

serve resources, whether renewable or not, including the protection of endangered or threatened plant and animal species. In each case, the specific problems addressed can be classified as either local, regional (including transboundary) or global. The nature of the problem dictates the solution and the range of interests involved. For example, whether a particular plot of land should be used as a park, as a housing development or as a factory site will in most instances engage only local interests. If that plot of land happens to be on the border between two states and the proposed factory will involve a nuclear power facility, the issue may well engage interests on both sides of the border. If the proposed land use involves a factory that will produce ozone-depleting gases, global interests are engaged.

It is the wide range of problems and solutions and the increasing realization that more than local issues and interests must be met that has made the need to address the environmental/trade interface urgent. For our purposes, however, we need only concern ourselves with those environmental policies and measures that either involve trade policy measures or implicate trade flows.

Generally speaking, trade and environmental policies can be understood to intersect along two axes: meeting environmental goals may require policies that must be enforced either directly or indirectly by trade measures and/or environmental measures may affect the international competitiveness of certain producers. Conflict may thus arise between environmental and trade objectives as a result of:

- the use of trade instruments to enforce compliance with national regulations, such as restrictions on the imports of products that do not meet domestic standards;
- the use of trade measures to enforce international environmental agreements, such as sanctions, against the products of non-complying countries; and
- compliance costs borne by producers in one jurisdiction but not in another.

Controversy in the application of these measures often results from national differences in assessing the need for environmental protection and the choice of instruments used as remedies. While international harmonization would eliminate some of the conflict, it is neither reasonable nor necessary to insist on international harmonization in many instances. There should be room to allow for differences in ecological conditions, comparative advantage, social preferences and political choices among national jurisdictions. Nevertheless, there may be need for the international community to cooperate in developing common basic standards to reduce conflict and provide an improved basis for resolving disputes. International agreements facilitate national decision-making by providing a framework of rules within which to address the demands of domes-