



PRIME MINISTER

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Prime Minister

To note that Mr Jenkin aims to keep open the possibilities of collaboration both with the French and the U.S. (I understand that there was earlier disagreement about whether to pursue the French or the US connection). Mr Lawson,

GUANGDONG NUCLEAR POWER STATION (am told, agrees with this line.

MLS 7/10

I have seen the record of your and Nigel Lawson's meeting with Dr Marshall of UKAEA, Mr Reinsch of Bechtel Corporation and Mr Stern of Westinghouse. So far my Department has taken the lead on the Guangdong nuclear project and I believe it would be appropriate for them to continue to do so. My officials will continue to consult their colleagues in the Department of Energy and in other interested departments in the development of policy.

The charts presented by Mr Stern showing the possible amount of work which might be done in the UK on the Guangdong nuclear projects do not differ greatly from estimates which have been made previously by my officials and those of the Department of Energy and the UKAEA. There is no dispute that a UK/Westinghouse package could provide greater industrial benefits to the UK than a UK/Framatome package. When Ministers decided in February this year to give greater emphasis to the UK Framatome option, while keeping the Westinghouse option, a major factor was the view that China was likely to place the reactor supply contract with Framatome in fulfilment of a commitment to Giscard d'Estaing that France would supply China's first two nuclear reactors. Another factor was the continuing strong pressure from Lord Kadoorie for a UK/Framatome package, at a time when negotiations on Castle Peak 'B' were in their final stages.

Now that the contract for Castle Peak B has been placed in the UK, officials will pursue with greater emphasis the UK/Westinghouse option. However, they will need to continue to bear in mind that the final choice of reactor rests with the Chinese Government and

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that they are likely to be heavily influenced by the financial elements of any package deal.

The aim should be to put the UK into a position where we can respond readily to a Chinese decision in favour of either potential reactor supplier. GEC and Framatome have already developed ideas on a collaborative tender but possible means of working with Westinghouse are yet to be worked out. My officials are accordingly arranging further talks with Westinghouse in the near future and will involve other Departments and the AEA. I am sending a copy of this letter to Geoffrey Howe, Peter Carrington, Nigel Lawson and to Sir Robert Armstrong.

PJ

P J

7. October 1981

Department of Industry
Ashdown House
123 Victoria Street

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COMMISSIONER

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Prime Minister

China

NBPM

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Rt Hon Patrick Jenkin MP
Secretary of State for Industry
Department of Industry
Ashdown House
123 Victoria Street
London SW1

22 October 1981

Pat Jenkin

GUANGDONG NUCLEAR POWER STATION

Thank you for copying to me your minute of 7 October to the Prime Minister.

I am glad to see that increased emphasis will now be placed on the UK/Westinghouse option and that my officials will continue to be closely involved in developing policy on this project.

Yours truly
Nigel Lawson

NIGEL LAWSON

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VLS

China

12 October 1981

Guangdong Nuclear Power Station

The Prime Minister has seen and noted your Secretary of State's minute of 7 October.

I am sending a copy of this letter to John Kerr (HM Treasury), Brian Fall (Foreign and Commonwealth Office), Julian West (Department of Energy) and David Wright (Cabinet Office).

Michael Scholar

I. K. C. Ellison, Esq.,
Department of Industry.

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10 DOWNING STREET

From the Private Secretary

30 July 1981

VISIT OF SIR LAWRENCE KADOORIE

I am afraid it will not be possible for the Prime Minister to see Sir Lawrence Kadoorie as she will not be in London between 4th and 17th August.

CAROLINE STEPHENS

Mrs. Catherine Bell,
Department of Industry.



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Secretary of State for Industry

28 July 1981

Caroline Stephens
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Caroline

VISIT OF SIR LAWRENCE KADOORIE

I am writing to let you know that Sir Lawrence Kadoorie, the Chairman of the China Light and Power Company, will be visiting the United Kingdom again from 4-17 August. He has asked whether it would be possible for him to see the Prime Minister sometime between 7 and 14 August.

2 Since his last visit and meeting with the Prime Minister on 30 July 1980, negotiations have been successfully concluded on the Castle Peak B power station project and full commercial contracts are expected to be signed on 27 August in Hong Kong. Largely in recognition of his efforts to persuade China Light's partner (a subsidiary of Exxon) to enter into negotiated contracts with UK firms instead of using normal international tendering procedures, Sir Lawrence was awarded a life peerage in the recent Honours List (but he has not yet chosen his title).

3 A further meeting with the Prime Minister would enable Sir Lawrence to explain to her the increasing likelihood of two joint ventures with the Chinese being established and the effect that this may have on future Hong Kong/China relations. The Guangdong nuclear power project is a hydro-electric scheme which would be sited in China and supply power to both China and Hong Kong.

4 The Foreign and Commonwealth Office have expressed their support for this request for a meeting. I would be grateful if you would let me know whether the Prime Minister wishes to see Sir Lawrence.

Yours sincerely
Catherine Bell
CATHERINE BELL
Private Secretary

DEPARTMENT OF THE ARMY
HEADQUARTERS
WASHINGTON, D. C.
ATTENTION: THE ADJUTANT GENERAL
OFFICE



1. The purpose of this memorandum is to advise you of the results of the investigation conducted by the Adjutant General's Office regarding the matter mentioned in the subject line.

2. It is noted that the investigation conducted by the Adjutant General's Office has revealed that the information furnished to you is correct and that the same is in accordance with the records of the Adjutant General's Office.

3. The Adjutant General's Office has no further information to report at this time and the matter is closed.

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