

copy 25

Miss Mac Connell
in Turnbull
Mr. Park
D E N.



10 DOWNING STREET

From the Private Secretary

Miss Fleetwood
PS
PS/Lady Young
PS/Mr Eggan
Mr Derek Thomas
Mr Braithwaite
27 November 1985
Mr O'Neill
Mr Beattie (ESSD)
Mr Llewellyn Smith
(Gov)
Mr Shepherd
ECJ (E)
Mr Wall ECJ (I)
Mr Houston

Dear Colin,

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF NORWAY

The Prime Minister had a meeting in her room at the House of Commons this evening with the Norwegian Prime Minister. Mr Willoch was accompanied by Mr Udgaard, Minister in the Prime Minister's Office.

Norway Internal

The Prime Minister complimented Mr Willoch on his election success and on the healthy state of the Norwegian economy. Norway appeared to her to be a country of two house - two car - two boat - two holiday families. Mr. Willoch admitted that Norway was in good shape though perhaps not quite as good as the Prime Minister believed. There were difficulties in having a coalition government; it involved endless compromises, all of which cost money. There were also problems in the health and social security field.

CPGidd
28/11
and to PIRLES
1/25.11

Acid Rain

Mr Willoch said that the United Kingdom argument that there were scientific uncertainties about the effects of acid rain did not carry great conviction. There was no real reason to doubt that acidification of lakes and rivers was caused by SO² emissions. He regretted that the United Kingdom had not joined other European countries in agreeing to reduce emissions by 30 per cent by 1993. Although Norway's forests had not yet been touched there was a lot of concern in Norway about the dangers. There was no doubt that the United Kingdom was an important source of pollution. He felt bound to press the Prime Minister strongly to join other countries in pledging to reduce emissions. The question threatened to affect our bilateral relations.

The Prime Minister quoted figures for our performance in reducing emissions so far and questioned whether emissions were proven to be the cause of the problems in Norway. She put a number of technical questions to Mr. Willoch. The Prime Minister continued that we were aiming to reduce both SO² and NO^x emissions by 30 per cent by the late 1990s. But we did not believe in subscribing to

formal commitments unless we knew that we could definitely meet them. In practice our performance would probably be better than that of many countries which had made commitments.

It was agreed that Mr Willoch would let the Prime Minister have material on the technical points which she raised. Mr Udgaard mentioned the recent CEGB film which had caused great offence in Norway by seeming to dismiss the problem. The Prime Minister said that she had not seen it but would obtain a copy.

East/West Relations

The Prime Minister gave Mr Willoch her assessment of the recent US Soviet Summit. There were now prospects for progress in the INF negotiations and possibly also in the negotiations on chemical weapons and MBFR. The risk was that public expectations had been created which might be difficult to fulfil. Mr Willoch said that it remained to be seen whether Mr Gorbachev would continue to refuse to make progress on the reduction of nuclear weapons unless the United States compiled the Strategic Defence Initiative. There was a tendency in Norway to criticise the Strategic Defence Initiative as the main obstacle to progress.

Participation in SDI Research

Mr Willoch asked whether the United Kingdom would be taking part in SDI research. The Prime Minister confirmed that we would and that the Federal Republic was also intending to do so. Mr Willoch said that Norway was favourable to Eureka and would co-operate in it. The Prime Minister referred to the importance of ensuring that Eureka's activities were market-oriented.

EFTA

Mr Willoch said that Norway wanted to avoid the creation of a new tariff wall between Spain and Portugal and EFTA. The Community's demands on EFTA in the context of Spain and Portugal's accession were not reasonable. The Prime Minister said that the United Kingdom had some sympathy with EFTA's case.

European Community

The Prime Minister gave an account of recent developments in the European Community and the prospects for the Luxembourg European Council. Those who sought far-reaching changes in the Treaty would not get satisfaction, though it might be possible to agree to small amendments of no great consequence. Mr Willoch recalled the importance which Norway attached to close consultation with the Ten on political co-operation matters.

The question of a possible visit by the Prime Minister to Norway was not raised.

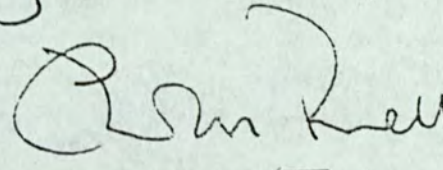
/I should be

CONFIDENTIAL

- 3 -

I should be grateful if the Department of Energy could obtain a video of the CEGB film for the Prime Minister to review.

I am copying this letter to Rachel Lomax (H.M. Treasury), Robin Young (Department of the Environment), Geoff Dart (Department of Energy), and to David Williamson (Cabinet Office).

Yours sincerely


(CHARLES POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL