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held on
Thursday, 1 November 1979
at 3 p.m.
New York

SUMMARY RECORD OF THE 28th MEETING

Chairman: Mr. MURGESCU (Romania)

later: Mr. XIFRA (Spain)

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The meeting was called to order at 3.10 p.m.

AGENDA ITEM 56: UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
(A/34/15; TD/268 and Add.1)

1. Mr. COREA (Secretary-General, United Nations Conference on Trade and Development) said that, in any assessment of the results of the fifth session of UNCTAD, due weight should be given to the positive as well as the negative aspects. Whatever the actual decisions taken, it must be recognized that the unique features of the session had been the concentrated focus on the over-all theme of structural change and the approach to all items as interrelated aspects to be dealt with in the context of a wider effort to achieve structural change. The fact that the international community had involved itself in an intense discussion of structural change would have an impact on the global debate on development issues. Because the subjects under consideration at the session had been sensitive, complex and of fundamental importance to all States, it had proved difficult to reach concrete and definitive decisions and conclusions which could be presented as solutions. However, the efforts made at Manila represented one stage in a continuing process in the search for structural change.
2. The basic themes dealt with at the fifth session of UNCTAD would be of relevance in the period ahead, particularly in the preparation of the new International Development Strategy, which would have to address itself to the need for basic changes in the mechanisms governing international trade. The prevailing assumptions at the time of the preparation of the International Development Strategy for the Second United Nations Development Decade had been that the world economy would continue to expand and that the essential task was to ensure that the developing countries would participate in and benefit by that process. In the present economic climate there could be no such confidence, and the new Strategy would have to reflect the need to respond to fresh challenges by promoting structural change.
3. At the fifth session of UNCTAD, the need for structural change had been stressed in four major areas of importance and relevance to the Second Committee. The Conference had acknowledged that, despite the transformation in the economies of the third world, the bulk of external resources still came from trade in commodities. Accordingly, structural changes in the commodity economies of the developing countries were called for. UNCTAD was already giving effect to the Integrated Programme for Commodities, and some progress had been made with respect to the Common Fund. Negotiations were currently taking place at Geneva on the legal text of articles of agreement for the Common Fund, which should be established before long. Another aspect of the Integrated Programme was the quest for agreements to stabilize the markets for commodities of export interest to the developing countries. Although progress had been slow, there were positive results in some areas. Consensus had been reached on a new international commodity agreement for rubber, and the International Cocoa Agreement would be renegotiated later in 1979. UNCTAD was convening preparatory meetings on a number of other commodities. While there was no room for complacency, it should be borne in mind that negotiations were in progress and that even more encouraging results could be achieved if Governments gave the necessary political impetus.

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4. A new dimension had been introduced to the Integrated Programme for Commodities at Manila. In its resolution 124 (V), the Conference had agreed to establish a framework of international co-operation in the marketing, processing and distribution of the commodities of the developing countries. That could afford an opportunity to proceed to structural changes in commodity trade. Emphasis had been placed on commodity trade because it was felt that the commodity sector of the developing countries must contribute to their industrial development.

5. The question of trade in manufactures of developing countries was the second major area where the theme of structural change had been prominent at Manila. There was growing recognition of the need to resist the negative trend of protectionism, which had to be seen in its long-term context. In its resolution 131 (V), the Conference had called on the Trade and Development Board and its subsidiary bodies concerned to continue to review developments involving restrictions of trade, with a view to examining and formulating appropriate recommendations concerning the general problem of protectionism. The Conference had recognized that the problem of access to markets could be solved by conscious policies by the industrialized countries to facilitate the restructuring and redeployment of industries within their economies.

6. The third major area was that of money and finance. There was as yet no coherent international monetary system to replace the earlier, undermined system. The proposals on the requirements for international monetary reform put forward by the Ministers of Finance of the Group of 77 at Belgrade could be a valuable contribution to the quest for structural change. The dimensions of the current monetary problems had not been contemplated at the time of Bretton Woods, and the institutions and facilities then established were clearly no longer adequate in the new context. Several aspects of the energy crisis reflected the inability of the present monetary system to cope with new developments. The thinking, philosophy, responses and solutions had to be different than at the time of Bretton Woods.

7. The Conference had adopted by consensus resolution 129 (V), on the transfer of real resources to developing countries. In resolution 128 (V), it had decided to establish within UNCTAD and ad hoc intergovernmental high-level group of experts to examine fundamental issues concerning the international monetary system. Some developed countries had not supported that resolution and had left open the question of their participation. The group of experts could be very helpful in promoting international monetary reform, thus making a long-term contribution to the work of the International Monetary Fund and other bodies, without duplicating their efforts.

8. The fourth major area where the need for structural change had been underscored was that of economic co-operation among developing countries. The concept of collective self-reliance had gained considerable ground since the sixth special session of the General Assembly. The Arusha Programme for Collective Self-Reliance adopted by the Fourth Ministerial Meeting of the Group of 77 in February 1979 was a comprehensive programme of action on economic co-operation among developing countries. Pursuant to Conference resolution 127 (V), UNCTAD had scheduled a series

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(Mr. Corea)

of events and meetings designed to take the theme of economic co-operation among developing countries from conceptualization to implementation. Those events and meetings would focus on some of the concepts singled out by the developing countries for priority attention.

9. The Conference had also considered the question of an International Code of Conduct on the Transfer of Technology and the technological transformation of the developing countries, both subjects of relevance to trade in manufactures of developing countries. He hoped that the current negotiations on the Code of Conduct would move decisively forward, and he looked forward to an acceleration of the work within UNCTAD on technological transformation.

10. UNCTAD resolution 122 (V) contained a comprehensive programme of action for the least developed countries. He hoped that the Conference's call for a global conference and accelerated action to deal with their problems would be supported by the Second Committee. Since those problems were at the core of the problem of world poverty, it was only fitting that UNCTAD and its member States should give them priority. He wished to reiterate UNCTAD's commitment to pursue its work in that area.

11. At its fifth session, the Conference had endorsed its resolution 95 (IV) on trade relations among countries having different economic and social systems, a subject which the Trade and Development Board had decided to keep under consideration.

