



Analysis and Perspective

TRADE NEGOTIATIONS AND THE ENVIRONMENT

*By Steve Charnovitz

Although the environment received little attention when the Uruguay Round of international trade negotiations was launched in 1986, ecological concerns are taking on greater importance as the negotiations move toward completion.

There is still no coordinated approach to the environment, but there is a growing realization that several of the pending agreements could have consequences for public health.

The eventual success of the Uruguay Round is by no means certain. The Round was scheduled to be concluded at the Brussels Ministerial of December 1990, but too many issues separated the negotiators.¹ While progress has been made since then, a wide gap remains between the United States and the European Community on the issue of agricultural support and subsidies. A major step was taken last December when Arthur Dunkel, the Director-General of the General Agreement on Tariffs and Trade (GATT), put forward a comprehensive 443-page proposal.² The Dunkel compromise now serves as the basis for ongoing negotiations.

Points Of Contention

The potential ecological impact of the Uruguay Round has been monitored closely by public interest groups in the United States. Last September, U.S. consumer advocate Ralph Nader, founder of Public Citizen in Washington, D.C., called the Brussels Draft a "blueprint for radical deregulation of consumer and environmental standards throughout the world." In January, 28 national organizations sent a letter to the U.S. Congress calling the new Dunkel Text "far worse from an environmental and consumer standpoint than earlier problematic GATT drafts."³ These criticisms have caught the attention of several influential members of Congress. In the House, Representative Henry Waxman (D-California) is gaining support for a resolution (H.Con.Res. 246) declaring that the Congress will not approve any trade agreement which jeopardizes U.S. health, safety, labor or environmental laws.

The Bush Administration seems to be in accord with this Congressional sentiment, promising that it "will not accept a GATT agreement that weakens our environmental, health, or safety protections."⁴ Thus, the question is not whether public health should be traded off for a GATT deal. No one openly advocates that. The question is whether the Dunkel Text would weaken health and environmental laws in the United States or any other nation. Focusing on the fine print

¹ The draft Final Act prepared for the Brussels meeting is GATT Doc. MTN.TNC/W/35/Rev. 1 (hereinafter the "Brussels Draft").

² The Dunkel Text is GATT Doc. MTN.TNC/W/FA. Citations to this Text will be provided in parentheses.

³ See William Armbruster, "Dunkel Draft Viewed as Threat to Consumer Health, Safety," *The Journal of Commerce*, January 17, 1992, at 3A, and Nancy Dunne, "Fears over 'Gattzilla the trade monster,'" *Financial Times*, January 30, 1992, at 3.

⁴ For example, see the statement by USTR General Counsel Joshua Bolton in GATT: *Implications on Environmental Laws*, Hearings before the Subcommittee on Health and the Environment, Committee on Energy and Commerce, U.S. House of Representatives, Serial No. 102-53, September 17, 1991, at 10.

of the Dunkel Text is especially important at this time because once the GATT agreement is signed, it must be accepted or rejected by each nation in toto.

Scope Of Article

This article provides a road map of the environmental issues in the Uruguay Round.⁵ The aim will be to explicate the most important provisions and to clarify what is at stake. The article considers only the operational aspects of the proposed agreements. It is not an environmental impact statement on the Uruguay Round as a whole. For instance, it does not look at the potential effects of greater trade (and reduced agricultural support) on the environment. Nor does this article cover the "trade and environment" issues that are not on the table at the GATT, such as how trade rules might be reformed to promote environmental protection and sustainable development.

Although the current dispute over the killing of dolphins by tuna fleets is beyond the scope of this article, its significance should be briefly noted.

Last fall, a GATT panel decided that a provision in the U.S. Marine Mammal Protection Act violated international trade rules because it banned import of tuna from countries (such as Mexico and Venezuela) having higher dolphin kill rates than the United States. The panel based its decision on the belief that GATT Article XX allows a country to use trade restrictions to safeguard the environment within its own jurisdiction, but not outside of it.

This decision is extremely controversial and has broad implications beyond marine mammals. According to the General Counsel for the U.S. Department of Commerce: "Adoption of the GATT panel decision might also affect our ability to enforce other domestic legislation to protect resources beyond our jurisdiction and to implement other international agreements."⁶

⁵ Two critiques of the environmental aspects of the Uruguay Round are: Charles Arden-Clarke, *The General Agreement on Tariffs and Trade, Environmental Protection and Sustainable Development* (Gland: WWF International, November 1991), and an analysis of the Dunkel Text by Lori Wallach of Public Citizen (dated December 26, 1991).

