constitute an unacceptable burden on the mining companies. These factors and the general uncertainty about how the regime would function in practice would discourage private enterprise from investing in this expensive and new area of development. Neither the industrialised nor the developing countries would be able to benefit from the potential offered by the deep seabed. Indeed, we may well find, when the Authority is set up, that a majority of its members are hostile to private enterprise.

The argument is sometimes made that Western countries could advance their views on the Convention more effectively after signature. However, while we continue strongly to defend the right of observers to participate fully in the Preparatory Commission, we believe that in the long term more account will be taken of our objections if we maintain our non-signatory status for the time being. Moreover, there are some defects which cannot be remedied by the Commission, however well it works. But my fundamental concern remains that signature by the Federal Republic of Germany, far from encouraging improvements in the Convention, would be taken as an indication that the industrialised countries were beginning to reduce their opposition to unsatisfactory aspects of the seabed mining regime.

/I therefore



I therefore urge that the Federal Republic should not take a decision in favour of signature of the Convention so long as the difficulties of the mining regime remain.

I was glad to hear that Hans-Dietrich Genscher had told Geoffrey Howe recently that no decision on this question would be taken without consulting with us first. We attach considerable importance to working together on this issue if at all possible.



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*STOP*



Foreign and Commonwealth Office

London SW1A 2AH

12 September, 1983

*Dear John,*

UNLOSC: Prime Ministerial Message to Chancellor Kohl

You asked for some background on the International Sea-Bed Authority.

The Authority would consist of an Assembly of representatives of all States which had ratified or acceded to the Convention and which would be required to meet at least once a year; a Council of representatives of 36 States which had ratified or acceded to the Convention, which would be required to meet at least three times a year; and an Economic Planning Commission, and Legal and Technical Commission, each of which would have fifteen members and meet when required. In addition there would be a Secretary-General and Secretariat.

Over the next 25 years or so it is unlikely that there will be more than between 10 and 15 exploration or mining operations. The structure of the Authority would seem to be overweighty and complicated (even taking into account that it will be necessary to make rules for such operations). The powers of the Authority to establish policies over a wide area, together with the role and functions established for the Economic Planning Commission, also envisage a more widespread and interventionist function than is necessary.

The cost to all States of this organisation, which it is tentatively estimated could range initially from £37 - 83 million in terms of fixed costs and £14-20 million in recurring costs, would be assessed on the basis of the UN scale for contributions to the Regular Budget (but if the US is not a Party, its 25% share would have to be made up by others).

*Yours ever*

(J E Holmes)  
Private Secretary

*John Holmes*

A J Coles Esq  
10 Downing Street

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UNLOSC  
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12 SEP 1983





PRIME MINISTER

UN Law of the Sea Convention

You did not like the paragraph about  
the deep sea mining regime in the proposed  
letter to Chancellor Kohl.

I attach a revised version. Are  
you content that the message should be  
sent?

A.S.C.

It still isn't  
clear. What is  
the composition of  
the Int. Seabed  
Authority?  
ml

7 September 1983

PRIME MINISTER

LAW OF THE SEA CONVENTION

The Germans may decide to sign the Convention in the near future. This would tend to isolate us and make it very difficult if not impossible to secure improvements to the deep sea mining provisions.

The Foreign and Commonwealth Secretary recommends that you send the message at Flag A to Chancellor Kohl. Agree to do so, deleting the last paragraph (which proposes that Malcolm Rifkind visits Bonn as your personal emissary to discuss this matter)?

A. J. C.

5 September 1983

The point about the Authority is just not clear. It is not only the expense of complying but the nature of the Authority itself central not



MESSAGE TO CHANCELLOR KOHL

I am writing to you about the United Nations Law of the Sea Convention as I understand that you and your colleagues may at some time in the near future be giving consideration to the possibility of signature.

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The argument is sometimes made that Western countries could advance their views on the Convention more effectively after signature. However, while we continue strongly to defend the right of observers to participate fully in the Preparatory Commission, we believe that in the long term more account will be taken of our objections if we maintain our non-signatory status for the time being. Moreover, there are some defects which cannot be remedied by the Commission, however well it works. But my fundamental concern remains that signature by the Federal Republic of Germany, far from encouraging improvements in the Convention, would be taken as an indication that the industrialised countries were beginning to reduce their opposition to unsatisfactory aspects of the seabed mining regime.

