

State aquaculture land seminar

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STATE AQUACULTURE LAND SEMINAR
PACIFIC BALLROOM, ILIKAI HOTEL
WEDNESDAY, AUGUST 31, 1983

THANK YOU VERY MUCH.

I AM BOTH PLEASED AND HONORED TO HAVE THIS OPPORTUNITY TO ADDRESS THIS SEMINAR AND, TOGETHER, EXPLORE THE MANY ALTERNATIVES AVAILABLE TO ONE OF HAWAII'S MOST PROMISING INDUSTRIES: AQUACULTURE. THIS SEMINAR IS INDEED A SPECIAL ONE, FOR IT HAS BROUGHT TOGETHER SOME OF THE MOST DISTINGUISHED MEMBERS OF THE BUSINESS AND AQUACULTURE COMMUNITIES TO EXCHANGE INFORMATION, TO SHARE PROBLEMS AND TO WORK TOGETHER TO MAKE THIS INDUSTRY A MORE EFFICIENT AND PRODUCTIVE ONE. AT THIS TIME, I WOULD LIKE TO THANK THE HONORABLE GOVERNOR ARIYOSHI AND SUS ONO FOR DEVOTING THEIR TIME AND EFFORT IN MAKING THIS SEMINAR A REALITY. THERE CAN BE NO QUESTION THAT THE EXCHANGE OF INFORMATION WHICH WILL COME FROM THIS MEETING CAN ONLY SERVE TO BUILD A STRONGER INDUSTRY.

AS YOU LISTEN TO OUR DISTINGUISHED AND KNOWLEDGEABLE EXPERTS DESCRIBE THE STATE OF AQUACULTURE HERE IN HAWAII AND THROUGHOUT THE WORLD, ONE OF THE FIRST THOUGHTS THAT WILL PROBABLY CROSS YOUR MIND IS HOW DIFFICULT IT HAS BEEN FOR ANY INDUSTRY TO SURVIVE THROUGH THESE ROUGH ECONOMIC TIMES. AS YOU WELL KNOW, ALTHOUGH INTEREST RATES HAVE DECLINED SOMEWHAT, THEY ARE STILL HIGH ENOUGH TO STIFLE INVESTMENT OPPORTUNITIES. AND WHILE MANY BUSINESSES LACK CAPITAL FOR BADLY NEEDED EXPANSION, STILL OTHERS CAN NO LONGER EVEN MAINTAIN THEIR OPERATIONS

AT EXISTING LEVELS. AS A RESULT, THIS COUNTRY'S UNEMPLOYMENT RATE IS HIGHER THAN IT HAS BEEN SINCE THE GREAT DEPRESSION. TO MAKE MATTERS WORSE, WE ARE CURRENTLY FACED WITH THE PROSPECT OF A FEDERAL DEFICIT OF STAGGERING PROPORTIONS.

EVEN FOR WELL-ESTABLISHED INDUSTRIES, THE STATE OF OUR ECONOMY IS UNNERVING. FOR "HIGH-RISK" INDUSTRIES LIKE AQUACULTURE, THE CURRENT ECONOMIC CLIMATE CAN SPELL DISASTER. NOW...THAT'S THE BAD NEWS.

THE GOOD NEWS IS THAT AQUACULTURE IS NO LONGER A FLEDGLING INDUSTRY. INDEED, THE AQUACULTURE INDUSTRY HAS FINALLY COME OF AGE. THE TIME HAS COME FOR THIS INDUSTRY TO SHAPE ITS DESTINY IN EVERY STATE ACROSS THE FACE OF THE NATION. THE TIME HAS COME FOR EACH AND EVERYONE OF YOU TO UNITE AND CREATE A BOND WHICH WILL FACILITATE AND ENCOURAGE THE GROWTH OF A STRONG, HEALTHY AND PROFITABLE INDUSTRY.

