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ADDRESS BY SECRETARY OF COMMERCE ELLIOT L. RICHARDSON
PREPARED FOR DELIVERY BEFORE THE NATIONAL PLANNING
CONFERENCE ON THE COMMERCIAL DEVELOPMENT OF THE OCEANS,
DEPARTMENT OF COMMERCE AUDITORIUM, WASHINGTON, D.C.,
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THE OCEAN IMPERATIVE

First, let me extend a very warm welcome to all of
you to the Department of Commerce.

I especially want to welcome the two distinguished
members of Congress with us today -- Senator Ernest F.
Hollings, who is Chairman of the Senate's National Ocean
Policy Study, and Representative John Murphy, Chairman of
the House Select Committee on the Outer Continental Shelf.

Their presence reminds us of what seems to me to be the most important requirement in ensuring the success of the Conference and its goals. I refer to a spirit of cooperation: cooperation certainly between the Legislative and Executive branches of the Federal government; but equally important, cooperation between the public and private sectors as a whole -- industry and labor and all levels of government, Federal, state and local.

No nation has larger or more diverse ocean interests than the United States. It has one of the world's longest coastlines, one of its largest navies and, very likely, its most extensive investment in offshore oil, mining and research.

Our fishing fleet hauls in an annual catch which is valued at close to \$900 million -- and which in another decade may range as high as \$1.6 billion.

The U.S. is a major world trading power -- one third of world ocean traffic today is to, or from, the United States. In 1972, we exported 200 million tons of goods and imported 300 million tons. Almost all of these goods were moved by ocean transport.

But the sea is of greater importance to the U.S. than even these figures suggest -- because our concept of it

has changed and is changing.

Twenty years ago, the oceans were viewed as unconquerable watery expanses. With Grotius, we believed that:

"The ocean, which although surrounding this earth . . . with the ebb and flow of its tides, can be neither seized nor enclosed; nay which rather possesses the earth than is by it possessed."

Today, we have a different perspective. We no longer think of the ocean as incapable of being possessed, but as a frontier to be expanded and developed in the interest of mankind. We suspect that if we are enclosed, it may not be by the ocean, but by limitations in our technology, our institutions and our capital investment.

Our commitment to the ocean frontier is inadequate. We are not investing as much time or as much thought or as many resources as we should be.

In the past 20 years, we have done a lot of dreaming but little development. We have speculated about the viability of offshore cities -- complete with floating factories, homes, hotels, marinas, even airports. Our experts have talked of "aquafarms" and of moving harbors out to sea -- along with terminals, storage tanks and

municipal power plants.

Scientists are also considering the oceans as a source of power. For example, deuterium found in sea water could be the fuel for the fusion process; thermal differences are potential sources of power; and tidal power is capable of being harnessed at certain sea locations -- the Cooke inlet, for example.

These are prospects which charge the imagination. But dreaming can take us only so far. There's a job ahead. And a vast need for technology, management, capital and, to put it bluntly, "guts." There are risks that need taking.

First, let us examine the matter of technology. Technology is the key to sound commercial development of the oceans; yet, in many cases, the necessary technological base is lacking.

From 60 to 70 percent of our remaining domestic oil and gas reserves are offshore. But as search operations move into deeper waters and into more hostile ocean areas, we are encountering new and difficult problems. Where are the technologies needed to effectively overcome these obstacles?

We are dependent on imports for 19 percent of our copper, 84 percent of our nickel, 92 percent of our cobalt

and 98 percent of our manganese. On the ocean floor lie billions of tons of mysterious "nodules" containing rich lodes of copper, nickel, cobalt and manganese, and scientists believe these potato-shaped rocks are accumulating at a rate of 16 million tons a year. Four ocean mines could supply some 30 percent of the copper this country now imports, 50 percent of the nickel, 50 percent of the manganese and all of the cobalt. American firms have already sunk more than \$100 million in ventures to develop recovery techniques and mining equipment. Yet scientists have not found the best, most efficient means of extracting the metals. Traditional smelting methods, it seems, won't work. Where is the technology?

The oceans are the "common heritage of mankind." We must continue to strive, therefore, within the Law of the Sea Conference for a strong framework of international cooperation. But within such a framework, nations will continue to exert an inevitable impact upon those who seek to harvest the sea's bounty. That is why it is necessary to have the proper national institutions for

the job.

