



10 DOWNING STREET

*From the Private Secretary*

1 December, 1983.

Further to my letter of 15 November, I have now had an opportunity to seek the Prime Minister's view on your suggestion that she might meet yourself and Lord Kadoorie to discuss the Guangdong Nuclear Project. As you probably know, Lord Kadoorie wrote to the Prime Minister on this subject recently, and Mrs. Thatcher is also aware of the meeting with the Secretary of State for Trade and Industry which you attended together with Lord Maclehorse on 1 November.

Having considered the matter carefully, the Prime Minister's view is that putting equity into the HKNIC is not the way in which the British Government should seek to support this project. In the circumstances, and given the other very severe pressures on her diary, the Prime Minister does not feel that a meeting at this stage would be helpful.

As the Prime Minister explained in her reply to Lord Kadoorie, a copy of which I enclose, the Government view on equity financing does not in any way diminish the importance which it attaches to the Guangdong Project. The Government will continue to do all that it can to bring the project to a successful conclusion.

David Barclay

The Rt. Hon. Lord Rhodes, KG, DFC.