

cc/c

THE RT HON JOHN WAKEHAM MP



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27th October 1989

CP
35/11

Dear Charles,
Asap

David Hope circulated a paper by the ODA, under cover of his letter of 13 October, dealing with the idea of paying a service charge on tropical forest areas. The paper makes a number of references to energy in its analysis of cost effectiveness.

The data incorporated in the paper appears to have been drawn from this Department's recent draft interim report to the IPCC subgroup on Energy and Industry. However, there are some errors in the use and interpretation of the data. These undermine the paper's illustrative comparison of the benefits of the proposal against other means of reducing global Carbon Dioxide emissions. However, we are concerned that, whatever the validity of the data, such comparisons are of limited use. It is likely that there are other steps which could be easier to achieve and less costly. The IPCC Working Group on Response Strategies will discuss this question.

We would therefore counsel against pursuing the scheme too rapidly. An early announcement would have repercussions in the IPCC process, and would undermine our general line of only taking action which is cost effective in its own right.

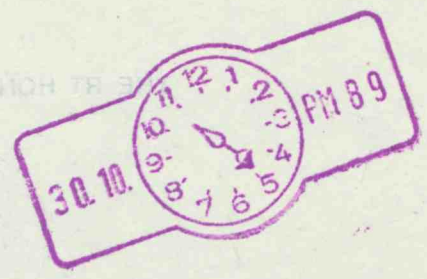
I am copying this letter to David Hope and to the recipients of his letter.

Yours ever,
Stephen

S HADDRILL
Principal Private Secretary

ENV AFFAIRS: Acid Rain f71

MR. JOHN W. BAKER



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