

EPA Seeks Unified Approach to Risk

Paris. The West's industrial nations should adopt a common basis for assessing environmental risks through cost-benefit analysis and use this to derive joint priorities for controlling them, the administrator of the U.S. Environmental Protection Agency, William D. Ruckelshaus suggested in Paris recently.

Ruckelshaus was addressing an international conference on environment and economics organized by the Organization for Economic Cooperation and Development (OECD). A unified approach, he said, "would be invaluable in dealing with such problems as the risks connected with substances in international commerce and with the natural transport of pollutants across international borders."

At the same time, Ruckelshaus implicitly endorsed the conclusion of the conference, attended by several other environment ministers as well as leading government and labor union officials from all OECD countries, that "the macroeconomic effects of environmental policies on growth, inflation, productivity, and trade have been minor"—a position that appears to stand in contrast to some previous statements from the Reagan Administration about the economic impacts of environmental regulations. Ac-

tion, he suggested in particular that "the kind of approach which we have developed at EPA can be extended to international management of environmental risks." At a minimum, all countries should "begin to speak the same analytic language."

Not all those attending the conference were willing to endorse the wide-scale use of the methodologies suggested by EPA. For example, Charles Caccia, the minister of the environment for Canada—a chief antagonist of Ruckelshaus over the question of acid rain—warned in particular against an excessive reliance on cost-benefit analysis, which he described as the "invention of short-sighted economists."

Nevertheless, the final conclusion adopted by the conference was that cost-benefit analysis (in both physical and monetary terms) and risk assessment are important techniques through which environmental considerations can be fully integrated with other policies "such as agriculture, industry, energy, transportation, and land use management."

In terms of addressing what an OECD background paper called the "Second Generation" of environmental problems—ranging from the transboundary flow of air pollutants to the hazards of toxic waste dumps—the conference endorsed the principle that industrialized countries need to move from a fire-fighting to a preventive strategy.

"Although 'react-and-cure' strategies remain necessary to deal with existing problems, 'anticipate-and-prevent' strategies which are attractive from the point of view of economic efficiency and cost effectiveness would increasingly be needed," the reports concluded.

According to conference chairman Pieter Winshemius of the Netherlands, one of the most unanticipated outcomes of the meeting was the strong endorsement of a need for both politicians and economic decision-makers to recognize the growing problem of pollution in Third World countries, and the need for international action to address them.

This concern was partly stimulated by a spirited speech from Maurice Strong, chairman of the Canada Development Investment Corporation and chief organizer of the United Nations environment conference held in Stockholm in 1972. He declared that addressing these problems is in the long-term interest of OECD members. "The pollution problem is moving south," warned Strong. "The developing countries face environmental pressures which will dwarf those we in the older industrialized societies have confronted. The principal environmental battle in the period ahead will undoubtedly be fought in the developing countries and the future security of the global environment will depend on the outcome of these battles."

OECD officials said after the conference that its conclusion on the need to integrate environmental and economic policy, and to develop more cost-effective forms of regulation, would be presented to an official meeting of all OECD environment ministers to take place in Paris next year. They also forecast adoption of a proposal that all assistance offered by developed to developing countries—for example, through multilateral banks and other development agencies—should in future be formally assessed for its likely impact on the environment.—**DAVID DICKSON**

**William D.
Ruckelshaus**



Ken Heinen

cording to OECD Secretary-General Emile van Lennet, the Paris meeting was the first of its kind which had been specifically convened "to deal with the relationship between environment and economics."

"The conference has been a breakthrough in that it has put to rest many of the old ideas about the relationship between environmental concerns and the economy," the director of OECD's environment division, James MacNeill, said in an interview after the meeting. Referring to the data produced in various background papers prepared for the conference, MacNeill added: "Fifteen years ago, the conventional wisdom was that environmental regulation is a burden on the economy, that it costs jobs, and that it slows down technological innovation; the conference has concluded that this is not necessarily the case."

Ruckelshaus outlined some ideas for future direction for environmental policies in industrialized nations. His remarks carry particular significance in the light of the recent agreement of the heads of the largest of such nations, reached at the London summit earlier in June, on the need to pay closer joint attention to environmental problems and means of tackling them.

Addressing the pressure for greater international cooper-