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GUIDELINES FOR THE U.N. ENVIRONMENTAL CONFERENCE

INTRODUCTION

The United Nations this March continues its analysis of how national environmental policies affect economic development. Convening in Manhattan from March 2 to April 3 is the fourth preparatory conference for the U.N. Conference on the Environment and Development (UNCED). Unofficially called the "Earth Summit," UNCED will meet from June 1 to 12, 1992, in Rio de Janeiro.

On the Rio agenda is the discussion of economic development and the environment. This conference and the March preparatory session will be an important test of whether the U.N. is ready to abandon the ideologically doctrinaire positions which paralyzed it for nearly a quarter-century. In Rio, UNCED will demonstrate if it can prod the nations of the world to agree on economically sustainable and scientifically sound solutions to world environmental problems. If not, the UNCED negotiations will yield environmental policies that will strangle economic growth and slow development in the world's poorest, as well as richest, nations. UNCED could also damage the environment in the long run by promoting the kind of command and control policies that wrought ecological devastation on the former socialist Eastern bloc.

Risks for America. The outcome of the UNCED negotiations also could affect profoundly America's economic growth, productivity, and international competitiveness. If political momentum for costly and unnecessary environmental regulations builds as a result of this conference, regulations touted at UNCED could be imposed on the United States by Congress or the Bush Administration without any actual environmental benefit. Thus, American business, labor, and political leaders must be alert to the environmental and economic risks that the UNCED process poses for America.

The Bush Administration negotiators at UNCED should support only those environmental policies based on sound scientific evidence. Several environmental false alarms, such as the global cooling fear of the mid-1970s, have taught that faulty scientific analysis and evidence can lead to costly unnecessary environmental regulations.¹ U.S. negotiators in Rio also should stress that environmental protection need not come at the expense of economic growth. America's negotiators too must reject demands by Third World nations for the U.S. and other advanced nations to finance projects sponsored by the World Bank, United Nations Environment Programme (UNEP), and United Nations Development Programme (UNDP) that not only are costly and destroy jobs, but also are environmentally damaging.

To prevent the UNCED conference from advocating policies that could cripple economic development in the Third World, and elsewhere, the Bush Administration should advance environmentally sound, free market goals at the March UNCED preparatory meeting in New York and at the main conference in Rio de Janeiro. These are:

GOAL #1: Limit discussions of global warming.² UNCED has the potential for shaping world public opinion on environmental issues. It thus should restrict itself to those issues in which it has competence. On global warming, for example, UNCED expertise and scientific objectivity will be very limited. UNCED should await the outcome of those negotiations that the U.N. is conducting specifically to address this very complicated matter. These talks on climate change began in February 1991 in the U.N.'s Intergovernmental Negotiating Committee (INC), a body created by the U.N. General Assembly on December 21, 1990.

GOAL #2: Do not draft a detailed plan for reducing specific quantities of "greenhouse gases" by a set date. Scientific evidence on global warming needs to be more solid before costly regulations are imposed on the world's economy. The U.S. should urge the Intergovernmental Negotiating Committee to study global warming and examine objectively with sound scientific evidence whether there is global warming and whether it threatens the environment.

GOAL #3: Do not address issues dealt with by other international bodies. The 1989 Basel Convention, an international agreement signed by the U.S., sets guidelines for regulating the transportation of hazardous waste across international boundaries. There thus is no need for UNCED to revisit the work of the Basel Convention and impose more

1 Anna J. Bray, "The Ice Age Cometh: Remembering the Scare of Global Cooling," *Policy Review*, Fall 1991, pp. 82-84.

2 The question of "global warming" is also referred to as "global climate change" and the "greenhouse effect."

stringent regulations. The International Maritime Organization (IMO) and the International Atomic Energy Agency (IAEA), both U.N. agencies, already are discussing the problems of disposing of low-level nuclear waste. Here too UNCED need not get involved.

