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FCS/84/267

WBP

SECRETARY OF STATE FOR THE ENVIRONMENT

Acid Deposition

1. Thank you for your letter of 24 September on the large combustion plant directive. I have also seen a copy of your minute of 24 September to the Prime Minister previewing the Government's response to the Select Committee's report.

2. As the Prime Minister has commented (her Private Secretary's letter of 1 October to Ballard), we have decided on a policy which gives due weight to the need to avoid unnecessary costs to industry. In the discussions in the Community we must proceed in a manner which fully protects our position on the substance. The question of emissions from large combustion plants, however, is a matter of great political sensitivity in some other Member States, above all the FRG. Tactically, I agree that it would not be in our interests simply to declare outright opposition to a directive. Our approach should be to question the provisions in the Commission's draft, which is of course unacceptable, and to ensure that if there were any question of a directive being adopted, it is put in a form we could accept. We should aim to get others to declare themselves and to show that we are not alone in our concern at the Commission's proposals. We should stress the fact that more research is needed towards finding cost effective solutions to the problems caused by acid rain. If we can influence the debate in this way, we may succeed in pushing others towards an outcome we could accept. There is everything to be said for trying to expose the hesitations of others, given that we shall not in any event accept a directive contrary to our interests.



3. I am sending copies of this minute to the Prime Minister, the Lord President, the Secretaries of State for Energy, Employment, Scotland, Wales, Transport and Trade and Industry, the Minister of Agriculture, the Chief Secretary, Sir Robert Armstrong and Dr Nicholson.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
9 October 1984

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1984 OCT 9



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

24 September 1984

Dear Foreign Secretary

LARGE COMBUSTION PLANT DIRECTIVE

Community negotiations on this draft directive have moved forward desultorily since the beginning of the year but now appear to be taking a more purposeful turn. Handling of this proposal presents unusual difficulties for us and I think it is right that I should keep colleagues in touch with the line we propose to adopt. The immediate question of the line to be taken at this week's meeting of the Council Environment Working Group, and which we hope may serve for the duration of the Irish Presidency, was agreed by our officials at a recent meeting of EQO.

As you will know, a major provision of the draft directive is the setting of targets for reductions in total emissions of sulphur dioxide, nitrogen oxides and dust from large combustion plants of 60%, 40% and 40% respectively by 1995 on the basis of 1980 figures. Such a provision is incompatible with our policy on the control of SO₂ and NO_x emissions as agreed at the Prime Minister's meeting on 19 June; that meeting accepted that we should declare our aim to achieve reductions of 30% in both SO₂ and NO_x emissions by 2000 (on the 1980 base) but decided that we would not entertain any commitment to specific reductions and dates.

On the other hand, there is I think general agreement that we should not register outright opposition to the proposal. To do so would certainly damage the UK's environmental image which we are concerned to improve. Moreover, it would enable some other Member States who are far from happy with the proposal to shelter behind us and exploit our discomfort.

We are therefore faced with a difficult and uncomfortable balancing act; we need to avoid killing the negotiations while making our reservations about a commitment clear. We must maintain our study reserve on the whole directive (and since we are still gathering information about the implications of the proposal this is indeed our position). We propose to place specific reserves on the key articles (in particular article 3 which sets the targets for emission reduction) thus covering our inability to negotiate on these aspects. However, in doing so we must be prepared to give some indication of UK thinking. I propose that our delegation should make clear that while we share the general aim to reduce emissions, the numbers and dates

included in the present draft are unacceptable and that, because of the implications for the UK, we will find it difficult to tie ourselves to inflexible reductions and timescales. However we should indicate that we do not rule out ultimate consensus.

This is obviously a somewhat precarious line but it may well suffice for a time. There is a good deal of uncertainty about the position of other Member States on the proposal, and plenty of room for prolonged argument about the scope of the directive and the need for further consideration of technical aspects. We should exploit such possibilities to the full. We think it unlikely that agreement will be reached during the Irish, or subsequent Italian, Presidency.

I realise, as I am sure you do, that the position could well change and that we need to keep a close watch on developments.

/ I am copying this letter to members of OD(E) and to Sir Robert Armstrong.

Yours sincerely

A.H. Davin

for
PATRICK JENKIN

*Approved by the SAC
and signed in his absence*