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Foreign and Commonwealth Office

London SW1A 2AH

15 September, 1982

Dear John,

Prime Minister's Visit to Hong Kong: Opening of Castle Peak Power Station

We have received via the Department of Industry copies of the speeches that Lord Kadoorie and Mr Ian Strachan of Esso propose to make at the opening of the Castle Peak 'A' Power Station on 28 September. I do not think there is anything in them that will cause you to wish to make amendments to the draft of the Prime Minister's speech that we have already submitted, but you may be interested to see them.

Yours ever

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

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1. Your Excellency, Prime Minister, Ladies and Gentlemen. The event which brings together such a distinguished gathering is one with significance far beyond the completion of two major engineering projects. It represents international co-operation and co-ordination at its best.

2. Co-operation between CL&P and their American associates, EXXON, co-operation between HMG and private enterprise, co-operation with our bankers, co-operation between contractors of several nationalities, and last but not least co-ordination of an excellent labour force under the guidance and drive of Mr. W.F. Stones and his able team of Project Engineers, have created this major undertaking, the implications of which are likely to be felt in East/West relations well into the next century.

3. For Hong Kong it is a promise fulfilled. It is with pride that CL&P can look back to a forecast made some six years ago, that the demand for electricity would call for the commissioning of 350MW of new plant in 1982. Our forecast of demand has been on target and so is our provision of the generating capacity to meet it.

4. Time does not permit of a dissertation on the many problems which have had to be overcome during site formation and construction. However, massive understatement allows me to express my appreciation and thanks to all concerned without which it would have been impossible to cast mountains into the sea and produce 350MW of power, with its associated EHV Transmission Network, within budget, and within a period of three years, eight months and twelve days -

a record rarely, if ever, surpassed.

5. It cannot be over emphasised that so much of the impetus for the British participation in this Castle Peak Power Station and the EHV Network Project came directly from Number 10, Downing Street.

6. Very real benefits have flowed from the British Government's and British Industry's imaginative and enthusiastic response to our needs.

7. The contribution of Esso Eastern to this and our other Power Generating Projects should not be underestimated. Since 1964, Esso has been the majority shareholder in the joint venture power generating companies with CL&P and I am happy to say that the same partnership arrangements continue today with the opening of this Station.

8. The scale of Esso's investment in Hong Kong is a powerful demonstration of confidence, matched by their unequalled experience in the field of energy, which has been freely available to us at every stage of planning and management.

9. A major contribution to the success of this project is of course made by staff at all levels in our own company.

10. It would be difficult to commend by name all the suppliers and contractors who have been involved in the two projects but, on this occasion, I could hardly fail to recognise the part played by GEC Turbine Generators and Babcock Power Ltd. in the construction of Castle Peak "A" Power Station, and that of BICC and Balfour Beatty in respect of the EHV Network.

11. I have already referred to the importance of the financial arrangements, which were part of the total package initiated by the British Government. These have been widely recognised as remarkable not only for their size - they involved the biggest loan ever guaranteed by the ECGD - but for the speed with which the arrangements were concluded. The agreements for both the Power Station and the EHV Network were put together by J. Henry Schroder Wagg of London and Schrodgers & Chartered of Hong Kong.

12. It is my privilege, Prime Minister, to express to you on behalf of us all, our sincere thanks for the interest and encouragement you have shown in this project.

13. It is therefore with a great sense of the fitness of the occasion that I ask you, Prime Minister, to unveil these plaques to mark this formal opening of the Castle Peak "A" Power Station and the EHV Network.

Speech by I.C. Strachan

28th Sept., 1982

Your Excellency, Prime Minister, Ladies and Gentlemen. It is my privilege and great pleasure to welcome you here on the occasion of the formal opening of the first phase of the Castle Peak ('A') Power Station and the associated Extra High Voltage Transmission Network which stretches some miles through the hills of the New Territories behind us.

These projects were begun only four years ago and the fact that we are assembled here today is in very large part attributable to the vision, drive and irrep^essible enthusiasm of one man - Lord Kadoorie. The growth of China Light and Power Company into the massive organization it is today has been closely associated with the successes of the Kadoorie family. What began as a small venture in 1900 with capital of only \$200,000 gradually blossomed and expanded, surviving the vicissitudes of depression, surmounting the horrors of war, and finally providing the engine of growth for Hong Kong's unprecedented economic boom in the last twenty years.

Exxon Corporation - or Esso as we know it more familiarly outside the United States - is proud to be associated with China Light in this power station. Since 1964, Esso and China Light have been partners in the power

generating business, beginning with the construction and completion of oil-fired units at Hok On, and the large station on Tsing Yi Island which most of you passed on your way here today, and continuing with the building of this massive coal-fired station here at Castle Peak.

My predecessors during the last eighteen years - Messrs. Westphal, Duncan and Smith and my associates Mr. Jack Bennett, Senior Vice President of Exxon and Mr. R.H. Herman, President of Esso Eastern - who happily are all present today for this historic occasion, can attest to the fact that in Lord Kadoorie and China Light, Esso has been favoured with both an outstanding leader and an impressive operating organization. Few private companies in the world could have responded so successfully to the enormous challenge of constructing a project of this magnitude, on schedule and within budget.

