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Prime Minister.

This minute answers your earlier question - and shows that you were right to ask it. CCPC 22

B.06723

MR COLES

c Sir Robert Armstrong

Yes not

Agree now with the Foreign Secretary's proposal in para. 8 at Reg. 6.?

A.S.C. 13/11.

British Policy in Antarctica: Minerals

1. In your minute of 10 April, you said that the Prime Minister would like some clarification of the last sentence of paragraph 8 of my minute of 6 April.

2. As stated in paragraph 4 of my minute, it is an important British interest that British companies should have access to any minerals in Antarctica on reasonable terms. The simplest way of achieving this would be for British companies to have to deal only with the British Government about the British Antarctic Territory (BAT) and with the Australian, French, New Zealand and Norwegian Governments respectively about access to their territories. Unfortunately such a simple arrangement would not work because other Governments, whose interests in Antarctica we recognise, do not recognise the territorial claims of the claimant states. In the BAT, the situation is further complicated by the overlapping claims of Argentina and Chile. Inescapably, therefore, other Governments will be involved in decision-making relating to access by British companies.

3. Any negotiable regime is bound to give some rights in the decision-making process to all the parties to the present negotiation. Inherent in the negotiating strategy which Sir Geoffrey Howe and his predecessors have been following is that those rights should be kept to a minimum and that decisions relating to a particular application to exploit a particular mineral deposit shall involve as few Governments as possible. Ideally, only the claimant State concerned and the State in which the company is incorporated would be



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involved. Such a conclusion is unlikely to be attainable in practice but until it is shown to be unattainable, it should be (and is) our negotiating objective.

4. In paragraph 7 of my minute I said that if the regime "were to seek to exclude other States entirely from the region, the whole Antarctic Treaty structure could in due course collapse". Since we do not want to run this risk, we need to find some means of not excluding other States while keeping any rights the regime may confer on them to a minimum, and in any case to less than the rights accorded to the original parties to the Treaty. In this connection, I must apologise for the ambiguity of the phrase 'non-consultative parties to the Treaty' in the last sentence of paragraph 8 of my minute. By 'the Treaty' here was meant the instrument in which the new Antarctic minerals regime would be incorporated, not the present Antarctic Treaty as was assumed in your minute of 10 April.

5. Turning to the Prime Minister's specific questions, it is not envisaged that third world countries would be given any right to exploit minerals in the BAT. But the possibility of third world countries acceding to the regime and then sponsoring an application to exploit minerals in the BAT (or elsewhere in Antarctica) would not be excluded by the terms of the regime. Since it is not envisaged that any right for third world countries would exist, the question of how it would be defined falls away.

6. It should also be borne in mind that the cost of extracting minerals from the Antarctic and overcoming the associated technological problems is going to be gigantic. This has two probable practical implications. First, only the major companies of the industrialised world are likely

but then why did he use that word.

Mr 13/4.

and why does he shift

me it in para 4 done



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to contemplate the costs involved. Second, even such giants as BP or Rio Tinto are likely to want to spread the risks by forming consortia. It would hardly seem reasonable to preclude them from involving a third world company in any consortia if that company was prepared to accept, and pay for, a share of the risk.

David Goodall

A D S Goodall

12 April 1984

Foreign Policy

Dec 20

British Policy in Antarctica



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