/ I therefore



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I was glad to hear that Hans-Dietrich Genscher had told Geoffrey Howe recently that no decision on this question would be taken without consulting with us first. We attach considerable importance to working together on this issue if at all possible.



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Foreign and Commonwealth Office

London SW1A 2AH

5 September, 1983

Dear John,

United Nations Law of the Sea Convention: FRG Signature

German newspaper reports, and conversations with FRG officials, have led us to believe that the Germans might take a decision to sign the Convention some time during the next few weeks. This would be highly undesirable. German signature would mean that a sixth member of the Community had signed (the other remaining non-signatories are Italy, Belgium and Luxembourg). This, by creating a majority of signatory States, would raise the question as to whether the Community as such should sign the Convention, an action which we have of course opposed. German defection might quickly be followed by Belgian, Luxembourg and Italian signatures, and this would make HMG's position appear more isolated internationally, for example at the Commonwealth Heads of Government meeting in November. (Only six Commonwealth states (according to our latest information) all of them either landlocked or small, have not yet signed the Convention).

Signature of the Treaty by a major industrialised country such as Germany with deep sea mining interests would also, in our view, give precisely the wrong signal to the developing countries and to the rest of the international community (less the USA) now attending the UNLOS Preparatory Commission, set up to implement parts of the Convention particularly relating to deep sea mining. It is too early to say whether we shall be successful in achieving the improvements in the seabed mining provisions of the Convention which we are seeking at the Commission. In any case, it is likely to be a very long haul. But, in our view, the likelihood of our achieving our objections would be curtailed if more countries such as the FRG, who share our mining interests, join the signatories' camp.

Within the FRG, the Economic Ministry, which had been opposed to signature of the Convention, because of its objections to the mining provisions, is moving towards the acceptance of German signature as a quid pro quo for signature of the Exploration (ie the Reciprocating States) Agreement, which we with other like-minded countries (USA, FRG, France, Japan, Italy, the Netherlands and Belgium) with sea bed mining interests, are currently negotiating with a view to solving the problem of overlaps in mine sites. Against this background, Chancellor Kohl's attitude is crucial (and is itself a matter

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/for





for concern, as we know that Dr Teltschik, a senior official in his office, may also favour early signature).

We do not believe that the issue is likely to be formally decided in the FRG Cabinet until later this month, or early next month, after further consideration at State Secretary level. But Sir Geoffrey Howe believes that a message from the Prime Minister to Chancellor Kohl would be timely now, if we are to influence German decision-making. He is conscious of the need not to devalue messages at this level, but thinks that this is an issue which justifies such a message.

Sir Geoffrey Howe spoke himself to Herr Genscher on 30 August. He promised that we would be consulted before any final decision was taken. This is not entirely reassuring but we need to hold the Germans to this promise if at all possible. We have therefore considered whether we should propose in the message a high-level emissary (eg Mr Rifkind) with the idea of making sure the Chancellor focusses on this issue personally. On balance Sir Geoffrey Howe thinks this would be overdoing things, but the draft message contains a passage in square brackets which could be included if the Prime Minister thought an emissary worthwhile.

No

#### Italian Signature

The Italians have always been likely to sign the Convention eventually. This seems even more probable under a Government led by Signor Craxi, but he is unlikely to take a view until later in the year. We will in any case provide the Prime Minister with briefing on this question for any meeting she may have with Signor Craxi later this month. (German signature is of course likely to be more influential on the attitudes of other non-signatories than that of Italy).

I am copying this letter to Jonathan Spencer in Mr Parkinson's office.

*Tom's eve*

(J E Holmes) *J E Holmes*  
Private Secretary

A J Coles Esq  
10 Downing Street



OUT TELEGRAM

Classification and Caveats

Precedence/Deskby

CONFIDENTIAL

IMMEDIATE

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	CONFIDENTIAL
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO                      SEPT 83
PRE/ADD	7	TO IMMEDIATE BONN
TEL NO	8	AND TO IMMEDIATE KINGSTON
	9	INFO PRIORITY WASHINGTON, ROME, BRUSSELS, LUXEMBOURG
	10	UNLOSC CONVENTION: FRG POSITION
	11	1. MIFT contains text of the Prime Minister's message which
	12	should be delivered to Chancellor Kohl as soon as possible.
	13	2. When you have delivered the message, please report
	14	immediately any reaction copying your report immediate to
	15	Kingston. We agree that a call by you on Lambsdorff. to draw
	16	attention to the message after delivery would be useful.
	17	3. For UNLOSC Delegation, Kingston. You have discretion
	18	to inform German delegation once Bonn reports delivery of
	19	message, but not repeat not to warn them in advance.
	20	
	21	HOWE
///	22	NNNN
//	23	
/	24	
	25	

