THE WORLD TRADE ORGANIZATION AND ENVIRONMENTAL SUPERVISION

By Steve Charnovitz*

Last month, the 117 nations of the General Agreement on Tariffs and Trade (GATT) concluded the Uruguay Round of trade negotiations. The new multilateral trade accord, to be signed in April, will lower trade barriers around the world, and thereby boost national incomes of participating countries. The agreement will also transform the institutionally nebulous GATT into a World Trade Organization (WTO) enjoying increased powers and a broader mandate. [1]

In addition to seeking the harmonization of national policies on trade (e.g., customs valuation, pre-shipment inspection, etc.), the Uruguay Round also seeks harmonization on certain domestic issues. For example, new rules on intellectual property require countries to provide patent protection for 20 years. The new rules on agriculture set a ceiling on governmental support. This shift in GATT's emphasis from "border" policies to "domestic" policies reflects a view that the costs of permitting the continuation of divergent national policies is too great.

One of the achievements of the Uruguay Round is to expand supervision of environmental laws that hinder the free flow of international commerce. Although such issues have traditionally been exempt from trade agreements as matters of national autonomy, the Uruguay Round strikes a new balance between commerce and environment. This analysis provides a summary of the new disciplines and discusses other aspects of the WTO that have significance for the environment.

The WTO contains two agreements governing national laws on the environment (and/or public health). One is the Agreement on Technical Barriers to Trade (TBT). The other is the Agreement on Sanitary and Phytosanitary Measures (SPS). The TBT agreement deals with government regulations on products (e.g., auto emission standards). The SPS agreement deals with government regulations and import bans regarding food safety and disease-spreading products. To avoid confusion, matters covered by SPS are excluded from TBT.

The new TBT and SPS agreements are much tighter than the existing rules in the GATT, including the GATT Standards Code of 1979. Both agreements are somewhat tighter than the analogous TBT and SPS agreements in the North American Free Trade Agreement (NAFTA). Although the WTO agreements were slightly watered down in the closing weeks of the Uruguay Round, they still pack most of their punch. [2]

The current GATT rules (i.e., Article III) are based on the long-established principle of national treatment. This means that a nation can apply its domestic standards to imported products but cannot put imported products at a disadvantage. In certain situations, such as those involving health or natural resource conservation, GATT Article XX provides an exception from national treatment.

The WTO rules are based on a new principle that one might call international treatment. This principle states that a nation should apply international standards to imported products. In situations involving health or the environment, the WTO may permit the application to imports of more restrictive (than international) standards.

Both TBT and SPS contain a complex series of interconnected disciplines. Because of this complexity, only the major provisions of these harmonization agreements can be summarized here.

It should be noted that neither of these agreements precludes nations from imposing environmental product standards on their own domestic commerce. The WTO disciplines come into play only if a nation wants to apply such standards to imports. In such cases, the new agreements will override the current national "rights" in GATT Articles III and XX. [3]

Unfortunately, there is a widespread misunderstanding about these agreements. Nations do not surrender their sovereignty over environmental matters by joining the WTO. For example, even if the United States loses a dispute about an American environmental law, all the WTO tribunal can do is to ask the U.S. government to revise the offending law. The WTO cannot overturn a national law.

Technical Barriers To Trade

At the outset, a few points should be clarified. First, the TBT agreement covers all product regulations, such as size, grade, quality, etc. Thus, the focus here on environmental regulations does not imply that TBT is primarily aimed at them.

Second, although the earlier GATT Standards Code did not restrain government regulations hinged on "processes and production methods" (known as PPMs), the new TBT agreement does. It is important to recognize, however, that only those PPMs "related" to the product are covered. For example, U.S. laws specifying the use of recycled ingredients are controlled by TBT. But PPMs "unrelated" to the product are not covered by the new disciplines. For example, a Dutch ban on tropical hardwoods from unsustainably managed forests would lie outside the control of TBT.

[1] "Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations," Restricted MTN/FA, December 15, 1993. In this analysis, the GATT will refer to the current agreement, and the WTO will refer to the new agreement.

[2] For an analysis of the environmental provisions in the earlier "Dunkel Text," see Steve Charnovitz, "Trade Negotiations and the Environment," *International Environment Reporter*, March 11, 1992, p. 144.

[3] For further discussion, see Steve Charnovitz, "The Regulation of Environmental Standards by International Trade Agreements," *International Environment Reporter*, August 25, 1993.