GOAL #4: Promote an understanding of biotechnology that realistically assesses its risks and benefits. The UNCED staff has broached the subject of "environmentally sound management of biotechnology." In responding to the UNCED staff's major paper on biotechnology, the U.S. has noted that some critics of biotechnology overestimate the dangers associated with it, while some of biotech's promoters inflate the benefits from this science.³ The world must become more knowledgeable about biotechnology so that scientific research will not be impeded by unnecessary regulations. UNCED's New York and Rio sessions will be a good place for the U.S. to begin this educational process.

GOAL #5: Protect private intellectual property rights. Some Third World countries want relaxed international rules allowing the appropriation of patented and copyrighted technologies. They claim that this will help them develop more environmentally safe ways to consume energy. These countries are using the environmental argument as a transparent rationale for appropriating intellectual property. What is worse, any relaxation of intellectual property rights will discourage the invention of innovative and environmentally beneficial technologies. To protect the research investments of American companies, the U.S. delegates should oppose strongly any UNCED agreement that undermines protection of patents, copyrights, and other intellectual property rights. The U.S. also should block actions at UNCED that could interfere with the intellectual property agreement that may emerge from the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the world's main forum for negotiating trade issues.

GOAL #6: Oppose UNCED proposals to spend more money on environmental problems in developing nations. Funds already set aside at institutions like the World Bank should be spent on projects that promote environmentally sound free market reforms.

3 "U.S. Statement on UNGA Document A/CONF.151/PC/67 "Environmentally Sound Management of Biotechnology: Background and Issues" (Geneva: American delegation document for UNCED Preparatory Committee III, August 22, 1991).

THE UNITED NATIONS AND THE ENVIRONMENT

The U.N.'s Economic and Social Council (ECOSOC), which focuses on economic, health, and human rights issues, passed a resolution in 1968 noting mankind's urgent need to limit damage to the world's environment.⁴ This resolution called for an international conference to discuss ways to clean the environment. As a result, the U.N. Conference on the Human Environment, the first international conference of its kind, met in Stockholm in June 1972. Participants there called for "environmentally sound development." While this could have meant finding ways for the Third World to develop economically in ways safe for the environment, the phrase became a rallying cry for the kind of environmental regulation that slows economic growth.

Monitoring the Environment. As a follow-up to the Stockholm Conference, the U.N. in 1972 established the United Nations Environment Programme (UNEP) primarily to promote international cooperation on the environment and to set general policy guidelines for the management of the U.N.'s environmental policies. Headed by Mostafa K. Tolba of Egypt since 1977, UNEP has its headquarters in Nairobi, Kenya. UNEP is funded by voluntary contributions. The U.S. in 1990 paid \$11.5 million of the \$50.8 million pledged to UNEP's Environment Fund (or 22.6 percent of the total). UNEP projects, among other things, monitor global and regional environmental trends, underwrite scientific research on the environment, and disseminate studies to promote economic growth not harmful to the environment.

As the environmental movement increased in the past decade, the U.N. became even more involved in environmental issues. The culmination of this was Resolution 44/228, passed on December 22, 1989, by the General Assembly. It called for the worldwide U.N. conference scheduled for Rio. The conference's purpose is to promote policies that lead to "environmentally sustainable development," or economic development that does not harm the environment.

Distorted Concept. While this concept is reasonable, it can be distorted and the conference transformed into a vehicle that stunts economic growth and increases unemployment. Pushing in this direction was the World Commission on Environment and Development, an *ad hoc* organization of government officials. Headed by Gro Harlem Brundtland, Norway's current Labor Party Prime Minister, this commission issued a report in 1987 entitled "Our Common Future." This report stated that economic growth is "both necessary and possible, but only if fundamental changes are made in the management and content of growth through a transition to sustainable development."

4 ECOSOC Resolution 1346 (XLV) of 1968.

Code Phrase. For Brundtland and her group, the idea of "environmentally sustainable development" is a code phrase for subordinating commercial activity and economic growth to the most extreme claims of environmental protection: claims often uncorroborated by scientific study. The aim of those who subscribe to Brundtland's views will be to get UNCED to impose strict international regulations to establish worldwide air quality standards that would force many nations to redirect the production and consumption patterns of their economies. For example, stringent reductions of carbon dioxide could greatly curtail the use of automobiles in the U.S.