⁶ Declaration of Wendell Willkie II to the U.S. District Court, January 31, 1992. Two international agreements that would seem to rely upon GATT Article XX(b) are the Montreal Protocol on Substances that Deplete the Ozone Layer and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.

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Standards Code

The Dunkel Text would make several significant changes to the current GATT Agreement on Technical Barriers to Trade (known as the Standards Code).⁷ At present, the Standards Code directs parties to ensure that neither technical regulations nor standards have the effect of creating "unnecessary obstacles to international trade." The Dunkel Text would strengthen this requirement by mandating that regulations "shall not be more trade-restrictive than necessary to fulfill a legitimate objective . . ." (Section G, Article 2.2).

Although the Dunkel Text recognizes health, safety, and the environment as "legitimate" objectives, many trade regulations would be open to challenge on the grounds that other (i.e., non-trade) approaches would work just as well. One likely target for such challenges would be recycling and disposal laws that apply to imports. For example, in the European Community—where a similar trade-restrictiveness test is already in place—the Court of Justice overruled a Danish law setting a limit on sales of beer containers not approved for reuse for being "disproportionate" to the environmental objective pursued.⁸

At present, the GATT's main constraint on applying environmental regulations to imports is the principle of national treatment. According to this principle, regulations on imports cannot be more stringent than regulations on domestic products. Under the proposed Standards Code, an additional constraint is imposed. Even if a regulation on imports were identical to the regulation on domestic products, the import regulation could be challenged for not being the least trade-restrictive option for meeting the underlying environmental objective.

The significance of this new discipline is amplified by the fact that the Dunkel Text expands the Standards Code to cover processes and production methods. This could lead to disputes about whether process-based regulations are more trade restrictive than alternative approaches, such as taxes, negotiated harmonization, or the assignment of property rights.

Another change in the Standards Code reinforces the requirement that GATT parties seek conformity by subnational governments. The Dunkel Text makes parties "fully responsible" for observance by state and local governments and requires parties to "formulate and implement positive measures and mechanisms" to that end (Article 3.5). This suggests that a federal government could be called upon by the GATT to enact laws to preempt local standards in cases where that government has the constitutional authority to do so.⁹

GATT decisions are not self-enforcing, however. It is ultimately up to each member government to decide whether and how to comply with any adverse GATT ruling.¹⁰ In the United States, this issue may be addressed when the Administration and the Congress write the implementing legislation for the Uruguay Round.

⁷ Many product standards relating to environmental protection—such as automobile emissions, radiation, biodegradability, noise, toxicity, gasoline formulation, etc.—would be covered by this Code.

⁸ Case 302/86, *Commission of the European Communities v. Kingdom of Denmark* ECR 4601, 4631–32. The remainder of Denmark's deposit and return system for containers was upheld by the Court's 1988 decision.

⁹ See also Dunkel Text, Section Y, Annex IV, Article XVI:4.

¹⁰ But non-compliance can have consequences. See Dunkel Text, Section S, Para. 20.

Sanitary and Phytosanitary Decision

One of the goals of the Uruguay Round is to devise rules for sanitary and phytosanitary (S&P) standards.¹¹ Although S&P rules are not a neoteric issue in trade policy—the League of Nations started developing them over 60 years ago—they are a new focus for the GATT. At present, the only S&P rules in the GATT are in Article XX(b). That provision permits measures "necessary to protect human, animal or plant life or health" so long as such measures do not constitute "arbitrary or unjustifiable discrimination between countries where the same conditions prevail" or are not a "disguised restriction on international trade."

There are two main reasons why the Uruguay Round has sought to tighten S&P rules. One is that inconsistent national standards add to producer costs, and thus can impede trade without any concomitant health benefit. The other is that S&P laws can be misused in order to keep out competing foreign products.

The Dunkel Text presents a GATT Decision on S&P measures as one part of a comprehensive Agreement on Agriculture (Section L, Part C). This Decision "elaborates rules" for the application of Article XX(b). Countries would be obligated either (1) to base their S&P measures on international standards when they exist or (2) to meet the alternative requirements discussed below. Three international standard-setting organizations are designated. For matters like food additives, veterinary drugs, and pesticide residues, the standards of the Codex Alimentarius Commission are to be used.¹² Any import restriction based on an international standard will be awarded an automatic presumption of GATT consistency.

