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PRIME MINISTER

Peter Walker sent me a copy of his minute to you of 17 September about the review of the Atomic Energy Authority. I note that he will shortly circulate proposals in the light of it and I will reserve final comment till then. It may however be useful if I give my initial reactions.

I too welcome the general thrust of the report in the direction of developing a more commercial approach by the AEA. I am also inclined to share the view that it would be unrealistic to go for privatisation at the present time, not least because of current public sensitivities in this field. I do however have certain particular points of concern. First, I would be willing to accept DEN funding of some elements of AEA research on wastes provided that we are consulted on content and have access to results. Second, I am disposed to accept a 10% surcharge on customers to finance seedcorn research, but only if it supersedes and is not additional to the current surcharge. Thirdly, while I appreciate the advantage of furthering commercial exploitation of waste management, I think we must be careful to avoid creating barriers to the free interchange of new ideas and technologies in a field where public safety is of such paramount importance.

As the report acknowledges, there have already been some discussions between officials on these matters, and I am sure we can come to conclusions on the review which deal satisfactorily with them.

I am copying this minute to Peter Walker, Keith Joseph, Michael Heseltine, George Younger, Norman Tebbit, Peter Rees and Sir Robert Armstrong.

*PJ*

P J

2 October 1984

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