Many UNCED proponents favor state-controlled economic planning to protect the environment. UNCED Secretary General Maurice Strong, a Canadian businessman and former U.N. official, believes that the changes envisaged by UNCED include "systems of incentives and penalties that motivate the economic behavior of corporations and citizens." Strong and his political allies believe that significant changes in lifestyles will be required to protect the environment, particularly in advanced industrial countries, where they believe consumption must be lowered and altered.

Accusing Industrial Nations. Many members of the Geneva-based UNCED secretariat, along with delegates from Third World countries, argue that their nations cannot afford to adopt strict environmental regulations without aid from the industrialized countries. They claim that "environmentally sustainable develop-

International Agencies Dealing with the Environment

ECOSOC: The United Nations Economic and Social Council. Reports to U.N. General Assembly on economic, health and human rights issues.

G-77: The Group of 77. Coalition of developing nations in the U.N. that seek to shift resources from Western democracies to the Third World. The group currently has over 120 members.

GEF: Global Environment Facility. A newly created adjunct of the World Bank intended to promote environmentally sound development.

GATT: General Agreement on Tariffs and Trade. International body that seeks to reduce tariffs and other barriers to world trade. The current round of talks are continuing in Geneva, Switzerland.

IAEA: International Atomic Energy Agency. Responsible for implementing safeguards to prevent nuclear weapons proliferation.

INC: Intergovernmental Negotiating Committee. Independent body established to examine the issue of global warming.

IMO: International Maritime Organization. Promotes safety and efficiency in international shipping.

NIEO: New International Economic Order. The goal of the G-77. If created, NIEO would establish institutions to redistribute wealth from Western democracies to the Third World.

UNCED: United Nations Conference on the Environment and Development. Upcoming conference to promote environmentally sound development. It will convene on June 1, 1992. Also known as the "Earth Summit."

UNCTAD: United Nations Conference on Trade and Development. An agency whose initial purpose was to promote trade-based economic development, but which instead has promoted the agenda of the G-77.

UNDP: United Nations Development Programme. Coordinates and administers U.N. technical development assistance.

UNEP: United Nations Environment Programme. Promotes international environmental cooperation and monitors the global environment.

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ment" requires access to additional financial resources and technologies to adapt economic production to higher levels of environmental safety. Since much of the world's pollution has been caused by the industrial world, they charge, industrial nations should help pay for a cleaner environment in the Third World. Argues UNCED Secretary General Strong: "In this transition to a more secure and sustainable future, the industrialized countries must take the lead. They have developed and benefitted from the unsustainable patterns of production and consumption which have produced our present dilemma. And they primarily have the means and responsibility to change them."⁵

This hostility toward the industrialized countries is reminiscent of the redistributionist campaign waged inside the U.N. by the developing nations in the 1970s. Launched by the "Group of 77" (or G-77), originally a group of 77 developing nations organized by the United Nations Conference on Trade and Development (UNCTAD) in 1964, this campaign culminated in 1974 in the passage of a General Assembly resolution demanding what is called a New International Economic Order (NIEO). Its aim is to help the Third World at the expense of the advanced industrial nations. The G-77 now has over 120 members.⁶

Third World Demands. The NIEO envisaged massive transfers of wealth from America, Germany, Japan, and other advanced nations to poorer nations. The NIEO also demanded that the West transfer advanced technologies to the Third World and pay huge sums of money to finance economic development projects. The NIEO, of course, failed. Increasingly economists recognize that nations are poor because they pursue policies that keep them poor. To become rich, these nations do not need transfers from successful nations; they need to reform their own policies.

Resuscitating the dormant spirit of NIEO, some UNCED environmentalists demand that the West pay for cleaning up the Third World's air and waterways. They would do this, among other things, by asking the industrialized nations to relinquish or relax their proprietary rights in certain environmentally related technologies. Example: the technology that allows for the "scrubbing" of sulphur dioxide gases when coal is burned.

