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6 November 1989 RT

Dear Malcolm,

with COP?

GOVERNMENT RESPONSE TO ENERGY SELECT COMMITTEE REPORT ON THE ENERGY POLICY IMPLICATIONS OF THE GREENHOUSE EFFECT

Thank you for your letter of 31 October. You will by now have seen the revised draft of the response, circulated under cover of my letter of 1 November to Chris Patten.

On the matter of emissions targets, I have made a minor amendment to para 1.9 of the Response, to bring it into line with your view, as expressed to No 10, on the Prime Minister's UNGA speech. Line 9 of Para 1.9 will now read "..targets for emissions of greenhouse gases, and the way in which.." (changes underlined).

On the question of fuel prices reflecting their environmental (as well as other) costs, this is consistent with our long-held view that such prices should reflect the full resource cost; and the long-term cost of environmental damage is something that we now need to take account of. I said as much in my recent speech to the World Energy Conference in Montreal; and DoE's recently published booklet "Global Climate Change" reinforces the point. I do not think that we can ignore this issue in the Response; and the Government's position has already, as I have said, been spelt out. I therefore propose to leave this part of the draft as it stands.

Finally, you mention the position on CFCs and the Montreal Protocol. It is true that the Protocol does not cover all CFCs; but this is an area of policy where DoE has the lead, and I am inclined to accept the wording which they have presented to me.



I should perhaps add that time is now beginning to press: there is a debate next Friday (10 November) on a Government motion on climate change, and Sir Ian Lloyd has asked if the Response will be available before then. It remains my firm intention to hand it over to the Committee on 8 November.

I am copying this letter to the recipients of yours.

John Wakeham
John

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Environmental Affairs
Pt 12, Acid Rain.

