



Prime Minister.

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*In the light of this minute,
agree Foreign Secretary's proposal
in paragraph 8 of Play F.*

A. & C. G.

B.06717

MR COLES

cc Sir Robert Armstrong
Mr Colvin

British Policy in Antarctica: Minerals

1. You asked for a note on the issues underlying the Secretary of State for Foreign and Commonwealth Affairs' memorandum (OD(84)7), on which the Chancellor of the Duchy of Lancaster, the Secretary of State for Trade and Industry, the Lord Chancellor and the Secretary of State for the Environment have now commented.
2. British interests in the Antarctic can be summarised as follows -
 - a. a territorial interest to uphold our claim to sovereignty over the British Antarctic Territory (BAT) and the provisions of Article IV of the Antarctic Treaty (which prohibits new claims and freezes existing claims), with the British Antarctic Survey (BAS) remaining the principal manifestation of that sovereignty;
 - b. a strategic interest, shared with other Western Governments, to deny its use to the Russians and others for military or other purposes; and to maintain the Antarctic Treaty limiting the use of the area to peaceful purposes;
 - c. an economic interest to secure the largest possible share of any potential benefits from the longer term development of hydrocarbons and minerals and from marine living resources throughout the area; and



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d. a scientific interest in studying the atmospheric, marine and life sciences and in protecting the environment from irresponsible exploitation. (You will recall that the Prime Minister in June 1982 took the initiative in arranging for the resources available to BAS to be increased - see the correspondence leading up to OD(82)13th Meeting.)

3. Whether or not there are minerals at all in Antarctica remains to be established. They could exist in abundance and, since Antarctica was once geologically attached to South Africa, the chances must be reasonable. But it cannot be excluded that the whole area will turn out to be ^a'dry hole'. Moreover, the formidable technological problems of extracting minerals through a thick sheet (average depth of one mile) of moving ice have not even begun to be tackled. Even if minerals exist, therefore, exploitation could lie as much as fifty years into the future. Prospecting (and perhaps even exploration) is a different matter and could begin before the end of the present century.

4. As well as protecting British interests in BAT itself, we need also to seek to ensure access for British companies on reasonable terms to all other parts of Antarctica. This means that we cannot afford to be too rigorous in the conditions we impose for access to BAT. Sir Geoffrey Howe accordingly proposes to go for open access throughout Antarctica, with Britain, by virtue of its status as a claimant, having a special position on the institutional procedures of the regime and/or an appropriate share of economic benefit.

5. The attitude of many third world countries is coloured by what they believe they have secured in the context of the deep seabed mining provisions of the United Nations Law of the Sea Convention (i.e. unrequited financial benefits

So long as this does not result in practice to open access to our parts and no access to those in other hands.



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through the joint Enterprise which entitles signatories to a share of the profits from deep seabed mining on the basis that the minerals in question are part of the Common Heritage of Mankind). The position in Antarctica is different in that a number of states, including the United Kingdom, lay claim to sovereignty over parts of the territory. Despite the fact that some of these claims overlap and are recognised neither by non-claimant states signatory to the Treaty nor by the states not signatory to the Treaty, their existence is a powerful argument against applying the Common Heritage principle to Antarctica. (Another difference is that, as noted above, the existence of minerals in Antarctica remains hypothetical whereas the riches of the deep seabed are known and the technology to mine them already exists.) Nevertheless, the negotiation of a framework for an Antarctic minerals regime is unlikely to be possible without the concurrence of third world states; this is because in the last resort they could by various devices (e.g. collective action at the United Nations or the International Court of Justice) make the implementation of any agreement impossible.

6. A further important point to bear in mind is that a satisfactory framework for a minerals regime is more likely to prove negotiable before rather than after the extent of any mineral wealth in Antarctica has been established. If and when it became certain that there was mineral wealth to be exploited, third world countries would seek to extract a much higher price for selling their putative rights to a share in it.