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The TBT agreement requires that "relevant international standards" be used as a basis for national regulations "except when such international standards or relevant parts of them would be an ineffective or inappropriate means for the fulfillment of the legitimate objectives pursued ..." (Art. 2.4). The term "legitimate objective" includes protection of health or the environment. If a country uses such international standards (e.g., from the International Organization for Standardization), then regulations based on them are "rebuttably presumed" to be consistent with the agreement. This means that an exporting nation challenging an international standard would have the burden of proof. (The agreement is unclear on who has the burden of proof when an exporting nation challenges a nationally set standard.)

As noted, nations retain some leeway in not using international standards. Basically, there are two conditions for applying one's own environmental regulations. First, the current GATT rules regarding national and most-favored-nation treatment must be met. National treatment requires that imported products be given the same status as domestic products. Most-favored-nation requires that imported products from a GATT member be given as favorable treatment as products from any other country.

Second, the WTO applies a new rule, often called the "least trade restrictive" test. According to TBT, national regulations "shall not be more trade-restrictive than necessary to fulfill a legitimate objective, taking account of the risks non-fulfillment would create" (Art. 2.2). Furthermore, such regulations shall not be maintained as circumstances change, if such "changed circumstances or objectives can be addressed in a less trade-restrictive manner" (Art. 2.3).

The least trade restrictive test derives from jurisprudence within the United States (regarding state government laws) and, more recently, in the European Union. On both continents, an internal market without economic borders has been established under the control of an accountable political system. One of the new ideas spawned by the Uruguay Round was that a trade restrictiveness test could be imposed even in the absence of an accountable political system. In other words, certain types of judgments made for American commerce by the Congress or the Supreme Court, and for European commerce by the Commission or the European Court of Justice could, for international commerce, be made by the WTO.

Sanitary And Phytosanitary Measures

The SPS agreement covers product standards, which apply equally to domestic and imported products, and health-related import restrictions. As with TBT, process regulations "unrelated" to the product are not covered by the new discipline. For example, the U.S. law specifying dolphin-safety standards for tuna harvesting (effective June 1994) lies outside the control of SPS.

The SPS agreement is predicated on international treatment. Nations are required "to base their sanitary or phytosanitary measures on international standards, guidelines, or recommendations where they exist, except as otherwise provided for in this agreement ..." (para. 9). Measures that conform to international standards are presumed to be consistent with WTO rules. For food safety, the international standards are those promulgated by the Codex Alimentarius Commission. In explaining the value of international standards, Codex points out that "differing views have to be brought from the emotional or instinctive level and considered in a scientific and logical atmosphere." [4]

[4] See FAO/WHO, *Introducing Codex Alimentarius*, p. 7.

The WTO makes clear that "[m]embers have the right to take SPS measures necessary for the protection of human, animal, or plant life or health, provided that such measures are not inconsistent with the provisions of this agreement" (para. 5). The provisions of SPS impose two sets of constraints on national action—one on the "level of protection" and the other on "measures" to achieve a nation's chosen level of protection.

Nations retain the power to select their preferred level of protection. In other words, a government does not have to follow international standards in determining the level of risk its citizens must bear. But this power is circumscribed by one limitation, known as "Paragraph 20." [5] Specifically, each nation "shall avoid arbitrary or unjustifiable distinctions in the levels it considers to be appropriate in different situations, if such distinctions result in discrimination or a disguised restriction on international trade."

If "discrimination" had its dictionary meaning, Paragraph 20 would have little bite. But this term has a technical meaning in GATT jurisprudence. Any regulation or tax that puts foreign products at a de facto disadvantage can be guilty of discrimination. Thus, nations that have arbitrary or unjustifiable variation in maximum allowable risk levels (e.g., differences among states) could run into problems with Paragraph 20.

There are many aspects of Paragraph 20 that are unclear. For example, is it arbitrary to have a zero-risk standard for carcinogenicity but a less protective risk standard for bacterial contamination? Such issues will be addressed by a new WTO committee that is directed to "take into account all relevant factors, including the exceptional character of human health risks to which people voluntarily expose themselves."

There are also constraints on using SPS measures. Such measures must be: (1) "necessary," (2) "based on scientific principles," (3) "not maintained without sufficient scientific evidence," and (4) based on a risk assessment, "as appropriate to the circumstances" (paras. 6 and 16). The SPS text does not attempt to define what constitutes "sufficient" scientific evidence. Whether panels will treat this as a procedural requirement (Does a study exist?) or as a substantive requirement (Whose study is better?) remains to be seen. It is interesting to note that the administration of former U.S. President George Bush had pressed for an explicit amendment to Article XX(b) to require that measures be "consistent with sound scientific evidence and recognize the principle of equivalency."

