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JP

Yes - providing that  
ARE withdrawal  
Provisions in the agreement  
proper and that there is no  
mis

Prime Minister ①

Prime Minister

With assurances at X, agree  
Mr Walker may sign the  
Memorandum of understanding? (He  
hopes to do this around 9 Jan.

FAST REACTOR COLLABORATION

AT  
21/12

You will be glad to know that the negotiations following our decision to seek international collaboration with the Europeans on fast reactor R & D have now reached a satisfactory conclusion. I intend to sign the inter-governmental Memorandum of Understanding with my Ministerial counterparts from France, Germany and Italy as soon as a convenient date can be fixed. (The Belgians and the Dutch are happy with the text but because of other domestic political problems, will not be in a position to sign at once). If Parliament is sitting I will be answering a written parliamentary question about the MOU and issuing a press notice on the same day. A copy of the proposed answer is attached.

The terms of the MOU fully meet our requirements as envisaged in my minute of 8 July. They set the scene for a long-term collaboration for the further development of fast reactor technology and the associated fuel cycle up to the point of commercial ordering. This can be achieved with Exchequer funding reduced to some £70m a year in September 1981 prices. The MOU envisages a series of industry agreements covering the three broad fronts of R & D design, construction, and operation, and the related fuel cycle and provides for the possibility of joint funding of demonstration reactors. General agreements should be signed immediately after the MOU; and these in turn will lead to specific implementing agreements which will be negotiated by the industry bodies in the months to come.

X  
We have all been concerned that, despite our intention that the collaboration should be long-term, there should be clear withdrawal provisions in case the need arises. Although our partners have been reluctant to see such provisions in a non-binding MOU the final text is fully satisfactory and there will also, of course, be withdrawal provisions in the specific implementing agreements. There is no reason to suppose that we will be under pressure to drive the programme faster or further than we would otherwise wish.





I warned in July that any fast reactor collaboration, especially with a nuclear weapons state such as France, was bound to lead to some presentational problems in relation to non-proliferation. These have not disappeared, but the MOU lays stress on the peaceful purpose of the collaboration, and I do not anticipate major difficulties.

I am copying for information to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, the Secretary of State for Scotland and Sir Robert Armstrong.

Secretary of State for Energy

13 December 1983



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DRAFT WRITTEN PARLIAMENTARY ANSWER

Q. "To ask the Secretary of State if he will make a statement on international collaboration on fast reactors."

A. I have today signed a Memorandum of Understanding with my counterparts in France, the Federal Republic of Germany and Italy for the joint development of fast reactors.

The Memorandum extends existing European co-operation in the area of fast reactors between groupings led by Germany and France respectively. Belgium and the Netherlands already have agreements in place with Germany. They too have been involved in the discussions and have indicated their interest in signing in due course.

The Memorandum underlines the Government's commitment to fast reactor development and to the continuing role for Dounreay, as reaffirmed by my predecessor in his statement to the House on 29 November 1982. It follows the advice of the Chairman of the Atomic Energy Authority, Sir Peter Hirsch, in consultation with the nuclear industry that we should seek international collaboration with Europe. In this way we can carry forward fast reactor technology while minimising costs, so as to enable the commercial ordering of fast reactors in the earlier part of the next century, if this proves necessary.

The Memorandum is an expression of Governmental intent to establish long-term co-operation of fast reactor development, and sets out the key principles of this co-operation.



These include:

- the harmonisation of research and development efforts, the sharing of relevant information and know-how, and the promotion of industrial co-operation;
- appropriate implementing agreements drawn up by the industries in the respective countries;
- confirmation that activities will be directed to the peaceful development of nuclear energy;
- particular attention to fast reactor safety and an intention to establish, as far as possible, common safety criteria;
- interest in extending collaboration to other countries, in particular USA and Japan.

I am placing copies of the full text of the Memorandum in the libraries of both Houses.

