



Foreign and Commonwealth Office

London SW1A 2AH

11 August 1981

Dear Willie

## TRANSFER OF PLUTONIUM TO FRANCE AND US

In his letter of 3 August to Julian West, Clive Whitmore asked whether President Mitterrand was aware of French insistence that the proposed loan of plutonium from the UK should not be subject to IAEA safeguards.

We have consulted the Embassy in Paris and British Nuclear Fuels Limited (BNFL). We have no direct evidence to show whether or not President Mitterrand is aware of the terms of the proposed loan. Paris telno 671 attached reports (para 1) circumstantial evidence that he may well not be. The Embassy have also told us that if we were to seek the President's views, a major exercise would have to be mounted before the papers reached M. Mitterrand, and, with many people on leave, this would be bound to take a considerable time. According to paragraph 4 of the telegram, indications that France will continue to guard the independence of her nuclear deterrent, imply that the Government will continue to resist the application of IAEA safeguards. The French told us earlier this year that they had not ruled out the possibility of placing Super-Phenix under IAEA safeguards in future, but were not willing to do so as part of a deal with BNFL.

There appear to be two main options. First we might say to the French at a very senior level that we can agree that the loan can go ahead on the terms discussed, and in particular that the material would not be placed under IAEA safeguards. But we are concerned at the risk of criticism - of the French as well as the British Governments - if the deal went ahead on the terms at present proposed and therefore

/wondered

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wondered whether the new Administration might not consider further whether IAEA safeguards might not be applied to the loan. If the French confirmed that the present terms did represent their final position we would have to accept this but Ministers would be able to say, if asked in Parliament, that they had consulted the new Administration. This option carries the risk that because of delay or through irritating the French the deal might fall through. If in the event, which we think unlikely, that President Mitterrand was not prepared to allow the material to remain outside the scope of IAEA safeguards, the CEA for their own part might then advise that it would be better (or cheaper) to use their own US obligated material than accept British material under IAEA safeguards. The deal might thus fall through for that reason.

The second option is to go ahead with the deal as proposed, and reply to any criticism by pointing to the fact that France is in a special category because she already possesses nuclear weapons (it is relevant that material made available by the Italian and German partners in Super-Phenix does not carry IAEA safeguards) and to the assurances which France is prepared to give on the British material, including the need for prior UK consent before the British plutonium can be transferred to a third country.

On balance we recommend the second option. There does appear to be some risk that if we seek to establish President Mitterrand's attitude the deal could fall through. Our assessment is that the French are not likely to change their position on safeguards and to press them to do so could leave the wrong impression.

BNFL are anxious to be able to indicate HMG's position on the proposed terms when the CEA next approach them, but we do not know when that will be.

I am copying this letter to Julian West (Energy), Brian Norbury (Defence), John Wiggins (Treasury) and to David Wright (Cabinet Office).

*Yours ever*

*Michael Arthur*

M A Arthur  
Private Secretary to the  
Lord Privy Seal

06/16/81 WD

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RR MODUK (FOR FARLEY ACSA(N))

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FM PARIS 061551Z AUG 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 671 OF 6 AUGUST 1981

INFO ROUTINE MODUK (FOR FARLEY ACSA(N))

YOUR TELNO. 328: EXPORT OF PLUTONIUM TO FRANCE.

1. WE HAVE NO DIRECT EVIDENCE WHETHER OR NOT PRESIDENT MITTERRAND IS AWARE OF THE TERMS UNDER NEGOTIATION (WE ASSUME) BETWEEN BNFL AND CEA. FROM CIRCUMSTANTIAL EVIDENCE IT IS QUITE POSSIBLE THAT HE IS NOT. AS REPORTED IN PARIS TELNO. 117 SAVING, THE DECISIONS WHICH THE COUNCIL OF MINISTERS HAVE RECENTLY TAKEN ABOUT FRENCH NUCLEAR ENERGY POLICY HAVE NOT APPEARED TO COVER THE FAST BREEDER REACTOR. WE HAVE BEEN TOLD THAT THE QUESTION OF PLUTONIUM SUPPLY HAS NOT YET REACHED THE MATIGNON AND, IN VIEW OF M. MAUROY'S PERSONAL RESPONSIBILITIES FOR NUCLEAR QUESTIONS, THAT IS QUITE A STRONG REASON FOR ASSUMING THAT IT HAS NOT GONE TO THE ELYSEE EITHER.