In the past, our institutions have acquitted themselves well. They must continue to do so in the future. But this will happen only if we subject them to rigorous and intense scrutiny -- if we continuously compare our ocean objectives with our ocean requirements and our ocean performance -- if we assume nothing is hallowed, except the sea itself.

We are moving, as a nation, toward our third century as a sea power. As we do, there are several aspects of our ocean institutions that merit attention.

For instance, the sea is a singular environment which contains many resources and impacts upon many interests. It is hardly surprising that many institutions, some old, some new, have a stake in it.

The State Department treats the international aspects of ocean policy. The Coast Guard and the Environmental Protection Agency are working on water quality and pollution control; the Departments of Interior and Commerce on marine mining. Other agencies, both civil and military, are involved with the ocean as it relates to national security -- or to basic science. Are these units well enough coordinated? Can this highly specialized approach to the sea withstand the tests which will come with full scale ocean development?

Let's look at another case. In April, Congress established a new Fishery Conservation Zone which will stretch 200 miles beyond the coast. When this economic zone goes into effect -- in March of next year -- we will suddenly have management authority over an area equivalent to two-thirds of our land mass. Yet little is known of this rich territory -- beyond the fact that it contains an estimated potential harvest of between 7 million and 8.5 million metric tons of fish annually; it has to be assessed and explored, mapped and charted, before we will know what is there, before we can determine how to protect and use the resources in a rational way. Are we prepared to manage this immense area, institutionally?

There is yet another example. Both the Congress and the Executive Branch have voiced concern because there seems to be no properly constituted focal point for establishing ocean policy. This is not to imply that ocean policy, per se, is not being formulated; it is being established every day -- through existing mechanisms and processes.

But the issues we are grappling with are specific and short-range issues -- coastal zone management, deep water

ports, marine mammals. The general, long-range aspects of ocean policy seem to get shoved aside.

The ocean was four billion years in the making; it covers nearly three-quarters of the earth's surface. Should its destiny be ordained in isolated institutional cocoons?

Further questions pose themselves. Can our existing management approach enable us to use the oceans wisely and stimulate the level of ocean development which this conference is considering?

Or should we be treating the sea as an entity with unique and peculiar characteristics which require collective examination?

There are honest differences of opinion. I, myself, have reached no firm conclusions. The evidence is incomplete, and there are still far too many unanswered questions. For example, is there a legitimate need for Federal investment in the basic technology for commercial development?

The whole issue of capital investment looms large -- the ocean frontier will not be developed without adequate infusions of capital. We cannot construct offshore cities,

we cannot develop aquafarms, we cannot exploit ocean mines, we cannot build floating harbors -- without resources.

Government has a clear responsibility to create an investment climate which will encourage the private sector to provide those resources. At the moment, this responsibility is being met in a number of ways.

For example, enactment of the Fisheries Conservation and Management Act, will create conditions -- a system of resource management -- to encourage fishing industry investment. Among other things, this Act establishes controls over foreign fishing in the conservation zone. It also prescribes penalties for violators, and provides for the development of fisheries which are currently underutilized or unutilized by U.S. fishermen.

In the field of deep sea mining, government can foster investment in two ways: through guarantees which will encourage bank lending for sea mining ventures; and through negotiation of a Law of the Sea treaty. International law treats the sea as a "common green"; it does not provide a way to stake a claim to areas of the ocean bed. Without absolute guarantees, few companies are willing to begin mining operations; and because there is no deed or title to take as security, few banks are willing to finance them.

In the maritime field, subsidies stimulate investment in merchant fleet development. Federal maritime insurance is helping the private sector obtain loans for drilling vessels -- an important fact when one considers that ocean petroleum and natural gas account for 40 percent of the primary economic value of U.S. ocean resources today.

Development of the ocean frontier is an immense task. It will not be achieved by government alone, or business alone, or labor alone, or by individual universities or states acting separately. It will be realized only if each of us is willing to make an uncommon commitment to the 'ocean imperative'.

Government must continue to aid the advancement of the technological and research base. It must seek and provide the proper institutional and legal framework and investment climate. Business must supply the capital and specific technologies; labor, the skills; and the academic community, the vision. There must be a partnership.

Together, we must work to remove the impediments to progress in the oceans. Together, we must significantly advance our ocean technology base -- presently inadequate in my view. That is the only way to ensure the sound commercial development of the seas.

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