THE FUTURE OF THE NUCLEAR INDUSTRY

Note by the Secretary of State for Trade and Industry

I attach, for consideration by the Cabinet at their meeting tomorrow, the draft of a Parliamentary Statement on the future of the nuclear industry, which I have prepared in the light of the discussion at this morning's meeting of the Ministerial Committee on Economic Strategy. I would propose to make the Statement, if the Cabinet so approves, tomorrow.

J D

Department of Trade and Industry

7 August 1972
NUCLEAR REACTOR POLICY

1 Decisions in the field of nuclear reactor policy have immense importance for the future strength of British industry and for the security and cost of energy supply. The government is resolved to build upon the major achievements of the AEA in the past and to ensure the development of a powerful capability for the future in which the AEA will continue to play a vital part. We have decided therefore to intensify the installation of nuclear plants as far as technological progress, environmental constraints, industrial capability and generating plant requirements permit.

As far as Research and Development are concerned the Government intends:

To push ahead as rapidly as possible with the development of the sodium-cooled fast reactor, which it sees as the main element, in the long-term, of our nuclear generating programme. A small experimental reactor of this type has been running at Dounreay since 1960, and a 250 MW(E) prototype is expected to run next year. In addition, to arrange for a major programme of work to be carried out over the next 5 years at an estimated cost of ..
of £15 million, largely directed towards component development. It is expected that this system might be ready for a first full-scale order to be placed in the latter part of the '70's and for it to be assuming the major part of nuclear plant orders from the mid-80's.

To commission a complete and specific design and component development programme for SGHWR to run in parallel with the work required to establish the safety of this system. A 100MW prototype of this reactor has been operating satisfactorily for 4 years at Winfrith in Dorset and it is accordingly a strong contender for adoption in the UK grid system. This work is likely to take some 18 months.

To complete urgently work on the AGR with a view to optimising the benefit to be achieved from the five generating plants of this type currently under construction: in addition to study whether design improvements can be made with a view to maintaining it as a possibility for future construction.

For the other two systems currently under active consideration - the HTR and the LWR - to engage in international collaborative work. For the HTR this would be collaborative work of a developmental kind with a view to exploring the prospects of this reactor system which necessarily are in the medium term. For the LWR the objective would be to achieve reassurance about the questions that have arisen as to its safety.
Within about 18 months it should prove possible to evaluate all this work to the point of being able to place firm orders. I shall take into account the healthy development of the nuclear industry at that time when considering the needs of the generating boards.

As to the structure of the industry the nuclear plants needs of the generating boards look to be - at least from the late 70's on - of a scale requiring a much stronger design and construction capacity than is presently available.

It is also reasonable to envisage that the combination of the extensive R & D effort intended and the level of home orders should lead to valuable export business if we have available a strong design and construction capability.

To this end the Government proposes to encourage the consolidation of the present industry into a single strong unit. It should be closely involved with the AEA in reactor R & D and with AEA and BNFL in fuel development and fabrication. It should also have powerful technical and commercial backing. Finally it should be capable of playing its part in international and especially European collaboration in the development and exploitation of nuclear reactors, to which the Government attaches much importance. I am commencing discussions forthwith with all interested parties with a view to constituting as soon as possible the strong unit I envisage.
In addition, I propose to set up a nuclear power board which will bring together all those having a major part to play in providing me with concerted advice on all aspects of nuclear generation policy and on the Government's role in ensuring the most effective progress in this field. The board will have a major part to play in the decisions to be made in 18 months time about the ordering of generating plants.

The plans announced in this statement do not require legislation. I intend to proceed as quickly as possible with any necessary consultations with the interests covered in this country and abroad.