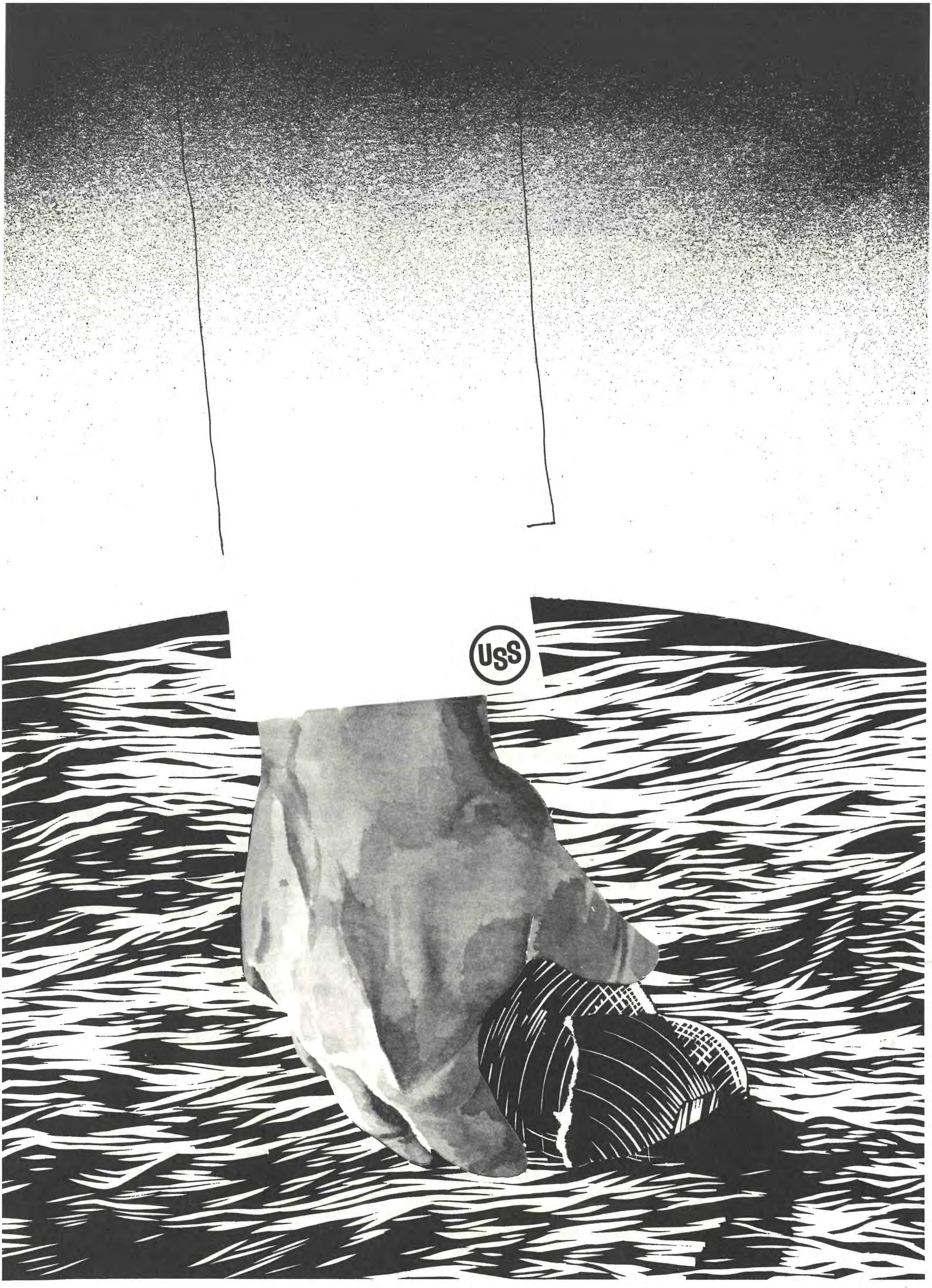
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SPECIAL REPORT

The Law of the Sea: Perceptions of national interest

By Frederick F Clairmonte and John Cavanagh

On December 10th 1982 the Law of the Sea Treaty was signed by 119 countries at the final UN Conference on the Law of the Sea, in Kingston Jamaica.