I'M SURE YOU KNOW THERE ARE THOSE WHO CLAIM THAT THE INDUSTRY AND ITS USEFULNESS TO THE AMERICAN ECONOMY HAS PEAKED. "AQUACULTURE," SOME SAY, "IS AN OPERATION WHOSE PRODUCTS ARE DESTINED FOR LUXURY MARKETS...AN INDUSTRY OF LOW PRIORITY IN TIMES OF RECORD UNEMPLOYMENT." TO SAY THIS, HOWEVER, IS TO MISUNDERSTAND THE ESSENCE OF THE ENTIRE INDUSTRY. I, FOR ONE, AM CONVINCED THAT IN AQUACULTURE LIES THE SOLUTION TO A DECLINING WORLD FOOD SUPPLY FOR AN EVER-INCREASING WORLD POPULATION. I AM ALSO CONVINCED THAT IN AQUACULTURE LIES INVESTMENT OPPORTUNITIES THAT ARE PARALLELED BY VERY FEW OTHER INDUSTRIES, WITH THE POTENTIAL OF BECOMING A MAJOR FORCE IN OUR NATION'S ECONOMY.

WHEN WE STUDY THE OUTSTANDING ACHIEVEMENTS MADE IN THE FIELD OF AQUACULTURE, IT BECOMES INCREASINGLY APPARENT THAT THE INDUSTRY IS HEADED IN A POSITIVE DIRECTION. THIS IS ESPECIALLY TRUE HERE IN HAWAII, WHERE WE HAVE ALWAYS HELD A DISTINCT ADVANTAGE OVER OTHER STATES AND FOREIGN COUNTRIES BECAUSE OF OUR CLOSE HISTORICAL TIES WITH AQUACULTURE DEVELOPMENT.

AS YOU KNOW, THE REMNANTS OF THE FISHPOND ERA ARE STILL VISIBLE IN THE ISLANDS TODAY. EVERY PIECE OF RUINED WALL, EVERY GATE, INDEED, EVERY PART OF THOSE ANCIENT PONDS BEARS WITNESS TO THE FACT THAT THE ANCIENT HAWAIIANS LIVED BY CULTIVATING THE PRODUCTS OF THE SEA. FOR THE HAWAIIANS, AQUACULTURE WAS AN INNOVATIVE WAY OF HARVESTING THEIR FOOD MORE EFFICIENTLY AND MORE EFFECTIVELY. FOR THE HAWAIIANS, AQUACULTURE WAS A WAY OF LIFE.

ALTHOUGH MOST OF THE OLD WAYS HAVE BEEN LOST TO THE ANNALS OF ANCIENT HISTORY, HAWAII HAS ALWAYS LED THE REST OF THE NATION IN THE PURSUIT OF AQUACULTURE DEVELOPMENT. BY THE MIDDLE OF THE 70'S, IT WAS CLEAR FROM THE SUCCESS OF INITIAL RESEARCH ACTIVITIES THAT THE INDUSTRY WAS HERE TO STAY. IT WAS THEN THAT THE STATE ADMINISTRATION AND THE LEGISLATURE MADE A FIRM COMMITMENT TO EVALUATING HAWAII'S POTENTIAL FOR FURTHER AQUACULTURE DEVELOPMENT. IT WAS THEN THAT HAWAII BEGAN TO PLAN FOR THE CREATION OF A CLIMATE IN WHICH AQUACULTURE COULD SURVIVE.

WITH THE PUBLICATION OF "AQUACULTURE DEVELOPMENT FOR HAWAII" IN 1979, HAWAII BECAME THE FIRST STATE IN THE NATION

TO CARRY OUT COMPREHENSIVE STATEWIDE AQUACULTURE PLANNING. THIS DOCUMENT, WHICH IDENTIFIED OPPORTUNITIES FOR AND CONSTRAINTS TO DEVELOPMENT, LATER SERVED AS A MODEL IN THE DRAFTING OF THE NATIONAL AQUACULTURE PLAN. IT ALSO SERVED AS THE FOUNDATION UPON WHICH THE EARLY SUCCESS OF THE INDUSTRY WAS BUILT.