7. The central issue for the United Kingdom is how far we (and states signatory to the Treaty) can go in trying to safeguard our access to the hypothetical mineral wealth of Antarctica without putting other important interests at risk:



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if the Consultative Partners to the Antarctic Treaty were to seek to exclude other states entirely from the region, the whole Antarctic Treaty structure could in due course collapse. If that were to happen, the de-militarisation provisions of the Treaty would also fall and the area could become another arena of superpower confrontation.

8. The negotiating approach proposed by the Foreign and Commonwealth Secretary in OD(84)7 therefore is that we should be prepared to explore without commitment ways of satisfying the concerns of third world states in such a way as to ensure the least damage to our Antarctic interests; but that we should continue to resist any provision that the framework for a minerals regime should provide financial benefits analogous to the Enterprise arrangement on deep seabed mining. One possible solution might be an arrangement whereby, without being entitled to any automatic benefits, third world countries could become non-consultative parties to the Treaty with the right to participate commercially in activities in the region.

What does that mean?
A right is not a right unless it is defined.

9. The Chancellor of the Duchy of Lancaster, in his letter of 2 April, and the Secretary of State for Trade and Industry, in his letter of the same date, both underline the importance of resisting third world pressure for financial benefits, at least at this stage; but Mr Tebbit recognises that this aspect may need further consideration in the light of the negotiations; and Sir Geoffrey Howe does not rule out the possibility that some concession to third world interests on this point may need to form part of an eventual package to ensure acceptability. The Lord Chancellor (Mr Stoate's letter of 3 April) and the Secretary of State for the Environment (Mr Allberry's letter of 5 April) agree with the approach recommended by the Foreign and Commonwealth Secretary.

David Goodall

6 April 1984

A D S Goodall

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ck



PRIVY COUNCIL OFFICE
WHITEHALL LONDON SW1A 2AT

6 April 1984

Dear Peter

BRITISH POLICY IN ANTARTICA: MINERALS

As requested, I write to confirm that the Lord Privy Seal has seen the Foreign and Commonwealth Secretary's memorandum OD(84) 7 of 28 March, and is content with the proposed line.

I am copying this letter to the Private Secretaries to other Members of OD.

yours

Charles

C M J MARSHALL
Private Secretary

P Ricketts Esq
Assistant Private Secretary to the
Secretary of State for Foreign and
Commonwealth Affairs

Foreign Post - Antarctic Dec 80

6 APR 1984

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5 6 7 8 9

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DEPARTMENT OF THE
ENVIRONMENT
2 MARSHAM STREET
SWIP 3EB



*With the Compliments of the
Private Secretary to the Secretary of
State for the Environment*

CONFIDENTIAL

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

5 April 1984

Dear Sir

BRITISH POLICY IN ANTARCTICA: MINERALS

Members of OD Committee were invited to inform the Secretaries by 9 April of any views they had on the Memorandum OD(84)7 circulated by the Secretary of State for Foreign and Commonwealth Affairs.

My Secretary of State strongly supports the proposal that the UK delegation to the Tokyo meeting should be given a measure of flexibility, so that they can explore with other delegations the various possible solutions which would best balance our interests in Antarctica and at the same time resolve the problems posed by the growing interest among Third World Countries.

There is no doubt that the environment of Antarctica is regarded by the international environmental and conservation movement as of peculiar importance on the world scene. It is a tribute to the international measures already agreed under the Antarctic Treaty that conservation objectives have been secured heretofore despite the growth in scientific activity and more recently also in the development of marine resources. The continuation of this situation, and particularly the protection of the Antarctic Treaty system, is clearly an important policy objective; but what we have seen in this Department of the international conservation movement leads us to echo the Foreign Secretary's observations on the need to keep the Third World Countries reasonably satisfied with whatever regime is eventually proposed to regulate mineral developments in the region.

My Secretary of State considers that the proposals now put forward for the delegation to Tokyo offer us the best prospect of working toward a solution that preserves our various objectives in this way, and will satisfy the international environmental bodies who are becoming increasingly vociferous on these matters.

