

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

20 June 1984

Dear John,

Acid Deposition

The Prime Minister chaired a meeting on 19 June to consider the Government's policy towards acid deposition. In addition to your Secretary of State, those present were the Lord President, the Secretaries of State for Energy, Scotland, Wales, Transport, Mr. Gummer, Mr. Hayhoe, Mrs. Fenner, Mr. Baker, Mr. Rifkind, Mr. Waldegrave and Sir Robert Armstrong, Mr. Gregson and Dr. Nicolson and Mr. Pascall (No.10 Policy Unit). The papers before the meeting were your Secretary of State's minute to the Prime Minister of 15 June, and the Energy Secretary's minute of the same date.

Introducing his paper your Secretary of State said that at an earlier meeting Ministers had agreed on the need for a more positive approach towards acid deposition. This view had been reaffirmed at the London Summit. Following the valuable technical presentation which had taken place at Chequers, he was now putting forward a revised set of proposals which he believed constituted a positive and coherent response to our international critics. It was in his judgment a line that could be held successfully, even though it fell a long way short of the more extreme demands being made. The main features of his proposals were:

- i) A continuing commitment to research and to the development of new cost effective technology.
- ii) A statement of intent to reduce further emissions of both sulphur dioxide and nitrogen oxide, aiming at a reduction in each of 30 per cent by the year 2000 as compared with 1980 levels.
- iii) The introduction of tighter standards for vehicle emissions, provided these were achieved through lean burn technology rather than three-way catalysts.

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In discussion it was argued that considerable uncertainty attached to the forecast that 30 per cent reductions in SO2 and NOX emissions could be achieved by the year 2000 without significant additional expenditure. This forecast depended upon assumptions about the commissioning of new nuclear power stations which were, in the view of some Ministers, optimistic. Moreover, the environmental lobby regarded nuclear power with as much antipathy as they regarded acid rain. They would continue to press European Governments for flue gas desulphurisation.

The other area of uncertainty was the future level of emissions from industry other than the CEGB. Arguably the substantial reduction which had occurred in the early 1980s was a fortuitous result of the recession, which would gradually be reversed as economic growth resumed. On the other hand, the reduction also reflected structural changes in British industry which were in effect irreversible (for example, the contraction of the steel industry); and further technological developments which would benefit emissions, such as the use of fluidised bed combustion, were imminent. Concern was however expressed about the possible impact on industrial costs if target reductions did not materialise as expected but had to be achieved by other means.

In further discussion, firm support was expressed for "lean burn" technology as a means of reducing vehicle emissions. The consensus view was that when properly tuned lean burn engines could both reduce emissions and improve fuel economy; and British motor manufacturers favoured its introduction. It was widely agreed that the alternative approach using three-way catalysts on the American model was both less effective in controlling pollution, and vastly more expensive.

In discussion of the question of quantification, support was expressed for the concept of "aims" rather than commitments. Despite international criticism of the UK (much of which was ill informed), it was important not to move any faster than our industrial competitors towards implementation of improved environmental standards.

Summing up the discussion, the Prime Minister said that the meeting supported the main features of your Secretary of State's analysis and proposals. They offered the prospect of a positive and flexible response to international pressure. We should take credit for the benefits which would flow from the adoption of lean burn, and from the inclusion of NOX and hydrocarbons as well as sulphur dioxide in the package. The conclusions set out in paragraph 19 of your Secretary of State's paper were accordingly approved, subject to the following points:-

- i) The deletion of the words "at least" from the

- i) The deletion of the words "at least" from the last line of sub-paragraph (b).
- ii) The deletion of the last three lines of sub-paragraph (d).
- iii) The insertion of a specific reference to lean burn in sub-paragraph (e).

I am sending copies of this letter to those who attended the meeting.

Yours ever,

David

John Ballard Esq
Department of the Environment



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From the Private Secretary

20 June, 1984

Dear John,

I enclose a copy of a letter recording the Prime Minister's meeting yesterday on the subject of acid disposition.

Since the meeting record is being circulated widely, I am recording separately in this letter the following presentational point. The meeting recognised that there could, in due course, be advantage for the Government in drawing public attention to the relationship between reductions in sulphurdioxide and nitric oxide emissions on the one hand, and increased nuclear power generation on the other. But it was agreed that it would be a mistake to refer to this point at the present time, because of its sensitivity in relation to the coal dispute. The Prime Minister invited your Ministers to be guided accordingly in presenting the Government's policy both internationally and domestically.

I am sending copies of this letter to Janet Lewis-Jones (Lord President's Office) and Michael Reidy (Department of Energy).

*Yours ever,
David*DAVID BARCLAY

John Ballard, Esq.,
Department of the Environment