TODAY, HAWAII'S AQUACULTURE PLAN HAS EVOLVED INTO SOMETHING MORE THAN A COLLECTION OF PROGRAMS AND POLICIES. HAWAII'S AQUACULTURE PLAN IS FULLY INCORPORATED INTO THE LONG-TERM POLICIES AND GOALS, BOTH SOCIAL AND ECONOMIC, OF THE STATE ITSELF. AS A RESULT OF THIS KIND OF COMMITMENT, HAWAII HAS MADE AQUACULTURE A TRUE PART OF ITS SOCIAL AND ECONOMIC INFRASTRUCTURE. I THINK YOU WILL AGREE THAT THIS KIND OF PLANNING PROCESS IS THE ONLY WAY TO GUARANTEE THE PERMANENCE AND SUCCESSFUL DEVELOPMENT OF ANY INDUSTRY.

DURING THE LAST FOUR YEARS, OTHER STATES HAVE CAREFULLY WATCHED THE IMPLEMENTATION PROCESS AND DEVELOPMENT OF HAWAII'S AQUACULTURE PLAN. THEY HAVE WATCHED OUR STATE BECOME A NATIONAL AND INTERNATIONAL LEADER IN COMMERCIAL PRODUCTION AND TECHNOLOGY. AND YET, THERE ARE THOSE WHO CHOOSE TO REMAIN SKEPTICAL ABOUT THE FUTURE GROWTH OF THIS INDUSTRY. THERE ARE THOSE IN CONGRESS WHO QUESTION THE PROGRESS WE HAVE MADE HERE IN HAWAII.

WELL, I QUICKLY POINT OUT TO MY COLLEAGUES THAT SINCE 1978, THE COMMERCIAL PRODUCTION SECTOR HAS TRIPLED IN VALUE, AND HOPEFULLY, BY THE END OF THE YEAR, WILL ALMOST DOUBLE IN SIZE, WITH ABOUT 40 FARMS IN OPERATION. MOREOVER, IF PILOT

OPERATIONS ARE SUCCESSFUL, THE ANTICIPATED GROWTH OF THE COMMERCIAL SECTOR WILL INCREASE THE WHOLESALE VALUE OF THE INDUSTRY TO MORE THAN \$20 MILLION BY 1985.

I ALSO POINT OUT THAT THE RESEARCH, TRAINING, AND TECHNOLOGY SECTOR CURRENTLY PROVIDES RESEARCH AND CONSULTING SERVICES ON A NATIONAL AND INTERNATIONAL LEVEL. AS YOU KNOW, OUR CONSULTANTS TRAVEL ALL OVER THE WORLD, AND STUDENTS FROM AROUND THE PACIFIC ARE BEGINNING TO COME TO HAWAII TO LEARN ABOUT THE AQUACULTURE INDUSTRY. IN THE PAST TWO YEARS ALONE, FIVE NEW CONSULTING ORGANIZATIONS HAVE JOINED THE RESEARCH, TRAINING AND TECHNOLOGY TRANSFER INDUSTRY.

FINALLY, I NOTE THAT THROUGH THE ASSISTANCE OF THE STATE AQUACULTURE LOAN PROGRAM, LOANS AVAILABLE TO AQUACULTURE ARE NOW COMMENSURATE WITH STATE AGRICULTURE LOANS. AND IN ORDER TO INCREASE THE AVAILABILITY OF SITES FOR AQUACULTURE, THE STATE HAS PERMITTED AGRICULTURAL PARK USE TO INCLUDE AQUACULTURE.

I TRY TO IMPRESS UPON MY COLLEAGUES IN WASHINGTON THAT THE KEY TO THE SUCCESS OF THE AQUACULTURE INDUSTRY IS ACTUALLY A VERY SIMPLE ONE. FIRST, A STATE MUST DECIDE THAT IT WANTS TO ENCOURAGE THE DEVELOPMENT OF AQUACULTURE. IT MUST THEN CREATE THE PROPER CLIMATE WHICH WILL PERMIT THE GROWTH OF THE INDUSTRY. ONCE THE PROPER CLIMATE HAS BEEN ESTABLISHED, NO OBSTACLE IS TOO LARGE TO BAR THE DEVELOPMENT OF A HEALTHY AND PROFITABLE INDUSTRY.