12. At Manila, the Conference had given a different orientation to the question of shipping by turning its attention to new aspects. The negotiations concerning a convention on international multimodal transport were continuing.

13. The tasks in the period ahead fell into three main categories. First, it was important to bring to a successful conclusion the processes started at the fourth session of UNCTAD concerning, inter alia, the Common Fund and the convention on international multimodal transport. Secondly, it was important to carry out the mandates given at the fifth session in respect of such questions as protectionism, money and finance and economic co-operation among developing countries. Thirdly, efforts should continue to settle the issues which had remained unresolved at Manila. In that connexion, the Trade and Development Board, at its nineteenth session, had unfortunately been unable to complete work on the question of interdependence and structural changes. The idea had been to institute regular debates on the world economic situation, with special reference to the impact on trade and development. Such reviews were expected to serve as opinion-forming rather than decision-making forums. The Board had agreed on the general mechanism for such in-depth discussions of the world economic situation, but not on the specific framework for consultations. It had also been unable to finalize its work on the external debt problem of the developing countries. It was hoped that future meetings on those two questions would be more fruitful.

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14. At the request of the Preparatory Committee for the New International Development Strategy, the Trade and Development Board would set up a high-level intergovernmental group to formulate UNCTAD's contribution to the new strategy. The group would meet early in 1980 and report to the Board at its special session in March 1980. The Board would in turn report to the Preparatory Committee.

15. The international community was beginning to look more and more closely at fundamental issues of increasing scope and depth. The backdrop for its discussions was not too favourable, because virtually all countries were affected by the steady series of crises. One source of comfort was that the trend of events was likely to bring home the urgency of the issues and generate a greater responsiveness and willingness to deal constructively with those issues. He was confident that UNCTAD would continue to be of assistance to the Second Committee and to receive strength and sustenance from the Committee's work.

AGENDA ITEM 57: UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (continued)
(A/34/16, 237, 288; E/1979/82)

16. Mr. MARDOVICH (Byelorussian Soviet Socialist Republic) said that the Byelorussian SSR had always viewed the industrialization of developing countries as an important factor in their development which could facilitate economic growth, the restructuring of the economy, the creation of a firm material and technological base and an improvement in the population's standard of living. It therefore fully understood the importance attached by developing countries to the question, and to the work of UNIDO.

17. His delegation generally welcomed UNIDO's activities, especially those aimed at reorienting its research at the national, regional and global levels in accordance with the Lima Declaration and Plan of Action, the training of cadres and the provision of technological assistance to the peoples of Namibia and Palestine through their sole legal representatives, SWAPO and PLO.

18. However, UNIDO's tasks were far from completed. Many of them had been further complicated by the continuing economic crisis of the capitalist developed countries, which adversely affected the efforts of developing countries to carry out industrial development programmes. It had been noted that the imbalance between developed and developing countries had become more pronounced: the developing countries' share of the world's population had increased, but their share of the world's income had decreased. Their foreign indebtedness was increasing rapidly and so were payments on those debts, which restricted their ability to import technology.

19. One of the reasons for that situation was the adverse effects of the activities in developing countries of transnational corporations, which monopolized basic areas of activity, controlled the industrialization process and attempted to use it to meet the needs of the imperialist monopolies. It seemed to his delegation that UNIDO was not studying sufficiently the effects of transnational monopolies on the industrialization process in developing countries. It should pay more attention to the struggle of developing countries to end the exploitation of their peoples by

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(Mr. Mardovich, Byelorussian SSR)

foreign private capital. The study planned on the adverse effects of the activities of transnational corporations should be carried out within the framework of a study on structural changes in industrial production, with the aim of working out specific steps to limit the negative consequences of those activities.

20. In a situation of scientific and technological revolution, the complex problems of economic development in countries recently liberated from colonialism could not be solved unless the State sector was actively involved. The participation of the State sector facilitated the solution of such problems as restructuring the economy on an industrialized basis, increasing employment, training national cadres, developing rural areas and increasing the standard of living of the poorer sectors of the population. Expansion of the State sector's activities served to consolidate the nation's strengths and to strengthen the role played by developing countries in the international arena. UNIDO should be more involved in detailed study and popularization of the role of the State sector, and should give practical assistance to developing countries in carrying out their national programmes. The experience of the socialist countries, which were developing their economies at a steady and rapid pace without crises, unemployment, inflation or financial fluctuations, could be useful in that respect.

21. His delegation fully supported the activities of the Industrial Development Field Advisers, but felt that they should be trained on a broader geographical basis and that the positive experience of countries with different social systems should be made available to interested developing countries. The activities of the advisers should be financed from voluntary contributions.

22. The guiding role of the Industrial Development Board in setting policies for UNIDO and its secretariat should be enhanced. That would put an end to the recent tendency to make changes in the secretariat's structure and to appoint persons to new and important positions without the agreement of the States members of the Board. Such unilateral action was all the more unacceptable at a time when UNIDO's activities were being reoriented and consultations with all countries and regional groups were extremely important.

23. The Third General Conference of UNIDO should develop practical recommendations for speeding up the industrialization of developing countries and actively facilitating the implementation of the Lima Declaration and Plan of Action, the decisions of the sixth and seventh special sessions of the General Assembly and the Charter of Economic Rights and Duties of States. It must also actively support the struggle of countries and peoples throughout the world to achieve détente and disarmament, which would open up unprecedented opportunities for the all-round progress of mankind, including the developing countries.

24. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his country supported measures directed at solving vital and long-standing problems in international industrial development co-operation. It sympathized with the

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(Mr. Smirnov, USSR)

developing countries' drive to abolish the ills that continued to form major obstacles to their economic development. There had been no real progress in the struggle to establish the new international economic order because the monopolistic circles of the developed capitalist countries continued to prevent the radical restructuring of international economic relations.

25. Industrialization was an important prerequisite for success by the developing countries in achieving political independence and overcoming their backwardness and economic dependence. International organizations, especially UNIDO, should intensify their efforts to implement the provisions of the Charter of Economic Rights and Duties of States, the Declaration on the Establishment of a New International Economic Order and the Lima Declaration and Programme of Action.

