

PRIME MINISTER

ACID RAIN

The correspondence from Lord Marshall is likely to be a complication at tomorrow's meeting.

Lord Marshall wrote to you (letter below) about his trip to Norway. This suggests some slight movement on his part towards recognition that CEGB emissions are damaging surface waters in Norway. However, Lord Marshall also wrote to Peter Walker (Mr. Walker copied the letter to William Waldegrave but not to you.) This letter apparently goes much further, and is summarised in the Policy Unit brief.

Mr. Waldegrave agreed with Mr. Walker that the correspondence need not be discussed in detail at E(A). Lord Marshall had not provided the scientific evidence to support his change of views and indeed it is said that he has not discussed his position even with other people in the CEGB; Lord Marshall's views can and do change and could change again; to make his change of heart widely known now would weaken the UK's negotiating position; and in any case the correspondence need not affect the point for decision tomorrow: whether we should open discussions with like-minded States on the scope for a minimalist position.

Mr. Ridley apparently disagreed with Mr. Waldegrave; is annoyed that this correspondence has not been brought into the open; and intends to bring it out at E(A) tomorrow.

In this case, Mr. Walker and Mr. Waldegrave seem to me to be right. The key point is that if later discussions with Lord Marshall show that the UK needs to take a more forward position, we can do so. But we can perfectly well begin now with the minimalist position proposed in the DOE paper.

*DW*

DAVID NORGROVE

23 July 1986