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10 DOWNING STREET

From the Private Secretary

25 October, 1982

HONG KONG

In my letter of 21 October I promised to let you know separately the Prime Minister's views on the attitude we should adopt to various projects in the field of Anglo/Chinese bilateral relations (your letters of 14 and 15 October refer).

The Prime Minister agrees that:-

- (a) we should maintain our bid for the Luda Destroyer project (Mrs Thatcher notes that there is no suggestion that we should improve the financial terms).
- (b) we should also maintain our interest in the Guangdong nuclear project.
- (c) BP should continue its involvement in oil activities off South China.
- (d) the proposed mission to China on 6 November to discuss English language teaching should go ahead and we should consider the desirability of a future programme of language teaching and help for Chinese students only when the mission has reported.

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