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Prime Minister.

Agree in principle to write to

President Reagan?

Yes, not

MS

Materials?

3iii

MO 18/1/1

PRIME MINISTER

SPECIAL NUCLEAR MATTERS (SNM)

att'd. - The initial approach by my officials to the US Department of Defense (DOD) and the US Department of Energy (DOE) on increased US/UK collaboration on the procurement of SNM for our nuclear defence programmes was conspicuously successful. After a presentation on the lines I explained in my minute to you of 17th June, the Americans promptly agreed that there should be a rapid technical study of the available options for economising on SNM procurement (making no reference to the earlier political conditions of US assistance being dependent on our doing all we could to meet our own needs). The DOD and DOE reactions, which had clearly been co-ordinated in advance, represented a remarkable change of attitude from that previously encountered. My officials are now working urgently with DOE to produce costed options for our consideration.

2. American officials indicated that the processing, through their authorising machinery, of their SNM procurement programme, with such elements for meeting UK needs as we may decide, would be markedly facilitated if the basis of enhanced US/UK co-operation had been endorsed by the President. I would like to propose that you write to President Reagan to follow up your earlier advice to President Carter that we would need help with SNM procurement to implement the Trident decision. If you are content I will let you



have a draft when we have the costed options.

3. I am sending copies of this minute to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretary of State for Energy; and to Sir Robert Armstrong.

SN .

Ministry of Defence

31st July 1981

JUG 1981



Very respectfully,
The Secretary of the Board of Directors

The Board of Directors of the Corporation
has the honor to acknowledge the receipt of your letter
of the 10th day of June, 1981, and in reply to inform you
that the same has been forwarded to the appropriate
authorities for their consideration.

Very truly yours,
The Secretary of the Board of Directors