The Memorandum is an umbrella under which the industry will be able progressively to set up its own general and specific implementing agreements covering particular aspects of collaboration. I hope to see these established on three broad fronts: research and development on fast reactors; their design, construction and operation; and the related fuel cycle. The programme allows the participant countries to pool their resources and maximise the benefits of their respective technical achievements and expertise whilst minimising duplication. It offers the prospect of achieving and demonstrating a thoroughly developed design of



reactor with great emphasis place on both safety and economic efficiency. The UK will thus be able to maintain its position at the forefront of fast reactor development while at the same time reducing the cost to the Exchequer. The programme will ensure that fast reactor technology will be in the best possible position to make a full contribution to our future energy supplies when the need comes.





10 DOWNING STREET

*From the Private Secretary*

23 December 1983

FAST REACTOR COLLABORATION

The Prime Minister has seen your Secretary of State's minute of 13 December on fast reactor collaboration. She is content that the Memorandum of Understanding should be signed, providing the agreement contains adequate withdrawal provisions and that these are fully understood by all the parties.

I am sending copies of this letter to the Private Secretaries to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretaries of State for Trade and Industry and Scotland, and Sir Robert Armstrong.

(ANDREW TURNBULL)

Michael Reidy, Esq.,  
Department of Energy.





By: N.O.

10 DOWNING STREET

*From the Private Secretary*

5 January, 1984

FAST REACTOR COLLABORATION

The Prime Minister has seen your letter to me of 3 January and is content that your Secretary of State should undertake the signing of the Memorandum of Understanding in Paris on 10 January.

I am sending a copy of this letter to John Kerr (HM Treasury), Brian Fall (Foreign and Commonwealth Office), Callum McCarthy (Department of Trade and Industry), John Graham (Scottish Office) and Richard Hatfield (Cabinet Office).

(A. Turnbull)

M. Reidy, Esq.,  
Department of Energy

RW



✓ cc NO -



Prime Minister ①  
Agree?  
AT 3/1

SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

C1-211 6402

Yes  
mf

Andrew Turnbull Esq  
Private Secretary to the Prime Minister  
10 Downing Street  
London SW1

3 January 1984

Dear Andrew

FAST REACTOR COLLABORATION

Thank you for your letter of 23 December recording the Prime Minister's agreement to signature of the Memorandum of Understanding with the European Consortium.

The Consortium have now formally invited Mr Walker to the signature ceremony, which they propose should take place in Paris on 10 January. This date is acceptable to Mr Walker. He proposes to be accompanied by Charles Henderson, head of Atomic Energy division, and myself. I should be grateful for your confirmation that the Prime Minister is also content.

I am sending copies to the recipients of yours, and to Murdo Maclean (Chief Whips Office).

Yours sincerely  
Michael Reidy

M F REIDY  
Private Secretary



Energy Policy  
A-8



COMPILED





MBM

AT 23/12

Treasury Chambers, Parliament Street, SW1P 3AG  
Mike Reidy Esq  
Private Secretary to  
Rt Hon Peter Walker MBE MP  
Secretary of State for Energy  
Department of Energy  
Thames House South  
Millbank  
LONDON  
SW1P 4QJ

23 December 1983

Dear Mike

FAST FACTOR COLLABORATION

The Chief Secretary has seen your Secretary of State's minute to the Prime Minister of 13 December about the faster reactor. He did not have any comments on the draft announcement but asked me to record two points:

(a) The minute referred to Exchequer funding of some £70m a year at September 1981 prices. Under the formula agreed in the summer, the vote-funding will be somewhat less than that figure when there are contributions from any source of over £5m. For PES 83 it was assumed, for example, that vote-funding would be £68.5m in 1986-87 - the first year at the settled-down level.

(b) Now that the collaborative arrangements have been made, we hope it will be possible to agree with the UKAEA a more detailed series of specific tasks and objectives to ensure that full value for money is derived from this substantial programme.

A copy goes to the Private Secretaries to the Prime Minister, the Foreign and Commonwealth Secretary, the Secretary of State for Trade and Industry, and Secretary of State for Scotland, and Sir Robert Armstrong.

Yours sincerely

J. Gieve

JOHN GIEVE  
Private Secretary



23 DEC 1983

