

PRIME MINISTER

Nuclear Proliferation

This minute by the Foreign Secretary has attached to it a terribly long paper about our strategy for the 1985 Conference which will review the Non-Proliferation Treaty.

Sir Geoffrey Howe would like to send copies of the paper to Governments of EC Member States, the United States, Canada and Australia with a request that they should study it and comment on it.

The paper argues that the regime established by the Treaty is not as effective as originally hoped because of

- a) failure to achieve universal adherence;
- b) defects in the application of the Treaty.

It proposes an action programme to "revitalise" the Treaty and thereby avoid an unsuccessful Review Conference. Specifically:

a) We should take diplomatic action to encourage French and Chinese accession to the Treaty and also accession by the six problem countries (India, Pakistan, Israel, South Africa, Argentina and Brazil). Similarly, we should try to persuade the forty or so other countries which have not signed the Treaty to do so.

b) We should try to increase cooperation in the peaceful uses of nuclear energy by establishing a new "mechanism" for preferential treatment for parties to the Treaty, particularly those in the developing world. The aim is to induce more countries to join the NPT by holding out the carrot of financial assistance to them to acquire peaceful nuclear technology. The paper suggests a number of ways in which such a mechanism could operate. But you should be aware that one possibility referred to is the establishment of a new Fund which would help to finance the acquisition

/ of reactors



of reactors as well as technical studies, schemes for the disposal of waste and spent fuel, etc. In his minute at Flag A, Tony Parsons expresses some doubt about this idea and argues that we would be expected to make a substantial contribution to it. The paper states, however, that it is unlikely to be very expensive.

c) The paper considers the possibility of strengthening the present pattern of assurances (eg that nuclear weapons will not be used against non-nuclear weapon states) but reaches no firm conclusions on what can be done.

d) It also briefly considers measures of nuclear disarmament. This section contains nothing new but makes the point that if there is no significant progress before the Review Conference strong criticism from non-aligned states can be expected.

You may think that before the Foreign Secretary circulates this paper to friendly governments for their comments we should be a little clearer as to the merits of ~~this~~ <sup>the</sup> Fund and the extent of any UK financial contribution. Shall I ask for that point to be further examined?

A.S.C.

We just can't circulate  
 this paper - it is dreadful. If it  
 came to us from a friendly  
 power I should have it sent  
 and have had any further advice  
 from them since somewhat disconcertingly

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