26. His delegation welcomed UNIDO's activities with regard to increasing the role of the State sector and of State planning in the industrial development of developing countries. It should in future expand its activities in those fields. His delegation endorsed the decision of the thirteenth session of the Industrial Development Board calling for a detailed report on ways and means of ensuring that the State sector would play its proper role in promoting the industrial development of developing countries.

27. His delegation also supported the decision to provide technological assistance to the peoples of Namibia and Palestine, in close co-operation with their sole legal representatives, SWAPO and PLO.

28. On the whole, UNIDO's activities were properly oriented and continued to contribute to the struggle of developing countries to achieve economic and social progress. The success of its activities had been due in part to the reorganization of its programmes and priorities along the lines of the Lima Declaration and Plan of Action and the resolutions of the sixth and seventh special sessions of the General Assembly. Significant among its achievements in 1978 had been the progress in increasing its participation in UNDP technical assistance programme; it was now third among the executing agencies. The role of the Industrial Operations Division, which implemented many large-scale projects aimed at creating and developing branches of industry in young independent States, was extremely important in that regard.

29. It was encouraging to see that, in 1978, 27 per cent of the resources of the United Nations Industrial Development Fund had been allocated to the training of personnel in developing countries. His delegation attached great importance to those activities, and especially to the courses held in the Soviet Union to improve the qualifications of specialists from developing countries in various fields. His Government would continue its productive co-operation with UNIDO in that respect.

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(Mr. Smirnov, USSR)

30. His delegation supported the decision of the Industrial Development Board regarding the future of the system of consultations. However, the Executive Director and the UNIDO secretariat, attached undue importance to that expensive activity, thus impairing other activities which had already proved their worth. A thorough and comprehensive analysis of the practical value to developing countries of the system of consultations should be carried out before the question of expanding the system, much less making it a permanent activity, could be dealt with. His delegation therefore endorsed the Board's decision to carry out such an analysis and to take a final decision on the question after its consideration at the Third General Conference. The participation of representatives of the least developed countries in the system of consultations should be funded entirely from voluntary contributions.

31. He wished to draw attention to the danger of establishing new UNIDO investment promotion offices in the developed capitalist countries. Four such offices were now operating. It was doubtful that such activities truly answered the industrial development needs of developing countries.

32. UNIDO continued to pay insufficient attention to the question of providing assistance to developing countries in their struggle against the adverse effects of the activities of transnational corporations. Greater attention should be paid to the problem of working out methods of State control over the activities of those corporations in developing countries. The active participation of international organizations, including UNIDO, in that process would be desirable.

33. His delegation deplored the fact that the Industrial Development Board had been presented with a fait accompli in the matter of structural changes, the creation of new high-level posts and the filling of those posts without its consent. It was especially disturbing that the changes accentuated the imbalance in the geographical distribution of posts at the highest levels. The United Nations Secretariat and the UNIDO secretariat must take appropriate measures to rectify that unnatural situation and to strengthen UNIDO's central governing body.

34. Finding a solution to all those problems seemed especially urgent on the eve of the Third General Conference of UNIDO. The Industrial Development Board must facilitate the elaboration during the Conference of practical recommendations and effective approaches for speeding up the industrialization of the developing countries. The documents to be prepared by the secretariat for the Third General Conference should assess the main elements in the international climate. Those elements included disarmament and ending the growth of military expenditures, one of the major obstacles to increasing the resources available for industrial development, particularly in the developing countries.

35. United Nations activities in the field of industrial development should be more diversified in the 1980s, and that would present the UNIDO secretariat with new problems. They should be solved not through the creation of separate secretariat branches, but by making existing sections, whose capacities were far from exhausted, function effectively. It was essential to move towards the more rational use of

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(Mr. Smirnov, USSR)

UNIDO's financial resources and to prevent their expenditure on projects that would not lead to the solution of priority problems.

36. UNIDO should support the principle of strengthening the national sovereignty of developing countries and should facilitate the use of industrialization as a means of achieving economic independence. Special attention should be paid to the establishment of industrial centres in the least developed countries, full mobilization for industrial development of the internal resources of developing countries, and support for the expansion of industrial co-operation among developing countries themselves. More attention should also be paid to the social aspects of industrialization in the developing countries. The UNIDO secretariat had thus far taken insufficient account of the new forms of industrial co-operation accomplished by the Council for Mutual Economic Assistance and between socialist and developing countries.

37. Unfortunately, the process of industrial redeployment continued to be directed at serving the interests of international capitalists. The leading capitalist States applied protectionist policies against industrial goods from developing countries with increasing frequency, which hindered the industrialization and development of new branches of industry in those countries. His delegation doubted that redeployment in those circumstances was really in the interest of the developing countries, especially in the absence of State control over it. The goal of the study on redeployment to be carried out by the UNIDO secretariat should be the elaboration of measures aimed at limiting the adverse effects of the activities of transnational corporations in developing countries. The process of redeployment must be fully in accordance with the State industrialization policies of developing countries; the role of the State sector in those countries should accordingly be increased.

38. Strictly speaking, the USSR did not carry out any redeployment measures; rather, it expanded and strengthened its economic, scientific and technological ties with developing countries in ways which were appropriate to its social structure and which had proved their value in practice. It currently had agreements on economic and technological co-operation with 68 developing countries. Its provision of complex machinery had grown by 65 per cent in 1975. Over 70 per cent of the volume of its economic and technological assistance to new States was directed at creating and developing their national industries. More than 1,000 installations were under construction, and nearly 900 were being equipped, in developing countries; the annual industrial output of those installations was 30 million tons of steel, over 500,000 tons of aluminium, more than 5 million tons of cement, 23 million kilowatts of electric power, over 65 million tons of petroleum and more than 45 million tons of coal. Over 200,000 skilled workers and specialists had been trained with the help of the Soviet Union. Everything that was produced with Soviet assistance in the developing countries was the property of those countries themselves. The USSR planned to expand and improve its trade and economic co-operation with developing countries on an equitable and mutually profitable basis, keeping in mind its own capabilities and the needs of developing countries.

