

competition policy in this regard does not detract from a healthy technology transfer and innovation environment in Canada, and is considerably superior to any attempt to claw back from what are widely recognized international IP standards.

#### 4. Trade and the Environment

##### (i) Background:

The "greening" of public policy during the 1980s has been remarkable and gives every indication of remaining a key element of policy debates into the foreseeable future. The appeal of environmentalism cannot be underestimated. It reflects concerns close to the every day life of voters, is easily packaged for emotional public debate, and yet addresses significant, very real-world problems at the heart of economic and social development. The combination of political sex appeal and substantive merit is powerful.

The trade policy community has reacted slowly and, for the most part, defensively to the new phenomenon, detecting protectionism by another colour behind every bush. For their part, many environmentalists have viewed trade negotiators as not much better than lackeys of perceived private sector growth-at-any-cost advocates and their supposed allies in government.

One result has been a lack of sufficient creative exchange and thinking on how trade rules might better reflect legitimate and growing environmental concerns. Another result has been the negotiation of a number of important environmental protection agreements without detailed trade policy advice, sometimes leading to the inclusion of sloppily drafted trade provisions that are unnecessary from an environmental perspective and potentially very damaging to Canadian trade interests. The Basel Convention on the transboundary movement and disposal of hazardous and other wastes is a particularly disturbing case in this regard.<sup>64</sup>

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<sup>64</sup> Article 4(8) of the Basel Convention allows the exporter of undefined "wastes" to be the judge, subject to as yet undefined "technical guidelines", as to whether another country's waste handling facilities are environmentally sound. One example of how U.S. protectionism could abuse this provision may be useful. Canada now has 20 mills capable of recycling old newspapers that by 1995 will rely on foreign, mostly U.S., suppliers of waste paper for roughly half their needs. Once Basel enters into force in the U.S. (it did so in Canada in November 1992), the U.S. will possess a tool that it could misuse under pressure from its own recycling industry by claiming that the Canadian plants are not maintained in an environmentally sound manner.