Third World countries envisage many ways for the West to finance environmental projects. One is debt relief. Sometimes called "debt for nature swaps," Third World countries want to ask their Western creditors to forgive their debts if they promise to ban economic activity on some of their environmentally pristine lands, usually tropical rain forests.

5 "Treking to the Summit: Now Comes the Hard Part," *Earth Summit in Focus*, No. 2 (New York: United Nations Department of Public Information, August 1991), p. 2.

6 The call for the NIEO took place at the Sixth Special Session of the United Nations General Assembly in 1974. At that session a group of OPEC members led the G-77 in adopting the "Declaration and Action Programme on the Establishment of a New International Economic Order." See Robert Gilpin, *The Political Economy of International Relations* (Princeton: Princeton University Press, 1987), p. 298.

There also are other schemes for extracting money from the West. One general concept envisages taxing those who use the "global commons" areas. In its most extreme form this would charge for the use of the ocean for deep-sea fishing or shipping, or even for the use of the air by airplanes.⁷

PROMOTING PROSPERITY AND A CLEAN ENVIRONMENT

The Bush Administration should base its negotiations on the environment, at UNCED and elsewhere, on two fundamental principles. The first is that policy priorities should be set using the method of risk assessment. In environmental matters, this consists of estimating and ranking the probability of actual exposure and harm that people or other living things receive during the life cycle of a pollutant or contaminant. This technique allows policy makers to rank comparatively the risks from various environmental hazards.⁸

The second fundamental principle is that market solutions to environmental problems are more effective and long-lasting than government imposed regulations. Using market solutions puts the cost burden of pollution on the backs of those polluters who most harm the environment. This gives businesses an incentive to reduce pollution and preserve natural resources. Example: the U.S. has learned that timber is best preserved not by laws preventing the cutting of trees, but by economic incentives for lumber companies to husband their resources and replant forests after they have been cut. When lumber producers have no property rights in the forest, they have an incentive to cut down as many trees as possible before their competitors do so. Once property rights to the forest are protected, by contrast, a much stronger incentive exists to harvest the resource in an orderly way that permits replanting.⁹

Central Theme. Promotion of these two principles should be the central theme of America's negotiating strategy at UNCED. For one thing, these principles will prevent UNCED from disintegrating into a pointless standoff between the Third World and the advanced nations. After all, if the U.S. and other advanced nations come under attack, they will go on the defensive and cooperate very little with the Third World. For another thing, promoting these principles could prevent UNCED from advocating environmental regulations that will slow economic growth by hampering attempts to increase worker productivity. For example, if UNCED were to impose regulations intended to address "global warming" the automotive and electric power generating industries around the world would be hit with increased costs.

7 *Earth Summit in Focus*, No. 1, p. 6.

8 See "Reducing Risk: Setting Priorities and Strategies for Environmental Protection," Environmental Protection Agency (EPA), Science Advisory Board, Washington, D.C., September 1990.

9 See Doug Bandow, "A New Approach for Protecting the Environment," in Doug Bandow, ed., *Protecting the Environment: A Free Market Approach* (Washington, D.C.:The Heritage Foundation, 1986).

To ensure that those dangers are avoided, the U.S. should approach UNCED with the following goals. They are:

GOAL #1: Limit discussions of global warming.¹⁰

Some participants want to put the issue of climate change on the UNCED negotiating agenda. This would be a mistake. The U.N. Intergovernmental Negotiating Committee (INC) was created by the General Assembly on December 21, 1990, expressly to examine global warming.¹¹ It has been doing so and is far better prepared to deal with global warming than UNCED will be. There are two reasons for this: 1) the UNCED meeting in Rio will be too large and politicized on the environment to examine fairly an issue as scientifically complex as global warming; and 2) the U.N.'s Intergovernmental Negotiating Committee's staff is better qualified than will be UNCED to examine this topic. The INC is composed of specialists who have been working in a very focused set of meetings less pliant to the glare of activist pressure.