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(Mr. Smirnov, USSR)

39. His delegation was concerned at the tendency within UNIDO to solve its expansion problems by attracting additional resources from the United Nations budget. It wished to stress that, when planning its activities, the UNIDO secretariat should be strictly governed by its resources and should direct its efforts at increasing its effectiveness by eliminating duplication, terminating outdated programmes and reordering its priorities for implementing programmes in accordance with the recommendations of major international bodies. Increasing the expenditure from the United Nations budget did not assist developing countries, because those resources were used to shore up the inflated United Nations Secretariat apparatus. All aspects of UNIDO's activities should be financed out of voluntary contributions. The USSR participated in those activities on the understanding that its contributions would be effectively used to speed up the economic development of developing countries.

40. Mr. Xifra (Spain) took the Chair.

41. Mr. MUTUKWA (Zambia) said that his country's economy had benefited from UNIDO's involvement in its first and second development plans, and his Government looked forward to even closer co-operation with UNIDO during the current third national development plan. UNIDO had provided assistance in the establishment of several industrial projects in Zambia, the most recent example being an intravenous fluid plant which was now operational. It was also engaged in setting up small workshops to manufacture and repair hand implements, and was co-operating in technical assistance in food processing.

42. According to the Strategy for the Second International Development Decade, the developing countries as a whole had been supposed to achieve at least a 6 per cent annual rate of growth in their gross domestic product. The rate envisaged for the manufacturing sector had been 8 per cent. Thus, particular emphasis was to have been placed on the development of the manufacturing sector. History showed that manufacturing had been the principal engine of growth in the industrialized countries, and sustained expansion of the manufacturing sector was essential if the developing countries were to break out of the vicious circle of poverty. Accordingly, a commitment to accelerate development in the developing countries would be incomplete without a commitment to accelerate their industrialization. Such an acceleration would be difficult, however, without unequivocal acceptance of structural change, in accordance with the prescriptions of the new international economic order, and it was in that context that the new industrial development strategy should be approached. The changes involved should include acceptance of the idea of comparative advantage.

43. His delegation saw no contradiction between emphasizing manufacturing and placing great stress on the development of agriculture, particularly food production, in the plans and programmes of developing countries. In the present era, the satisfaction of basic needs demanded a sustained increase in the availability of manufactured goods. Moreover, manufacturing industry was a prerequisite for the modernization of agriculture and for the alleviation of unemployment, which was one of the most serious challenges now confronting developing countries. Thus, Zambia subscribed to the view of industrialization as one of the primary means of development.

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(Mr. Mutukwa, Zambia)

44. The increase in the share of the developing countries in world industrial production to 25 per cent by the year 2000 could only be achieved through a sustained transfer of real resources to developing countries. Those Member States which had not yet done so should ratify the UNIDO Constitution as soon as possible. A revitalized UNIDO with a new autonomous status was essential for the rapid industrialization of developing countries.

45. His delegation endorsed the recommendations of the Industrial Development Board in its report (A/34/16). Serious attention should be given to the recommendation that consultations in 1980 and 1981 should focus on such sectors as food and leather processing, pharmaceuticals and fertilizers, petrochemicals, vegetable oil and fats, capital goods and the training of industrial manpower. It also endorsed the recommendation that the Industrial Development Field Advisers programme should be strengthened, and looked forward eagerly to the successful convening of the Third General Conference.

46. Mr. SUAREZ (Philippines) said that the role of industry in the development process was universally accepted. Questions that still remained to be answered were what relative priority industrialization should have and at what stage of the development process; what strategy would best serve more rapid and equitable development through industrialization in the developing countries; and what new global target should be set for the growth of industrialization in those countries, given the present world economic situation characterized by rising protectionism in developed country markets and the shift to high-cost energy.

47. UNIDO was the centre-piece in the United Nations effort to achieve rapid industrialization in the developing countries and could be expected to lead in the attempt to achieve an international consensus on the basic issues. Its establishment as a specialized agency reaffirmed that role. In signing the Constitution of UNIDO, the Philippines had marked its continuing support for the organization's goals and activities.

48. Among UNIDO's activities, the system of consultations was useful and should be continued. However, the consultations must be well prepared and carefully structured so as to yield reasoned conclusions and recommendations. The Industrial Development Field Advisers programme was also useful, but it would be better served if it proceeded with more deliberation and gave greater attention in recruiting to the quality of the advisers rather than their numbers.

49. Unfortunately, contributions to the United Nations Industrial Development Fund were still far short of the annual funding level of \$50 million set by the General Assembly. The Philippines hoped that the major donor countries, and others in a position to do so, would contribute or increase their contribution to the Fund to enable UNIDO to step up its technical co-operation activities.

50. The Philippines had high hopes for the forthcoming Third General Conference. With its full and comprehensive agenda, it should be able to provide valuable inputs for the new International Development Strategy, as well as a basic framework in respect to industrialization for the proposed global negotiations which it was hoped to launch at the special session of the General Assembly in 1980.

51. Miss COURSON (France) said that her delegation had expressed its views on

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(Miss Courson, France)

general problems of industrialization, and industrial restructuring in particular, during the general debate. She would therefore comment on only three of the major points dealt with in the report of the Industrial Development Board (A/34/16), namely, the system of consultations, the Field Advisers programme, and the preparations for the Third General Conference.

52. Industrial consultations were one of the instruments envisaged in the Lima Declaration and Plan of Action for attaining the 25 per cent target. They had been very useful in providing an opportunity for full and open discussion on specific means of increasing the productive capacity of developing countries in particular sectors. In that connexion, the meeting in Italy on agricultural machinery had produced excellent results. France took an active part in the consultations because it realized that the industrialization of the developing countries was an essential element in world economic growth, and because it accepted an evolution that would enable the developing countries to expand their share of industrial production in accordance with the Lima target.

53. The well-known position of her delegation on the financing of the Field Advisers programme remained unchanged. It felt that, during the interim period, it would not be appropriate to go back on what had been decided at the Conference on the Establishment of UNIDO as a Specialized Agency. If the results of the joint UNDP-UNIDO evaluation, country by country, showed that the number of industrial advisers should be increased in the proportion suggested by Sir Robert Jackson, they should as a general rule be paid for out of the UNDP budget.

