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PRIME MINISTER

GLOBAL CLIMATE CHANGE

I attach a minute from the Environment Secretary about the latest position on the global climate change convention. There is nothing controversial in this. But the minute also deals with the forthcoming meeting of the EC Environment Ministers Council, which will consider a draft resolution on the green house effect. The resolution and the supporting Articles of the Treaty are attached to Mr Ridley's minute.

There are three aspects of the resolution which we need to approach with care. As you will see from their attached note, the Policy Unit have misgivings about them. They are:

- the question of Community competence. There is already Community competence in this area under article 130 of the Treaty (attached). This gives the Commission a specific role but ensures first that decisions are by unanimity and second that competence is shared between the Community and the Member States. Mr Ridley believes that we have now got sufficient recognition of this mixed competence in the text of the resolution but - in response to the Policy Unit's justified concern - agrees that Lord Caithness will try to ensure further reference to the Community and Member States being involved in the international debate, together with a reference to Article 130R.
- equally, we do not want the resolution to have the effect of extending Commission competence in the area of environmental research (once again, they have some competence already under Articles 130G and H). The Policy Unit have suggested that the final clause of paragraph 9 of the resolution should be omitted, because it talks about the need to co-ordinate "the relevant activities" of Member States within the framework of the Commission's programme. But in fact

it only mirrors the wording of Article 130H, and Mr Ridley's conclusion is that it does not pose any additional threat to our position. Reopening the text might land us with something worse.

- the Policy Unit note points out that the resolution calls for a "substantial policy options study programme" and by the Commission. This is, in fact, fully within the Commission's rights under the Treaty article and we cannot actually stop them. Mr Ridley doubts that it will amount to much.

In general, we are not starting from a blank sheet but from a situation in which the Commission have certain powers and there is a degree of Community competence in this area. We cannot take that back, but equally must fight any attempt to extend it further. The Policy Unit's note performs a useful service in drawing attention to the danger areas. Mr Ridley is now fully on notice of these and I think you can agree to the line which he proposes Lord Caithness should take, with a general warning to be vigilant and assertive if necessary. Agree?

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Charles Powell

6 June 1989

ARTICLE 130G

In pursuing these objectives the Community shall carry out the following activities, complementing the activities carried out in the Member States:

- (a) implementation of research, technological development and demonstration programmes, by promoting co-operation with undertakings, research centres and universities,
- (b) promotion of co-operation in the field of Community research, technological development and demonstration with third countries and international organizations,
- (c) dissemination and optimization of the results of activities in Community research, technological development and demonstration;
- (d) stimulation of the training and mobility of researchers in the Community.

ARTICLE 130H

Member States shall, in liaison with the Commission, co-ordinate among themselves the policies and programmes carried out at national level. In close contact with the Member States, the Commission may take any useful initiative to promote such co-ordination.

Sub-Section VI—Environment

ARTICLE 25

A Title VII shall be added to Part Three of the EEC Treaty reading as follows:

“ TITLE VII

ENVIRONMENT

ARTICLE 130R

1. Action by the Community relating to the environment shall have the following objectives:

- to preserve, protect and improve the quality of the environment;
- to contribute towards protecting human health;
- to ensure a prudent and rational utilization of natural resources.

2. Action by the Community relating to the environment shall be based on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source, and that the polluter should pay. Environmental protection requirements shall be a component of the Community's other policies.

3. In preparing its action relating to the environment, the Community shall take account of:

- available scientific and technical data;
- environmental conditions in the various regions of the Community;
- the potential benefits and costs of action or of lack of action;
- the economic and social development of the Community as a whole and the balanced development of its regions.

4. The Community shall take action relating to the environment to the extent to which the objectives referred to in paragraph 1 can be attained better at Community level than at the level of the individual Member States. Without prejudice to certain measures of a Community nature, the Member States shall finance and implement the other measures.

5. Within their respective spheres of competence, the Community and the Member States shall co-operate with third countries and with the relevant international organizations. The arrangements for Community co-operation may be the subject of agreements between the Community and the third parties concerned, which shall be negotiated and concluded in accordance with Article 228.

The previous paragraph shall be without prejudice to Member States' competence to negotiate in international bodies and to conclude international agreements.

ARTICLE 130S

The Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, shall decide what action is to be taken by the Community.

The Council shall, under the conditions laid down in the preceding subparagraph, define those matters on which decisions are to be taken by a qualified majority.

ARTICLE 130T

The protective measures adopted in common pursuant to Article 130S shall not prevent any Member State from maintaining or introducing more stringent protective measures compatible with this Treaty."