



Prime Minister

Unfortunate - but I am told by the F.C.O. that it is quite clear that the Americans will not be able to take the decision we want before you go to China.

PS/82/76

PRIME MINISTER

A.S.C. 7/9.

MS

Guangdong Nuclear Power Station

1. Since I sent you my minute of 19 August, United Kingdom and United States' officials have held two meetings in Washington to discuss Sino/Pakistani collaboration in nuclear matters, and Under-Secretary of State Stoessel has replied to the personal message I sent to George Shultz. From these contacts, it has become clear that the Americans are still not yet able to agree to the release of US technology for the Guangdong project. They are still seriously concerned about the extent of Chinese involvement in the Pakistani nuclear weapons programme, and suspicions of Chinese reticence on this subject. Even if you personally take the matter up with President Reagan, it seems very unlikely that this obstacle can be overcome before your visit to China.
2. Under these circumstances, it would now seem right for you to make it quite clear to the Chinese that it is only US hesitancy which is standing in the way of a joint UK/US bid for the Guangdong project. You could perhaps then go on to say that while we fully respect the Chinese wish to keep Guangdong entirely separate from wider political issues, anything they and we can do to reassure the Americans that the proposed deal raises no issues of genuine non-proliferation concern would be helpful to us both. This line of thought will be developed further in the briefing for your visit.

/3.



SECRET

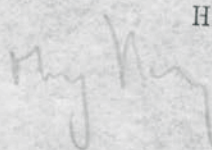
3. I am copying this minute to the recipients of my minute of 19 August.

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(FRANCIS PYM)

Foreign and Commonwealth Office
7 September 1982

SECRET



10 September 1982

Guandong Nuclear Power Station

The Prime Minister has noted the minute of 7 September by the Foreign and Commonwealth Secretary in which Mr. Pym concludes that it is very unlikely that the Americans will be able to agree, before the Prime Minister's visit to China, to release US technology for the Guandong project.

I note that the line to take suggested by Mr. Pym in paragraph 2 of his minute will be developed in the briefing which is being provided.

JOHN COLES

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