Yours ever
Andrew

A C ALLBERRY
Private Secretary

Richard Hatfield Esq

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- 6 APR 1984



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ccpk



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

FOREIGN SECRETARY

A.S.C. 6/4
b.a.

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum OD(84)7 of 28 March on Antarctic Minerals, and am content with the line which you propose our delegation should take in Tokyo next month.

2. Copies of this go to other members of OD, the Secretaries of State for Education and Science, for Energy and for Environment, and to Sir Robert Armstrong.

N.L.

N.L.
5 APRIL 1984

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Foreign Post.

Dec '80

Antarctica

6 APR 1984

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FROM THE PRIVATE SECRETARY

WR



HOUSE OF LORDS,
SW1A 0PW

3rd April, 1984

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Sir Robert Armstrong, KCB CVO
Secretary of the Cabinet,
Cabinet Office,
Whitehall,
London,
SW1.

Our ref: OD(84)7 & 9

AD $\frac{4}{4}$

Dear Sir Robert,

f.a.

British Policy in Antarctica: Minerals

I am writing, in accordance with the instructions in OD(84)9, to let you know that the Lord Chancellor has read the memorandum by the Foreign and Commonwealth Secretary (OD(84)7), and is content that the UK delegation should pursue the objectives set out in paragraph 8 of that memorandum.

I am copying this letter to the Private Secretaries of the members of OD.

*Yours sincerely,
Richard Stoa*

Richard Stoa

Foreign Por Dec 80
Antartica



JF6237

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5422
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cc PC

13

Z April 1984

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1A 2AL

*Await minute from
Cabinet Office.*

*A.C. 3/4.
h.a.*

D. Geoffrey,

BRITISH POLICY IN ANTARCTICA : MINERALS

I have seen a copy of OD(84)7 of ^{below} 28 March.

2 I am broadly content with the proposed approach. My prime concern is to ensure that UK companies should have access on proper commercial terms to the exploitation of the whole of Antarctica and I therefore welcome your proposal that a balance should be struck between Claimant States and our interests in other parts of Antarctica. It is particularly important that we secure a practical and cost-effective regime which will facilitate mining operations and that we watch carefully that the undesirable precedents set in the Law of the Sea negotiation are not followed here.

3 In this context I accept in principle that (Annex A paragraph 3) it is desirable that the costs of the regime should eventually be borne by the commercial operators engaged in mineral activities rather than by Governments. However, this objective may have to be reviewed should the nature of the regime, in spite of our efforts, develop along the elaborate and costly lines of Law of the Sea.

4 I agree that we will need to consider the question of financial benefits to the Third World more fully in the light of the negotiations, but I hope you can agree that we should not make any concessions at this stage, nor give any impression that we are likely to do so.

/5 I ...

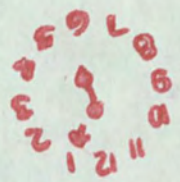


I am copying this letter to the other members of OD and to the Secretaries of State for Education and Science, for the Environment and for Energy, and to Sir Robert Armstrong.

Norman Tebbit
NORMAN TEBBIT

Far. Pol. : British Pol. in Antarctica

12/80



-2 APR 1984

~~ce p.c.~~

Chancellor of the Duchy of Lancaster

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

2 April 1984

Sir Geoffrey,

BRITISH POLICY IN ANTARCTICA: MINERALS

I have seen your memorandum OD(84)7 of 28 March on this, with whose recommendations I agree subject to one point of emphasis.

I am content with (a) (b) and (c), but (d) gives a somewhat different flavour from what is said in the body of the memorandum which says "we should continue to resist". It was the Third World demands which led to the unsatisfactory deep sea mining provisions of the proposed Convention on the Law of the Sea.

I am copying this minute to other members of OD, the Secretaries of State for Energy, for the Environment and for Education and Science and to Sir Robert Armstrong.

[Signature]
[Signature]

COCKFIELD

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
London SW1

Fer. Pol: British Pol in Antarctic
12/60



12 APR 1960

[Faint handwritten mark]