The S&P Decision permits countries to choose standards higher than international ones if certain requirements are met.¹³ These same requirements control the use of national standards in situations where no international standard exists. The six most important requirements are:

► S&P measures cannot arbitrarily or unjustifiably discriminate between countries where "identical or similar conditions prevail" (Para 7). By using the term "similar" rather than "same," the Decision tightens the discipline on trade restrictions over what now exists in GATT Article XX.

► S&P measures must have "a scientific justification" and cannot be maintained "against available scientific evidence" (Paras. 6 and 11). When relevant scientific evidence is insufficient, countries may adopt S&P measures provisionally based on "pertinent information" (Para. 22).

► In choosing its level of health protection, each country must avoid arbitrary or unjustifiable distinctions in the risk level subject to regulation in different situations.¹⁴ Guidelines for this requirement will be developed in a special GATT committee that will "take into account all relevant factors, including the exceptional character of human health risks to which people voluntarily expose themselves" (Para. 20).

► In choosing its level of health protection, each country must take into account the potential damage from an inad-

¹¹ Sanitary standards protect human and animal health while phytosanitary standards protect plant health.

¹² The Codex is a joint subsidiary agency of the U.N.'s Food and Agriculture Organization (FAO) and World Health Organization (WHO).

¹³ Technically, these rules also apply to countries that want to maintain standards lower than international ones.

¹⁴ The requirement is in effect only if such distinctions have an impact on trade.

equate standard and the cost-effectiveness of alternative approaches to limiting risks (Para. 18).¹⁵

► In choosing its level of health protection, each country "should" take into account the objective of minimizing negative trade effects (Para. 19).

► In carrying out its chosen level of health protection, each country must ensure that its S&P measures are "the least restrictive to trade, taking into account technical and economic feasibility" (Para. 21).

Several points about the new S&P rules should be noted. Although Codex standards are sometimes touted as providing "adequate consumer protection," many countries do have stricter (although not necessarily safer) standards.¹⁶ For example, the U.S. General Accounting Office recently analyzed a group of possibly carcinogenic pesticides and found that Codex tolerances for pesticide residues were higher—in other words, less protective—than U.S. tolerances in 55 percent of the cases.¹⁷ Food safety groups have also raised the concern that participation in Codex is heavily weighted toward producer rather than consumer interests.

There is nothing new about the principle that S&P measures should be based on science. The drafting history of Article XX(b) shows that the authors of the GATT had that expectation. Although the language of the Dunkel Text is designed to strengthen GATT's hand in these matters, the new commitments are not sufficiently clear.

When, for instance, is a scientific "justification" adequate? Will one study do? Would reliance on the most ominous findings constitute acting "against available scientific evidence"? Some S&P disputes, by their very nature, will arise in areas where there is a degree of uncertainty. Is caution in the face of such uncertainty scientifically valid? The Dunkel Text does not provide clear answers to these questions. It does, however, allow for the creation of an "advisory technical experts group" when needed (Para. 36).

While a requirement for science-based regulations might reduce trade conflict, it will not be able to settle all disputes. The problem is not only that science is "constantly pushing back the walls of ignorance," but something more fundamental.¹⁸ Science can estimate a range of risk for any event. Yet it cannot tell us how risk averse an individual or a society should be. For instance, even if all tests showed that exposure to chemical X caused only a one-in-a-million chance of cancer, there is no scientific basis for declaring that risk to be acceptable or unacceptable.

To address this situation, Paragraph 20 of the S&P decision calls on each country to avoid arbitrary or unjustifiable distinctions in the risk level it considers to be appropriate in different situations. Countries would not have to adopt the same approach toward risk, but they would have to avoid internal inconsistencies. The aim is to prevent governments from manipulating their risk standards as a tactic for keeping out imports.

One concern raised by consumer groups is whether the "zero-risk" U.S. Delaney clause¹⁹ would be able to co-exist with less-restrictive standards of the U.S. Food and Drug Administration and the U.S. Environmental Protection Agency. One U.S. Department of Agriculture official has conceded that the Delaney clause might be successfully challenged under the new rules.²⁰ Indeed, Paragraph 20 of the S&P code could have far-reaching implications for a nation like the United States with inconsistent health standards enacted in different eras, written by different congressional committees, and administered by different agencies. A recent examination of 21 federal health standards found that the associated mortality risks spanned a wide range—anywhere from one to 63,000 premature deaths per million persons exposed.²¹

The requirement that an S&P measure be the "least restrictive to trade" is similar to the new requirement in the Standards Code. Any restriction on imports could be challenged on the grounds that some other regulatory approach—perhaps even warning labels—would be less trade-restrictive. The new obligations in the Standards Code regarding subnational governments are included in the S&P Decision, too.

