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THE PRIME MINISTER

15 August 1979

I enjoyed our discussion on 13 August and valued your analysis of the prospects for developing the China trade once more.

As you emphasised, Hong Kong has a major role as a show place for Western achievements and technology and as a gateway into China. This underlines the need to support large projects by the UK such as those in which China Light and Power are engaged.

10 DOWNING STREET

As I told you, the British Government will maintain their commitment to support your efforts on the current and succeeding contracts and I hope you will convey this assurance to your KESCO partner, Exxon. The exciting prospects and opportunities which China offers us must be grasped. You have an inside track and I know you will not lose the initiative.

(signed) M.T.

Sir Lawrence Kadoorie, C.B.E., J.P.

289

Cables: "Kadoorie" Hong Kong
Telephone: 5-249221
Telex: 78427



St. George's Building

Hong Kong

Geneva. 27/8/79. P4-9

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Dear Prime Minister,

Many thanks for your letter of 15th August received on our return from Salsburg.

I am sure it will prove most useful at this critical stage of KESCO's negotiations for the purchase of further British turbines.

Your personal assurance will do much to strengthen my hand in forthcoming discussions and is very sincerely appreciated.

I hope you enjoyed a well-deserved rest during your brief holiday in Scotland.

With best wishes,

Sincerely Yours,

Lawrence Kadoorie.

Madoric:

10 DOWNING STREET

From the Private Secretary

15 August 1979

## SIR LAWRENCE KADOORIE

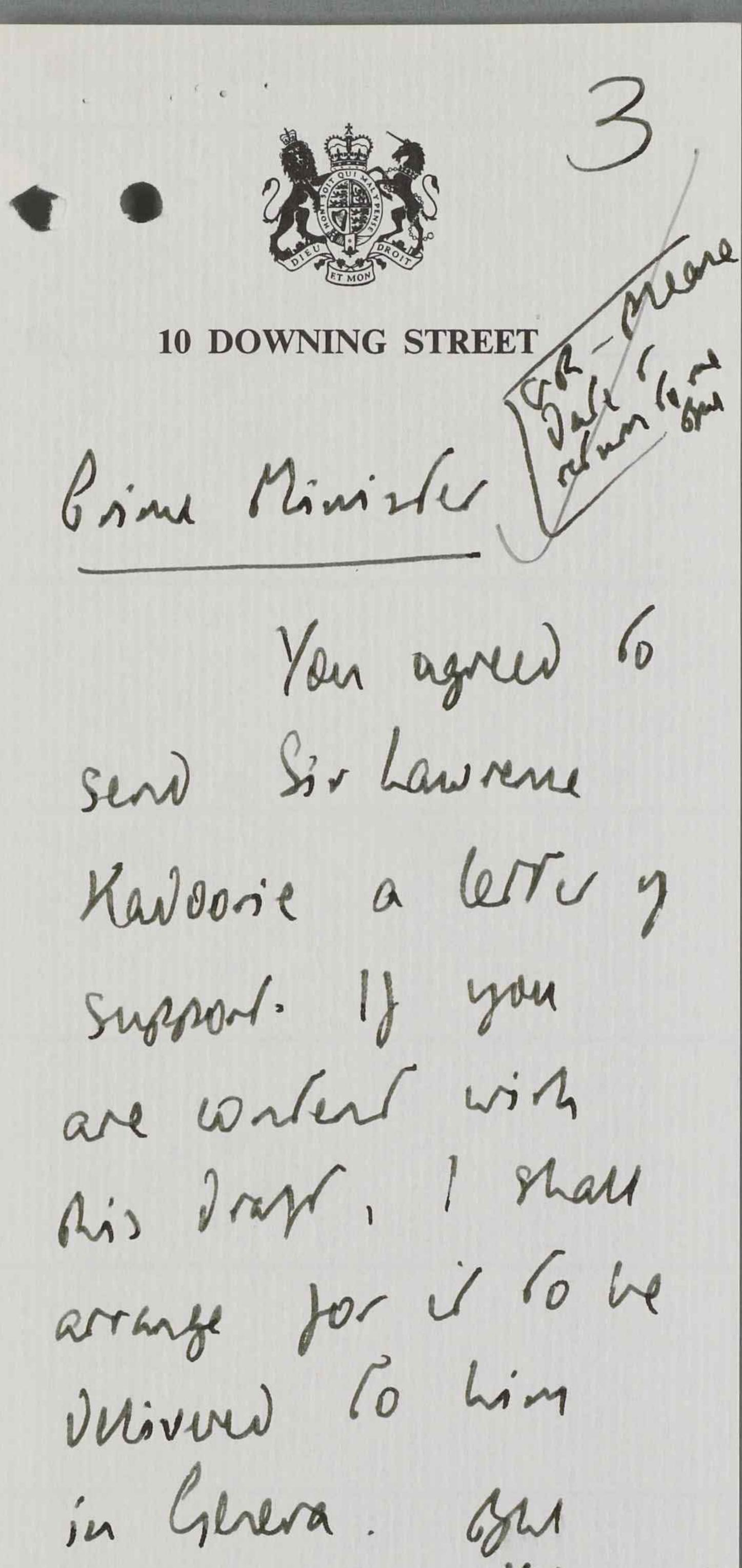
Thank you for your letter of 14 August, with which you enclosed the draft of a letter which the Prime Minister might send to Sir Lawrence Kadoorie, as agreed during her meeting with him on 13 August, for use as he sees fit during his forthcoming discussions in the United States with Exxon, CLP's partner in KESCO.

The Prime Minister has made a few minor amendments to the draft. I now enclose the signed original of her letter to Sir Lawrence and would be grateful if you could arrange for this to be delivered to him in Geneva (Sir Lawrence indicated to me that your Department would have a note of his whereabouts); it is, of course, important that the letter should reach Sir Lawrence before he departs for New York.

I am sending a copy of this letter and enclosure to Stephen Wall (FCO).

B. G. CARTLEDGE

Peter Mason, Esq., Department of Industry.



14/2



PS / Secretary of State for Industry

## DEPARTMENT OF INDUSTRY ASHDOWN HOUSE 123 VICTORIA STREET LONDON SWIE 6RB

Direct Line 01-212 3301 Switchboard 01-212 7676 Telephone

14 August 1979

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Jan Jan .

Private Secretary to the Prime Minister

B G Cartledge Esq

10 Downing Street

London SW1

Further to our telephone conversation yesterday, I attach a draft letter for the Prime Minister to send to Sir Lawrence Kadoorie which should meet, we think, the purposes which Sir Lawrence and the Prime Minister had in mind.

I am copying this letter to Stephen Wall.

PETER MASON

Private Secretary



DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO SIR LAWRENCE KADOORIE

I thought our discussion on Monday 13 August was most useful.

As you emphasised, Hong Kong has a major role as a show place for Western developments and technology and a gateway into China.

This emphasises the need to support large projects by the UK such as the ones that involve China Light and Power.

So, as I have said before, the Department of Industry will continue its commitment to support your efforts on the current and succeeding contracts and I hope you will convey this assurance to your KESCO partner, Exxon. The exciting prospects and opportunities which China offers us need to be grasped. You have an inside track and I am sure you will not lose the initiative.

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