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From the Principal Private Secretary

3 August 1981

BF 18-8-81

Dear Julian,

EXPORT OF PLUTONIUM TO FRANCE AND THE UNITED STATES

The Prime Minister has seen your Secretary of State's minute of 28 July 1981 with which he submitted a note by officials seeking approval for the loan of reactor grade plutonium to France and for the sale of the same sort of plutonium to the United States.

The Prime Minister has approved the recommendations set out in paragraph nineteen of the note by officials. She has, however, commented that she fears that we shall be criticised for agreeing that the IAEA safeguards should not be applied to the deal with the French. She understands that they are treating this as a make or break point for the loan, and she would like to know whether President Mitterrand is aware of this. I should be glad to have Brian Fall's comments on this point.

I am sending copies of this letter to Brian Fall (Foreign and Commonwealth Office), John Wiggins (Treasury), Brian Norbury (Ministry of Defence) and David Wright (Cabinet Office).

Yours sincerely,

John Wiggins

Julian West Esq.,
Department of Energy.

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