

Prime Minister^①
Agree with Peter Walker and Policy Unit
that we put our doubts aside and put out
a clear statement of the line Ministers have
agreed. 28 September 1984

AT 28/9

Yes
ms.

PRIME MINISTER

ACID RAIN

There is now an agreed policy on pollution control. It
needs sticking to and selling.

Because it represents a difficult balancing act between the
wish to clean up the environment on the one hand, and the
wish to avoid unreasonable cost burdens on industry on the
other, it requires even more skilful selling. To achieve
this, it needs to be clearly and simply stated. Robin
Nicholson is also worried that the point of your June
meeting will be lost in bureaucratic prose and half-
heartedness.

The Yes Minister script of Patrick Jenkin to Geoffrey Howe
will not do. How can anyone make it sound attractive if we
are going to say "We will find it difficult to tie ourselves
to inflexible reductions and time scales. However we should
indicate that we do not rule out ultimate consensus".

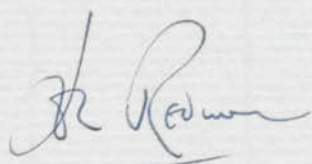
Similarly, the note on the response to the Environment
Committee's report reveals the difficulty of Patrick's task.
If we do not come out soon with a clear and forthright
statement of our intent here in the UK, we will find that

the pressures represented by the Environment Committee will build up further and may force us into a more expensive manoeuvre on Patrick's high wire.

Conclusion

In your reply to Patrick, you could stress the need to get out early and win the public debate, having agreed the policy. The Government has to be seen to care about environmental issues: otherwise we will be driven into pledges we would rather not make. Energy's warning is a fair one.

The Government has to be seen doing more than just singing in the acid rain, and if it delays any longer, it will find it too expensive to buy an umbrella.



JOHN REDWOOD

File



cc: Mr. Redwood

10 DOWNING STREET

From the Private Secretary

1 October 1984

Acid Rain

The Prime Minister has seen your Secretary of State's minute of 24 September on the Government's response to the Report of the Environment Committee, his letter of 24 September to the Foreign Secretary on the Large Combustion Plant Directive, and the Secretary of State for Energy's minute of 28 September.

She has commented that Ministers have formulated a line which balances the need to improve the environment with the need to avoid unreasonable cost burdens on industry. She believes that what is needed now is a clear and forthright statement of their intent. She is concerned, therefore, at the hesitant and defensive tone of your Secretary of State's letter to the Foreign Secretary on the line which should be taken in forthcoming discussions in Europe.

I am sending copies of this letter to Janet Lewis-Jones (Lord President's Office), Len Appleyard (Foreign and Commonwealth Office), Michael Reidy (Department of Energy), David Normington (Department of Employment), John Graham (Scottish Office), Colin Jones (Welsh Office), Dinah Nichols (Department of Transport), Callum McCarthy (Department of Trade and Industry), Ivor Llewelyn (MAFF), Richard Broadbent (Chief Secretary's Office), Richard Hatfield (Cabinet Office) and Dr. Nicholson (Cabinet Office).

Andrew Turnbull

John Ballard, Esq.,
Department of the Environment.



PRIME MINISTER

ACID RAIN: ENVIRONMENT COMMITTEE'S REPORT

As you know, the Committee's Report was published on 6 September. We have two months in which to respond; and we have promised a Debate. The Committee have surveyed the subject comprehensively and made a wide range of recommendations. A number of these relate to increased research effort and will be broadly acceptable. On vehicle emissions they recommend reliance on the 'lean-burn' technology, in accord with our policy. On the controversial issue of abatement of SO₂ emissions, however, the Committee recommend (i) that the UK should forthwith "join the 30% Club" of countries committed to reducing total SO₂ emissions by 30% by 1993; and (ii) that we should accept the current EC proposal, in the draft Large Plants Directive, for a reduction of 60% of SO₂ emissions from these sources by 1995.