54. The French Government had already started detailed preparations for the Third General Conference at the national level by establishing a Preparatory Committee in which all the parties concerned were represented. France would approach the Conference with an open mind, and trusted that it would provide an opportunity for useful and concrete discussions on the various factors involved in industrial development.

55. In conclusion, she expressed her delegation's satisfaction at the agreement to establish UNIDO as a specialized agency. The terms of the new Constitution were generally satisfactory, from both the political and the institutional and financial points of view, and France expected to sign it very shortly.

56. Mr. Murgescu (Romania) resumed the Chair.

57. Mr. RENISON (United States of America) said that his delegation wished to make a suggestion concerning the preparations at the current session of the General Assembly for the forthcoming Third General Conference of UNIDO. At its September session, the Committee of the Whole had established a working group on its industrialization item; unfortunately, despite the efforts of the countries participating in the group, it had not been possible to reach agreement on a final text in the time available. The Chairman of the Committee of the Whole, in his report to the General Assembly, had given an admirable outline of the areas of agreement and disagreement in those negotiations. The United States delegation saluted his efforts as Chairman to forge a consensus text on industrialization issues that would have greatly facilitated the work of delegations to the Third General Conference. It also appreciated his recognition that papering over the differences that existed would have been in the interests of no one. It therefore

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(Mr. Renison, United States)

believed that the General Assembly could best serve the preparatory process for the Conference by using his report on industrialization issues as a framework for setting out some of the matters with which the Conference should deal.

58. A number of speakers had said, both in the current debate and in previous negotiations on industrialization, that the negotiations at the Third General Conference must not be prejudged, and his delegation shared that view. However, it was concerned that the Conference should be adequately prepared, and it hoped that the Assembly would be able to give the guidance needed to ensure that the concerns of all delegations were taken into account in a manner that was acceptable to all of them. His delegation therefore requested that the relevant portions of the report of the Chairman of the Committee of the Whole to the Assembly should be transmitted to the Third General Conference as a basis for discussion of the issues involved.

59. The CHAIRMAN asked if there was any objection to the United States proposal.

60. Mr. KHAN (Pakistan) suggested that a decision should be postponed to allow time for consultations on the use to be made of the report of the Committee of the Whole itself (A/34/34 (Part III)), as well as the Chairman's introduction.

61. The CHAIRMAN suggested that the decision should be postponed until the following day.

62. It was so decided.

63. Mr. SMIRNOV (Union of Soviet Socialist Republics) agreed with the decision to postpone consideration of the proposal for 24 hours. On the substantive point, his delegation would prefer the Assembly to transmit those parts of the report of the Committee of the Whole which reflected the opinions of different countries and groups of countries on industrialization, rather than the text presented by the Chairman, which delegations had not been able to consider during the meetings of the Committee of the Whole.

64. Mr. KEBEDE (Ethiopia) said that his delegation regarded industrialization as one of the corner-stones of development. Without industrialization, any development effort would fall short of satisfying national aspirations for a higher standard of living. That was why the Lima Declaration and Plan of Action had set the target of 25 per cent for the developing countries' share of world industrial production by the year 2000.

65. Although Africa had a population of more than 200 million, its share of total world manufacturing production was only 0.2 per cent. That situation demanded urgent attention. He was glad to note that, when the Executive Director of UNIDO had visited Addis Ababa for a meeting of African Ministers of Industry in October 1979, he had been able to meet and exchange views with the Ethiopian head of State and thus learn for himself about the country's achievements, aspirations and problems in industrial development, and the kind of aid that needed to be mobilized for countries such as Ethiopia.

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(Mr. Mebede, Ethiopia)

66. His delegation believed that the goals of the Lima Declaration and Plan of Action should be at the heart of the Third United Nations Development Decade, and that the Strategy for the Decade must contain specific policies and measures enabling them to be fulfilled. In its view, the achievement of the target set in Lima called for a new kind of economic co-operation between industrialized and developing countries, based on equity, justice and a genuine international division of labour. It also demanded a rapid change in the global industrial structure. One process by which such structural change could be brought about was the deployment of industries from developed to developing countries. Redeployment should not, however, be a pretext for gaining access to abundant cheap labour or for the transfer of obsolete and polluting industries, nor should it be used as a mechanism to expand the control of transnational corporations over the developing countries. Instead, it should be carried out in accordance with over-all national objectives, priorities and aspirations.

67. With regard to the system of consultations, his delegation was in favour of strengthening the consultation mechanisms. It fully endorsed the decisions taken by the Industrial Development Board in that connexion. It also supported the recommendation of the International Forum on Appropriate Industrial Technology recorded in the report.

68. His delegation had been glad to learn that a significant number of Member States had already ratified the Constitution which converted UNIDO into a specialized agency. It hoped that those which had not yet done so would act speedily thus enabling the new agency to fulfil the objectives envisaged for it in its mandate.

69. In conclusion, he said that the public sector played a very important role in development activities. Through it, countries could promote orderly and carefully planned development, especially in the field of industrialization. UNIDO should take that mechanism fully into account in carrying out its activities.

70. The CHAIRMAN announced that the general debate on item 57 was concluded.

AGENDA ITEM 60: UNITED NATIONS ENVIRONMENT PROGRAMME (continued)
(A/34/25, 296, 347, 405, 406, 557; A/C.2/34/L.2)

71. Mr. NELLI (Italy) expressed his delegation's appreciation of the Executive Director's introduction of the report of the Governing Council of UNEP on the work of its seventh session (A/34/25). The report was proof of the United Nations commitment in that fundamental sector, and the Executive Director and his staff deserved the Committee's congratulations.

