

and Western Europe, could easily be wiped out by this kind of expansion.

Tropical deforestation not only contributes to the production of CO₂, thereby worsening the problem of global warming, but the growth of new forests can act as a "carbon sink," locking up some of the CO₂ produced by combustion. The politicization of the rainforest issue by the Western environmental groups, and overtones of threats to national sovereignty, ensure that little action will be taken by the governments of Brazil and other tropical forest producers without some quid pro quo which is saleable to their own constituencies.

ALL OF THIS IS LEADING TO CALLS FOR UNPRECEDENTED changes in the international system, leading up to what many have described as the "Grand Bargain." It is not yet clear what form such a bargain would take or under whose auspices it would be constructed, but the general lines seem to be as follows: standards would be set for emissions of greenhouse gases (including CFCs). These standards would call for drastic reductions for the industrialized countries and allow for some expansion of emissions in the Third World. Major changes in the terms of technology transfer would be necessary in order to give developing countries access to the latest non-polluting energy technologies as soon as they become available. Last, but not least, there would be major new transfers of resources from North to South.

The Toronto Conference called for the establishment of a World Atmosphere Fund. Such a fund would be used to assist developing countries to limit and adapt to climate change by pursuing sustainable development strategies. Various proposals have been put forward to build the fund. Prime Minister Brundtland of Norway has proposed a straight percentage of GNP (0.1 %). Others have suggested a "carbon tax" under which various types of fuels are taxed according to their tendency to produce carbon dioxide. In general, coal produces 1.7 to 2.0 times as much CO₂ as natural gas; oil emits about 1.4 times as much as natural gas.

Recent meetings on ozone depletion also recognized the need to provide funding for the developing countries to ease the transition away from the damaging types of CFCs. The US Environmental Protection Agency (EPA) is considering a system similar to that proposed by President Bush to combat acid rain. This would involve auctioning off the declining US CFC allotment to the highest bidders.

Some observers have also stressed the need for a link between actions taken to deal with climate change and debt relief. The developing world is now paying US \$43 billion more to the North than it is receiving in foreign assistance and private capital flows. It is unrealistic to expect these countries to inflict further hard-

ships on their citizens to combat climate change. Various schemes have been put forward including a sizeable expansion of the so-called "debt-for-nature" swaps, or an adaptation of the Brady plan (US Secretary of the Treasury, Nicholas Brady) to permit countries to redeem some of their debt in exchange for changes in policies and projects to promote more efficient use of energy, better forestry practices, greater access to family planning services and the like.

Any of these proposals, or a combination, could generate very large sums of money or debt relief – on the order of at least \$20 to \$30 billion per year – and they have now



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reached the talking stage. The Dutch Government has commissioned its former Minister of the Environment to produce a firm set of proposals for the next preparatory climate meeting to be held in the Netherlands in October.

These financing proposals have been accompanied by calls for institutional reform of the international system to enable it to deal with the cross-cutting nature of the threat. There is a feeling among many that none of the existing UN agencies has a sufficiently broad mandate to encompass all of the issues. The calls for institutional change range in scope from the strengthening the Secretary General's Office to enable it to genuinely coordinate UN system activities and the provision of a new and broader mandate for the United Nations Environment Programme, to Maurice Strong's proposal to revise the UN Charter to enable the now moribund Trusteeship Council to be reinvigorated with a mandate to be the Trustees of the Earth. Other suggestions have involved redefining the word "security" to encompass environmental security, thus expanding the role of the Security Council.

This feeling of urgency led the French, Norwegian and Dutch Governments in the preparation for the recent summit in The Hague to propose the creation of a supranational agency to preserve the earth's atmosphere. This agency would be able to act on majority vote in some cases (no automatic veto by the five

great powers, in other words), and would have the power to impose mandatory economic sanctions recommended by the International Court of Justice on "goods produced under conditions with negative impact on the atmosphere." The authority would also have the power to raise money to compensate those countries for whom compliance would be an unfair burden. Although this proposal was not fully accepted, it is indicative of the real possibility of movement which many now sense.

FURTHER EVIDENCE OF "NEW THINKING" ON THE part of governments on the link between the environment and economics can be found in the results of the G-7 economic summit in July in Paris. Fully one-third of the final communiqué was taken up with the topic, with particular attention paid to the acute dilemmas facing poor countries – and therefore all the rest of us – in finding ways to increase living standards without adding further to global ecological stress. The G-7 leaders, while mostly avoiding specific cases, allowed as how economic incentives could be used to encourage developing countries to take "environmentally desirable action," and that in certain instances "debt forgiveness and debt-for-nature swaps" could be useful.

What role in all of this for Canada? If the Prime Minister wants to be statesmanlike in his second term, then the 1990s version of Pearsonian internationalism must lie in the reconciliation of the need to both postpone and mitigate the effects of climatic change, and to satisfy the basic needs of the poor through a global programme of sustainable development. Canada has already been at or near the front on these issues. For once, it might genuinely be one of those times when, as a middle power, we could take the lead, with our credibility as both a member of the Group of Seven and as a friend of the Third World (Mr. Wilson's recent budget notwithstanding).

These are immensely complicated issues, and the ground is shifting very rapidly. They will be discussed in a whole range of fora under different conditions. They will require new mechanisms for arriving at national positions for negotiations because of their tendency to cut across departmental jurisdictions. Once the dialogue begins, it will be difficult to resist the temptation to add other issues to the list – arms control, new definitions of national security, and so on. A repeat of the ill-fated North-South dialogue, which dragged on through the late 70s and early 80s until it petered out in a series of inconclusive meetings, is regrettably all too possible. Yet this time, surely we have more going for us: a shared sense of the clock ticking, the opportunities provided by the existence of *glasnost* and the recent opening of Eastern Europe, and an uneasy but easily mobilized public opinion. □