2. AS REGARDS FRENCH FBR POLICY MORE GENERALLY, MEMBERS OF THE EMBASSY HAVE BEEN TOLD IN RECENT CONTACTS WITH THE CEA AND THE ENERGY DIRECTORATE OF THE MINISTRY OF INDUSTRY THAT NO DECISION HAS BEEN TAKEN ON THE FUTURE OF THE FBR PENDING THE GENERAL DEBATE ON ENERGY POLICY IN THE NATIONAL ASSEMBLY THIS AUTUMN (CF. PARIS TELNO. 117 SAVING), AND THAT IN THE MEANTIME THE GOVERNMENT'S POSITION REMAINS THAT WORK ON SUPER PHENIX WILL CONTINUE AND A DECISION ON WHETHER TO DEVELOP THE FBR COMMERCIALY WILL BE TAKEN WHEN THE NEED ARISES, PROBABLY IN 1982/83.

3. THERE IS NOT MUCH OTHER EVIDENCE FOR PRESIDENT MITTERRAND'S PERSONAL VIEWS. DESPITE THE IMPORTANCE OF THE DEBATE ON CIVIL NUCLEAR POWER DURING THE ELECTION CAMPAIGN, THE CANDIDATE MITTERRAND MADE NO REFERENCE TO THE FUTURE OF SUPER PHENIX. IN HIS BOOK "ICI ET MAINTENANT" PUBLISHED IN OCTOBER 1980, MONSIEUR MITTERRAND SAID THAT THE FBR WAS A "COSTLY, RISKY AND USELESS GAMBLE", THOUGH HE HAS NOT REPEATED THIS SINCE. WE HAVE BEEN TOLD BY THE ENERGY ADVISER AT THE MATIGNON THAT THE PRESIDENT AND MANY OF HIS SENIOR MINISTERS ARE MORE IN FAVOUR OF A MAJOR CIVIL NUCLEAR PROGRAMME THAN THEY FELT ABLE TO SUGGEST DURING THE ELECTION CAMPAIGN.

4. TURNING TO WIDER POLICY CONSIDERATIONS, FRENCH INSISTENCE ON THE FULLEST POSSIBLE SAFEGUARDS AS A CONDITION FOR REBUILDING THE DESTROYED TAMMUZ REACTOR IN IRAQ, AND M. CHEYSSON'S CLAIMS THAT FRANCE WILL IN FUTURE BE MORE SCRUPULOUS OVER THE EXPORT OF NUCLEAR TECHNOLOGY, SUGGEST THAT THE GOVERNMENT MAY ATTACH MORE IMPORTANCE TO THE APPLICATION OF INTERNATIONAL SAFEGUARDS THAN ITS PREDECESSOR DID. THE UNCHARACTERISTIC ANNOUNCEMENT IN PARIS ON 4 AUGUST THAT A NUCLEAR TEST HAD BEEN CARRIED OUT IN THE SOUTH PACIFIC THAT DAY FURTHER SUGGESTS THAT THE GOVERNMENT MAY BE MORE OPEN ABOUT ITS ACTIVITIES IN THE NUCLEAR SECTOR. AT THE SAME TIME, THE INDICATIONS ARE THAT FRANCE WILL CONTINUE JEALOUSLY TO GUARD THE INDEPENDENCE OF HER NUCLEAR DETERRENT. THE IMPLICATION IS THAT THE GOVERNMENT WILL CONTINUE TO RESIST THE APPLICATION WITHIN FRANCE OF IAEA SAFEGUARDS DESIGNED, IN FRENCH EYES, TO LIMIT THE PROLIFERATION OF WEAPON-MAKING TECHNOLOGY RATHER THAN TO GOVERN THE BEHAVIOUR OF RESPONSIBLE POWERS ALREADY IN POSSESSION OF THEIR OWN NUCLEAR ARMS.

5. I AM AFRAID THIS IS THE BEST ESTIMATE WE CAN MAKE IN THE TIME AVAILABLE AND IN THE ABSENCE OF MOST FRENCH OFFICIALS CONCERNED. MIFT REPORTS THE ARRANGEMENTS APPROVED BY YESTERDAY'S COUNCIL OF MINISTERS FOR MINISTERIAL RESPONSIBILITY AND MAKES SUGGESTIONS FOR FUTURE OFFICIAL CONTACTS WITH THE FRENCH ON FBR QUESTIONS.

PETRIE

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SENT/RECD 061635Z GDS/WD