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Secretary of State for Trade and Industry

17 May 1985

C D Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Charles,

As requested in your letter of 9 May I attach a draft reply to the letter of 8 May from Mr Paul Brauner of the London Consortium.

Mr Brauner is an entrepreneur with at least one notable overseas project success to his credit: he played a leading part in the project to build an aluminium smelter in Dubai. The Everbright Corporation, with whom he is discussing a possible aluminium smelter complex in China, is a Chinese-owned corporation based in Hong Kong. Mr Wang Guangying, its Chairman, like Mr Brauner has a reputation as an entrepreneur and is said to have good access at the highest levels in Peking; he professes to be strongly in favour of this project. There are, however, a number of uncertainties about the Chinese Government's attitude to the proposed aluminium complex, whose feasibility depends on decisions yet to be taken about the availability and cost of energy and other factors. Even the location of the project in China is undecided.

The purpose of the action group suggested in Mr Brauner's last paragraph would, he says, be to determine steps to be taken before the visits by Mr Wang Guangying later this month and by Premier Zhao Ziyang in early June. Since Mr Wang is coming at Mr Brauner's invitation specifically to discuss the aluminium project, it may be that Mr Brauner's idea is to create a group concerned with his project rather than with wider trade issues. In any event we think that to create a new group is not necessary. This Department is in close touch with Mr Brauner on this project and will brief Ministers appropriately for the two visits.

I am copying this letter and enclosure to Peter Ricketts (Foreign and Commonwealth Office), Michael Reidy (Department of Energy) and Leigh Lewis (Lord Young's Office).

Yours sincerely,
Maureen Dodsworth.

MAUREEN DODSWORTH
Private Secretary



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DRAFT LETTER FOR THE PRIME MINISTER'S SIGNATURE

Paul Brauner Esq
Chairman
The London Consortium
Clivia House
65 Old Church Street
London SW3 5BS

Thank you for your letter of 8 May.

I was interested to read about the progress of your discussions with the Chinese authorities about an aluminium complex. I will ensure that the points you made are taken ^{fully} into account in our preparations for the visits by the Chinese Premier and Mr Wang Guangying. Lord Young, as you will know, is dining with Mr Wang on 28 May.

I doubt if a new group need be created in advance of these two visits. But the Department of Trade and Industry will be grateful to be kept in touch with developments on your project so that Ministerial briefing for both visits can reflect the latest position.

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