72. One aspect of the report to which his delegation attached particular importance was the issue of environmental protection in the context of the new International Development Strategy. That issue was part of the more general problem of seeking ways and means of harmonizing goals and policies for economic development with those for environmental protection and improvement. The drafting of the new

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(Mr. Della Porta, Italy)

Strategy would provide an occasion, if not for solving the problem, at least for making world public opinion aware of its seriousness. In its decision 7/1 section I, the Governing Council drew the attention of the Preparatory Committee to a series of implications for the formulation of the Strategy deriving from consideration of the environmental factor. His delegation, fully recognizing the serious mistakes that had been made in the past to safeguard economic interests without sufficient consideration of the environmental consequences, was willing now to contribute to the elaboration of an international instrument, such as the Strategy, which would have to recognize that the successful establishment of a new international economic order depended largely on the ecological soundness of the actions to be taken and on the rational management of natural resources.

73. It was to be assured, in that context, that programmes of environmental protection would be established on the basis of broad international agreements as a prerequisite for achieving widespread improvement in the quality of life for all on an equal basis. Unlike certain processes of economic growth that could generate unequal distribution of wealth among peoples as well as among individuals, improving the environment could only produce immediate and genuine benefits for all.

74. Among the activities described in the report, his delegation commended in particular the steps taken to implement the Plan of Action to Combat Desertification. It would like to see UNDP closely associated with UNEP in these activities, not only in order to utilize its capacities in that field to the full but also to reaffirm the principle that the Plan should be carried out without establishing a special account, on the utility of which the Italian Government continued to have reservations.

75. The Italian authorities were following with great interest UNEP's activities in respect of the evaluation of the costs and benefits of environmental protection measures. Such analysis was particularly difficult for it required not only the adoption of new economic parameters and criteria but also more complex indicators of social factors and benefits which were not always easy to quantify. In commending the report of the intergovernmental expert group, his delegation stressed the importance of pursuing the study, focusing on innovative analytical techniques that would adequately justify the actions and measures taken for environmental protection.

76. With regard to UNEP's involvement in energy matters, while his delegation recognized the links between the use and exploration of energy and environmental protection, it felt that caution was necessary. The relatively modest dimensions of UNEP's budget suggested that any deeper involvement in energy matters might require rearranging the established priorities within its programme of work. Moreover, the United Nations Conference on Law and Renewable Sources of Energy to be held in 1981 would probably provide an institutional framework - or at least a more clearly defined distribution of tasks and co-ordination of activities - for energy matters within the United Nations system.

77. His delegation endorsed the project for a state of the environment report, to appear in 1982, the purpose of which would be to identify, analyse and interpret

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(Mr. Nelli, Italy)

changes in various aspects of the environment and environmental situations according to the available information. It appreciated not only the substantive merits of the initiative but its secondary aim of proposing to the international community a new type of constructive co-operation between a United Nations agency and private financial sources. It would like to see that example followed more often.

78. Italy welcomed the official adoption of the Action Plan for the Mediterranean and the establishment of a Trust Fund for its implementation. Though sectoral, and limited to a specific region, the Plan should be regarded as an essential test of the general programme to which UNEP's efforts were dedicated. It was a unique experience, and also of special political significance, since it aimed at enhancing co-operation among coastal States of a region which history had often seen divided. Moreover, if the Plan succeeded, UNEP could apply the same model in the future in its programmes for the oceans and seas in other geographical areas, at lower cost, especially in terms of organization and experimentation.

79. The Italian Government was also particularly interested in the training programme in environmental protection techniques for experts from developing countries. It had already made a substantial contribution to that programme, having organized courses attended by about 40 officials and experts from developing countries, and it was prepared to continue the initiative, similar courses having already been scheduled for 1980.

80. He expressed his Delegation's appreciation of the Governing Council's decision 7/11, on the development of environmental law and the role to be played by UNEP in that field. UNEP should be encouraged to make further efforts in the form of assistance to Governments in elaborating multilateral and bilateral agreements on environmental protection, as well as making studies and reports on legal aspects of more general problems involving environmental considerations.

81. Italy had no basic objection to the 15 draft principles formulated by the intergovernmental working group of experts on natural resources shared by two or more States, particularly since they were guidelines without legally binding force. The Italian Government was still puzzled, however, by the vagueness of the definition of shared natural resources and urged that efforts should be made to define the concept more precisely.

82. Mr. LIONDAS (Greece) said that his Delegation was very satisfied with the action taken by UNEP for the protection and improvement of the environment and considered it extremely important that its various activities should be co-ordinated with a view to integrating them into the International Development Strategy for the Third United Nations Development Decade.

83. Because of its geographical configuration, Greece was particularly interested in preserving its ecosystem, of which its coastal and island regions were an integral part. It was entirely in favour of the UNEP regional seas programme, and in particular of any action aimed at protecting the Mediterranean. The Government of Greece particularly welcomed the decision taken by the Governing Council, at its seventh session, on the Mediterranean Action Plan and the establishment of a Regional

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(Mr. Liondas, Greece)

Trust Fund for the Protection of the Mediterranean Sea Against Pollution. Greece had already offered to serve as host country for the Action Plan secretariat and, although it had been decided that the secretariat should remain in Geneva for another two years, his delegation was convinced that its work would be more effective and less costly if it was moved to Athens.

84. His Delegation had also appreciated the results of the Intergovernmental Meeting of Mediterranean Coastal States, held in Monaco in 1978, and the quality of the report on the state of pollution of the Mediterranean, and had taken note of the establishment of joint UNDP/UNEP groups to co-ordinate joint projects in the Mediterranean. Greece believed that the regional seas programme and the plans of action included in it could become an effective instrument for co-operation between the countries concerned. The same applied to efforts aimed at protecting the oceans. Because of its strong desire that the marine environment should be protected and its natural resources exploited on a sound ecological basis, Greece had co-sponsored at the preceding session the draft resolution on marine pollution now before the Committee in document A/C.2/34/L.2.

85. Greece also welcomed the activities of UNEP relating to water treatment. It considered that all water resources, whether sea water or fresh water, belonged to the same ecosystem, and it attached great importance to efforts aimed at protecting the environmental quality of water.

86. Greece had to settle other pollution problems resulting from water-borne toxic wastes originating in neighbouring countries. Bilateral consultations were taking place with the countries in question.

