



PM/81/39

PRIME MINISTER

Export of Plutonium to France and the United States

1. I agree with the recommendations in David Howell's minute to you of 28 July subject to two comments.
2. The first is that in order to encourage the universal acceptance of IAEA safeguards system for nuclear trade we would ideally have wished to see the Agency's safeguards apply to this loan to the French. The assurances which the French are prepared to offer fall short of this but the balance of British interests points to not insisting on them in this case.
3. Secondly, it is important to ensure that we maintain as even-handed an attitude to the two deals as the circumstances allow. Both sets of negotiations with the French and the United States should be monitored closely by officials, with instructions to report to us if there is any likelihood that either of the two deals could affect adversely our relationship with the other negotiating partner.
4. I am copying this minute to the Chancellor of the Exchequer, the Secretaries of State for Defence and for Energy, and Robert Armstrong.

  
(CARRINGTON)

Foreign and Commonwealth Office

31 July 1981

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