The law has been called " a monumental achievment of the international community, second only to the United Nations charter." But will it live up to these high expectations ? In the following articles Frederick F Clairmonte and John Cavanagh examine the conflicting national and corporate interests that emerged during 15 years of preparatory negotiations, and try to assess how the treaty will influence current and future disputes over the use of the seas.

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On the eve of what was billed the final session of the Law of the Sea Conference, the authors argued that it was in the long term interests of transnational corporations (TNCs) to secure a viable treaty. Thus, we predicted that the US government would find accommodation with the treaty by forcing through certain last minute revisions. Judged by the April 1982 US refusal to sign, it would appear that our forecasts were off the mark. How is the gap between prediction and reality to be explained?

Mounting antagonisms

The Law of the Sea is but one of several recent issues where a clear conflict has emerged between US state/corporate interests on the one hand and Japanese/West European interests on the other. Two sets of conflicts, one state and the other corporate, emerge from different perceptions. Essentially, the state conflict arises from the Reagan administration's inflexible pro-free market, pro-Zionist and anticommunist ideology, which leaves little room for compromise. This stance is in sharp contrast with the Japanese and most West European governments, which are seeking (with variations between them) an enduring working relationship with the Soviet Union.

The corporate aspect of this conflict lies basically in divergent approaches to time horizons. Whereas US executives place excessive emphasis on short-term results, their non-US counterparts (notably the Japanese) concentrate more on medium and long-term results. This is encapsulated in the words of Harry Oppenheimer's successor at South Africa's Anglo American Corporation:

> "In the United States, Mr. Relly complained, corporations tend to gauge their executives on the basis of short term gains from one quarterly report to the next. 'Look', he tells his Anglo American associates, 'we're in business for a hundred years, and I'm absolutely not interested in whether the performance of a company in the last six months is worse than somebody else's. We'll be around when they aren't.' "[1]

In recent years, two major political and economic issues have brought these conflicts into clearer perspective: the Law of the Sea and the European gas pipeline. *Fortune* magazine, which tends to articulate the longer term interests of transnational capital, supported the Law of the Sea Treaty (LOST) and came close to the heart of the matter when it noted:[2]

> "The administration became preoccupied with questions of precedent and free-enterprise ideology . . . Many of the bureaucrats most knowledgeable about the history of LOST were either transferred or intimidated into silence . . . The intellectual vacuum was filled by lobbyists from the mining companies and by people like Secretary of the Interior James Watt and Theodore Kronmiller, a deputy assistant secretary at State (Department), who were outraged by the thought that private US enterprises would put up the capital and take the risks for the benefit of a centrally planned international regime . . . But even these consequences of the Reagan policy are less disquieting than the habits of mind it represents. It's the kind of policy that incurs considerable costs but no commensurate gains, that is better suited to raising ideological fervor in think tanks than to furthering national interests."

Certainly, this critique of Reagan's policy reflects conflicts within the American ruling class on numerous issues. As against Reagan's rigid doctrinal stance, almost all Japanese and West European corporations and states supported the treaty, with certain important caveats, as preserving the vital international stability required for profitable long-term mining ventures.

The gas pipeline

The battle lines over the 3,600 mile pipe-

The three-dimensional ocean world covers 71 per cent of the earth's surface. Right.

line, the largest commercial transaction ever between socialist and non-socialist countries, are being drawn differently. In this case, the US government has pitted itself against European governments and corporations, as well as against certain US TNCs. Paramount among the US adversaries are General Electric, Dresser Industries and Caterpillar Tractor, which have all lost multi-million dollar contracts. Reagan's opposition is self-justified in terms of a fervent anti-sovietism, and the now familiar lamentations on Poland, Afghanistan, and the alleged 'slave labour' used to build the pipeline.