Finally, there is a troublesome ambiguity in the Dunkel Text which relates to the application of GATT rules to treaties and laws that utilize trade controls. The Text's preamble can be read as a declaration that GATT Article XX(b) covers *only* S&P measures. Because the Dunkel Text limits S&P measures to those protecting life or health within the territory of the country using the measure, it could be interpreted as limiting the application of Article XX(b) to internal matters—in effect, codifying the Tuna-Dolphin decision. Since the Dunkel Text probably does not intend this interpretation, correcting this ambiguity (which also appeared in the Brussels Draft) should be easy.

Subsidies Agreement

In the Brussels Draft of 1990, the Subsidies Agreement defined certain types of governmental assistance for environmental protection as a "non-actionable" subsidy.²² Specifically, governments would have been permitted to aid firms in adapting existing facilities to new environmental requirements. Assistance could also have been provided for research seeking new products or production methods which pollute less than permitted in applicable environmental regulations. There were a number of conditions attached to such assistance, however, including a cap of 20 percent of the total cost.

In the face of continued opposition by the Bush Administration, the Dunkel Text deleted this green light for environmental subsidies.²³ The Administration maintains that its

¹⁹ The Delaney clause (21 U.S.C. 348(c)) prohibits food additives that induce cancer no matter how low the risk.

²⁰ See the interview with Lester Crawford in *World Food Regulation Review*, June 1991, at 30. At that time, Dr. Crawford was the U.S. Delegate to the Codex Alimentarius Commission and the Administrator of the Food Safety and Inspection Service. He has since left government service. His view is disputed by other U.S. government officials.

²¹ Office of Management and Budget, *Budget of the United States Government*, FY 1992, at Part Two-370. For two of these standards, the risk is actually less than one death.

²² Brussels Draft, at 92-94.

²³ The provision in the Subsidies Code of 1979 relating to the "redployment of industry in order to avoid congestion and environmental problems" is also omitted. See GATT, BISD 26S/56, at Article XI.

¹⁵ According to U.S. negotiators, this paragraph refers to animal rather than human health. If so, the Dunkel Text should be clarified.

¹⁶ See the statement by the FAO official in Codex Alimentarius Commission, *Report of the 19th Session*, 1991, Appendix 2.

¹⁷ GAO, *International Food Safety. Comparison of U.S. and Codex Pesticide Standards*, August 1991, at 29. Codex tolerances were lower than U.S. tolerances in 27 percent of the cases and equal in 18 percent of the cases.

¹⁸ Daphne Wysham, "Big Business Hijacks GATT," *The Nation*, December 17, 1990, at 770-73 (quoting Samuel Epstein).

opposition was directed at the *concept* of a non-actionable subsidy rather than at the purpose of this subsidy. While government subsidies to firms would generally contradict the Polluter-Pays Principle of the Organization for Economic Cooperation and Development (OECD), the Brussels conditions matched many of the criteria accepted by the OECD as justifying an exception to the Polluter-Pays Principle.²⁴

Under Dunkel's proposed Agreement on Agriculture, governments would be permitted to continue "clearly defined" environmental and conservation programs that provide for public payments to producers (Section L, Part A, Annex 2). These payments must be no greater than the cost of complying with the program and must be contingent on the fulfillment of specific conditions. Governments would also be permitted to carry out research in connection with environmental programs.

Dispute Settlement

The Dunkel Text institutes significant changes in the GATT dispute settlement process. Panel reports would be adopted by the GATT Council within 60 days after issue unless either one of the parties appeals or the Council decides by consensus not to adopt the report (Section S, Para. 14.4).²⁵ Disputes under both the Standards Code and the S&P Decision would be considered under these new procedures.

Three major complaints are being raised about the dispute settlement agreement. First, the new procedures would shift an enormous amount of power to GATT panels, whose decisions would carry a presumption of adoption unless the Council decides unanimously not to do so. (This is an unusual decision-making rule, especially for an international organization, because a single country could insist upon the adoption of an unpopular panel report.) Had these new rules been in place for the recent Tuna-Dolphin report, the panel's decision—assuming the United States appealed but lost—would now be adopted by the GATT.

