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MR POWELL (No 10)

FROM: J HIBBERT
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c Sir Terence Burns
Mr Spackman (Treasury)
Mr Bright (Secretary of State's
Private Office, DoE)

PRIME MINISTER'S SPEECH TO UNGA

We spoke yesterday evening about the passage in the PM's speech to the UNGA relating to the treatment of environmental costs and benefits in the national accounts. The draft as it stands is both factually inaccurate (clean-up costs do not contribute to GNP if they are borne by the polluter) and is liable to open up much wider questions if it is interpreted as a UK commitment to review our national accounting conventions.

I attach a redraft of the relevant part of the paragraph on page 15 which meets these points.

Jack Hibbert

J HIBBERT

And we need, as well, to make sure that our economic statistics are not misinterpreted. It is only commonsense to see that the economic activity involved in cleaning up pollution - the spillage of oil along our coasts, the discharge of chemicals into a river - does not add to our national prosperity. We must take a sensible view of what constitutes development and through international co-operation on the environment achieve real increases in prosperity.



