CONFIDENTIAL W.0368 16 May 1984 PRIME MINISTER ENVIRONMENTAL POLLUTION - MEETING ON 17 MAY I have seen the paper entitled 'Environmental Pollution: A Positive Approach' from the Secretary of State for the Environment. My comments are as follows. 2. I strongly support the proposal for a positive strategy backed by specific cost-effective action plans in selected areas (some of which we can lead), coupled with stout and reasoned defence in areas where environmentalist pressure is directed towards expensive and ineffective measures, some of which are discriminatory against the UK. 3. The Secretary of State is rather optimistic in assessing the Department's performance since 1979 as 'holding our own ... reasonably well'. I think most people would rate the performance at about beta minus: the Government has been harried nationally and internationally over issues such as nuclear waste disposal at sea and on land, Sellafield, and acid deposition. It is seen to have capitulated correctly but belatedly on lead in petrol after Des Wilson's effective campaign and the Royal Commission's Ninth Report. 4. However the Secretary of State is absolutely right in saying that a continuation of a purely defensive strategy, the 'do nothing option' would be a political and economic disaster. We will become increasingly isolated internationally and eventually forced into accepting measures deficient in both cost-effectiveness and scientific support which we could, if constructively involved earlier, have negotiated towards a more sensible approach.

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- 5. I hope therefore that Ministers can agree to the fresh approach advocated by the Secretary of State. Frankly, I do not see a viable alternative. On the other hand the options for action in the later part of his paper need further careful work by officials and are not yet, I submit, near a state where Ministers can make even a preliminary choice. Indeed Ministers may wish to suggest that further options should be added to those
- I have emphasised before that environmental protection is complicated both scientifically and its economic consequences. A careful judgement is required in each area as to the balance of scientific evidence and what action, if any, is justified at a particular time. The preparatory work necessary for the judgement by Ministers still needs to be completed by officials.
- 7. At your last meeting there was some disagreement on the amount of money spent by Government on R&D for environmental protection. The correct figure is £42 million for 1983-84. Any larger figure, as suggested by Treasury last time, must include Department and Research Council work with objectives other than the protection of the environment. The publiclyowned utilities and some private sector companies also spend money on R&D in this area but it is not possible to estimate the total. The amount they spend is, of course, determined by their interpretation of their legal responsibilities and their commercial judgement.
- 8. Whether or not Government spending on environmental protection R&D is sufficient is a matter of judgement. The Natural Environment Research Council has supported scientific work in Universities and its own Research Establishments in accordance with its assessment of the quality of recent proposals it has received and the total resources available to it. This support has undoubtedly maintained a high quality base in most of the relevant scientific fields. The Department of the Environment has decreased its support for applied research on environmental protection although it has recently started to increase it again. Looking at the gap between our scientific

CONFIDENTIAL knowledge of the environment and proven solutions to the problems, I have to conclude that the earlier decision was a mistake. I also feel the publicly-owned utilities have, again until recently, been slow in progressing their own applied R&D on environmental matters. 9. I am copying this minute to Sir Robert Armstrong. ROBIN B NICHOLSON Chief Scientific Adviser Cabinet Office 16 May 1984 - 3 -

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PRIME MINISTER

Patrick Jenkin's suggestions in his minute of 14 May for a positive approach to UK environmental policy amount, of course, to a very major proposal. I believe it is vital that, before committing ourselves to the type of objectives set out in Patrick's minute, a realistic assessment is produced of the consequences both for public expenditure and jobs. Understandably, Patrick's minute is devoid of any such assessment, but I believe it would be wrong for Ministers to agree to such an initiative without clearly recognising what they are undertaking.

Patrick describes a range of initiatives to which we might agree, but I hope we will in the main stress the importance of further research. Certainly for many of these issues the prior and over-riding need is to demonstrate the cost-effectiveness of the very substantial expenditure involved, and to compare the benefits of such expenditure with other areas upon which the Government would like to devote resources. Certainly, at the Summit, it would be entirely appropriate for us to emphasise the need to co-ordinate research projects and environmental monitoring.

On nuclear waste disposal what is proposed is a very substantial reversal of the policy in the 1982 White Paper, which followed the lines of the Flowers report. What is now being proposed is that we should just pass on the problems to future generations. As far as Sellafield is concerned, my main desire is that

appropriate action is taken for confidence in the operations there to be restored. Sellafield is not directly comparable with the newer Cap de la Hague plant. There is a different fuel throughput, and the cost needed to bring Sellafield to the same environmental level would be considerable and has not yet been established. Reprocessing in the existing plant at Sellafield is the only available option for treating the used fuel from the Magnox stations, and it is these which currently generate the greater proportion of our nuclear power.

On acid rain, I totally reject the view that continuing research should be labelled a "do nothing" approach. I certainly doubt that we are at the stage where we can or should commit ourselves to joining the "30% club". Officials who have examined the cost of various options for reducing emissions have concluded that these would all involve considerable expenditure — with the prospect of substantially increased costs for industry. This is an area where much more work needs to be done before any conclusion is reached.

There is much that could be achieved in improving our environment. It is important to move in this direction with a clear knowledge of what is involved.

Copies go to the recipients of Patrick Jenkin's minute.

John Weilson

f.f. SECRETARY OF STATE FOR ENERGY 16 May 1983

(approved by the Secretary of State and signed in his absence)

DIEMP MAFE 10 DOWNING STREET Ch SocHMI 16 May, 1984 From the Private Secretary 1 purspour Mr waldeg Dear John

Environmental Pollution

I attach a note by Dr. Nicholson of the Cabinet Office about the technical background to tomorrow's discussion of environmental pollution.

I am sending copies of this letter to the Private Secretaries to those Ministers who will be attending the meeting, and also to Richard Hatfield (Cabinet Office).

DAVID BARCLAY

John Ballard, Esq., Department of the Environment