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Denys H. Henderson

Chairman

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24 February 1989

Dear Mr Morris

I enclose a letter to the Prime Minister from Mr D H Henderson. Following a conversation between Amanda Ponsonby and Anthony Weale of ICI on 23 February, Miss Ponsonby, in your absence, suggested that I forward to the letter you, as you are concerned with the Prime Minister's movements over the period of the Ozone Conference.

Yours sincerely

Carol Bird

(Miss) C A Bird



Prime Minister ²

You might like to glance through this before the session, on the speech which Charles has drafted, tomorrow. His comments on timetable for elimination on pages 4 and 5 are interesting.

Denys H. Henderson
Chairman

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The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London
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DM

27 1/2

Line attached

24 February 1989

Dear Prime Minister,

While I hesitate to add to your heavy reading burden, I thought you might find it useful to glance through the short speech which I shall be making at your Conference on Saving the Ozone Layer on 5 March. I attach a copy of the text and I hope you will find my comments broadly supportive to the main theme of the Conference. I have also sent a copy to the Department of the Environment.

What I plan to cover is, given the time available, inevitably somewhat general in nature, but it may be that after the Conference is concluded there will be issues which you might want to pursue with ICI in more detail.

With this in mind, I would very much like to invite you to have lunch or dinner with my Board colleagues and myself in our recently refurbished Headquarters, which we had the pleasure of showing to Mr Thatcher last December.

I am very aware of your enormously busy schedule, but may I suggest that my secretary contacts your private office to look for a convenient date, if the idea has any appeal.

Yours Sincerely

Denys Henderson

✓ G.R.

This note only: NDM

N+R

You were inclined to accept if time permitted. You are very busy before Easter. Do you wish us to find a suitable date afterwards later in the year?

2. Better file (Environment)

F I N A L V E R S I O N

(Tuesday, 21 February)

'SAVING THE OZONE LAYER' LONDON CONFERENCE

5-7 MARCH 1989

C F C s A N D T H E O Z O N E L A Y E R
- T H E S E A R C H F O R S O L U T I O N S

Speech by Denys Henderson, Chairman
Imperial Chemical Industries PLC

5 March 1989

Mr Chairman, Minister, Delegates, Ladies and Gentlemen:

It is a privilege to be invited to speak to you as an industrialist on what is a notable occasion. I understand that Government Ministers from over 70 countries are here today at this unique conference as also are many internationally respected scientists and leading industrialists. This is very encouraging, because today we face a challenge that will only be solved by international agreement and the determination to succeed. It will require co-operation across Government, science and industry and each one of us by attending this conference indicates a willingness to play our part in finding answers.

The Prime Minister herself has pointed out that the depletion of the ozone layer is a complicated issue and that we must have 'proper scientific substitutes' for CFCs. As Chairman of a major international chemical company I recognise the complexity of the issue from a business, as well as a scientific, point of view - not least because I have responsibilities towards my customers, shareholders, fellow employees, the scientific community and the general public. ICI has been much concerned with the ozone layer investigations which have been taking place in recent years but, even so, after careful study there seems to me to be still much

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to explain. Nevertheless, my company accepts that the scientific data which has been published points to a potential threat to the ozone layer which must be taken very seriously. We also accept that chlorofluorocarbons - CFCs - may well be contributors to this problem. CFCs are also one of the so-called 'greenhouse' gases and so may be relevant, too, to the problem of global warming although in that context their significance is likely to be comparatively minor.

CFCs are still, however, one of the wonders of the modern chemical industry. They are a family of different products, each with a unique set of properties designed to meet important market needs, many of which are essential to modern industrialised society. At the same time they are non-flammable, very stable, non-toxic and relatively cheap.

Let me describe the main applications, and the progress industry is making to achieve these benefits by other means.

CFCs are well known as propellants in aerosols. The vast majority of that use can, and is, being eliminated by reformulation to use hydrocarbon propellants in the very near future. Some critical medical and industrial aerosols, however, will need other techniques or propellants, which will take time to develop.

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Many CFCs are used as the working fluid in refrigerators, freezers and air conditioning units. Without such temperature control, modern food processing, delivery and storage would be impossible, many hospital operations would be unsafe and large computer installations would become unreliable. The development of safe, effective substitutes is one of the most difficult challenges facing industry. Nevertheless, ICI has announced plans for the first commercialised production of one product in both the UK and USA - namely HFC 134a. This product is ozone benign but many plants will need to be built around the world and other products will need to be found to meet the wide range of refrigeration needs.