OF COURSE, THE INDUSTRY ALSO REQUIRES A GREAT DEAL OF FINANCING, THE PROPER RESOURCES, SOUND PLANNING, REGULATORY

RELIEF, COORDINATED GOVERNMENTAL POLICIES, AND CLEVER, PERSISTENT MARKETING. HOWEVER, ALTHOUGH EACH OF THESE ITEMS IS OF CRITICAL IMPORTANCE TO THE SUCCESS OF ANY AQUACULTURE OPERATION, THEY ARE NOT, IN THEMSELVES, SUFFICIENT CONDITIONS FOR THE SUCCESS OF THE INDUSTRY. THEY ARE, SIMPLY PUT, THE TOOLS NEEDED TO MAKE THIS INDUSTRY A SOUND ONE. THE KEY FACTOR FOR A SUCCESSFUL INDUSTRY LIES IN ESTABLISHING AN ENVIRONMENT IN WHICH IT IS POSSIBLE AND LIKELY THAT THE INDUSTRY WILL FLOURISH.

AS YOU KNOW, HAWAII, THE LAST STATE TO JOIN THE UNION, WAS THE FIRST STATE TO COMMIT ITSELF TO CREATING, AS A MATTER OF POLICY, A CLIMATE IN WHICH AQUACULTURE CAN THRIVE. AS A RESULT, HAWAII NOW HAS THE MOST PROGRESSIVE DEVELOPMENT PLAN AND, CONSEQUENTLY, THE MOST PROMISING AQUACULTURE INDUSTRY IN THE UNITED STATES.

WHAT AQUACULTURE DOES FOR HAWAII IS JUST WHAT AQUACULTURE CAN DO FOR ANY STATE OF THE UNION. WHAT AQUACULTURE DOES FOR HAWAII IS JUST WHAT AQUACULTURE CAN DO FOR THIS NATION AS A WHOLE. THE PROBLEM IS, HOWEVER, THAT IN MANY STATES, AND CERTAINLY AS A MATTER OF NATIONAL POLICY, WE HAVE YET TO DECIDE THAT AQUACULTURE IS IMPORTANT TO OUR ECONOMIC BASE... IMPORTANT ENOUGH, THAT IS, TO INCORPORATE AQUACULTURE INTO OUR LONG-TERM POLICY GOALS THROUGH THE IMPLEMENTATION OF AQUACULTURE DEVELOPMENT PLANS.

IN 1980, THE CONGRESS OF THE UNITED STATES MADE ITS POSITION QUITE CLEAR WITH THE PASSAGE OF THE NATIONAL AQUACULTURE ACT. THIS ACT, WHICH I MENTIONED EARLIER, WAS DRAFTED PARTLY IN ACCORDANCE WITH THE GUIDELINES ESTABLISHED BY THE STATE

AQUACULTURE PLAN AND SIGNED INTO LAW ON SEPTEMBER 26, 1980. THE PURPOSE OF THIS ACT WAS TO PROMOTE AQUACULTURE IN THE UNITED STATES BY:

1. DECLARING A NATIONAL AQUACULTURE POLICY;
2. ESTABLISHING AND IMPLEMENTING A NATIONAL AQUACULTURE PLAN; AND
3. ENCOURAGING AQUACULTURAL ACTIVITIES AND PROGRAMS IN BOTH THE PUBLIC AND PRIVATE SECTORS OF THE ECONOMY THAT WILL RESULT IN INCREASED AQUACULTURAL PRODUCTION, THE COORDINATION OF DOMESTIC AQUACULTURAL EFFORTS, THE CONSERVATION AND ENHANCEMENT OF AQUATIC RESOURCES, THE CREATION OF NEW INDUSTRIES AND JOBS, AND OTHER ADDITIONAL BENEFITS.

