

given the scope of its economic power and success of its established management practices.

Initiatives of this kind cannot, however, be taken in isolation. Trade practices and laws, financial aid policies, and existing international institutions must be recognized and utilized wherever possible.

Trade Practices

While legislation has proven to be an effective tool to control domestic pollution problems, the potential problem of corporations leaving countries with stringent environmental standards and establishing their operations in countries with lower standards must be addressed. Other issues of this kind requiring consideration include the potential use of trade barriers based on environmental policies, and the use of developing countries as a location for the production and/or storage of hazardous waste.

In short, the issue that will have to be addressed is whether or not international trade laws will permit what amounts to "shopping" for industrial sites with environmental regulations requiring the lowest operating costs. There is evidence to suggest that within the GATT, and other trade negotiations, a movement has already begun to include

environmental performance when discussing countervail duties. It is also possible that this issue can be addressed through the International Business Council of the International Chamber of Commerce, the United Nations, or the United Nations Environment Program. In this regard the KEIDANREN Charter (see pg. 17) is a step forward because it calls upon Japanese companies to "abide by Japanese standards concerning the management of harmful substances."

Debt for Nature Swaps

There is discussion in world banking circles that links the "swapping" of the Amazon forest, that is to say further large scale development there, for the debts of Brazil. Japanese banks are among those actively pursuing discussions of this nature with the World Bank. This is, however, a particularly sensitive issue among developing countries. As alluded to earlier, attempts to in any way dictate the manner in which sovereign nations may or may not utilize domestic resources, particularly when those resources represent the primary means through which economic development can be achieved, could easily be interpreted as arrogant. This is particularly true given the fact that the industrialization of the developed world, along with lifestyles therein, account for