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C/O.

10 DOWNING STREET

THE PRIME MINISTER

25 January 1982

Thank you very much for your letter of 13 January. It is always good to hear from you. I am looking forward to the ship launch in March.

Thank you, too, for your remarks about Sir Edward Youde's appointment. I agree that he will bring very special qualities to this vital post.

I shall keep well in mind your suggestion that we invite Vice Premier Gu Mu and Mrs Gu here. I understand that an open invitation was in fact issued to Mr Gu Mu on behalf of the Government in June, 1980. I do not know how soon it will be possible to make a firm arrangement but I am grateful for the idea.

Many thanks for writing.

(SGD) MARGARET THATCHER

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

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25 January 1982

Hong Kong/China

I enclose for your information a copy of a recent exchange of letters between Y.K. Pao and the Prime Minister.

AJC

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

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10 DOWNING STREET

Prime Minister

I attach some earlier F./C.O.
advice suggesting that we should not
give Su Hu a firm invitation
until we know what we shall
say if he raises the question of
a large-scale U.K. ban to China

A.S.C.

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

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13th January, 1982.

The Rt. Hon. Mrs. Margaret Thatcher, MP
Prime Minister
No. 10 Downing Street
London S.W. 1
ENGLAND

Dear Prime Minister,

I have just returned to Hong Kong from Hawaii and wish to write to thank you sincerely for sparing the time to receive me in your office before Christmas. Our discussion on Hong Kong's future was extremely timely and interesting. You were kind to let me know that you will extend an invitation to Vice Premier Gu Mu to visit the United Kingdom sometime this year and it is my considered thought now that you might like to consider extending the invitation to Mrs. Gu as well.

Like everyone else in Hong Kong, I enthusiastically welcome the news of Sir Edward's appointment as Governor to succeed Sir Murray and wish to congratulate you and your Government on an ideal choice born of careful deliberations. Sir Edward's unique attributes, especially his extensive involvement in China and his personal rapport with the Chinese Leadership will, we are sure, fully equip him to tackle this difficult assignment at a time when our relations with our giant neighbour are at a crucial turning point. He is undoubtedly the man best qualified to carry on Sir Murray's good work and we will all look up to him to guide Hong Kong to greater success and stability.

I will look forward to the pleasure of seeing you in March at the Austin & Pickersgill ship launch and in the meantime, send my kindest regards.

yours sincerely
J. K. Pao