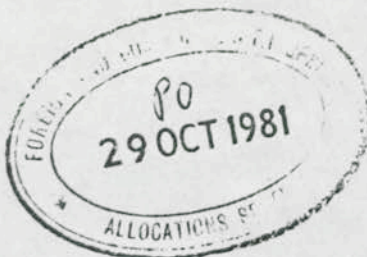


Sir Yue-Kong Pao C.B.E., LL.D., J.P.



WORLD-WIDE SHIPPING GROUP
20/21ST FLOORS, PRINCE'S BLDG.
HONG KONG
TEL: H-242111

HKGD

23rd October, 1981.

*for draft reply psc
from S/S by 6/11*

The Rt. Hon. The Lord Carrington, KCMG, MC
Secretary of State for Foreign &
Commonwealth Affairs
Foreign & Commonwealth Office
London SW1A 2AL

*for PS
PS/LPS
PS/PAS
Mr Donald
FED
TRED*

Dear Peter,

I am still sorry to have missed seeing you in London in July and I have always followed your activities with intense interests.

29/10

One of the issues I had wished to discuss with you during my last visit was whether in view of the ever strengthening friendship between Britain and China, it would be appropriate for me to extend an invitation to the Prime Minister when she visits China in 1982 to be Sponsor at the Launch or Christening of one of my Group's two 27,000 d.w.t. vessels and four 36,000 d.w.t. vessels being built by Chinese shipyards in Shanghai. Since this is an occasion born of the first major transaction Hong Kong interests have had with the Chinese shipbuilding industry, I am sure the Prime Minister's presence will have the effect of promoting further goodwill between the two countries. I had in fact mentioned this to the Prime Minister when I called on her on 17th July and am now just following up on the proposition.

As you know, my Group also have four vessels being built by the yards of Austin & Pickersgill and I was thinking that if the Chinese leadership were to pay a return visit to Britain later, I may be in a position to extend an invitation of Sponsorship to the lady of the Chinese leadership, thus completing a reciprocal arrangement of courtesy. Such an exercise, if agreeable to all concerned, will no doubt call for a great deal of co-ordination between my Group and the Chinese and A & P Shipyards on the matter of timing but I am convinced that the amount of goodwill generated will be considerable and worth the effort.

I would much appreciate your views on the suggestion and look forward to hearing from you at an early date.

With warmest regards,

*Yours truly
Y. K. Pao*

JD

Han Kap

6 November, 1981.

Sir Y-K Pao

The draft enclosed with your letter to me of 5 November seems admirable.

CS

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

010
Where is the draft reply?

RML

5 November 1981

Dear Michael,

Sir Y-K Pao

/ I enclose copies of a self-explanatory letter from
Sir Y-K Pao about the Prime Minister launching one of his
ships in Shanghai and our proposed reply. I would be
grateful for your approval. You will see that we have not
gone beyond what the Prime Minister herself told Sir Y-K
/ on 17 July (a note of the meeting is enclosed). The idea
has its attractions, though these need to be weighed
against the effect of the Prime Minister being seen to
give support to a commercial rival of the UK shipyards.
In any case before taking the idea any further we should
need to consult HM Ambassador in Peking and the Governor
of Hong Kong both about its practicability and its
political desirability in local terms.

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

DSR 11 (Revised)

DRAFT: ~~minute~~/letter/teletype/airmail/telex

TYPE: Draft/Final 1+

FROM:

Reference

Secretary of State

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Sir Yue-Kong Pao CBE L1D JP
World-Wide Shipping Group
20/21st Floors
Prince's Building
Hong Kong

Secret

Copies to:

Confidential

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Unclassified

PRIVACY MARKING

SUBJECT:

.....In Confidence

Many thanks for your letter of 23 October. I too was sorry to miss you in July.

CAVEAT.....

I was interested to hear your idea about the launching of one of your ships. I know that you mentioned this to the Prime Minister on 17 July. I understand that she said that she would bear the proposal in mind. The Prime Minister certainly hopes to visit China next year but we have yet to discuss dates or an itinerary with the Chinese government. We shall want to take your idea into account when we have taken discussions with the Chinese rather further.

I certainly see no objection at all to your proposal for a reciprocal launch in this country. One of the difficulties, however, will be in timing. At present there are no plans for any very senior Chinese leaders to visit the UK in 1982 when I gather Austin and Pickersgill will be ready to launch.

Enclosures—flag(s).....