87. In accordance with the decisions adopted at the UNEP consultative meeting of experts in Athens in March 1978, Greece had already established contacts with several countries interested in Mediterranean co-operation in aquaculture. In addition, the Greek Government had already informed the UNEP secretariat that it could participate in a technical assistance programme for developing countries affected by desertification.

88. With regard to the report of the Secretary-General on co-operation in the field of the environment concerning natural resources shared by two or more States (A/34/557), his delegation wished to state that it was in favour of the recommendations of the Executive Director of UNEP and the adoption by the General Assembly of the draft principles for the harmonious conservation and utilization of natural resources shared by two or more States. While the scope and binding legal nature of the principles would be derived in the future from their incorporation into international agreements, it was obvious that they already had an intrinsic value which made them suitable to be used as the basis for drafting uniform, or at least parallel, laws in various countries.

89. Mr. G. SVENSSON (Sweden) said that the vital life-giving cycles of the elements in earth, water and air were being adversely affected by man's activities. Strain was placed on the outer limits of the environment, and alarm signals must sound when critical thresholds were being passed. UNEP's main instrument in carrying out its function of ensuring that emerging environmental problems of wide international significance received appropriate and adequate attention by Governments was the

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(Mr. G. Svensson, Sweden)

programme element called Earthwatch. However, Earthwatch should not only function as an alarm of critical changes, it must provide information on which Governments and international organizations could base rational and efficient remedial action in all spheres of environmental policy. Earthwatch could not be considered operational until it assisted in environmental management. Increased attention must be paid to integrated assessment and interpretation of the results of the various monitoring activities. His delegation believed that a presentation of the results of environmental assessment through the various components of Earthwatch should be the focus of the perspective document to be developed by UNEP.

90. Certain patterns of global environmental development seemed to be putting a growing strain on the carrying capacity, globally, regionally and nationally. A dramatic example of that danger was the potential long-term effect of man's activities on the climate. The tropical forests, the world's richest ecosystems, were diminishing at an alarming rate. Their contributions to the stability of global climate were probably second only to those of the oceans. An integrated programme of activities for conservation and wise utilization of tropical forests was urgently needed. An integrated, multidisciplinary approach, taking into account the interaction between population, resources, environment and development was a necessary pre-condition for adequate assessment of the threats to the carrying capacity of the earth.

91. That, however, was not sufficient. Integrated action programmes were needed in order to ascertain carrying capacity, globally, regionally and nationally. Assessments of the interrelationships must be included when designing strategies and plans for a sustainable development. To that end, the Government of Sweden had convened a symposium on interrelations among resources, environment, population and development at Stockholm in August 1977. The statement of that symposium attached great importance to the intensification of international co-operation for global management of natural resources. A system should be developed for monitoring and helping in the management of those resources on a rational basis. Such a system must provide for the developing countries to acquire an equitable share in the use of natural resources. For that purpose, an adequate international policy should include norms and commitments and should accord special treatment to development needs in the distribution of supplies.

92. The Global Environmental Monitoring System (GEMS), which already included monitoring activities with regard to renewable natural resources, should be extended to include non-renewable resources as well. That work could be carried out in close co-operation between UNEP and the United Nations Committee on Natural Resources; in that way, a factual basis for an international resource policy could be provided.

93. The Stockholm statement stressed the urgent need for new patterns of consumption and development in both the North and the South - patterns that were less wasteful, environmentally sound and socially responsible. The major responsibility in that regard lay with the developed countries. Changes in life styles in those countries must be organically linked with measures for establishing

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(Mr. G. Svensson, Sweden)

the new international economic order. The statement also pointed out that the availability of cheap energy had led to the development of energy-intensive technologies, to changes in the patterns of consumption and, through wasteful use, to the deterioration of the environment. Those tendencies had been accentuated by population growth and the growing disparities in levels of living between North and South. The energy problem affected the interrelations among resources, environment and development in several ways. In the short run, strict conservation measures were necessary in all countries, particularly developed countries. In the medium term, improvements in technological efficiency and the development and application of new technologies in energy production and use were needed. In the long run, increased utilization of new and renewable resources of energy must be required.

94. In agriculture, it appeared necessary to define and promote a third agricultural revolution. According to the Stockholm statement, the techniques of that new revolution should, to a much greater extent than at present, be based on renewable inputs.

95. The Stockholm symposium had been in no way conclusive with regard to the exploration of the interrelationships between natural resources, environment, population and development. Until multidisciplinary research had produced more hard facts, there would be a regular need to gather scientists and decision-makers with a broad outlook to carry out similar intuitive evaluations of the interrelationships.

96. Sweden would continue to work actively for an international development strategy permeated by environmental concerns. Those endeavours would be made in the Preparatory Committee for the New International Development Strategy. It was, however, equally important that Governments should act in the intergovernmental bodies of the United Nations system. The extent to which those bodies took environmental considerations into account in their contributions to the preparation of the new International Development Strategy would depend on the interest shown by Governments.

97. Regional activities often made major contributions to the over-all global environmental efforts. The international normative process in the field of environment was thereby strengthened and made more operational. UNEP's regional activities and structures had often acted as catalysts, starting or speeding up regional co-operation. For example, in recent years there had been expanding co-operation within ECE in the field of the environment. A necessary pre-condition for a successful build-up of environmental co-operation within regional environment committees was adequately staffed secretariats. A case in point was ECE, where the need for substantially increased secretariat resources, including consultant services, would be acute after the high-level meeting in November. Those resources must be provided.

98. Demands for environmental impact assessment were growing, and an increasing number of countries had already introduced formal assessment procedures into their

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(Mr. G. Svensson, Sweden)

legislation. Assessment methods should be regularly tested and improved and new methods should be developed. His delegation welcomed the initiatives taken by UNEP in that field. The work of the intergovernmental expert group on the evaluation of costs and benefits of environmental protection measures should be intensified and increased attention given to environmental impact assessment in the context of integrated physical planning. Environmental impact assessment should also be used as a mechanism to deal with the transnational environmental problem. The UNEP Group of Experts on Environmental Law should formulate principles for the use of environmental assessment as a means by which Governments might identify and take into account environmental impact beyond their territory.