Another CFC is used extensively in producing a wide variety of foams which contribute very significantly to the saving of energy by insulating houses and refrigerators and by reducing the weight of components in cars. ICI's own Polyurethane Business is producing novel blowing systems which over a period of 5 years will enable CFC use to be eliminated in many flexible foams and reduced by half in rigid foams. Much work is now focussed on finding a suitable product to replace that vital 50% still needed in rigid foams.

One further CFC use is in solvents - particularly for cleaning delicate electronic components. No alternative chemical or technology has yet been found, but considerable reductions in use

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can be achieved by better equipment design and recycling, and meanwhile research continues to find a suitable replacement product.

Finally, we must remember that the family of products called Halons, which are closely related chemically to CFCs, provide vital fire protection in aircraft, computer installations and numerous industrial premises. For these products there are no immediately available replacements.

The figure
which
Charles has
used in
this draft
speech.

Nevertheless, in total ICI will spend over £100m in a programme of research to meet our customers' needs, and expects in the years ahead to invest several hundred million pounds in plant to produce alternatives. But we must ensure that the solutions are safe, that they really work and that they are a sound investment for ourselves and our customers. To help speed up this process, the major CFC producers of the world have pooled their resources to complete collectively the rigorous toxicological and environmental assessment of each new product to be introduced.

Let me turn now to the Montreal Protocol which ICI unequivocally supports. The Protocol says, in summary, that this year, 1989, there should be a freeze on CFC consumption; that there should be a 20% reduction by 1993 and a 50% reduction around 1998. But I believe we must go further. I believe we must go for elimination not just reduction. I believe, therefore, that in addition to

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the Protocol's three existing controls, there should be a fourth which takes as its target the elimination of CFCs by a date to be set as soon after 1998 as is practicable, bearing in mind the need to develop safe alternatives.

There are understandable pressures for the existing timetable to be speeded up and for each stage of the phase out of CFCs to be brought forward and we are working with our customers to help to achieve this. However, our view of the science is that it is of much greater environmental benefit to agree and implement a phase out, than to attempt dramatically earlier reductions with the risk of unsafe, unworkable solutions.

Even so, whatever the outcome of any decision to extend the Montreal Protocol, it will not be adequately implemented unless there is international commitment by Government and industry alike. Our distinguished Chairman today, Sir Shridath Ramphal, said in a recent article in The Times : "Global commons like the oceans, outer space and Antarctica that no country owns are transnational problems that simply cannot be solved nationally". The depletion of the ozone layer is exactly one such transnational problem. For this reason, we hope that all Governments of the world will unite in supporting the Montreal Protocol and in contributing to its development.

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Let me summarise my views :

1. The problem of CFCs and their effect on the ozone layer is extremely complex. It simply cannot be solved overnight by technology. There are no scientific shortcuts to safe substitutes.
2. Imaginative research and development and skilled process design will give us the best prospect of finding practical solutions which are environmentally safe and toxicologically sound. My own company, ICI, is deeply committed to finding satisfactory answers as quickly as possible and we are investing heavily to achieve that purpose.
3. Manufacturers of CFCs who are prepared to devote significant resources to finding alternative products will require a commercial return on their investment.
4. However enthusiastically the chemical industry accepts this challenge, the problem will only be solved by co-operation at international level between Governments and industry as a whole.
5. Governments, with the support of the chemical industry worldwide, should move now to extend the Montreal Protocol in order to achieve in due course a phase out of CFCs.

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I welcome the British Government's initiative in calling this conference and I am much encouraged by the experience and calibre of those attending. Let me close by giving the conference the following specific assurances on behalf of ICI :

1. We recognise the necessity of solving the problem of ozone depletion, to the extent that it is caused by man-made chemicals.
2. We will continue to give the highest priority to meeting our customers' present and future needs with high quality, safe products.
3. We will continue to devote substantial resources, both scientific and financial, towards finding satisfactory CFC replacements at the earliest practical opportunity.
4. We will wholeheartedly support any international Governmental proposals to extend the Montreal Protocol to achieve a phase out of CFCs on the time-scale I have indicated.

May I wish the conference success in its deliberations from which I hope positive proposals will emerge.

Denys H Henderson
Chairman
Imperial Chemical Industries PLC