The SPS agreement also states that a measure shall not be used if "there is another measure reasonably available, taking into account technical and economic feasibility, that achieves the appropriate level of protection and is significantly less restrictive to trade" (para. 21). This trade restrictiveness test (one might call it a disproportionality test) differs from the approach in TBT in two ways. First, the alternative must be "significantly," not just marginally, less trade restrictive. Second, the SPS test takes into account the

[5] The agreement also states that nations can choose their level of protection if there is a scientific justification (para. 11). Yet the choice of a level of protection is based on a value judgment. It cannot be affirmed or refuted by science.

[6] According to the GATT Secretariat, "Consumers in all countries will benefit. The proposed SPS agreement will help ensure the safety of their food ..." See *Understanding the Proposed GATT Agreement on Sanitary and Phytosanitary Measures*, April 1993.

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technical and economic feasibility of an alternative. Yet it does not take into account political feasibility.

Upward Harmonization

Some commentators have suggested that the TBT and SPS agreements might induce countries to raise their health or environmental standards. While such leveraging up could possibly occur,[7] both agreements have been carefully written to avoid making international standards a floor for world trade. For example, complaints cannot be lodged about a lax standard in another country unless that situation affects international trade. In addition, both agreements provide broad exceptions for developing countries. According to TBT, "developing country members should not be expected to use international standards as a basis for their technical regulations or standards which are not appropriate to their development, financial, and trade needs" (Art. 12.4).

Dispute Resolution

Whenever exporting nations encounter nettlesome restrictions, they may lodge a complaint with the WTO. Dispute panels will use the rules outlined above to determine whether the national measure conforms to the TBT or SPS disciplines. If a dispute panel finds that a nation's environmental measure violates these disciplines, the panel's report is automatically adopted by the WTO's Dispute Settlement Body (unless the body decides by consensus not to do so). This completely reverses the GATT's current procedure whereby panel reports are adopted only by consensus. After adoption of a panel's recommendations, the WTO states that "prompt compliance is essential" (Art. 21.1).

It is unclear whether there will be an obligation under international law to comply with an adverse panel report. Of course, no country can be forced to change its errant environmental or health regulations. But to discourage scofflaws, the WTO provides that the plaintiff country can impose economic sanctions (i.e., higher tariffs) on the defendant country. There is no guarantee that such sanctions will succeed in influencing a country to lower its eco-barriers. Nevertheless, the sanctions will probably force countries to recalculate whether the environmental law being challenged is worth keeping. In any event, governments trying to resist demands from consumer groups for higher environmental standards may gain a new ally in the WTO.

Although environmental groups had sought to "open up" the dispute resolution process and increase its "transparency," the Uruguay Round negotiators resisted most of these suggestions. One reform that was approved, however, allows a party to disclose "statements of its own positions" and a non-confidential summary prepared by the other party. Already, one party, the United States, is under court order to release edited versions of its GATT submissions. Another WTO provision carries forward into TBT and SPS the provision in the Standards Code of 1979 allowing for the creation of expert groups. (Some technical changes are made.)

Global Environment Issues

It is ironic that the Uruguay Round does not curtail the most contentious practices in the "trade and environment" arena—"unrelated" process standards or import restrictions to preserve the global environment. For example, the U.S. import ban on tuna from nations with higher dolphin kill rates is untouched by the new WTO rules. But simply examining the WTO text may not tell the full story.

The U.S.-Mexico Dolphin panel report of September 1991 seems to suggest that virtually all such "unrelated" process standards are GATT-illegal. Yet this report was never adopted by the GATT Council. The new WTO rules will sweep away many of the delaying and blocking tactics that have prevented GATT from adopting panel reports. Had these new rules been in place in 1991, Mexico could have initiated trade sanctions against the United States by July 1993 for not changing the Marine Mammal Protection Act. Or if Mexico chose not to do so (because of NAFTA), another country could have lodged the same complaint and insisted upon its rights. Indeed, the European Commission has already lodged a complaint. The decision of the GATT panel considering this complaint is long overdue.