99. In that connexion, the Government of Sweden attached great importance to the adoption at the current session of the General Assembly of the 15 draft principles of conduct for the guidance of States in the use and conservation of shared natural resources. States should be called upon to respect the principles and to apply them within the framework of their relations. UNEP should be requested to encourage the elaboration and application of the 15 draft principles in the context of formulation of bilateral and multilateral conventions regarding natural resources shared by two or more States. The adoption of the principles would be an important step in the process of developing further the international law related to the protection of the environment. There was also an urgent need to strengthen intergovernmental co-operation with regard to oil pollution in connexion with off-shore exploration and exploitation. UNEP should be asked to undertake a study of the appropriate content and form of intergovernmental co-operation within the United Nations system in that field.

100 Mr. ROCHE (Canada) said that, in the field of international environmental management, the international community must ensure that its efforts related directly to man's needs, both material and non-material, and enhanced the quality of human life. The world now understood that environmental pollution and economic development were not mutually exclusive. On the contrary, environmental protection and economic development were mutually enhancing and, if development was to be sustainable, it must be environmentally sound.

101 Although industrial and urban pollution remained perhaps the most obvious threat to the environment in both the developed and the developing world, there was an increasing awareness of other equally serious forms of environmental dangers which were of particular, but by no means exclusive, interest to developing countries. Those dangers included desertification, deforestation, soil erosion, the depletion of wild life and of the resources of the sea, the spread of water-borne diseases and increased soil salinity resulting from dams and irrigation projects. Measures must be taken to rectify those situations, and development assistance from industrialized countries must be extremely careful not to aggravate those problems.

102. His delegation wished to commend UNEP for the efforts it had made to educate and inform the international community about the interrelationship between the environment and development. The new International Development Strategy offered a

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(Mr. Roche, Canada)

particularly important and promising vehicle for harmonizing the goals and policies of economic development and environmental protection and improvement. Canada strongly supported the call of the UNEP Governing Council for the inclusion of environmental considerations in the Strategy.

103. Canada looked to UNEP as the environmental conscience of the international community. Its appreciation and support for UNEP were based, in particular, on the fact that it was the only international institution charged with the responsibility for action on a wide range of global environmental problems. It also supported the work of UNEP in developing an international legal régime on environmental questions. Canada, which had participated in the Intergovernmental Working Group of Experts which had reached agreement on guiding draft principles on shared natural resources, attached a high priority to the adoption of those principles at the current session of the General Assembly.

104. Environmental impact assessment was an area that was receiving increased attention in Canada. Canada was developing with the United States a more systematic procedure for advanced notification and consultation concerning projects which might have a transboundary environmental impact.

105. He urged the Committee to consider the full meaning of a new threat to the environment, known as acid rain. That was an environmental time bomb much bigger than was generally realized. The long-range transport of a variety of polluting substances, particularly acid pollutants, was a threat to large areas of North America. Numerous European countries, as well as Canada and the United States, were expected to sign before the end of November a convention on long-range transboundary air pollution which had been developed in 1978 under the auspices of ECE. That convention represented the first step taken to address the problem of acid rain in Europe and was indicative of the concern for the problem. If acid rain continued, Canada would lose the aquatic life in virtually all its lakes in Ontario and most of those in Quebec. Officials in Canada and the United States were refining their scientific knowledge of that phenomenon and were mapping out strategies to control the emission of air pollutants which caused acidic precipitation.

106. The future health and the very existence of mankind continued to be threatened by environmental damage. Many environmental problems were international in scope, and their solution could only be found in concerted international action. Canada committed itself to continued international co-operation to protect and enhance the global environment and, through it, the well-being of mankind.

107. Mr. Xifra (Spain) took the Chair.

108. Mr. LUKIN (Observer, Council for Mutual Economic Assistance) said that the problems of protecting and improving the environment and making rational use of natural resources had become paramount during the 1970s. In 1972, a Council on Protection and Improvement of the Environment had been established by CMEA to

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(Mr. Lukin, CMEA)

co-ordinate activities in the field of environmental protection. Its goal was to improve the effectiveness of scientific and technological co-operation among CMEA member countries in that field. Its practical activities were focused on the improvement of methods of scientific and technological co-operation and the co-ordination and monitoring of the implementation of the programme of co-operation among CMEA member States in the field of protection and improvement of the environment.

109. In accordance with the need for new approaches to questions that had previously been considered on a piecemeal basis, the CMEA member countries had concluded in 1971 an agreement on scientific and technological co-operation in developing natural conservation measures. In 1974, the Executive Committee had approved a general programme for co-operation among member States until the year 1980 in the fields of protection and improvement of the environment and rational use of natural resources. It was being implemented by CMEA bodies and the competent authorities of member States, within the framework of multilateral agreements on scientific and technological co-operation. Under the programme, 160 subjects were considered co-operatively. The activities were significant because they involved theoretical research and consideration of the social, economic and legal aspects of the environment, as well as the practical development of measures to improve existing technological processes and create new ones for the prevention of environmental pollution. Nearly 550 research and design organizations of the CMEA member countries took part in the programme, and over 1,600 projects had been drawn up in the period 1972-1978.

110. A programme of co-operation among member States regarding a global system of environmental monitoring had been set up. A new programme for scientific and technological co-operation among CMEA member countries in the field of environmental protection and improvement up to the year 1985 was at present being drafted.

111. CMEA bodies systematically published reviews and materials on their experiences, and circulated them to other international organizations. The secretariat had transmitted to UNEP and other international organizations a report on the symposium of CMEA member States on low-waste and no-waste technology, a report on fundamental laws and guidelines in the field of environmental protection and a collection of articles on unified methods of determining atmospheric pollution. A system for exchanging information on background pollution levels was to be worked out between CMEA and UNEP. Their co-operation was being strengthened and a draft agreement on co-operation would soon be completed.

112. An agreement on co-operation between CMEA and Iraq stressed the problems of environmental protection, and specifically environmental hygiene. The development of specific proposals in the field of environmental protection was planned within the framework of the working group on scientific and technological co-operation of the Commission on Co-operation between CMEA and Finland.

The meeting rose at 6.20 p.m.