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Prime Minister

CLIMATE CHANGE

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I have seen Nicholas Ridley's minute of 12 May to you on the follow up to the successful seminar on 26 April.

I am content with Nicholas' proposals for research and publicity and with his suggestion that Cabinet Office should co-ordinate further work by officials.

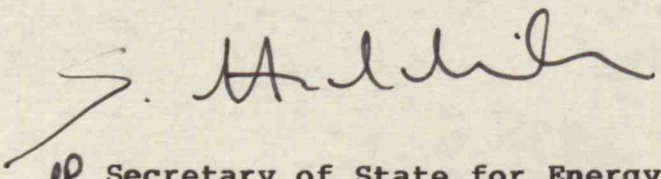
I very much support his view on the importance of our campaign in international fora and I look forward to seeing in draft the text of the proposed umbrella convention being prepared by FCO. My officials have been active within the IPCC and have secured important advances in the work programme of the Working Group on Response Strategies which took place earlier this month. They obtained agreement, in the face of strong calls for largely theoretical work involving global energy modelling up to 2100, to individual governments preparing a set of national studies covering practical options for limiting energy related greenhouse gas emissions over the next couple of decades. These studies will provide the basis of a realistic assessment of what the world's energy sector might in practice do and at what cost. This information will be of enormous value in preparing the IPCC's report and in discussions of any protocols which might eventually be hung from an umbrella convention. We are now well-placed to exercise considerable influence in the future direction of this work.



It will be essential that the UK fulfills its commitment to the Working Group to deliver its study by mid September. My officials have already started work on the outline of the UK study. They will shortly be in touch with other departments about the input needed from them. I hope that Nicholas and Paul Channon will agree to their officials giving top priority to this work.

As regards other work on follow up options, Nicholas and I are arranging to meet to discuss our energy efficiency policies. I am concerned however to ensure we do not endanger electricity privatisation by the work which he proposes on environmental charges. The prospectus for the privatisation will, of course, need to disclose any intentions we have which could be relevant to investors. Work on proposed fiscal measures would fall into this category. There would, however, be less of a problem with work aimed at providing the information we need for developing our negotiating position in international discussions. Before officials embark on work in this area, I would therefore like to discuss further with Nicholas what he has in mind to ensure that it avoids creating any of the problems I have referred to. Subject to this, I am content with what he proposes.

I am copying this minute to the recipients of Nicholas Ridley's.


PP
19th May 1989
Secretary of State for Energy

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



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