

marginal cost of resources.<sup>97</sup> Moreover, a longer-range, more holistic focus would link the adjustment of environmental priorities with the vagaries and necessities of political immediacy.

### 6.1 International Aspects

The national security linkage is not a classic case of environmental spillovers, where one or a number of countries' actions affect the environment of other countries. The ability of environmental stress to generate or add to violent conflict adds a new dimension to thinking on the use of unilateral extrajurisdictional trade measures. Canada and many other countries oppose the use of such trade measures. The environmental basis of this position is that an individual country has the right to set environmental standards within its domestic jurisdiction. Collectively, of course, countries may freely agree to certain environmental policies or practices pursuant to international environmental agreements. But allowing foreign countries to dictate domestic environmental practices unilaterally, with the threat of trade sanctions to enforce the foreign country's view, is unlikely to be in Canada's best interest. The larger, less trade dependent economies can wield the sanctions stick more effectively than relatively small, open economies such as Canada, with negative implications for the latter's capacity to establish appropriate domestic economic and environmental policies. Moreover, unilateral trade action that places an economic penalty on a foreign country is likely to add to local economic and social hardships. For global or transboundary environmental problems, the best approach is through international cooperation, not power politics. This position has traditionally been based on the view that environmental degradation is a discrete policy concern. The ability of environmental stress to contribute to violence now raises the stakes further and reinforces the need for international cooperation and solutions.

Multilateral encouragement of the political will to address domestic environmental degradation is a prudent approach. A case can be made for greater cooperation with and assistance to China. The threat of environment stress leading to violence, in addition to the negative implications of environmental degradation itself, makes a strong case for increasing international cooperation on environmental issues. Environmental problems, resource depletion or environmental stress do not require violent conflict to influence the human condition. For example, air pollution

---

<sup>97</sup>Harry G. Broadman, "Meeting the Challenge of Chinese Enterprise Reform," World Bank Discussion Papers, Number 283, April 1995, p 37. Elimination of subsidies for electric power, coal and irrigation water would provide environmental benefits. See World Bank, World Development Report 1992, p.51.