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PRIME MINISTER

Supplies of Highly Enriched Uranium

(MISC 7)

As you know the Secretary of State for Defence is visiting Washington for talks with Dr. Brown on 16th-18th July. In his minute to you dated 3rd July he has explained that we are at present dependent on the United States for enriched uranium fuel for the propulsion plants of our nuclear submarines. It would cost more to make ourselves self-sufficient. But we ought in his view to do so as soon as possible, unless we can obtain a binding long term guarantee of supplies of this fuel from the Americans, which seems unlikely. Departments concerned are unlikely to object to Mr. Pym discussing the subject with the Americans as he suggests.

HANDLING

2. You will wish to ask the Secretary of State for Defence to introduce his note. The points to establish in subsequent discussion are:

- (a) Will international pressures or future changes in the American attitude put our present source of supply at risk?

Ministers are likely to agree that the answer is Yes.

*Passage deleted and retained under Section 3(4)
@Wayland, 18 September 2012*

- (b) Does the Secretary of State for Energy, who has been invited for this item, agree that we should encounter no difficulties with our Dutch and German partners in the Treaty of Almelo?

- (c) What is Lord Carrington's view on the danger of international criticism on non-proliferation grounds?

- (d) Are there any practical problems about building an HEU plant at Capenhurst in an enclave adjacent to the civil nuclear facilities?

Can the results of the British Nuclear Fuels Ltd. design study be accepted with confidence?

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- (d) Costs? Is Mr. Pym reasonably confident of the estimate of cost over the next 15 years of about £160 million for providing a 10 year supply? Does he regard an assured supply of this fuel as so important that he is prepared to bear this total cost within the defence budget?
- (e) Does BNFL possess the necessary technological skills to operate an HEU plant?

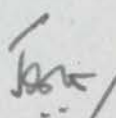
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- (f) How important are nuclear submarines to the Royal Navy? Does Mr. Pym see our Polaris and Hunter killers as the modern equivalent of capital ships for which we will have a continuing requirement into the indefinite future?
- (g) Future technological developments. Is the scarcity of oil likely to make marine propulsion more dependent in future on nuclear reactors? Is there any possibility of any other type of fuels replacing highly enriched uranium?

CONCLUSION

3. In the light of discussion on these points the Committee might be guided to reach the conclusion

- (a) that the Secretary of State for Defence should explore the United States position during his talks with Dr. Brown on 16th-18th July, and report the outcome;
- (b) that if the response is unsatisfactory he should ask his colleagues to confirm (perhaps by correspondence without a meeting) that we should go for self-sufficiency as proposed.


(John Hunt)

9th July, 1979