



file

cc: DJ
Hay King

JS

CF base

10 DOWNING STREET

28 April 1981

THE PRIME MINISTER

Dear Sir Lawrence,

Thank you very much for your letter of 1 April.

The agreement reached on the Castle Peak B Station was indeed marvellous news, and I was delighted that it proved possible to bring the long and difficult negotiations to a successful conclusion. We very much hope that the Castle Peak B orders may pave the way, as you suggest, towards a joint venture for the Guangdong nuclear project.

All good wishes and many thanks for the vital part you have played in all these matters.

Yours sincerely,

(sgd)

MT

Sir Lawrence Kadoorie, CBE, JP.

8C

Type plan ~~IL/O/R) to deal~~
MS 24/4



DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

3

TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

Secretary of State for Industry

24 April 1981

Tim Lankester Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Prime Minister
Draft letter
attached.

Dear Tim

IL 27/4

Thank you for your letter of 13 April seeking a response that the Prime Minister might send to Sir Lawrence Kadoorie in answer to his letter of 1 April. I attach a draft reply.

2 The background is I think well known. China Light and Power and their Associates, Esso Eastern (part of the Exxon Corporation) have now signed letters of intent with GEC for the Castle Peak 'B' power station in Hong Kong with a value to UK industry of at least £550m. Contracts should be signed by 1 August and the project is the largest power plant order ever secured by the UK.

3 CLP are continuing to discuss with the Guangdong Power Company the possibility of a joint venture nuclear power station. The feasibility report for this is currently being discussed in Peking and the Foreign Secretary during his recent visit emphasised the UK's interest in participating in the project stressing the significance of the Hong Kong connection. Ministers have approved the exploration of an Anglo/French option and this is still being pursued.

4 Sir Lawrence Kadoorie will be visiting the UK later this year. He has seen the Prime Minister on previous occasions and if this were possible again, depending of course on the Prime Minister's programme, then she might mention this in her reply.

Yours ever
Catherine Bell
CATHERINE BELL
Private Secretary



DRAFT LETTER FOR PS/PRIME MINISTER TO SEND TO

Sir Lawrence Kadoorie
Chairman
China Light and Power Co Ltd
St George's Building
Ice House Street
Hong Kong

Thank you ^{very much} for your letter of 1 April. ^{was} The agreement reached on the Castle Peak B Station ^{was} indeed excellent ^{news}, and a clear demonstration of the confidence you have in the competitiveness of British industry. It is also further proof of the special relationship that exists between China Light and Power, the Exxon Corporation and the United Kingdom. The development of even closer ties between the UK, Hong Kong and the Peoples Republic of China is also an objective to which we are both committed.

[I hope that we shall be able to meet on your next visit to London.]

and I was delighted that it proved possible to bring the long ^{and difficult} negotiations to a successful conclusion. We very much hope that if ~~you~~ ^{you} ~~can~~ ^{will} ~~assist~~ ^{may} the Castle Peak B order ^{will} ~~take~~ ^{may} ~~the~~ ^{will} ~~way~~ ^{clear} the way, ~~forward~~ ^{forward} as you suggest, ~~for~~ ^{for} towards a joint venture for the the ~~Guangdong~~ ^{Guangdong} nuclear project.

ack sent to Sir L.
looking for papers

13 April 1981

BF 27-4-81.

I attach a letter the Prime Minister has received from Sir Lawrence Kadoorie.

The Prime Minister will wish to send a reply to Sir Lawrence and I should be grateful if you could let me have a draft reply by 27 April.

TPL

Ian Ellison, Esq.,
Department of Industry.

EC



Hay King
Sub

10 DOWNING STREET

From the Private Secretary

10 April 1981

I am writing to acknowledge your letter of 1 April which we have only received today. I will of course place this before the Prime Minister at once.

T. P. LANKESTER

Sir Lawrence Kadoorie, C.B.E., J.P.



10 DOWNING STREET

PRIME MINISTER

I will pass this letter from Lawrence Kadoorie to the Department of Industry for a draft: I think you will wish to send a short reply.

Yes
is - new well - not too short 1/2
put - new - wonderful friend
T.I. - write to Britain.

10 April 1981

Cables "Kadoorie" Hong Kong
Telephone: 5-249221
Telex: 73427



St. George's Building
Hong Kong

April 1, 1981

The Rt. Hon. Mrs. Margaret Thatcher, M.P.
Prime Minister
10 Downing Street
London S.W. 1
ENGLAND

Dear Prime Minister,

It gives me great pleasure to be able once again to report the satisfactory conclusion of arduous and difficult negotiations which have involved your Government, the Hong Kong Government, Exxon and China Light & Power Co. Ltd.

Our negotiations which, over the past three years, have resulted in orders worth more than £1,000 million being placed in the United Kingdom, reflect great credit on all concerned and, in particular, Mr. A.G. Manzie, who led the team from your Department of Industry and Mr. W.F. Stones, leader of our China Light & Power team.

Thank you for your personal interest and assistance which have been invaluable throughout. We were delighted to have had Lord Carrington and his party present at the new Power Station site on the day of announcement.

With the completion of the recent study we have carried out together with the Guangdong Power Company on the feasibility of building a nuclear power station in Guangdong Province, I believe that with careful handling the orders to which I have referred above can be regarded as a further step towards the accomplishment of what may be described as the world's greatest joint venture i.e. the future relationship between the United Kingdom, Hong Kong and China.

With best wishes,

Sincerely yours,

Lawrence Kadoorie

10 APR 1981

