

Decisions about what to negotiate internationally and with whom involve choices from among competing objectives. What will prove an acceptable balance in one jurisdiction, however, may prove unacceptable in another due to differing national values, endowments and priorities. Thus compromises are required not only within societies, but also between societies. The perceived conflict between various public policy objectives, however, is rarely as stark as special interests would like the public to believe. Nevertheless, good public policy requires that issue specialists find common ground and determine the extent to which presumed conflicts are soundly based or proceed from prejudices and popular fallacies.

Such common ground is unlikely to be found by extremists in the trade policy and environmental camps.⁴ Little purpose will be served by insisting that the patterns and volumes of trade and production must be determined solely by the dictates of the market. Trade is not just a matter of economics; it is also a matter of politics. Trade takes place within a framework of domestic and international rules set by governments responding to a range of competing interests and values, one of which is protection of the environment. It is, therefore, unrealistic to insist that environmental objectives should not be allowed to compromise trade and economic objectives. The reverse is equally valid: it is not reasonable to insist that environmental objectives take precedence over all other societal goals. Again, public policy involves making choices. In effect, however, there is little need to make choices between environmental and economic goals. Public controversy notwithstanding, it is our view that it is possible in most cases to satisfy both sets of these seemingly incompatible objectives or to find instruments that satisfy one goal while inflicting minimum damage on the other.

Much public discussion seems to be based on a series of questionable assumptions, including that:

- economic growth and environmental degradation are closely linked;
- open markets lead to economic growth and may thus exacerbate environmental degradation;
- open markets lead to pressures to liberalize (i.e., harmonize at a lower level) existing or future regulations aimed at protecting the biosphere;

⁴ Notes Stewart Hudson of the National Wildlife Federation in the United States: "Much of the debate on trade and environment has centered on demonstrating the relative merits of free trade or protectionism, or open or closed economies, in dealing with environmental problems. If these problems are discussed in the context of sustainable development, a more optimal use of collective brainpower would be spent in identifying the emerging issues of trade and environment, and raising the questions that need to be resolved in order for world trade to promote sustainable development." See "Trade, Environment, and the Pursuit of Sustainable Development," in Patrick Low, ed., *International Trade and the Environment*, World Bank Discussion Paper 159 (Washington: World Bank, 1992), p. 59.