THE MAIN INTENT OF THIS ACT WAS TO INSURE THE IMPLEMENTATION OF A PLAN BY WHICH THE FEDERAL GOVERNMENT COULD INSURE THE CONTINUED GROWTH OF THE AQUACULTURE INDUSTRY BY INCORPORATING ITS POLICIES AND PROGRAMS INTO THE ECONOMIC AND SOCIAL FABRIC OF OUR NATION. UNFORTUNATELY, THIS HAS YET TO HAPPEN. THE PLAN WAS TO HAVE BEEN COMPLETED WITHIN 18 MONTHS OF THE PASSAGE OF THE ACT. IT WAS TO HAVE BEEN ESTABLISHED AND IMPLEMENTED BY MARCH OF 1982. ALREADY, WE ARE AT THE END OF AUGUST AND RAPIDLY APPROACHING THE END OF 1983. IS THIS AN INDICATION THAT THE FEDERAL GOVERNMENT IS WITHDRAWING ITS INITIAL SUPPORT OF THE AQUACULTURE INDUSTRY? IS THIS AN INDICATION THAT ALL OF THE TIME AND EFFORT WE DEVOTED TOWARD SECURING PASSAGE OF THE NATIONAL AQUACULTURE ACT HAVE BEEN RENDERED MEANINGLESS?

THE ANSWER IS DEFINITELY, "NO."

IN 1978, WHEN I WAS A MEMBER OF THE HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE, WE INVESTED A GREAT DEAL OF OUR TIME IN DRAFTING THE PROVISIONS OF THE ORIGINAL ACT. ALTHOUGH THE MEASURE, APPROVED BY BOTH THE HOUSE AND THE SENATE, WAS LATER VETOED BY PRESIDENT CARTER BECAUSE OF PROVISIONS CALLING FOR LOAN GUARANTEES AND INSURANCE PROGRAMS, THE ACT DID WIN APPROVAL TWO YEARS LATER. WE WORKED WITH GREAT PERSISTENCE AND DETERMINATION IN SECURING A COMMITMENT BY THE ADMINISTRATION TO DEVELOP ACCEPTABLE LEGISLATION THAT WOULD RECOGNIZE THE ACCOMPLISHMENTS OF THE INDUSTRY AND ITS POTENTIAL FOR FUTURE GROWTH.

IT WAS WITH THE SAME KIND OF PERSISTENCE AND DETERMINATION THAT H.R. 2676 WAS RECENTLY REPORTED OUT FROM THE HOUSE AGRICULTURE COMMITTEE. THE PURPOSE OF THIS BILL, THE NATIONAL AQUACULTURE IMPROVEMENT ACT OF 1983, IS TO AMEND THE PREVIOUS ACT BY EXTENDING THE AUTHORIZATION FOR APPROPRIATIONS THROUGH FISCAL YEARS 1984, 1985 AND 1986. IT IS ALSO DESIGNED TO RESTRUCTURE THE EFFORTS OF THE FEDERAL GOVERNMENT INTO A MORE CONCENTRATED ROLE IN HELPING THE AQUACULTURE INDUSTRY MOVE FORWARD TOWARD A GREATER REALIZATION OF ITS POTENTIAL DEVELOPMENT.

THE BILL SPECIFICALLY PLACES THE SECRETARY OF AGRICULTURE IN A LEAD ROLE WITH RESPECT TO COORDINATING AND CARRYING OUT THE RESPONSIBILITIES OF THE FEDERAL GOVERNMENT UNDER THE NATIONAL AQUACULTURE ACT. BY REQUIRING THE SECRETARY TO ESTABLISH WITHIN THE DEPARTMENT OF AGRICULTURE, AN OFFICE OF AQUACULTURE COORDINATION AND DEVELOPMENT, THE AQUACULTURE

INDUSTRY SHOULD RECEIVE THE NECESSARY GUIDANCE IT PREVIOUSLY LACKED FROM THE FEDERAL GOVERNMENT.

I REALIZE THERE ARE THOSE WHO CLAIM THAT SUCH AN ACTION MAY NARROW THE BASE OF SUPPORT FOR AQUACULTURE. HOWEVER, THE LACK OF COORDINATION IN FEDERAL EFFORTS HAS REPRESENTED ONE OF THE BIGGEST OBSTACLES IN THE EFFECTIVE IMPLEMENTATION OF THE ACT. AS YOU PROBABLY KNOW, THE 1980 ACT PROVIDES THAT EACH OF THE SECRETARIES OF AGRICULTURE, COMMERCE AND INTERIOR ARE EQUALLY RESPONSIBLE FOR DEVELOPING, IMPLEMENTING AND COORDINATING FEDERAL AQUACULTURE POLICY. AS A RESULT, HOWEVER, NONE OF THE AGENCIES HAS TAKEN THE INITIATIVE TO ENCOURAGE AND FACILITATE A FEDERAL AQUACULTURE PROGRAM.

