CONFIDENTIAL

copy

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

LONDON SUMMIT: POSSIBLE BRITISH INITIATIVE
ON THE ENVIRONMENT

Geoffrey Howe copied to me his minute of 8 May suggesting that we should promote a UK initiative on the environment.

2. I have considerable misgivings about this proposal. I appreciate that its purpose is to pre-empt unwelcome and expensive proposals which might be advanced by others. But I feel that there is a risk in taking a UK initiative of this kind that, in order to enable the proposed "London Group" to present a positive report to the German Summit next year, we would be under pressure to do more than our fair share of international research on this subject. We might also feel obliged to be more forthcoming than would otherwise be justified on EC proposals, such as the sulphur emission reductions proposed in the EC Large Plants Directive, which, if fully implemented, could cost up to £4-500 million a year (adding, incidentally, some 6-8 per cent to electricity prices). As a large user of coal-fired plants, the UK would be hit harder by this development than most of our competitors.

3. Somewhat similar objections apply to the alternative of asking the Versailles Group to study the matter, since again we would be building up expectations that we would try to ensure a successful outcome. But I agree that this would involve less risk than would the setting up of a separate Group. The Versailles Group should, for example,

be better placed to look at the matter in the context of priorities within all the other demands for scientific research.

4. On balance, therefore, I should prefer to avoid any UK initiative in this area. If, however, you and other colleagues feel that this is the only practicable way of pre-empting more damaging initiatives by other Summit countries, I would go along with the suggestion of remitting the matter to the Versailles Group (but I would not favour establishing a separate London Group). In that case, I hope that the Treasury would be fully associated with the preparation for the meetings of the Versailles Group.

5. Copies of this minute go to Geoffrey Howe and the other recipients of his minute of 8 May, and to Peter Rees.

N.L.
15 May 1984

CONFIDENTIAL

cc P.C.
C.D.P.

PM/84/74

PRIME MINISTER

London Summit: Possible British Initiative on the Environment

1. We have already discussed possible British initiatives designed to give a distinctive character to the London Summit. Unfortunately, the ideas which have been floated so far have not aroused great interest from the Permanent Representatives of the other Summit participants. Although we agreed at our meeting on 30 April to pursue some of them, we still, in my view, need an extra element if we are to make a public impact. I believe that the right kind of initiative in the environmental field would not only make such an impact but would be well worth pursuing for its own sake.

2. The relationship between industry and the environment is of great concern in all the Summit countries. Indeed this concern was reflected in our 1983 Election Manifesto where we re-affirmed our intention to remove lead from petrol, to reduce the lead content in paint, food and drinking water, as well as to reduce river pollution and to increase controls over waste disposal. We also acknowledged the need to reduce further the levels of smoke and sulphur dioxide in some areas. Despite all this we still have a largely undeserved reputation (particularly in the FRG and Canada) as one of the least forthcoming countries on environmental issues. A Summit initiative in this field would be an excellent opportunity to correct this impression and could do much to ease popular environmental pressures, rather on the pattern of the CDU's initiative in the Federal Republic.

3. You have of course already expressed concern that the government's public stance on environmental pollution appears to be defensive and reactive. In view of this, Ministers are currently reviewing our policy on environmental pollution. We held a first meeting on 5 April, and will meet again on 17 May.

We have already agreed that it would be desirable to publish a statement on the government's achievements and aims relating to environmental pollution before the Summit.

4. This is certainly not the time to incur heavy extra industrial costs or do anything which could reduce the margin of our competitiveness. I believe, however, that our domestic and international reputation would be considerably enhanced if we stressed that we supported international scientific research in order to establish an agreed understanding of the causes of environmental pollution and would welcome industrial collaboration to develop cost-effective technology to reduce the damage. Despite the insistence of countries like Germany and Canada on percentage targets for the decrease in pollution, there is a growing realisation that the causes of acid rain and other phenomenon are by no means as clear as the propagandists claim. I also believe that a carefully conducted international research strategy would in the long run make economic sense.

5. The inter-action between industry and the environment is a recurring theme in the work of the Versailles Group, though not central to it. The Group has identified five environmental protection issues requiring urgent attention, namely:

(i) the processes involved in acid deposition, and how these relate to perceptible environmental damage;
(ii) the safe storage and disposal of radio-active waste;
(iii) the protection of the marine environment;
(iv) world climate and climatic change (for example the impact of increasing levels of carbon dioxide in the atmosphere);
(v) the development and introduction of more efficient energy generating technologies compatible with reduction in harmful emissions.

6. My suggestion is that we should propose a new Working Group, to be called the London Group on Industry and the Environment, whose job would be to:

(i) identify specific areas for research where existing knowledge is inadequate and bring together what has been done so far;

(ii) identify possible projects for industrial cooperation to develop cost-effective techniques to reduce environmental damage;

(iii) report to the 1985 Summit, taking into account international discussion on these issues in the meantime. (This would be a one off report unlike the work of the Versailles Group which reports from Summit to Summit. The London Group would effectively take over the urgent environmental protection issues from the latter).

7. Arguments against an initiative might be advanced as follows:

(i) that sufficient work was already being done elsewhere, and that a new Group would simply duplicate it. But most subjects taken at the Summit are under consideration elsewhere: the Summit provides a unique means for giving work new impetus and bringing out its positive aspects;

(ii) that this was a British delaying device to hold up remedial action already necessary. The counter arguments are obvious;

(iii) that the idea would not appeal to the Americans and perhaps one or two others who stand accused of severe environmental pollution. This is largely a question of presentation. The Americans are spending more than anyone else on remedial research already;

(iv) that it would prove expensive. But at least (see paragraph 4 above) we should be able to make decisions on the basis of the best knowledge available. It should also be borne in mind that remedial action could well become more expensive as time goes on.

8. The arguments for an initiative may be briefly summarised:

(i) it would publicise the need for solid scientific research and for establishment of the right scientific

basis before taking action to cope with environmental pollution;

(ii) it would bring together work on the subject in the seven most important industrial countries in the world and the European Community;

(iii) it would help meet popular pressure for action to cope with real and potential damage to the environment, and thereby help defuse demands for what might otherwise be precipitate or inappropriate action;

(iv) it could mark out the London Summit as a turning point in the way industrial societies cope with the problems they have created with their own environment.

9. I am copying this minute to Patrick Jenkin, Nigel Lawson, Peter Walker, Norman Tebbit, Tom King, George Younger, Nicholas Ridley, Michael Jopling, William Waldegrave and Sir Robert Armstrong.

GEOFFREY HOWE

Foreign and Commonwealth Office

8 May, 1984