One of the most important achievements for U.S. negotiators at UNCED will be protecting the integrity of the INC discussions that should strive to produce a realistic and scientifically sound appraisal of the evidence that exists on global warming. There are three problems that need to be addressed by the INC.

First, the U.S. Global Change Research Program, the world's largest coordinated global warming research program with a budget of \$1 billion, should work closely with the INC to produce the most scientifically sound assessment of climate change possible. Second, a framework should be developed to incorporate new data produced by an integrated comprehensive, long-term program of earth observations into the evolving climate assessment. Third, agreement must be reached on how data will be weighted in computer models of the earth's environment. This agreement should be based not only on scientific understanding of how the earth system functions, but also on the latest advances in supercomputing speed which will allow more complex and realistic modeling. Conclusions by the INC should be based on computer modeling only when the modeling of the climate is an accurate predictor of changes in the earth system.

GOAL #2: Do not draft a detailed plan for reducing specific quantities of "greenhouse gases" by a set date.

The talks of the Intergovernmental Negotiating Committee probably will not produce a detailed plan requiring the worldwide reduction of specific quantities of "greenhouse gases" by a specific date. There are reasons for this caution. The scientific evidence about whether global warming exists is mixed. There is little doubt that the burning of greenhouse gases and other fossil fuels

¹⁰ Also, referred to as "global climate change" and the "greenhouse effect."

¹¹ See U.N. General Assembly Resolution 45/212.

produces massive amounts of carbon dioxide, which is a greenhouse gas. However, the causes and extent of global warming, if it exists at all, are not known, as is indicated by a recent article from two Danish scientists looking at patterns of solar radiation.¹² The results from this and numerous other studies indicate that the world generally needs to learn a great deal more about long-term environmental phenomena before advocating costly regulatory policies.

Since no clear scientific consensus yet exists on global warming, the U.S. should block any UNCED agreement that promotes specific percentage reductions of greenhouse gases according to a rigid timetable. The current body of scientific knowledge is incomplete and cannot support an international agreement mandating specific regulations.

Consensus Preferable. Far preferable to a rigid, detailed plan is a general agreement, or what U.N. officials call a "framework convention," producing a consensus on whether and to what extent global warming actually exists, if it does exist. This agreement also could specify the nature of the scientific research that still needs to be done on global warming. It also could recommend the kinds of international scientific arrangements and institutions needed to facilitate the sharing of data and cooperation on research.

A good example of the sort of approach to be avoided at the UNCED preparatory meeting in New York is the action plan called "Agenda 21." Being negotiated in the working groups of the UNCED Preparatory Committee, this plan is intended as a detailed blueprint for regulating economic activity to protect the environment. Agenda 21 will advocate specific targets for reducing particular emissions.

GOAL #3: Do not address issues dealt with by other international bodies.

Those pushing hardest in the UNCED process worry about the potential dangers of disposing of hazardous wastes and are seeking to ban their transportation across international borders. Advocates of limiting the transport of these materials desire that UNCED endorse such a prohibition. A transportation ban of hazardous wastes, however, would cripple the capability of many industries around the world that now destroy these wastes efficiently.

A transportation ban, for example, would require that hazardous chemicals be destroyed at their place of production rather than in a central location. Currently, such materials often are transported to distant reprocessing sites. It is often cheaper and more efficient to collect hazardous chemicals in a few loca-

12 For example, an article by two Danish meteorologists in the respected journal *Science* argues that variations in global temperature over the last century correspond closely to changes in the length of sunspot cycles. According to them, variations in the amount of solar radiation hitting the earth may explain the temperature changes of the climate. See E. Friis-Christensen and K. Lassen, "Length of the Solar Cycle: An Indicator of Solar Activity," *Science*, Vol. 254, 1 November 1991, pp. 698-700; also, William K. Stevens, "Danes Link Sunspot Intensity to Global Temperature Rise," *New York Times*, November 5, 1991, p. C4.

tions and then destroy them in large quantities. It is also easier to mobilize technical expertise at central hazardous waste disposal centers than at many diverse sites. A ban would increase the potential for ecological damage because the policy would encourage illegal dumping.