These recommendations go considerably further than our policy of "aiming for" reductions of 30% in total emissions of both SO₂ and NO_x by the year 2000, without acceptance of commitments or significant additional expenditure, which was agreed at your meeting on 19 June and on which the Government's response to the Committee must be based. After your meeting we took the view that the right occasion to announce this policy publicly would be the meeting in Geneva this week (25-28 September) of the Executive Body of the UN/ECE Long-Range Transboundary Air Pollution Convention; and in terms of our international position it will be right for us still to do this rather than wait for publication in early November of our response to the Committee. The policy is of course a significant advance on the UK's previous position, but because it falls short of the terms of the "30% Club" as such, and because it represents an aim rather than a commitment, it is unlikely to put an end to our troubles with our critics either in other countries or in Parliament. In particular, of course, we will be pressed hard on what we will do if emissions do not continue to fall, or even begin to increase.

Announcement of this policy in Geneva will necessarily affect our position on the Large Plants Directive. Negotiations on this are still at an early stage. Interdepartmental agreement has been reached

CONFIDENTIAL



/ on the brief for our negotiators in Brussels, and I attach for your information a copy of a separate letter to members of OD(E) about that. Our aim must be to keep these negotiations open as long as we can. But once our June decisions become public it will become increasingly difficult to explain in Brussels why we cannot make commitments based on them. If we insist that we cannot, there is a danger that the lack of substance in our new position will become all too visible. Sooner or later we are likely to face the choice of either making a formal commitment in the context of the Directive or, perhaps unilaterally, blocking the Directive altogether. Given lack of interest in the Directive by the Irish Presidency, it may be a number of months before that point is reached. But we shall need to consider this issue further when the time comes.

Work is in hand on a detailed response to the Committee's report, which I will circulate in draft to colleagues as soon as possible.

/ I am sending copies of this minute to the Lord President, the Foreign and Commonwealth Secretary, the Secretaries of State for Energy, Employment, Scotland, Wales, Transport, and Trade and Industry, the Minister of Agriculture, and the Chief Secretary, Treasury; and to Sir Robert Armstrong and Dr Nicholson.

A. H. Davis

for
PJ

28 September 1984

Approved by the SAs
and signed in his
absence

CC/PO



PRIME MINISTER

Patrick Jenkin's minute to you of 24 September reported that the policy line agreed at your meeting on 19 June would be announced at the current Conference in Geneva on Air Pollution. He gave his view that it was preferable to use this occasion rather than wait for publication in early November of the response to the recent report of the Select Committee on the Environment. This seems to me to be debatable, but I gather the announcement was made on 25 September.

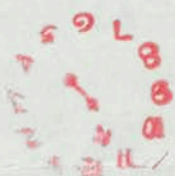
I am extremely concerned at the implication in his minute that the announcement of the June decision will lead us into difficulties in Brussels. As your Private Secretary's letter of 20 June makes clear, the proposals discussed at your meeting were presented by Patrick as a positive and coherent response to our international critics, and as a line which could be held successfully, even though it fell short of the more extreme demands being made. His latest minute refers to a lack of substance in our position. In my view, the line we have agreed goes as far as we should. It is essential that we should present it positively and with conviction, and not regard it as merely preparatory to yielding further ground.

Given the importance of the issues I hope that Patrick's draft response to the Select Committee will be circulated in good time to allow proper discussion.

I am copying this letter to the recipients of his.

Secretary of State for Energy
28 September 1984

David Lewis



128356P49841



CCNO

FCS/84/267

WBP

SECRETARY OF STATE FOR THE ENVIRONMENT

Acid Deposition

1. Thank you for your letter of 24 September on the large combustion plant directive. I have also seen a copy of your minute of 24 September to the Prime Minister previewing the Government's response to the Select Committee's report.