It is true, of course, that the GATT cannot force countries to implement its decisions. But a finding by GATT that a national law violates international trade rules can exert influence on that country to modify its law. For example, a few months ago, the U.S. Department of Justice submitted the GATT panel's Tuna-Dolphin report to the U.S. District Court considering the Bush Administration's argument against tougher enforcement of provisions in the Marine Mammal Protection Act (MMPA) intended to bar imports of tuna from nations not supporting the U.S. embargo against certain Mexican tuna.²⁶ This action by the Justice Depart-

ment stunned some observers—not only because the report had not been adopted by the GATT, but also because the Bush Administration purportedly opposes the panel report.

Second, the new procedures fail to provide for hearings and other forms of public participation. For example, environmentalists note that the Tuna-Dolphin panel refused to allow dolphin conservation experts to testify. The procedures also forbid the release of panel rulings until *after* such rulings are adopted. While the Dunkel Text does not reduce the transparency of current GATT practices, it could make it harder for outside groups to have enough time to react to new panel reports before they are adopted.²⁷ Many environmentalists have not been convinced that star-chamber style adjudication is necessary or desirable in resolving international disputes with significant consequences for the ecosystem.

Third, although the Dunkel Text does not specifically indicate which party bears the burden of proof in a GATT dispute, the usual GATT practice is that the country imposing the trade restriction has to justify it. Some public interest groups have advocated that the burden of proof be shifted to the country opposing an environment-related trade restriction.

Other Issues

The Agreement on Trade-Related Aspects of Intellectual Property Rights, part of the Dunkel Text, requires countries to provide and enforce patents for new products or processes that are capable of industrial application (Section Y, Annex III). Life forms would be patentable, but countries could, at their option, exclude from patentability plants and animals "other than microorganisms." In addition, the Agreement permits countries to exclude certain inventions from patentability when necessary to protect "morality" or "human, animal, or plant life or health" (Article 27).

The Dunkel Text provides for a new General Agreement on Trade in Services (Section Y, Annex II, Article XIV). This agreement includes the health exception provided for in GATT Article XX(b). But it leaves out the other two environmental provisions which were on the table in Geneva—a new "sustainable development" exception and the conservation exception currently in GATT Article XX(g). In addition, the exception in the Services Agreement is tighter than the one in GATT Article XX—that is, the new headnote will make it *more* difficult for trade restrictions to qualify for the health exception.

The Agreement Establishing the Multilateral Trade Organization (MTO) makes no mention of linkages to environmental institutions (Section Y, Annex IV).²⁸ Several GATT watchers have suggested that this omission is unfortunate—particularly since the Dunkel Text states that the MTO shall cooperate with the International Monetary Fund and the World Bank "with a view to achieving greater coherence in global economic policy-making" (Article III:6). One proposal now floating in Washington is that the MTO Agreement be used to launch a new multilateral negotiation on environ-

²⁴ "OECD Guiding Principles Concerning the International Economic Aspects of Environmental Policies: Background and Discussion," OECD Doc. COM/ENV/EC/TD(91)68, October 1991, at Para. 11.

²⁵ If a party appeals, a new Standing Appellate Body would issue a decision within 90 days. That decision would be adopted by the GATT unless the Council decides by consensus within 30 days not to do so.

²⁶ The Bush Administration claimed that the MMPA required only a certification from importers that no Mexican tuna was being transhipped to the United States. After the District Court ruled against the Administration, the Justice Department complained to the U.S. Court of Appeals that "the trial court altogether failed to understand the implications of the GATT panel ruling for those GATT-member nations which are considered 'intermediaries' under the MMPA. While the GATT ruling was brought to the district court's attention, its opinion does not even refer to it." See Federal Appellants' Memorandum in Support of Emergency Mo-

tion for Stay Pending Appeal, *Earth Island Institute v. Mosbacher*, February 3, 1992, at 27.

²⁷ The Tuna-Dolphin report was declassified by the GATT after it was leaked to the press. Under normal GATT procedures, the report would not have been made public until *after* it had been adopted.