As an alternative to pursuing individual complaints, WTO members could amend Article XX to make clear that so-called extrajurisdictional import measures are illegal. Eco-labeling requirements unrelated to the product could also be forbidden. Although current GATT practice requires unanimous consent for amendments, the WTO rules will allow Article XX to be amended by a three-fourths majority. A member nation that does not accept an amendment in this circumstance would be "free to withdraw from the WTO or to remain a member with the consent of the Ministerial Conference."[7]

Another issue is the relationship between WTO rules and certain environmental treaties that rely on trade discrimination, such as the Montreal Protocol on Substances that Deplete the Ozone Layer (INER Reference File 1, 21:3151) or the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (21:3701). Following the logic of the Dolphin decision, these treaties appear to be GATT-illegal. In an effort to protect these treaties, many commentators have suggested that the Montreal Protocol (of 1987) and the Basel Convention (of 1989) can trump the GATT (of 1947) via the "more recent treaty" rule of international law. The WTO defeats such trumping, however, by resetting GATT's date to 1994. This allows the WTO to leapfrog over all environmental treaties that use trade measures. Henceforth, such treaties can be judged by the WTO on their merit.

Other Environmental Provisions

There are several other aspects of the WTO that have significance for the environment. On subsidies, the agreement reinstates a provision that had been dropped from the "Dunkel Text" of 1991. This provision permits governmental assistance to promote adaptation of existing facilities to new environmental requirements. There are several conditions, however. For example, the subsidy must be non-recurring and must be limited to 20 percent of the costs of adaptation. Subsidies of this sort are defined as "non-actionable." This means that countermeasures are available only if the environmental subsidy has "serious adverse effects." Such countermeasures must be authorized by a WTO committee.

The WTO also tightens the definition of a "subsidy" to require a showing of a "financial contribution" by a government, or an income or price support. Several commentators have suggested that lax environmental regulations might be considered a countervailable subsidy under GATT. The new text makes clear that mere governmental inaction is not countervailable.

On environmental taxes, the Uruguay Round contains a new guideline for border adjustments (Subsidies, Annex I

[7] WTO Article X. The GATT contains a similar provision which has never been used.

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and II). The agreement makes clear that cumulative indirect taxes on inputs used in the production of an exported product can be rebated to exporters. Among such inputs are energy, fuels, and oil. For example, a BTU (British thermal units) energy tax would be refundable for exports. But the agreement does not make clear whether a domestic tax on energy inputs can be applied symmetrically to imports.

On intellectual property, the new agreement requires nations to meet minimum standards for providing legal rights to inventors. Animals may be excluded from the WTO patent requirements, but plant varieties must be legally secured either through patents or an alternative system. Nevertheless, nations may preclude patents when "necessary . . . to avoid serious prejudice to the environment" (Art. 27.2).

On services, the new agreement repeats the GATT Article XX(b) exception on life or health but drops the XX(g) exception on the conservation of natural resources. In addition, the WTO will establish a Working Party on "Trade in Services and the Environment" to consider the need for any other environmental provisions. The report of the Working Party is due by July 1998.

On subnational governments, the new agreement makes parties "fully responsible" for observance of WTO rules by states, provinces, etc. The need for further tightening was obviated when the GATT adopted the U.S. Beer decision (with the concurrence of the Bush administration). Under this decision, countries are expected to do everything within their constitutional power to compel subnational governments to comply with GATT rules.

On dangerous trade, the new agreement does not include the long-stalled GATT Decision from the Working Group on Domestically Prohibited Goods. This draft decision contains many provisions, including a call to all GATT members to ratify international environmental treaties such as the Montreal Protocol and the Basel Convention.

On institutional matters, the new agreement copies several provisions from the (never-established) International Trade Organization of 1948. One of these would permit the WTO Council to "make appropriate arrangements for consultation and cooperation with non-governmental organizations . . ." (Art. V:2). The new agreement also codifies the GATT's Trade Policy Review Mechanism. The mechanism requires "an annual overview of developments in the international trading environment." It is unclear whether this includes the link between international trade and the environment.

Significance Of Environmental Provisions

Although positive in its economic impact, the Uruguay Round package contains some limp agreements. For example, the agreement on textiles and clothing attains only half of the elimination of quotas by July 2002 with the other half by July 2005. The new anti-dumping rules sanctify government practices injurious to the consumer. The agriculture agreement requires only small reductions from present subsidy levels. The services agreement has large gaps. The government procurement agreement is non-binding. The investment agreement runs only four pages and is light on commitments. The European Union can keep its quota on Japanese autos for the rest of the decade. Japan agreed to permit rice imports, but only up to 8 percent of domestic consumption by 2001. Korea agreed to just 4 percent.

