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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nicholas Ridley AMICE MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
London
SW1P 3EB

8th June 1988

Dear Secretary of State,

**THIRD REPORT OF THE ENVIRONMENT COMMITTEE:
POLLUTION OF RIVERS AND ESTUARIES**

I have seen a copy of John MacGregor's letter of 3 June which proposes some amendments to the draft response to this Report. Although I have no difficulty with most of John's suggestions three of them do seem to me unnecessarily to prejudice the outcome of current reviews of agricultural capital grants and nitrates policy.

They are specifically:

- (i) the suggested deletion of the reference to water environment protection zones (WEPZs) in paragraph 1.15. Given that the legislation providing for WEPZs is already on the statute book, failure to mention them in this context would effectively pre-empt consideration of a range of options in the current nitrates review;
- (ii) the insertion of the words "and hard won" in line 9 of paragraph 3.14 referring to the derogation from EC rules to permit 60 per cent grant rates. As my officials have commented on an earlier version, it seems unnecessary to point up the difficulties in negotiating this derogation when, as I understand it, we are about to be recommended in the context of the review of agricultural grants to reduce this 60 per cent grant rate at least to 50 per cent or, as I would prefer, considerably lower;

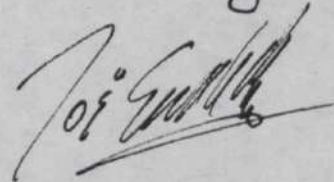
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(iii) the deletion of the fourth sentence of paragraph 3.16 which includes the arguments against providing grant for maintenance. I much prefer the original version of this paragraph as it clearly states that it is not an efficient use of public funds to subsidise routine maintenance work which farmers should be expected to undertake in their own interests.

I should be grateful if the version of the draft response attached to your letter of 23 May could be reinstated in these three paragraphs.

I am copying this letter to the Prime Minister, John MacGregor, other members of E(A) and to Sir Robin Butler.

Yours sincerely,



for JOHN MAJOR

(Approved by the Chief Secretary
and signed in his absence)

Enw Affairs - Acad Law PVS

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