

formidable task. In the case of projects such as dams, roads and buildings, such a review is relatively straightforward to implement. When it comes to a comprehensive trade agreement involving changes to potentially several dozen statutes and even more policies and programs, the task can be complex and vast. In effect, such an audit seeks to determine the future impact of a policy instrument that sets out rules about how governments will regulate the conduct of private parties. The number of possible variations is immense.

Fascination with predicting results is, of course, not limited to environmental concerns. Economists have long tried to model the impact of trade agreements on the economy as a whole, on individual sectors and on job creation, usually with not very precise outcomes. The results of these models tend to be most credible at high levels of aggregation and become less so as they become more detailed. Environmental assessments are likely to suffer from the same basic defect. Nevertheless, NAFTA will provide an important opportunity to explore some of the methodological problems and the limits of what can usefully be done along these lines.

While technically not part of the formal trade negotiations, all three issues are linked to them and would not have been pursued in the absence of the negotiations. A more formal link could be established between the first two and the trade negotiations by means of the preamble to the trade agreement as well as by ensuring that the consultation provisions of the agreement can be used to advance environmental cooperation in both trade-related and other aspects of environmental protection.

The final results of the NAFTA environment discussions are likely to be modest, for the reasons stated above. Nevertheless, the NAFTA negotiations mark an important step in the evolution of trade and environmental policy. In the approach they have taken, the three governments have provided important guidance for the future. They have accepted the legitimacy of addressing environmental issues within the context of a trade negotiation, but they have also indicated that while some issues are integral to the negotiating agenda, such as standards-setting rules, others can best be addressed in parallel discussions, such as technical assistance to improve enforcement of domestic rules.

Conclusions

In the years to come, as global economic integration deepens and awareness of environmental issues intensifies, potential conflicts between trade and environmental goals and practices are likely to proliferate, both domestically and internationally. In response, it will be important that governments develop the necessary tools and policy instruments to resolve these conflicts equitably and quickly. As this paper has suggested, there is no inherent reason why there need necessarily be conflict. Nevertheless, there is scope to improve and strengthen