If UNCED were to ban international shipment of hazardous wastes, new disposal facilities would have to be built, imposing new costs on national economies. Some production would no longer remain economically viable and would have to be stopped. And, of course, stopping the safe international transportation of wastes would curb the production of many economically critical chemical processes that produce dangerous by-products.

Hazardous waste disposal is a key issue that has already been addressed by the 1989 Basel Convention on Control of Hazardous Waste Movement. The London-based International Maritime Organization (IMO) and the Vienna-based International Atomic Energy Agency (IAEA) already are discussing issues related to the dumping of low-level radioactive waste. Low-level radioactive waste disposal is also discussed by delegates in the periodic follow-up meetings of the London Dumping Convention which went into force on December 29, 1972.¹³

GOAL #4: Promote an understanding of biotechnology that realistically assesses its risks and benefits.

Biotechnology will be considered at UNCED because some environmental experts have warned that creating new strains of corn, micro-organisms that eat oil, and other new or altered life forms will harm the Earth's ecosystem. The American delegates should point out that the risks of biotechnology are exaggerated. The report of the UNCED Secretary General to the third preparatory conference, held during August 1990 in Geneva, was strongly criticized by the American delegation because it contained "basic misunderstandings of both science and safety characteristics" of biotechnology and gave insufficient consideration "to the vast experience of governments, industry and consumers with genetically altered organisms."¹⁴

Not only did the UNCED document overstate the risks of altering genetic material, it failed to recognize that not all genetic manipulation is dangerous. Genetic alteration has occurred for decades, if not centuries, with the breeding of cows, horses, and other domesticated animal stocks and of corn, rice and other plants. The American document also stated that laboratory genetic engineering, when not done for the purposes of producing weapons, poses little danger to human health.

13 The full title of the convention is The London Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter.

14 U.S. Statement on UNGA Document A/CONF.151/PC/67, *op. cit.*, p. 2.

The American delegates also should stress that just as the threats from genetic engineering have been exaggerated, so, too, have its potential benefits. Biotechnology will not give a quick fix to health, nutritional, and environmental problems. Explained the U.S. delegation at last summer's 1991 preparatory conference in Geneva: biotech "products have been far slower in coming, and more modest in impact, than the popular press has led the public to expect."¹⁵

GOAL #5: Protect private intellectual property rights.

UNCED Secretary General says that all countries should have access to "environmentally-sound technology."¹⁶ What he and many representatives from the Third World apparently want is virtually free access to some technologies that are protected by patents or copyrights. Typical of such a product is the coolant, SUVA, invented by E.I. Du Pont De Nemours & Co. of Wilmington, Delaware. It was developed as a substitute for the chlorofluorocarbons (the CFCs) that are key components of refrigeration and air conditioning units but are also suspected of damaging the ozone layer.¹⁷

As the world leader in technology, America has an enormous stake in maintaining the integrity of intellectual property. Patents and copyrights enable companies to recoup research and development costs that make product innovation possible. Such innovation often leads to greater productivity, new goods to sell, and increased economic growth.¹⁸ These environmentally beneficial innovations will be discouraged if return on investment is diminished or eliminated. The U.S. thus should block any UNCED agreement that legitimates the infringement of patents, copyrights, and other intellectual property.¹⁹

If UNCED were to endorse technology transfers mandated by some U.N. agencies, then the owners of patents and copyrights would lose the income from licensing agreements with Third World countries. American and other Western businesses will be more interested in reaching licensing agreements with developing countries if they know that their technical knowledge will be protected and used only if there is some form of compensation.

GOAL #6: Oppose UNCED proposals to spend more money on environmental problems in developing nations.

Participants at UNCED will press America and other industrial nations for billions of dollars for environmental projects in the Third World. More funds for this are unnecessary. Environmental protection already is funded through

15 *Ibid.*, p. 2.

16 *Earth Summit in Focus*, No. 3, "Transferring Technology for Environmentally-Sustainable Development" (New York: United Nations Department of Public Information, September 1991), p. 2.

17 *Ibid.* p. 2.

