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M. W. ...

M.L.

PRIME MINISTERSPECIAL NUCLEAR MATERIALS

In my minute of 31st July 1981, I proposed that you should write to the US President regarding our requirements for special nuclear materials (SNM) to support our future defence nuclear programme and I said I would let you have a draft when we have the costed options. In advance of detailed figures, however, you should be aware of potential savings on the Defence Budget of up to £300M from these U.S. nuclear materials procurement options. I must emphasise that savings of this magnitude will be of major importance when we come to take decisions on the Trident programme to be adopted. Meanwhile, I have received a letter from the US Defense Secretary, saying he finds our approach to our SNM problems attractive and agreeable in principle, and you have received a minute from the Foreign and Commonwealth Secretary commenting on the international implications of one element (the procurement of highly enriched uranium for naval nuclear propulsion) of the total package which is now being prepared.

2. These preparations are not proceeding as rapidly as I had hoped because the US Department of Energy needs more time than was originally expected to assemble the information we have requested. Nevertheless, I am advised that the urgency attached to a letter from you to the President seeking his endorsement, in principle, of SNM cooperation has not diminished. For this letter to have maximum effect, it needs to be sent in early September to coincide with the timing of the US review and authorisation of their SNM procurement plans. To achieve this end, the letter does not need to be specific; it will suffice if it merely states that there is a positive UK requirement for



specified materials. To make such a statement does nothing to restrict our freedom of choice on the way in which we should ultimately satisfy our SNM requirements and in particular does not prejudice the outcome of the studies on how best to meet our HEU needs for nuclear propulsion. Whatever we do there is no doubt that we shall have to meet at least part of our requirement for HEU, PU and Tritium by US procurement.

3. I am already certain about our requirements to this extent and it is advantageous at this time not to be too specific while we work out where the balance of advantage lies between US and UK procurement, taking into account, inter alia, the points raised / by the Foreign Secretary on Destiny. I therefore attach a draft letter which should serve to elicit the desired Presidential support.

4. My Department, in consultation with the Foreign and Commonwealth Office, Treasury and Department of Energy as appropriate, is continuing to prepare a comprehensive paper on the Defence SNM issues for our consideration in the Autumn. This timing may prove to be particularly fortunate in that it should coincide with our wider deliberations on Trident.

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

J.N.

Ministry of Defence
1st September 1981



DRAFT LETTER FROM PRIME MINISTER TO US PRESIDENT

During the 1980 exchanges on the modernisation of the nuclear deterrent capability of the United Kingdom, your predecessor assured me that the United States was willing, in principle, to supply special nuclear materials for the United Kingdom deterrent programme. Since that time, studies have been undertaken on the United Kingdom's future requirements for such materials and the potential needs have been discussed with Secretary Weinberger, Secretary Edwards and their staffs.

2. The point has been reached where it is certain that the United Kingdom will need to procure significant quantities of highly enriched uranium, weapons grade plutonium and tritium from the US Department of Energy, at various rates from about 1985 for some ten years, in order to implement our future nuclear deterrent proposals. Additionally, there may be a requirement for a relatively modest quantity of low enriched uranium. While the details of the procurement have not yet been finalised in terms either of the United Kingdom programme or of the Department of Energy's capacity to meet it, I would be grateful if you would authorise the Department of Energy, with the support of the Department of Defense, to undertake the necessary procurement planning which must precede the implementation of the special nuclear materials production programmes as may eventually be agreed between us. I would also value your



assurance that the 1958 Agreement between the United States and United Kingdom Governments for Cooperation in the Uses of Atomic Energy for Mutual Defence Purposes would be amended, as we may jointly agree, so that the necessary procurement of special nuclear materials by the United Kingdom from the United States can proceed over the duration of the United Kingdom programme.

*Agreed
MS.*