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## PRIME MINISTER

## EXPORT OF PLUTONIUM TO FRANCE AND THE UNITED STATES

David Howell sent me a copy of his minute to you of 28th July.

- 2. From the Defence point of view, it is important that there should be no political impediment to meeting the possible American request for reactor grade plutonium; the continuing United States' interest in this sale was confirmed to my officials as recently as 24th July. Political, as opposed to commercial, difficulties would sour the excellent relationships in the defence field we have built up with the US Department of Energy. If commercial problems arise, I would, however, need to examine very carefully indeed whether there was any justification for a Defence financial intervention on the lines referred to by officials.
- 3. As far as the proposed arrangement with the French is concerned, I am content, subject to an assurance that it would not interfere with the supply by BNFL to MOD to meet any immediate Defence Nuclear Programme requirements of relatively small quantities of reactor grade plutonium. In my view, we should tell the Americans of any arrangements we reach with the French before it is physically too late to amend them if the US unexpectedly raise strong objections. In other words, we should make our plans clear before any material is actually delivered to France.
- 4. I am sending copies of this minute to the Secretary of State for Energy; and to the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer; and to Sir Robert Armstrong.

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Ministry of Defence 31st July 1981