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CO (Hatfield)
Dr. Nicholson (CO)
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From the Private Secretary

30 May, 1984.

Acid Rain

Following the presentation on acid depositions which took place at Chequers on 28 May, the Prime Minister chaired a brief discussion. Those taking part were your Secretary of State, the Minister of State (Department of Trade and Industry), Mr. Baker, the Parliamentary Under Secretary of State (Department of Energy), Lord Avon, the Parliamentary Under Secretary of State (Department of the Environment), Mr. Waldegrave, Sir Walter Marshall (CEGB), Sir John Mason, Sir Herman Bondi (NERC), Dr. Peter Chester (CEGB), Dr. Martin Holdgate (Department of the Environment), Dr. Robin Nicholson (Cabinet Office), and Mr. David Pascall (No.10 Policy Unit).

Opening the discussion, Dr. Nicholson said that the morning's presentations had demonstrated two things: that acid depositions were associated with genuine ecological problems; and that the causal links were very uncertain. For each major pollutant extreme solutions had been canvassed (e.g., the draft EEC directive on SO₂ emissions, the Japanese approach to reducing NO_x emissions, and the three-way catalyst used in the United States to tackle vehicle emissions). Grave doubts attached to the cost effectiveness of these measures. There were, however, other possible approaches which were cheaper and could be of benefit.

The Prime Minister reminded the meeting that the UK would be launching an environmental initiative at the London Summit. It was

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important to be clear about the research which would give the most immediately useful results. A range of views was expressed on this topic. There was support for the programme being conducted under Royal Society auspices, which would provide helpful insights into the situation in Scandinavia. Arguably, however, the greatest political pressure would come from the Germans in relation to forest damage. It was suggested therefore that there were 5 priority areas for research.

- (i) The causes of forest decline (including investigation of possible resistant strains);
- (ii) The critical variables in the pollution of fresh water (as in the Royal Society's programme);
- (iii) The effects of different land and catchment management policies;
- (iv) The role of photochemical oxidants;
- (v) The cost effectiveness of possible counter measures.

In pursuing these priorities there was a need for full coordination between the various UK bodies involved, and for more effective monitoring across Europe.

The Prime Minister then introduced a preliminary discussion of the UK's policy stance. It was agreed that extreme and expensive options had to be avoided. At the same time, the UK could take credit both for its record in reducing emissions of SO₂ specifically, and for the initiatives it had taken on vehicle emissions (relating to lead in petrol, and to the lean-burn engine). The popular assertion that the UK was a major cause of high SO₂ levels in Central Europe could be rebutted, as could any suggestion that there was a direct causal link between the atmospheric SO₂ and forest damage.

Further work was required on probable trends in the UK's emissions on SO₂, NO_x and hydrocarbons. This should take account of known developments, e.g., the commissioning of new nuclear power stations, and provide a base line from which Ministers could judge the need for additional measures. A range of options could then be explored, relating possible target reductions (including the 30% reduction in SO₂ emissions by 1995 which would be implied by membership of the 30% Club) to the cost of achieving them.

Summing up the discussion, the Prime Minister said that the policy issues raised would be considered further by Ministers at a meeting on 19 June. Meanwhile, a defensive brief should be prepared for the London Summit. (The contents of this brief have been specified separately, in my minute of 29 May to Richard Hatfield.)

I am sending copies of this letter to the recipients of my minute to Richard Hatfield of 29 May, and also - with a copy of that minute - to Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food), John Graham (Scottish Office), and Colin Jones (Welsh Office). A copy of this letter also goes to Richard Hatfield (Cabinet Office).

David Barclay

John Ballard, Esq.,
Department of the Environment.

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From the Private Secretary

30 May, 1984

NUCLEAR POWER

I enclose a copy of a letter to John Ballard recording the discussion which took place at Chequers last Sunday after the scientific presentation on acid rain.

There is one point not recorded in that letter of which you should be aware. The Prime Minister felt that it emerged very strongly from the proceedings that an increase in our nuclear generating capacity would be the most cost effective way to reduce our emissions of SO₂. Indeed, Sir Walter Marshall argued that it would actually save the CEGB money.

There was widespread agreement among those present that improvements at Sellafield should have very high priority, since they virtually held the key to the future of the civil nuclear programme. The Prime Minister also commented that the trade unions representing those who worked in the power equipment industry could usefully do more to advance the cause of nuclear power.

I am sending copies of this letter only to John Ballard (Department of the Environment), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food), and to Richard Hatfield (Cabinet Office).

(David Barclay)

M. Reidy, Esq.,
Department of Energy

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