



PM/85/54

PRIME MINISTER

cc [unclear]
 (2)
 Prime Minister
 CDD 29/5
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China: Nuclear Cooperation Agreement

1. In my minute of 14 December last, I proposed that it would be appropriate for us to negotiate a nuclear cooperation agreement with China in order to provide a framework within which British nuclear industry could work to obtain some of the business available to Western suppliers from China's growing civil nuclear programme. I looked to such an agreement to help put substance into our relationship with the Chinese and in developing our economic exchanges. I am pleased to say that an agreement for cooperation in the peaceful uses of nuclear energy has been successfully negotiated and will be available for signature during the Chinese Prime Minister's visit in June.

2. The agreement does not cover the application of IAEA safeguards in quite the way we would have liked but the Chinese have been persuaded to agree to safeguards if the cooperation should ever be extended to sensitive areas. This undertaking, which will be embodied in a separate exchange of Notes, represents quite a concession by the Chinese who have no mention of safeguards in their agreements with France or the USA.

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3. I am copying this minute to the Secretaries of State for Energy, Defence, the Environment and Trade and Industry.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office
29 May, 1985

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CHINA : Relations ; Pt 2.



29 MAY 1985