²⁸ The preamble to the Agreement notes the goal of "developing the optimal use of the resources of the world at sustainable levels." But it is unclear whether this refers to "sustainable development" as defined by the Brundtland Commission.

mental issues in trade (already being called the "Green Round") upon the conclusion of the Uruguay Round.²⁹

Last, one should note the pending GATT Decision on the Export of Domestically Prohibited Goods. This Decision requires countries to participate in a notification system for products that are banned (or severely restricted) for domestic sale, but not for export. While the negotiations leading to this Decision were kept separate from the Uruguay Round, there is no conceptual reason for leaving this Decision in limbo. The only reason is political. The Bush Administration

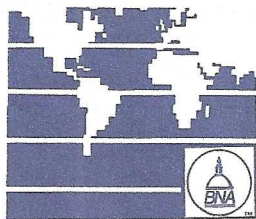
remains strongly opposed to establishing these new requirements.

Conclusion

Only a small portion of the Uruguay Round relates directly to the environment. Yet that portion is important. Environmentalists are raising legitimate concerns about what is (or should be) in the Dunkel Text. So far, the GATT and its member governments have not responded adequately to these concerns. Anyone supporting the fruition of the Uruguay Round has an interest in seeing this dialogue improved.

In the United States, the politics of implementing the Uruguay Round will be thornier if the anticipated coalition against trade liberalization is strengthened by environmental and public interest groups. This ominous scenario need not occur. There is still time to head off such opposition with clarifications and revisions to the Dunkel Text. But a serious effort needs to begin soon.

²⁹ On February 25, the U.S. House of Representatives passed a fisheries conservation bill (H.R. 2152) which stated "the sense of Congress" that the President should seek to reform GATT to take into consideration national environmental laws and international environmental treaties.



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HIGHLIGHTS

THE FOURTH PREPARATORY MEETING for the U.N. Conference on Environment and Development opens, with delegates and officials expressing guarded willingness to work out differences. Funding for developing countries is one of the major issues facing delegates at the five-week meeting (p. 121).

CHLOROFLUOROCARBONS would be phased out in the European Community by December 31, 1995, under a formal proposal from the EC Commission. The Commission would require an 85 percent reduction in CFCs, halons, carbon tetrachloride, and methyl chloroform by December 31, 1993, leading to a complete ban two years later (p. 122).

CLIMATE TREATY NEGOTIATORS end their 10-day meeting hopeful that an agreement can be completed for signature at UNCED. The delegates also agree to meet once more at the end of April to tie up loose ends, but, pessimistic of the outcome, environmental groups call for high-level officials to step in and salvage a meaningful agreement (p. 123).

SECURITY PREPARATIONS FOR UNCED are assailed by Brazil's environmental secretariat. A spokesman for the Secretary of the Environment says a lack of organization on security issues will play into the hands of the industrialized countries, whose leaders would like to stay away from UNCED to avoid a confrontation over responsibility for the world's pollution (p. 124)... Nearly 50 of the world's 175 national leaders are committed to attend (p. 125).

ECONOMISTS' ROLE IN MANAGEMENT of the environment should be expanded, according to the United Nations Environment Program, which develops an action plan for achieving this goal and for ensuring that environmental data can flow from academic and research institutions to UNEP (p. 125).

A NEW AIR POLLUTION LAW to curb problems in Athens is being readied by the Greek government's air pollution monitoring service. The current text of the draft bill contains measures to abate harmful emissions from industry and vehicles (p. 126).

DEVELOPING NATIONS face serious difficulties in applying for money from the Montreal Protocol Fund. Representatives of these nations say they lack technical and administrative expertise to correctly apply for the money (p. 127).

PCBs IN SLUDGE exported from Germany to France are at such high levels that the French government may be pressured into adopting new measures to limit the sludge's use as fertilizer, French government officials and agriculture experts say (p. 128).

A COHERENT TRANSPORT POLICY that meets environmental and economic needs is lacking in both France and the European Community, environmental and transport user organizations charge (p. 131).

TOUGHER AUTO EMISSION STANDARDS are agreed to in Canada by the federal government and the automobile industry. The manager of environmental policy for General Motors of Canada says accord between Transport Canada and motor vehicle manufacturers makes economic sense because it will bring the Canadian timetable for tailpipe emissions in line with the U.S. timetable (p. 132).

AN ANALYSIS AND PERSPECTIVE by Steve Charnovitz, a consultant to the Competitiveness Policy Council in Washington, D.C., examines the environmental issues associated with the Uruguay Round of international trade talks under the General Agreement on Tariffs and Trade (p. 144).

This month's supplement to the INER Reference File system includes the EC's motor vehicle emissions directive and an EC directive on protecting waters against pollution caused by nitrates from agricultural sources.