

PRIME MINISTER

HONG KONG

There is one question that you did not have time to discuss with the Foreign Secretary at the meeting yesterday on Hong Kong. Given the state of our discussions with the Chinese about the future of Hong Kong, what should be our attitude towards bilateral relations, specifically the Luda Destroyer project, the Guangdong nuclear project and the proposal for increased English language training and help with fees for Chinese students in Britain?

I attach two letters from the FCO on these matters. Do you agree that:-

- ✓ (a) we should maintain our bid for the Luda Destroyer project (no-one is suggesting that we should improve the financial terms).
- ✓ (b) we should also maintain our interest in the Guangdong nuclear project (I have asked the Secretary for Industry to advise on the future handling of our interest here).
- ✓ (c) that BP should continue its involvement in South Chinese off-shore oil activities.
- ✓ (d) that the mission to China on 6 November to discuss English language teaching should go ahead and that we should consider a future programme of language teaching and help for Chinese students here only when the mission has reported?

*Agreed*

*A.J.C.*

22 October, 1982