

diversity convention. Except for making vacuous remarks like, "India will not accept any convention that infringes on the nation's sovereignty," Minister for Environment Kamal Nath has based all his statements on availability of funds. According to Kamal Nath, the Rio summit will die if the funds are not given. He seems less sure what will happen if the funds are given.

The second treaty agenda

At the United Nations Conference on Environment and Development (UNCED) in Rio, it is expected that two international conventions would be put up for signing. While the convention on bio-diversity will be one, the second convention has not been firmed up yet.

Caught in the politics of reelecting a highly unpopular President, the "New Age" crowd in the United States is finding it increasingly difficult to mimic the European Community's position to limit carbon dioxide emissions to 1990 levels by the year 2000.

The convention on climate change ran into opposition from Washington once the Bush administration realized its implications. Testifying before the U.S. Congress, Richard Briggs, vice chairman of the Global Climate Condition, has warned that any measure to sharply reduce greenhouse gas emissions could impose "massive costs" on the U.S. economy—as much as \$95 billion per year, according to one study. Briggs, implying that the large methane release caused by rice paddy cultivation and cattle excreta in the developing nations was a major problem, pointed out that the suggested policies "address only carbon dioxide, and thus ignore methane and other greenhouse gases." Both India and China have made it clear that any discussion on curbing methane emission from paddy cultivation and cattle rearing is not acceptable, since it infringes on the basic foodgrain production process.

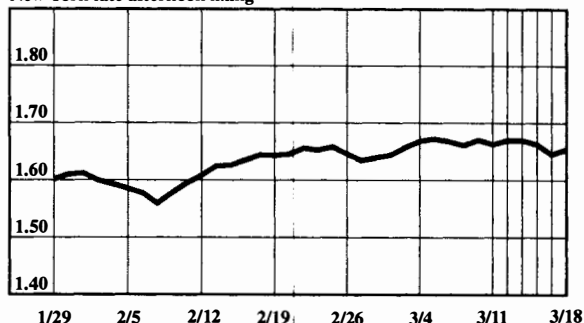
The present U.S. intransigence on the climate convention does not mean that the United States opposes it in principle. Legislation has already been drawn up by a U.S. House of Representatives subcommittee on health and environment that would mandate a curb on emissions at the 1990 levels. President Bush may not have the stomach for it now in the election year. Or, in other words, Bush may find it "politically incorrect" to ask General Motors to announce yet another cut of 100,000 personnel at a time when Bush's economic policy has come under more serious scrutiny by average Americans. Next year it could be different.

If the convention on climate change is not put up for signing, one other convention, beside the convention on bio-diversity, and most likely a convention which would lay the basis for setting up an international pollutant monitoring apparatus, will be put up. Any convention on forestry will face tough opposition from the Third World, and it is unlikely that the United States and others would push that at this point.

Currency Rates

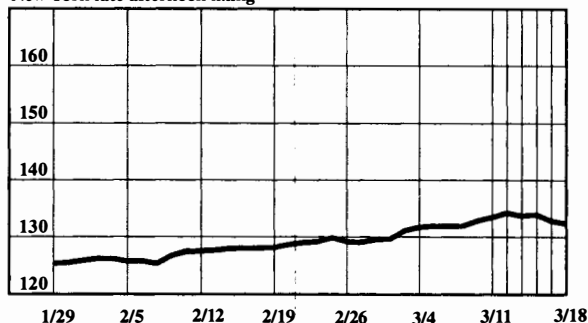
The dollar in deutschemarks

New York late afternoon fixing



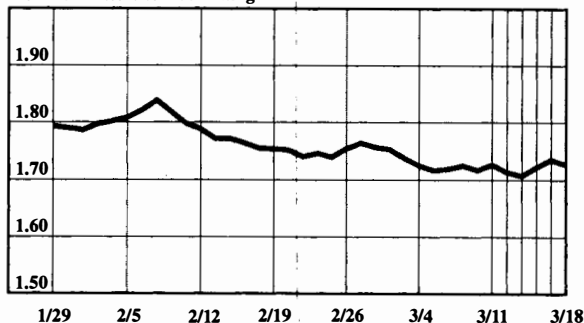
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