THE AQUACULTURE IMPROVEMENT ACT CALLS FOR THE ESTABLISHMENT OF A NATIONAL AQUACULTURE BOARD, COMPRISED OF 21 MEMBERS REPRESENTING THE AQUACULTURE INDUSTRY AND THE PUBLIC SECTOR. THE PURPOSE OF THIS ORGANIZATION WILL BE TO "EQUITABLY AND OBJECTIVELY REPRESENT THE AQUACULTURE COMMUNITY AND ADVISE THE FEDERAL GOVERNMENT ON THE NEEDS AND PERCEPTIONS OF THE PRIVATE SECTOR."

(MORE)

THE CREATION OF A BOARD WILL REPLACE THE NEED FOR A SEPARATE FEDERAL ADVISORY COMMITTEE WHICH WAS PROVIDED FOR IN THE ORIGINAL ACT. TOGETHER, WITH THE SECRETARIES OF AGRICULTURE, COMMERCE AND INTERIOR, THE BOARD WILL REVIEW AND ASSIST IN DEVELOPING AND IMPLEMENTING THE NATIONAL AQUACULTURE PLAN, WHICH CURRENTLY IS IN ITS FINAL STAGE OF REVIEW. THE BOARD WILL ALSO BE RESPONSIBLE FOR PERIODICALLY REVIEWING THE PLAN AND INSURING THAT IT IS CONTINUALLY MODIFIED AND TAILORED TO THE CHANGING AND DEVELOPING NEEDS OF THE U.S. AQUACULTURE INDUSTRY.

THE BOARD WILL ALSO ASSIST IN THE DEVELOPMENT OF A REGULATORY CONSTRAINTS PLAN. THIS IS ESPECIALLY CRITICAL, SINCE IN MANY CASES, AQUACULTURE IS OVERREGULATED BY THE FEDERAL GOVERNMENT. DUE TO THE NATURE OF THE INDUSTRY, THERE ARE AREAS WHICH MERIT SPECIAL ATTENTION ON THE PART OF THE FEDERAL GOVERNMENT--SPECIFICALLY, WITH REGARD TO REGULATIONS ISSUED BY THE FOOD AND DRUG ADMINISTRATION AND THE ENVIRONMENTAL PROTECTION AGENCY.

FINALLY, THE BOARD WILL BE RESPONSIBLE FOR THE DEVELOPMENT OF A CAPITAL REQUIREMENTS PLAN, WHICH IS TO BE BASED ON A STUDY, RECENTLY COMPLETED UNDER THE PROVISIONS OF THE ORIGINAL ACT. THE PURPOSE OF THIS PLAN IS TO ADDRESS THE QUESTION OF CONTINUED FINANCIAL SUPPORT FOR ALL ASPECTS OF THE INDUSTRY.

AFTER ALL, THIS INDUSTRY MUST HAVE AN ADEQUATE LEVEL OF FUNDING, IF IT IS TO HAVE A SOUND BASE OF RESEARCH. AND A SOUND BASE OF RESEARCH IS OF CRITICAL IMPORTANCE, FOR WITHOUT IT, THE INDUSTRY CANNOT CONTINUE TO GROW.

ALTHOUGH NO FEDERAL FUNDS HAVE BEEN REQUESTED UNDER THE NATIONAL AQUACULTURE ACT OF 1933 BY ANY OF THE DEPARTMENTS INVOLVED, APPROPRIATIONS WILL BE AUTHORIZED FOR THE NEXT THREE YEARS UNDER THE TERMS OF THE NEW BILL. THE AGRICULTURE COMMITTEE RECOGNIZES THAT THE LACK OF FEDERAL FUNDS TO DATE CAN LARGELY BE ATTRIBUTED TO THE LACK OF A SOLID DEVELOPMENT PLAN. HOWEVER, WITH THE PLAN CLOSE TO COMPLETION, AUTHORITY FOR APPROPRIATIONS WILL BE EXTENDED THROUGH FISCAL YEAR 1936.