It is therefore with very great pleasure and with the pride of a successful partnership that, on behalf of all my associates in Esso, I now ask Lord Kadoorie to introduce the Prime Minister, who will formally open the Castle Peak 'A' Power Station and the EHV Network.

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PRIME MINISTER'S VISIT TO THE CASTLE PEAK POWER STATION
ON TUESDAY 28TH SEPTEMBER 1982

Directors of China Light and Power Company and Exxon who will be introduced to The Prime Minister in the Luncheon Hall

China Light & Power Company

Sir Sidney Gordon

Deputy Chairman

Mr Horace Kadoorie

Mr M W Lo

Mr Y C Wang

The Honourable Michael Kadoorie

The Honourable Sir Sze-yuen Chung

Mr R J McAulay

Mr C F Wood

The Honourable Lo Tak-shing

Mr K A Miller

Mr D Barrett

Director & General Manager

Mr J S Dickson Leach

Mr W J Birkhead

Mr A S H Norton

Exxon Corporation

Mr J F Bennett

Director and Senior Vice-President

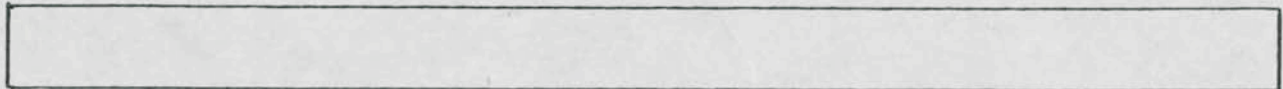
Mr R H Herman

President of Esso Eastern Incorporation which owns 60% of Kowloon Electricity Supply Company

LUNCHEON - TUESDAY 28TH SEPTEMBER 1982

p.m.

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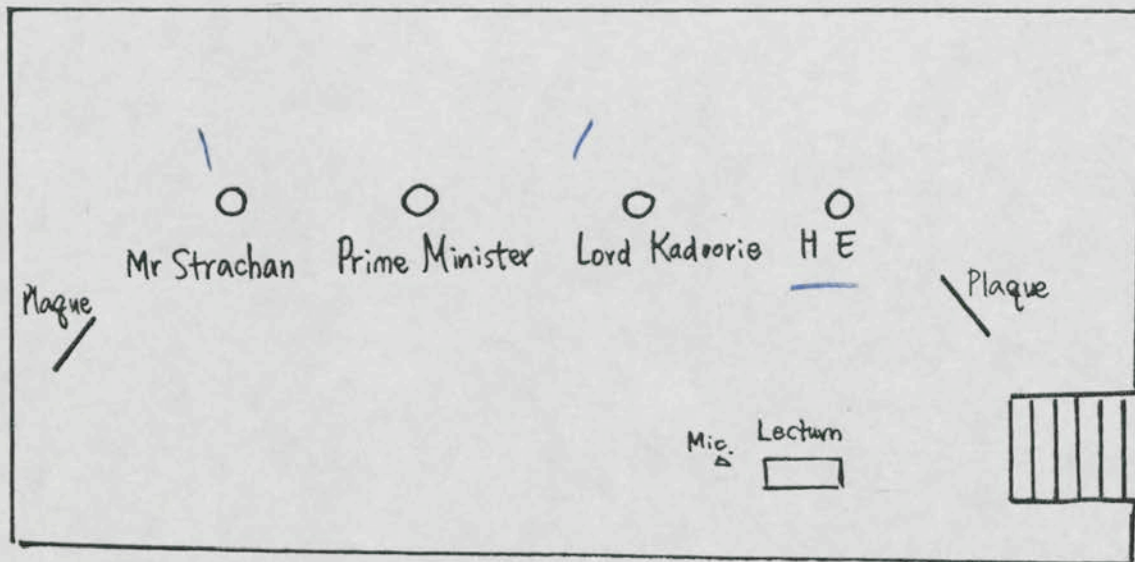
N. Thatcher

7. The Lord Nelson of Stafford
8. Lady Haddon-Cave
9. Mr I C Strachan Chairman, Kowloon Electricity Supply Company, Castle Peak Power Company and Esso (HK) Limited
10. Lady Youde
11. The Lord Kadoorie
12. The Rt Honourable Margaret Thatcher
13. Mr R H Bennett Director and Senior Vice-President, Exxon Corporation, USA. Formerly Under Secretary for Monetary Affairs. Joined Exxon in 1975. Responsible for Exxon's interests in the Asia Pacific Area.
14. The Lady Nelson of Stafford
15. The Honourable M G R Sandberg
16. Mr A G Manzie

30. The Honourable J H Bremridge
31. The Earl of Airlie
32. Mrs J F Bennett
33. The Honourable Sir Philip Haddon-Cave
34. Mrs I C Strachan
35. His Excellency The Governor
36. The Lady Kadoorie
37. Mr Denis Thatcher
38. Mrs R H Herman
39. Sir Sidney Gordon

CASTLE PEAK POWER STATION

CEREMONY AREA



GUESTS