Viewed against the rest of the Uruguay Round, TBT and SPS are strong agreements. They have real teeth. They take precedence over the GATT's environmental exceptions written in 1947. They are not delayed or phased in as are some other components of the Round. There is no nine-year limited moratorium on dispute settlement as exists in the Agreement on Agriculture. Long a stubborn redoubt of national autonomy, health and environmental standards are finally being reined in.

The WTO will not disallow national environmental decision-making. Nations may continue to use their own environmental standards so long as the WTO does not rule them illegal. Even if ruled illegal, a nation remains free to keep its standard and accept the "punishment" of higher tariffs by complaining nations.

Implementation Of Uruguay Round

The WTO is scheduled to go into effect in July 1995. Legislation authorizing U.S. participation appears likely to get relatively smooth sailing in the U.S. Congress. It is interesting to note, however, that a U.S. law passed in 1992 expressed the "sense of the Congress" that the president should seek to "modify" GATT articles to take into consideration international environmental treaties and the national environmental laws of GATT members. [8]

In their book *Putting People First,* President Clinton (then governor of Arkansas) and Vice President Al Gore (then a senator from Tennessee) wrote that "no trade agreement should preclude the United States from enforcing nondiscriminatory laws and regulations affecting health, worker safety, and the environment. We will not allow the Uruguay Round to alter U.S. laws and regulations through the back door" (p. 157). The Clinton Administration will get a little ribbing over this from environmentalists. After all, the United States is the only country that has faced more than one challenge of its environmental laws in the GATT. But many American environmental groups will eventually support the Uruguay Round. The administration lost no time in smoothing the feathers ruffled last December in Geneva. [9]

Many environmentalists are unhappy with GATT's attitude toward the ecosystem. In 1971, the GATT created a Working Group on Environmental Measures and International Trade but gave it no concrete workplan. So the group never met. In 1991, the GATT debated nearly a year about a workplan for the group and finally agreed on one. But so far, the group's discussions have yielded little.

Currently, GATT negotiators are developing a new "program of work" for a new working party on the environment. Environmental groups are taking the position that the WTO should create a permanent committee rather than a working party. [10] Although seemingly trivial, such organizational issues are very important to some environmentalists. Trade negotiators (who are good listeners) recognize this fixation on procedure and are learning to manipulate it. Whatever program emerges over the next two months will be incorporated into the anticipated Ministerial Declaration.

The Ministerial Declaration is likely to dodge the question of whether the WTO should start focusing on environmental policies that are too lax in addition to focusing on policies that are too strict. It will also likely dodge whether the WTO should encourage or discourage the use of trade measures in

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[8] Public Law 102-582 §203.

[9] See Nancy Dunne, "Clinton Woos Environmentalists," *Financial Times,* December 22, 1993, p. 4.

[10] See "Developing Countries Block Creation of GATT Environment Panel," *Inside U.S. Trade,* December 14, 1993, p. 12. See also Bob Davis, "U.S. Is Hoping to Blend Environmental, World Trade Issues at Morocco Meeting," *The Wall Street Journal,* January 10, 1994, p. A9.

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environmental treaties. Regardless of its content, the Ministerial Declaration will probably be rhapsodized as the "greenest" GATT Declaration ever.

Environmentalists achieved very little of what they wanted from the Uruguay Round.[11] Instead of giving the WTO a new mission to promote environmentally conscious trade, the Round gave the WTO a new mission to supervise environmental policies that impinge on trade. Some people are hoping that a new WTO committee will reverse the efforts by GATT since 1988 to curtail environmental trade measures. But it is hard to see how renaming or reconstituting the working group will accomplish that. The GATT has had a Committee on Trade and Development since 1964, but the committee has had little impact on economic development or on GATT rules.

Conclusion

The concept of a WTO goes back to 1919 when President Woodrow Wilson proposed a "World Trade Board" as part of the Covenant of the League of Nations. The board dropped out in a later draft, but the idea did not die. An International Trade Organization was approved by a United Nations conference in 1948. But the organization never eventuated due to opposition in the U.S. Congress. This year, it looks like the Wilsonian vision will finally be achieved.

Unclogging the channels of world trade can generate enormous economic benefits.[12] A strong international organization can foster cooperation on trade policy and head off costly disputes. The WTO will be able to initiate new efforts to combat commercial protectionism.

Disallowing environmental policies that are overly trade restrictive may generate economic gains. But comparatively speaking, these gains are tiny. One has the sense that so much protectionism and administered trade was non-negotiable during the Uruguay Round that the trade ministers tried to show their mettle by being tough on environmental standards. This toughness was facilitated by the near-total absence of environmental and health ministers from the room.