THE NEW BILL WILL PROVIDE AN AUTHORIZATION LEVEL OF \$3 MILLION TO THE DEPARTMENT OF AGRICULTURE, \$2 MILLION TO THE DEPARTMENT OF COMMERCE, AND \$1 MILLION TO THE DEPARTMENT OF INTERIOR, FOR A TOTAL OF \$6 MILLION FOR EACH FISCAL YEAR DURING 1934, 1935 AND 1936. PROVISIONS HAVE ALSO BEEN MADE FOR THE NATIONAL AQUACULTURE BOARD, WHICH WILL BE ALLOCATED UP TO \$1 MILLION FROM FUNDS APPROPRIATED TO THE DEPARTMENT OF AGRICULTURE.

THE NATIONAL AQUACULTURE IMPROVEMENT ACT OF 1933 IS CURRENTLY AWAITING FULL CONSIDERATION BY THE HOUSE. INITIAL SIGNS OF SUPPORT FOR THIS BILL ARE STRONG; ESPECIALLY SO IN THE WAKE OF A GROWING TRADE DEFICIT IN FISHERY PRODUCTS WHICH HAS RESULTED FROM THE INABILITY OF THE UNITED STATES TO MEET ITS CONSUMPTION DEMANDS WITH DOMESTIC PRODUCTS. WE MUST ADDRESS

THIS PROBLEM IF AQUACULTURE PRODUCTION IS TO FULLY DEVELOP IN THE UNITED STATES. WE MUST INSURE THAT THE CURRENT ADMINISTRATION FULFILLS ITS OBLIGATIONS UNDER THE TERMS STATED IN THE ORIGINAL AQUACULTURE ACT.

AS YOU CAN SEE, THE FEDERAL GOVERNMENT IS CLOSELY FOLLOWING THE PATH LAID DOWN BY THE STATE OF HAWAII IN ITS PURSUIT OF A PROFITABLE AQUACULTURE INDUSTRY. THE FEDERAL GOVERNMENT IS TAKING ITS CUES FROM A STATE WHICH RANKS 47TH IN SIZE AND WHICH POSSESSES LESS THAN ONE-HALF OF ONE PERCENT OF THE NATION'S POPULATION.

THE FACT THAT WE ARE THE NATION'S LEADER IN AQUACULTURE SHOULD PROVIDE US WITH AN EVEN GREATER INCENTIVE TO CONTINUE MAKING A STRONG COMMITMENT TO DEVELOPING THE INDUSTRY TO ITS FULL POTENTIAL. HOWEVER, WE SHOULD ALSO BASE OUR COMMITMENT UPON THE SIMPLE FACT THAT AQUACULTURE IS GOOD FOR HAWAII. AQUACULTURE IS GOOD FOR OUR STATE'S SOCIAL AND ECONOMIC DEVELOPMENT, INASMUCH AS IT IS GOOD FOR ALMOST ANY STATE IN THE UNION.

ALL OF YOU ARE WELL AWARE THAT HAWAII'S ECONOMIC BASE IS PRESENTLY LIMITED IN SCOPE. MOREOVER, MOST OF THE STATE'S INCOME, WHICH IS DERIVED FROM TOURISM, FEDERAL EXPENDITURES AND SUGAR CANE AND PINEAPPLE PRODUCTION, IS EXTREMELY SENSITIVE TO THE EBB AND FLOW OF HIGH INTEREST RATES AND INFLATION. IN FACT, FOR ANYONE WHO HAS BEEN KEEPING TRACK OF TRENDS IN OUR LOCAL ECONOMY, THERE CAN BE NO QUESTION THAT OUR TRADITIONAL BASE OF SUPPORT IS IN TROUBLE.

