



Ce.F.U.

PM/90/034

PRIME MINISTER

Montreal Protocol: US Policy on Financial Assistance to
Developing Countries

1. In his minute to you of 22 May reporting on the Bergen Conference, the Environment Secretary drew your attention to the difficulties created by the Americans' refusal to agree to a financial mechanism to help developing countries under the Montreal Protocol, using new money. The US argues that such assistance should come from within existing World Bank resources. The US position was criticised by all the developed countries who spoke at the Geneva meeting earlier this month, where it was announced; India and China both said they would not join the Protocol if additionality was not agreed and a G77 spokesman made it clear that existing developing country members of the Protocol would block any amendments aimed at tightening controls on CFCs and Halons.

2. At the Geneva meeting and at the separate environmental conference in Bergen the following week, US officials made it clear that the US policy had been made by White House advisers, including Sununu, and the Budget Director. State Department and EPA views had been over-ruled. US officials thought only an approach to the President would have any chance of a successful hearing.



3. I therefore believe that the best chance of influencing the US - and thereby of reducing the risk of failure at the London meeting at the end of June - is for you to write to President Bush asking him to review US / policy. I attach a draft letter.

4. Time is now short but if we could get your letter to President Bush as soon as possible he should be able to consider your message and reply in time for us to try to persuade other countries to send Ministers to London with a mandate to agree to tightened controls on CFCs and Halons and to the other issues on the meeting's agenda. For the meeting to be a success, we must get the major developing countries like India and China to send Ministers to London. Unfortunately the Indians have already said they will not do so if the US position is fixed.

5. I am copying this to Chris Patten and to the other members of MISC 141.

(DOUGLAS HURD)

Foreign and Commonwealth Office

6 June 1990