



CS to see on

UNITED KINGDOM MISSION
TO THE UNITED NATIONS

845 THIRD AVENUE
NEW YORK, N.Y. 10022

7 June 1990

Duncan Slater Esq CMG
Assistant Under Secretary
WH 331
FCO

Prime Minister
You may find
this of interest.
CAD
14/76

Dear Duncan,

CLIMATE CHANGE: THE US POSITION

You may be interested to hear some information which I heard in the last few hours about the evolving US attitude towards action on climate change.

2. Al Gore (Democratic Senator for Tennessee) rang me yesterday to express his anxiety about the negative instructions which he understood had been sent by the US Administration to Fred Bernthal, the Chairman of the Third Working Group on Responses within the Inter Governmental Panel on Climate Change (IPCC). Gore said that he felt not so much angry as ashamed at the lack of US leadership, and the refusal of key people in the Administration to face up to the facts, well set out in the Report of the First IPCC Working Group on Science. He said he was particularly pleased at the stand taken by the Prime Minister in her speech at Bracknell on 25 May. Although her targets for reducing CO2 emissions were relatively low, and 2005 was 5 years later than he had hoped, he was nevertheless delighted that HMG had accepted the principle of target emissions, and believed that we would probably improve on our figures and their timing in the course of negotiation. By contrast he was in despair at the obduracy of those concerned in the White House. Congress and the business community generally was far ahead of the Administration, not least because they knew what ordinary Americans wanted. Change in the American position might only be a matter of time, but it might be quite a long time, and the price could be high.

3. I heard more encouraging news today from John Topping, the President of the Climate Institute in Washington. He said that his news from friends in the White House was that the likely budgetary deficit for 1990 - which he believed to be of the order of US\$300bn - had caused one or two people to look again at the idea of environmental taxation. There had been a presentation on the greenhouse problem to senior officials at the White House. One result had been that for the first time people in the Council of Economic Advisers had realized that because of US wastefulness in using energy, it would in fact be easier and cheaper for the United States to cut back carbon emissions than most other countries. Thus the United States should be able to reduce



greenhouse gas emissions to current levels by 2000 on the important provision that methane, nitrous oxide, and chlorofluorocarbons should be included as well as carbon dioxide.

4. Topping thought that even Darman, who had been against taking environmental problems seriously, had seen that the imposition of a carbon tax of some kind might be a marvellously acceptable revenue earner at a time when the deficit problem was getting so much worse. It would not be so difficult to sell to the public; and it could yield as much as US\$33bn, if it were set at the right level. Thus the Administration might be beginning to think in somewhat different terms about this complex issue. He did not know whether it would be soon. He hoped nothing foolish would be said in the meantime. But he expected change before the Second World Climate Conference took place in October/November this year.

5. Topping mentioned another point that was new to me. He said that at the meeting of the Second IPCC Working Group on Impacts, which he had recently attended in Moscow, the Chinese representative had produced and circulated a paper by the Chinese Environment Protection Agency or its equivalent on the likely impact of global warming on China. Topping had obtained a copy and will send me one in the next few days. Briefly the paper brought out heavy negative consequences. Warming would, it said, destroy a lot of the existing permafrost and do damage to houses, roads, factories etc to the tune of hundreds of millions of dollars. Warming was also likely to lead to water loss with reduced summer moisture in some areas and increased run off in soils subject to erosion. Topping pointed out that whereas China had 25% of the world population, it had about 5% of its fresh water supplies, and the 5% could be dangerously reduced. Topping concluded from this analysis that China had a bigger interest than he had first thought in joining international arrangements to control warming. But he did not of course know how widely the paper had been circulated in Peking, and whether it had reached the right people.

6. I am sending copies of this letter to Antony Acland in Washington, Alan Donald in Peking, the Head of the Policy Planning Staff, and John Hobson and David Fisk at the Department of the Environment.

Yomran

Crissin

Crispin Tickell