

product health and safety inspectors and more. Each of these fields has its own assumptions, goals and sensitivities. As a result, relations have not always been easy between trade negotiators and other issue specialists, but both sides have adjusted, made the necessary compromises and managed to serve the national interest as defined by the government of the day.

Trade negotiations have now expanded to touch upon the domain of environmental regulators or, put the other way, political pressure to address environmental issues is now affecting issues that may best be addressed through trade negotiations. As a result, it is now necessary for trade negotiators and environmental regulators to learn to share this file and work out common objectives.²

The integration of environmental concerns into trade policy and vice versa raises a variety of complex conceptual and practical concerns. The analysis of these issues is still at an early stage of development and much work remains to be done to enlarge our understanding of what is involved. Some early conclusions about the direction that work should take, however, can already be reached. In this paper we propose to explore why these two disparate groups of specialists have come to share a file by looking at developments in the international economy and in thinking about the environment, the problems trade and environmental specialists are likely to encounter and the kinds of compromises they may need to make, with particular reference to the North American Free Trade Negotiations (NAFTA).

Competing Ideologies

The trade/environment interface contains potential for conflict that may run somewhat deeper than, for example, that between trade and competition policies or between trade and industrial policies. The popular conception is that trade and environment specialists bring not only different perspectives to the issues, but in many ways operate from within seemingly incompatible ideologies.

To a trade specialist, trade policy serves the general objective of raising economic welfare. Each facet of the trade file – trade negotiations, dispute settlement, trade relations and trade promotion – is based on the premise that that activity will help bake a bigger pie from which everyone will eventually benefit. Reducing government-imposed barriers to the free flow of goods and services is one of the time-tested ways of achieving greater prosperity through trade. While the path to freer trade may require detours such as quotas, voluntary restraint agreements and countervailing duties, the goal remains trade as unfettered by

² The need for this cooperation is now widely recognized. Both GATT and the OECD have established working groups drawing on both trade and environmental specialists. See, for example, GATT, *Trade and Environment: Factual Note by the Secretariat* (L/6896 of 18 September, 1991) and OECD, *Environment and Trade: Major Environmental Issues*, March 1991 (ENV/EC (91) 4) and *Synthesis Report: The Environmental Effects of Trade*, January 1992 (COM/ENV/TD (92) 5).