AS YOU KNOW, IN 1981, HAWAII EXPERIENCED ITS POOREST ECONOMIC PERFORMANCE SINCE STATEHOOD. FOR THE FIRST TIME, EACH OF THE FOUR MAIN EXPORT INDUSTRIES HAD MEDIOCRE YEARS OR WORSE. THE SUGAR INDUSTRY SUFFERED A RECORD LOSS AND PINEAPPLE REVENUES DROPPED IN THE FACE OF A WORLD OVERSUPPLY. DEFENSE EXPENDITURES WERE FLAT; THE TOURISM INDUSTRY BARELY AVOIDED A SECOND CONSECUTIVE DECLINE IN VISITOR ARRIVALS. THE ONLY INDUSTRY WHICH REGISTERED AN ACTUAL GROWTH IN REVENUES WAS DIVERSIFIED AGRICULTURE.

TODAY, IT HAS BECOME APPARENT THAT THE ONLY WAY IN WHICH WE CAN ACHIEVE A GREATER MEASURE OF ECONOMIC STABILITY AND STILL MAINTAIN THE QUALITY OF LIFE WE ENJOY IS BY DIVERSIFYING OUR ECONOMIC BASE. SPECIFICALLY, INDUSTRIES SUCH AS AQUACULTURE CAN PLAY A KEY ROLE IN THE ECONOMIC DEVELOPMENT OF OUR STATE. WITH THE CONTINUED SUPPORT OF THE STATE GOVERNMENT AND THE PRIVATE SECTOR, THE AQUACULTURE INDUSTRY REPRESENTS THE MOST PROMISING SOLUTION TOWARD:

1. CREATING A GREATER NUMBER OF JOBS AND A MORE DIVERSE RANGE OF CAREER OPPORTUNITIES;
2. DIVERSIFYING THE ECONOMIES OF ALL THE ISLANDS;
3. REDUCING THE DEVELOPMENT PRESSURE ON PRIME AGRICULTURAL LANDS;
4. IMPROVING THE STATE'S BALANCE OF TRADE;
5. PRESERVING RURAL LIFESTYLES AND OPEN SPACE; AND, MOST IMPORTANT OF ALL, MAINTAINING A QUALITY ENVIRONMENT FOR THE RESIDENTS OF THIS STATE.

I MENTIONED AT THE BEGINNING OF MY SPEECH THAT THE AQUACULTURE INDUSTRY HAS FINALLY COME OF AGE. A MORE ACCURATE ASSESSMENT OF THE INDUSTRY, HOWEVER, IS TO SAY THAT THE INDUSTRY IS AT A CRITICAL CROSSROADS IN 1983. WE HAVE REACHED A POINT WHERE WE MUST DECIDE WHETHER OR NOT WE WILL ALLOW OTHER COUNTRIES TO CONTINUE TO PRODUCE THE CULTURED FISH AND SHELLFISH FOR OUR DINNER TABLE. WE MUST DECIDE WHETHER OR NOT WE WILL ALLOW YET ANOTHER INDUSTRY TO WEAKEN AND ATROPHY FROM NEGLECT.

WE ALREADY HAVE THE BASIC TOOLS TO MAKE THE INDUSTRY A COMPLETE SUCCESS. WE ALREADY HAVE ESTABLISHED THE PROPER CLIMATE IN WHICH THE INDUSTRY CAN FLOURISH. WHAT WE NEED NOW IS A SPECIAL FORM OF COMMITMENT BY THE PRIVATE SECTOR WHICH WILL FACILITATE THE EXPANDED GROWTH OF THE INDUSTRY. ONLY THEN CAN WE EXPLORE THE OPPORTUNITIES AVAILABLE WITHIN THE SCOPE OF OUR PRECIOUS AND LIMITED NATURAL RESOURCES. ONLY THEN CAN WE FORM A TRUE PARTNERSHIP TO MEET THE CHALLENGES OF THIS YOUNG INDUSTRY.

IF HAWAII IS TO SURVIVE THE ECONOMIC CRISES OF THE 80'S, WE MUST WORK TOGETHER TO INSURE THAT THE YEARS AHEAD ARE SUCCESSFUL ONES FOR AQUACULTURE. IN THE COMING MONTHS, I INTEND TO WORK WITH BOTH THE INDUSTRY AND THE GOVERNMENT TO INSURE THAT FUTURE. EACH OF YOU IN THIS ROOM TODAY ALSO HAS A KEY ROLE TO PLAY. I STRONGLY URGE YOU TO DO THE SAME.