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CDR 7/14.

Treasury Chambers, Parliament Street, SWIP 3AG

Charles Powell Esq Private Secretary 10 Downing Street LONDON SW1A 2AA

6 November 1989

Dear Charles,

CLIMATE CHANGE: FOREST SERVICE CHARGES FOR CARBON LOCK-UP AND PRIME MINISTER'S UNGA SPEECH

The Paymaster General and the Chief Secretary have seen Myles Wickstead's letter of 2 November and Stephen Haddrill's letter of 27 October.

The Paymaster agrees that direct assistance to developing countries with forest management, as Mrs Chalker proposes, is a better way forward than paying rental on existing tropical forests. In his view the objections identified by Mrs Chalker to the rental idea are real and formidable. He also agrees that there is serious doubt about the cost-effectiveness of such a scheme.

It appears to the Paymaster that the announcement that we aim to commit a further £100 million bilaterally to tropical forestry activities over the next 3 years will have a marked effect at the UN. He understands that ODA intend to find this sum from within their own provision.

I am copying this to Stephen Wall (FCO), Stephen Haddrill (DEn), Roy Griffins (DTp), Neil Thornton (DTI), Roger Bright (DOE), Andy Lebrecht (MAFF) and Myles Wickstead (ODA).

MALCOLM BUCKLER Private Secretary

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