

UNITED STATES REPRESENTATIVE
TO THE
ORGANIZATION FOR
ECONOMIC COOPERATION AND DEVELOPMENT

OECD 7/1/3
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19, RUE DE FRANQUEVILLE
PARIS XVII^e, FRANCE

October 29, 1970

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Miss Ruth H. Phillips
Deputy Director, Office of
Atlantic Political-Economic Affairs
(EUR/RPE)
Department of State
Washington, D. C.

Dear Ruth:

Herewith the promised letter on a work program for the Environmental Committee. We are currently engaged in the ExCom discussion of environment activities and are trying to lay the groundwork for a 1971 program along the lines of our previous instructions.

Our understanding of the broad strategy is to move the OECD work in the direction of dealing with the economic and trade aspects of environmental problems. We see this being achieved through a combination of taking existing projects forward into the economic and policy action area and of initiating new projects on high priority economic issues.

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Taking the latter category first, I would urge the prompt launching of a study of the domestic and international economic policy implications of alternative techniques of pollution control or abatement. It would cover the whole

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Signed
Joseph A. Greenwald

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range of tools from taxation and subsidies, through performance standards, to modification of production methods. The work would be based on a survey of techniques presently employed by governments (or industry), but should go on to any creative ideas the consultant or staff member might have. In each case, there would be an analysis of the economic policy effects, including NTB's, international competitiveness and management of the domestic economy.

It may also be desirable to initiate some work on pollution projections, but I think the next most important task is to select those areas where work has already been done to shift from the scientific and technological orientation to the economic and policy fields. The prime candidate (at least in terms of urgency in the U.S.) seems to be the pesticide, detergent and additive complex. Someone who knows more about this than we do would have to frame the proposal. Other possible subjects (which have a tie-in with the industry work) are pulp and paper, fuel combustion (stationary sources) and urban waste collection and disposal.

Another new possibility is the concept of an "early warning system", which appeals to Chris Herter. The idea is that, before acting unilaterally in taking various regulatory or preventive measures, such as banning certain pesticides or meat fed with hormones as the Swedes have recently done, the member countries agree to tell their partner countries in the OECD what they are planning to do for reasons of environmental quality, which obviously covers a wide range of subjects, and be prepared to defend the steps they intend to take, including the economic aspects if any within a reasonable period of time (30-90 days).

On the negative side, I would jettison projects like air pollution monitoring, and de-emphasize the urban transportation and management sector.

On a more positive note, I think it's important to try to get some policy recommendations out of the now completed and very good report on vehicle noise abatement. Work too

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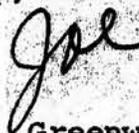
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should go on in motor vehicle air pollution and in water management. Potentially, the examination of water use patterns in the iron and steel industry and economic incentives to reduce pollution also could be important and achieve some early recommendations.

Don't let the modesty of these proposals put you off. If MacDonald or Beckler have some good ideas which are manageable with the resources we are likely to get (or with the resources governments are likely to want to apply within national administrations), please do not hesitate to come back with a more ambitious program.

Sincerely,



Joseph A. Greenwald

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