As the focus of trade negotiations shifts from supervising border policies to supervising internal policies, there needs to be a clearer recognition that certain non-tariff barriers (e.g., food safety) yield positive benefits despite any reduction of trade. Since traditional trade barriers (e.g., tariffs, quotas, etc.) are invariably bad, the trading system has not had much occasion to deal with two-dimensional problems—for example, public health.[13] Thus, when a concern rose as to whether the commercial benefits of the TBT or SPS agreements were worth their potential costs to public health, the GATT negotiators were unprepared for making such judgments.

If anyone declares that the Uruguay Round will be bad for the world environment, one cannot honestly say that they are wrong. Policy-makers do not really know. What is known is that the Uruguay Round will be good (but not great) for the world economy. In the short run, that is enough of a reason to support the Round. In the long run, policy-makers need to link up the concepts of the world economy and the world environment.

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[11] For a good explanation of environmental concerns, see Sandra Postel, "Carrying Capacity: Earth's Bottom Line," in *State of the World 1994*, pgs. 16–19.

[12] The direct cost of U.S. trade barriers to U.S. consumers is about $70 billion. See Gary Clyde Hufbauer and Kimberly Ann Elliott, *Measuring the Costs of Protection in the United States* (1994).

[13] The one exception is economic development. The GATT has dealt with this by allowing less developed countries to maintain protectionist policies. This is poisonous medicine, of course, but it illustrates well the dilemma of an organization responding to multifaceted problems with one-dimensional tools.

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HIGHLIGHTS

THE USE OF MARKET FORCES to achieve environmental protection objectives is touted by European Environment Commissioner Ioannis Paleokrassas in announcing his environmental priorities for 1994 (p. 47).

A DRAFT TROPICAL TIMBER PACT under United Nations auspices is agreed to after two weeks of talks in the latest round of negotiations to produce a new International Tropical Timber Agreement. The current tropical timber pact expires in March (p. 47).

EUROPEAN UNION PARTICIPATION in the Global Environment Facility is endorsed by the European Parliament in a resolution from its environment committee. The assembly argues, however, that institutional reforms of the fund are necessary to make the GEF "more able to meet the challenges of present and future global environmental problems" (p. 48).

CANADIAN PROVINCES are virtually exempt from the environmental side accord to the North American Free Trade Agreement, environmentalists and government officials tell BNA. Provisions in the side agreement require Canada to indicate which provinces adhere to the side accord because provinces are not automatically bound by federal approval of the accord, an Environment Canada official says (p. 50).

USE OF ENVIRONMENTAL STANDARDS as an excuse for protectionism in future multilateral trade negotiations is a risky proposition, the European commissioner for external economic affairs maintains (p. 51).

THE U.S. SUPREME COURT refuses to review whether an environmental impact statement was required for NAFTA (p. 52) ... Meanwhile, an economist warns that NAFTA set up a hierarchy of pre-emption, with international environmental treaties at the top, that could have repercussions for future trade deals (p. 52).

OZONE LOSSES IN EUROPE are rising and will become worse, according to a report from the United Kingdom's Stratospheric Ozone Review Group (p. 55).

GERMAN PACKAGING WASTE drops by 500,000 tons in 1993 compared to the previous year, according to statistics released by the German Environment Ministry. Separately, the Duales System Deutschland collection system appears to have stabilized its financial situation, according to a DSD spokesman. Duales narrowly avoided bankruptcy in 1993 (p. 59).

AN AUDIT OF FOREST COMPANIES in British Columbia and their compliance with environmental guidelines confirms the need to proceed with a strong forest practices code this year, provincial officials report. Compliance by individual forest companies ranged from 50 percent to 80 percent, averaging about 70 percent (p. 61).

JAPAN'S ENVIRONMENT AGENCY is expected to enforce in February environmental standards for 15 chemicals and metals that increasingly are threatening the nation's soil and water resources, agency officials say (p. 62).

A BNA SPECIAL REPORT finds environmentalists predicting that 1994 will be an "infamous year for the environment" in Europe. The report also presents a preview of the top environmental issues for the year in selected European, Asian, and South American nations (p. 79).

AN ANALYSIS AND PERSPECTIVE by Steve Charnovitz, director of the Washington, D.C.-based Competitiveness Policy Council, examines the World Trade Organization and environmental supervision (p. 89).

A LIST OF COUNTRIES that have signed and/or filed instruments of ratification on the United Nations Framework Convention on Climate Change, which enters into force on March 21, is published in the Full Text section of this issue (p. 94).

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