PRIME MINISTER

CLIMATE CHANGE

In your Private Secretary's letter of 28 April, I was invited to circulate specific proposals for following up your meeting of 19 April and the Seminar on 26 April.

I agree that the Seminar went well. There now appears to be a consensus, spreading much wider than the scientific community, that man-made climate change represents a real threat for the future.

There was also a common view that the UK has a unique role to play in advancing policy in the international fora.

My proposals address research, where we already have a leading position, the international arena, where we have just launched our own proposals, and the need for further work, so that our position can be developed over the coming months.

#### Research

The Seminar clearly highlighted the substantial scientific uncertainties that remain.

I shall pursue with Treasury and other colleagues our proposed initiative to form a climate change centre in the UK, which if properly resourced should match and compliment the work of the US laboratories. Other research issues were raised for consideration, some of which fall to the international science community. Here I trust that colleagues agree to the proposals on research co-ordination and responsibilities made by the Chief Scientific Adviser at the 19 April meeting.



### International Arena

We have now launched our campaign on the role of international institutions and agreements. Sir Crispin Tickell's announcement of our ideas to strengthen UNEP have been well received in the Press, and were I believe timely. We held a press conference on 12 May to reinforce the message. Malcolm Caithness will further deploy it when he speaks at the UNEP Governing Council next week. This will provide the structure within which to pursue our specific proposals to tackle climate change through the formula of a general framework convention, with detailed protocols to follow as and when justified by the science. FCO officials will no doubt work closely with mine in developing a draft convention.

### Climate Funds

It is very clear from my visit to the Ozone Conference in Helsinki that the issue of a climate fund to help developing countries will figure largely in subsequent international discussions. Whilst there is support among donor states for our line that existing funding institutions need to be explored first, there is mounting pressure for a new facility. As regards CFCs the UK did well at Helsinki to have this pressure diverted into a working party, but we are bound to come under increasing pressure for a general climate fund of some kind. This must be a matter for FCO, ODA, DTI and Treasury. However, I do want to stress the urgency of developing a robust and defensible position both for ourselves, and as far as possible an agreed position with other donor nations. There are many who will be jealous of the lead we have gained and will be eager to exploit any apparent weakness or inconsistency. Commissioner Ripa has already trailed his ideas for a carbon tax ahead of the Community's June discussion of the greenhouse effect resolution.



# Work on Follow-Up Options

I propose that the Cabinet Office continue to brigade forward the work of Departments on options for abating man-made climate change. I believe we are agreed that efforts to reduce CFC emissions are proceeding well. I would therefore suggest work concentrate on the following topics:

Forestry - This is an important area for immediate action which I hope could feature in early protocols to any convention on climate change. It must fall to ODA and MAFF officials to take forward.

Transport - I am impressed by the growing recognition that the 3-way catalyst is little more than an interim solution to one set of environment problems, whereas the lean burn engine with a simpler catalyst configuration appears the right path for the long term. We need to develop our case in the Environment Council and elsewhere that the imposition of US standards does not mean the end of lean burn, and that we will subsequently ask for action to bring this technology forward.

Energy - The UK has long advocated the role of real pricing of energy production in abating excessive greenhouse gas emissions. As a further step I believe officials should now look closely at the options for environmental charges on emissions of such gases as carbon dioxide, sulphur dioxide and nitrogen oxide to improve the competitive position of non-fossil fuel sources.

Energy Conservation - I recognise that energy conservation and efficiency also have a role to play, which is intimately bound up with decisions on pricing. Before proposing how this issue should be taken forward by officials I would like to discuss further with Cecil Parkinson.



## Publicity

We are not short of opportunities to publicise our ideas. I have mentioned the important UNEP Governing Council meeting beginning on 15 May. Malcolm Caithness is also due to address UK/UNEP on climate change on World Environment Day, 5 June, and that will be followed by the discussion on the greenhouse effect resolution at the Environment Council on 8 June. The plenary session of the Inter-Governmental Panel on Climate Change is at the end of June. The global environment will also figure at the Paris Economic Summit in July.

I believe there is merit in seeking opportunities in the autumn for you yourself to make a major statement on the UK position. The Commonwealth heads of government meeting, or even the UN General Assembly, are possibilities. We should aim to keep the stage ahead of the Dutch Ministerial Conference on Climate Change in November.

Finally, the seminar was well received, and I know that there is pressure for its contents to be made public. I believe it would be right to release the contributions from Professor Wigley and Dr Currie as recording the scientific evidence presented though not the more politically sensitive contributions of Sir Crispin Tickell and Dr Holdgate. That can be done quickly. The early autumn looks a good time for us to release a more substantial publication on Climate Change which I am setting in hand.

I am copying this minute to Geoffrey Howe, David Young, Cecil Parkinson, Kenneth Baker, Paul Channon, John MacGregor, Chris Patten and Sir Robin Butler.

PP NR

May 1989

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(approved by the Secretary of State and signed in his absence)

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