

Chapter 9

AN OCEAN DEVELOPMENT TAX

by ELISABETH MANN BORGESÉ

I would like to try a new attack on the problem of planning and development in the oceans – trying to get away from the debilitating notion that ‘we don’t know the facts,’ ‘we don’t know what’s down there’ – or, on the other hand, that ‘the bird is flown,’ ‘the oceans’ wealth all lies on the national continental shelf and there is really nothing left for the international community or for the common good of mankind,’ which really means, nothing left for the developing nations, since the developed nations are quite capable of looking after their own good, at least for the time being.

Last year the U. N. General Assembly adopted a Moratorium, prohibiting the exploitation of resources on the seabed beyond the limits of national jurisdiction, pending agreement on an international regime. No matter how this Moratorium is going to work out, it was a negative, prohibitive measure, intended as an emergency measure, a temporary measure. Suppose the Twenty-Fifth Assembly adopted another temporary emergency measure, but of a positive, constructive kind. Suppose it encouraged all oceangoing nations and enterprises to pay, for a period of five years, or for the whole second Development Decade, which coincides with the first International Ocean Decade – a *development tax* of one percent on all ocean produce, living or nonliving. The resolution would not have any binding force. It would merely be a recommendation, just like the Moratorium, its counterpart. The tax thus would be voluntary: Governments and enterprises should merely be encouraged to pay it. Enterprises could, of course, deduct it from their national taxes, i.e., it would cost them nothing and they would, therefore be the better target. *As of now*, and calculating only at the *present* rate of growth, this tax, over five years, would approximate one billion dollars (thousand million). Over ten years it would exceed 2 billion dollars.

Again, *as of now*, and using only existing machinery and ongoing trends, this money might be turned over to a planning commission consisting of the Inter-Agency Consultative Board of the UNDP, the intersecretariat committee of IOC and – to be sure the developing nations are duly represented – a committee of UNCTAD.

In discussing this proposal I have met various, often conflicting objections. Within the context of the first International Ocean Decade, it was claimed there is no need for such a cumbersome procedure. Funds could be obtained much more simply through the World Bank or the UNDP or from Governments to finance all possible projects of ocean exploration and exploitation. Surprisingly, some of the very same experts who felt so confident they could obtain two billion dollars from existing approved sources, have, on other occasions, bitterly deplored the lack of funds – and the unwillingness of Governments to increase them – which may leave the IOC Enlarged Program where it is, on paper, and prevent the effective implementation of anti-pollution research and control measures.

In the context of the second Development Decade it has been objected that the amount involved – let's say two hundred million dollars a year – was piddling in comparison with the over seven billion dollars already annually poured by the developed nations into the developing nations under various schemes of development aid, and therefore would not warrant setting up new machinery or trying new paths.

The answer to this objection is that it is not so much the amount of money involved that matters. It is the establishment of a new principle: the common heritage of mankind. The benefits to be derived from the exploration and exploitation of the oceans should accrue to the developing nations not on the basis of foreign aid, not as alms from the wealthy members of the international community, but as a logical consequence of the peaceful use of the common heritage of mankind. The funds obtained through a system of taxation on the common heritage of mankind have nothing to do with economic aid, and cannot be disguised in any way as economic assistance, whether financial or technical. At least in one area, however small, the odious distinction between donor nations and recipient nations would be abolished. A new beginning would be made.

It has been objected that as of now, and probably during the next ten years, the largest source of income from the oceans is fishery (ten billion dollars yearly), and that the largest part of this comes from the developing countries. Thus, it has been pointed out, it is the developing countries themselves who would be hit hardest by the tax.

Equality, of course, implies rights as well as burdens. A one percent tax would not seem a crushing burden and would be well worth the economic and political advantages which this beginning of an implementation of the principle of the common heritage of mankind would offer. The payment, furthermore, is voluntary. The fisheries of the developing nations would pay as much of it as they can, no more. What some poverty-stricken fishery industry in some developing country cannot pay – and more than that – should be paid by the flourishing sea-food processing corporations. These certainly should be encouraged to pay their fair share.

Two billion dollars for projects of international exploration, the training of experts and technicians especially from developing countries, the implementation of anti-pollution and conservation measures, for the *cooperative planning* and development of ocean resources (assuming that the actual *exploitation* would be financed and managed by private and State enterprises) certainly is not an amount that a planner or a planning commission would sneeze at.

The main criteria that would have to orient planning in such a context would be:

1. Planning must be *systemic*, interlinking the multiple uses of the marine environment.
2. Planning must be functionally directed, not territorially directed. That is, as far as living resources are concerned, one should keep in mind Dr. Schaefer's point, namely, 'there is a need to provide for management of the living resources by natural species population, in the context of natural ecological units, and according to the ecologically determined geographical

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boundaries *even though these do not correspond to political boundaries.*' With regard to nonliving resources, pollution problems, *inter alia*, dictate a similar functionally-directed planning policy, determined by ecological rather than by political boundaries.

3. This nonterritorial approach to planning suggests another basic consideration: Plans are not laws. They move on another plane from that of national sovereignty. They simply cannot be enforced – not even at the national level, for that matter. They must be arrived at freely, the only incentive being the benefits derived therefrom, the only sanction against non-cooperation being exclusion from benefits. If planning is successful, it must become increasingly *expensive* not to cooperate.

4. Planning must be based on *maximal participation* of those concerned with management as well as of those interested in the re-investment and/or re-distribution of profits. A separation of these planning functions would be fatal. Here, again, planning must be systemic.

The procedure – the levying of a one percent development tax for the duration of the second Development Decade and the first Ocean Decade – and the mechanism – the planning commission as described above – should not be mistaken for 'The Regime'. Inevitably, an international ocean regime will have to be far more complex, but a concrete beginning would have been made. *Action* would be initiated. A General Assembly Resolution of the kind suggested here might be considered point 0 on a 'dynamic model' for an international ocean regime, a point that is bound to move in its set of coordinates, variable factors permitting.