



SUBJECT CC MASTER

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From the Private Secretary

22 June 1989

MEETING BETWEEN THE PRIME MINISTER AND MR. JOHN COPE OF
CEED, ON 21 JUNE 1989

I thought you would like to know that the Prime Minister yesterday held a short informal meeting with John Cope, the Director of the Centre for Economic and Environmental Development. Mr. Cope requested to see her to follow up a conversation he had with her at the Global Warming Seminar in April.

Mr. Cope sought the Prime Minister's views on three main issues:

- (i) the electoral acceptability of environmental policies with a long-term pay-off. The Prime Minister commented that the key thing was to persuade people intellectually and morally of the need for expenditure to solve long-term issues. She said that the vast majority of people want to lead an honourable life and would take difficult decisions if they were persuaded of the need for it;
- (ii) the role of regulation, vis a vis fiscal incentives. The Prime Minister said that it was important to leave as much as possible to private enterprise, but that this did not mean a policy of laissez-faire. The Government must lay down a framework of legislation, akin to a picture frame, which sets basic standards. She agreed with Mr. Cope that as consumers become more discriminating, they would tend to take over part of the Government's role. However, in some cases they were unable to do this because science had not yet been able to establish effective options;
- (iii) nuclear power and whether the UK should take part in an international consortia to develop safer, small nuclear reactors. The Prime Minister said that she was not convinced that international consortia were the best way to pursue research of

this kind and she cited the experience of Dounreay and of CERN. She would also be reluctant to write off the existing systems, which such research might imply. However, she accepted that there were major problems in persuading the public of the safety of nuclear power, especially after Chernobyl. She said that she thought that politicians, scientists and economists all had a very important role in demonstrating their commitment to and faith in nuclear power. She mentioned her recent visit to Torness. She also thought that the public would be more convinced of the value of nuclear power if it were possible to calculate and bring home the cost to the environment of fossil fuel generating stations. Mr. Cope said that he felt it would be important for public perceptions of the industry if the nuclear industry could guarantee that there would be no across-the-border effects from any accidents.

I understand that Lord Caithness has asked Mr. Cope to prepare a background paper about how to convey to the public an appreciation of the economic implications of measures to improve the environment. I am therefore copying this letter to Andrew Lean (Lord Caithness' Office) as well as to Stephen Haddrill (Department of Energy).

CAROLINE SLOCOCK

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Department of the Environment.