West European states and corporations have decided that they can co-exist with the USSR in the longer term interests pipeline contracts and relatively cheap natural gas will promote. While the West Europeans are no less anti-communist than the Reagan administration, they have a far better grasp of geo-political realities. They also understand that cheaper petrochemical feedstocks will enable them to compete more effectively with low priced imports from the US. Conversely, this explains the opposition to the pipeline from another prominent segment of the US corporate community, the petroleum and chemical TNCs. One of the more ironic twists of the pipeline episode was spelled out by the *Wall Street Journal:*

> "What's more, one of America's most anti-Soviet allies – Israel – is probably going to supply some of the pumps, although they would be delivered by a third country."[3]

Some tentative conclusions

Transnationalization of capital necessarily involves conflicts between corporations and the State. Certain governments in West Europe and Japan have elaborated refined mechanisms for harmonizing these conflicts, while US ideological blinkers can and have generated antagonisms. There is, however, a logic in Reagan's anti-Soviet, ultra free enterprise posture. In practice, he has effectively deployed this ideology to galvanize support for the largest defense spending increases in history, the backbone of his suicidal economic policies.

Adherence to this logic in the context of a worsening economic crisis will only exacerbate antagonisms within the US, as well as with its increasingly skeptical allies. In this respect, US refusal to sign the Law of the Sea Treaty will only intensify its isolation in an increasingly conflict-ridden world.

Notes:

[1] *International Herald Tribune,* 1982-06-09.

[2] *Fortune,* 1982-08-23.

[3] *Wall Street Journal,* 1982-08-31. ■

The history of marine mining

"Salt has been recovered from seawater since ancient times, but marine mining as defined above has a relatively short history. Apart from very small scale operations in the 19th century, such as the recovery of amber in the Baltic and of sand and gravel from banks exposed at low tide, it started with the dredging of tin off Phuket, Thailand, in 1907, followed in the 1920s by sand and gravel dredging in relatively sheltered waters in the United Kingdom."

... "with the single exception of tin, to which marine mining constitutes about 6 per cent of total world mine production, the seabed continues to account for a very small proportion of world supply."

Deposits of other hard marine minerals, some at least of which justify description as "resources", are known: these include gold; diamonds; platinum; rutile; ilmenite; zircon; monazite; zinc, copper and silver in mineralised muds; phosphatic and manganese nodules. Diamonds, on a limited scale off Namibia, and phosphates, experimentally off California, have been mined.

Polymetallic nodules

The events that led, eventually, to the identification of manganese nodules as marine mineral resources, start with the discovery of "peculiar concretions of manganese wich came up in numbers in the trawl" during the expedition of HMS Challenger in 1872-1876, first reported by Thomson in 1874, who also described them as "manganese nodules". They were first recovered on 18 February 1873, from a depth of nearly 3 000 metres in the North Atlantic. The economic potential of these nodules was first identified by Mero, initially as a source of manganese, and industrial interest in mining them grew in the early 1960's accompanied by greatly increased scientific research. It soon became apparent that although manganese nodules are widely distributed on the sea floor, perhaps being present in about 15 per cent of the total area, their composition varies between wide limits reflecting the many different environments in which they grow. Those with sufficient copper, nickel and cobalt, as well as manganese, to qualify as resources, grow extremely slowly and are found only at depths of more than 4 000 metres and far from land, where the rate of sedimentation is also extremely slow. These criteria are satisfied in the Clarion-Clipperton zone in the North–East Pacific which has emerged as the most promising area and is therefore where the first deep-sea mines will operate."

Source:

Quoted from: A A Archer: The development of marine mineral resources in the light of the third UN Law of the Sea Conference, a paper presented at the 11th World Mining Congress, Belgrad 1982. ■