2. As the Prime Minister has commented (her Private Secretary's letter of 1 October to Ballard), we have decided on a policy which gives due weight to the need to avoid unnecessary costs to industry. In the discussions in the Community we must proceed in a manner which fully protects our position on the substance. The question of emissions from large combustion plants, however, is a matter of great political sensitivity in some other Member States, above all the FRG. Tactically, I agree that it would not be in our interests simply to declare outright opposition to a directive. Our approach should be to question the provisions in the Commission's draft, which is of course unacceptable, and to ensure that if there were any question of a directive being adopted, it is put in a form we could accept. We should aim to get others to declare themselves and to show that we are not alone in our concern at the Commission's proposals. We should stress the fact that more research is needed towards finding cost effective solutions to the problems caused by acid rain. If we can influence the debate in this way, we may succeed in pushing others towards an outcome we could accept. There is everything to be said for trying to expose the hesitations of others, given that we shall not in any event accept a directive contrary to our interests.



3. I am sending copies of this minute to the Prime Minister, the Lord President, the Secretaries of State for Energy, Employment, Scotland, Wales, Transport and Trade and Industry, the Minister of Agriculture, the Chief Secretary, Sir Robert Armstrong and Dr Nicholson.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
9 October 1984

Env. Affairs Pt 2
And law

1984
OCT 9
11 12
R H A

1984 OCT 9



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

24 September 1984

Dear Foreign Secretary

LARGE COMBUSTION PLANT DIRECTIVE

Community negotiations on this draft directive have moved forward desultorily since the beginning of the year but now appear to be taking a more purposeful turn. Handling of this proposal presents unusual difficulties for us and I think it is right that I should keep colleagues in touch with the line we propose to adopt. The immediate question of the line to be taken at this week's meeting of the Council Environment Working Group, and which we hope may serve for the duration of the Irish Presidency, was agreed by our officials at a recent meeting of EQO.

As you will know, a major provision of the draft directive is the setting of targets for reductions in total emissions of sulphur dioxide, nitrogen oxides and dust from large combustion plants of 60%, 40% and 40% respectively by 1995 on the basis of 1980 figures. Such a provision is incompatible with our policy on the control of SO₂ and NO_x emissions as agreed at the Prime Minister's meeting on 19 June; that meeting accepted that we should declare our aim to achieve reductions of 30% in both SO₂ and NO_x emissions by 2000 (on the 1980 base) but decided that we would not entertain any commitment to specific reductions and dates.

On the other hand, there is I think general agreement that we should not register outright opposition to the proposal. To do so would certainly damage the UK's environmental image which we are concerned to improve. Moreover, it would enable some other Member States who are far from happy with the proposal to shelter behind us and exploit our discomfort.

We are therefore faced with a difficult and uncomfortable balancing act; we need to avoid killing the negotiations while making our reservations about a commitment clear. We must maintain our study reserve on the whole directive (and since we are still gathering information about the implications of the proposal this is indeed our position). We propose to place specific reserves on the key articles (in particular article 3 which sets the targets for emission reduction) thus covering our inability to negotiate on these aspects. However, in doing so we must be prepared to give some indication of UK thinking. I propose that our delegation should make clear that while we share the general aim to reduce emissions, the numbers and dates

included in the present draft are unacceptable and that, because of the implications for the UK, we will find it difficult to tie ourselves to inflexible reductions and timescales. However we should indicate that we do not rule out ultimate consensus.

This is obviously a somewhat precarious line but it may well suffice for a time. There is a good deal of uncertainty about the position of other Member States on the proposal, and plenty of room for prolonged argument about the scope of the directive and the need for further consideration of technical aspects. We should exploit such possibilities to the full. We think it unlikely that agreement will be reached during the Irish, or subsequent Italian, Presidency.

I realise, as I am sure you do, that the position could well change and that we need to keep a close watch on developments.

/ I am copying this letter to members of OD(E) and to Sir Robert Armstrong.

Yours sincerely

A.H. Davin

for
PATRICK JENKIN

*Approved by the SAC
and signed in his absence*