18 *Economist*, "Economic Growth: Explaining the Mystery," January 4, 1992, pp. 15-18.

19 For more information, see Christopher M. Gacek, "U.S. Goals for Patent Protection in the GATT Trade Talks," Heritage Foundation *Backgrounder* No. 863, October 31, 1991.

the World Bank, the United Nations Development Programme, the United Nations Environment Programme, and other international financial institutions.

The U.S. already has committed a total of \$150 million to the Global Environment Facility (GEF), which is an environmental project administered by the World Bank and run in conjunction with UNDP and UNEP to achieve a better world environment.²⁰ The U.S. contribution is part of \$2 billion given to the GEF since November 1990 by a group of nations made up primarily of the developed economies. This demonstrates that the West has not been stingy with respect to the international environment, but is, indeed, being very generous.

America has been generous in providing funds to help solve international environmental problems. Yet the assistance provided by the U.S. and the other major economic powers cannot substitute for what developing countries can do themselves both to spur economic growth and clean the environment. Third World countries need to create enough wealth of their own to finance their own environmental programs.²¹

CONCLUSION

The United Nations will hold a major international meeting from March 2 to April 3, 1992, in New York City to examine the impact of economic development in the world's environment. This meeting will be the fourth and final preparatory conference for the "Earth Summit," or the United Nations Conference on the Environment and Development which will convene in Rio de Janeiro this June 1 to 12. Many Third World delegates will try to use this Manhattan preparatory session to turn UNCED into a forum for pressuring America and the industrial nations of the West to adopt costly and highly restrictive regulatory policies to protect the environment. They will also demand that the West pay for expensive environmental programs.

Free Market Solutions. The U.S. delegation at the UNCED preparatory session should resist these pressures and the attempts to blame the West for the Third World's environmental problems. Instead of bureaucratic regulation of the world economy, the U.S. should press UNCED to advocate free market solutions to environmental problems. Only these solutions can clean the environment without strangling the global economy.

20 U.S. Delegation to the Geneva Preparatory Conference, UNCED, "Progress Report on Financial Resources," August 28, 1991, p. 2. See *The World Bank and the Environment: A Progress Report, Fiscal 1991* (Washington, D.C.: The World Bank, 1991), pp. 100-104.

21 A recent study looking at 42 countries indicates that air pollution decreases after an economy reaches output of \$5,000 per capita GDP in 1985 dollars. See Gene M. Grossman and Alan B. Krueger, "Environmental Impacts of a North American Free Trade Agreement," Woodrow Wilson School of Public and International Affairs, Princeton University, Discussion Papers in Economics No. 158 (November 1991), p. 5.

At the preparatory conference and in Rio, the U.S. should oppose agreements that call for specific reductions with timetables for gases suspected of causing global warming. The U.S. also should resist attempts by the U.N. and the Third World to infringe on intellectual property rights, to transfer large sums of money to the Third World for wasteful environmental projects and to ban the shipment of hazardous waste materials across national boundaries.

At Rio, UNCED could turn into a public relations frenzy intended to stampede Western countries into supporting extensive and costly programs calling for the rapid reduction of specific air emissions as the means to prevent potential global warming. To prevent this, the U.S. delegation must remain firm at UNCED in New York and Rio. A successful conference will not be one that bashes the West while stifling the economies of the Third World, but one that creates wealth and jobs while protecting the environment.

Realistic Appraisal. The U.S. would like the New York preparatory session, the meetings of the Intergovernmental Negotiating Committee (INC) and UNCED itself to be productive. The most important achievement would be for the INC discussions to produce a realistic and scientifically sound appraisal of the evidence that exists on global warming. There are two problems that need to be addressed. First, a scientific consensus needs to be developed on the way data will be weighted in computer models of the earth's environment. Second, agreement should be reached on ways to improve the reliability of the data that will be used in computer models assessing global warming. This consensus might require new scientific field work.

If the U.N.'s 1992 environmental meetings and conferences can solve just these two difficult problems, the U.N. will have made a significant contribution to advancing knowledge of the environmental questions the world faces.

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