NNNN ends telegram		BLANK		Catchword
File number		Dept Private Office	Distribution	
Drafted by (Block capitals) JOHN HOLMES				
Telephone number				
Authorised for despatch				
Comcen reference		Time of despatch		



CONFIDENTIAL

IMMEDIATE

ZCZC 1 ZCZC  
 GRS 2 GRS  
 CLASS 3 CONFIDENTIAL  
 CAVEATS 4  
 DESKBY 5  
 FM FCO 6 FM FCO SEPTEMBER 83  
 PRE/ADD 7 TO IMMEDIATE BONN  
 TEL NO 8 TELEGRAM NUMBER  
 9 INFO PRIORITY KINGSTON, WASHINGTON, ROME, BRUSSELS, LUXEMBOURG  
 10 MIPT: UNLOSC CONVENTION:FRG  
 11 1. Following is text of message referred to in MIPT  
 12 **BEGINS:**  
 13 I am writing to you about the United Nations Law of the  
 14 Sea Convention as I understand that you and your colleagues  
 15 may at some time in the near future be giving consideration to  
 16 the possibility of signature.  
 17 I know that you are already aware of the basic arguments  
 18 against signature of the Convention as it stands at present.  
 19 Its provisions relating to deep seabed mining set unsatisfactory  
 20 precedents for compulsory transfer of technology and limitation  
 21 of production; ~~the authority which would administer deep seabed~~  
 22 ~~mining would be over-complex and over-expensive; and the~~  
 23 ~~mining regime is highly interventionist, imposes excessive~~  
 24 ~~fees and would thus discourage companies from involvement in~~  
 25 ~~this expensive and new area of industrial development, so that~~

NNNN ends telegram	BLANK	Catchword neither
File number	Dept Private Office	Distribution
Drafted by (Block capitals) JOHN HOLMES		
Telephone number		
Authorised for despatch		
Comcon reference	Time of despatch	



OUT TELEGRAM (CONT)

	Classification and Caveats		Page
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<p>&lt;&lt;&lt;&lt;</p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p> <p>///</p> <p>//</p> <p>/</p>	<p>&lt;&lt;&lt;&lt;</p> <p><del>neither the industrialised nor the developing countries would be able to benefit from the potential of the deep seabed.</del></p> <p>The argument is sometimes made that Western countries could advance their views on the Convention more effectively after signature. However, while we continue strongly to defend the right of observers to participate fully in the Preparatory Commission, we believe that in the long term more account will be taken of our objections if we maintain our non-signatory status for the time being. Moreover, there are some defects which cannot be remedied by the Commission, however well it works. But my fundamental concern remains that signature by the Federal Republic of Germany, far from encouraging improvements in the Convention, would be taken as an indication that the industrialised countries were beginning to reduce their opposition to unsatisfactory aspects of the seabed mining regime.</p> <p>I therefore <del>urge that the Federal Republic should not appeal to your Government not to take a</del> decision in favour of signature of the Convention so long as the difficulties of the mining regime remain.</p> <p>I was glad to hear that Hans-Dietrich Genscher had told Geoffrey Howe recently that no decision on this question would be taken without consulting with us first. We attach considerable importance to working together on this issue if at all possible.</p> <p><del>Open square brackets</del> <u>I would be very happy to send a personal emissary for discussions with you and your colleagues on this question if you felt that appropriate. I have in mind the Minister of State at the Foreign and Commonwealth Office, Malcolm Rifkind, who is responsible for Law of the Sea matters in my government. I should be grateful to learn whether this proposal is acceptable to you, and if so, when you think a visit by Mr Rifkind would most usefully contribute to the process of consultation</u> <del>close square brackets.</del></p> <p>HOWE</p>		
	NNNN ends telegram	BLANK	Catchword