



nbpm

DMS

12/6

PRIME MINISTER

I have seen Patrick Jenkin's minute to you of 31 May.

While I share the objective of securing more public confidence in Sellafield, I think we would be unwise to move away from the "polluter pays principle" even in these difficult circumstances. To give compensation to those who live near nuclear installations could lead to similar pleas from those living by chemical and other hazardous plants. In any case, I wonder whether the understandable fears of local people would in any case be truly assuaged by financial compensation.

I agree that the main concentration should be to get BNFL itself to tackle local worries cost-effectively. The paper already being prepared by officials on radioactive discharges will address one key area. I was quite impressed, during a visit to the site last month, by the effort being made to help local businesses and community schemes. Peter Walker is, I know, already taking steps to strengthen the Board as well as their environmental problems, the Company are also engaged on major capital projects at the site, at least one of which is already showing signs of difficulties. First-class management will be essential to deal with the daunting range of problems BNFL faces at Sellafield.

Like Willie Whitelaw, I therefore doubt whether there is a case for the Government to take initiative to give preferential treatment for the Sellafield area and I should need a great deal of convincing that any increases in Departmental programmes

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(or reduction in nationalised industry revenues) could be justified for the purpose.

I am sending copies of this minute to members of the Cabinet, to John Wakeham and to Sir Robert Armstrong.

PR

PETER REES
7 JUNE 1984

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Environmental Affairs

July 80

Sellafield



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