

SECRET

GR 300

DEDIP

SECRET

FM PEKING 080738Z JAN 82

TO PRIORITY FCO

TELEGRAM NUMBER 17 OF 8 JANUARY

INFO PRIORITY HONG KONG (PERSONAL FOR GOVERNOR)

FOR CLIFT

LPS VISIT: MEETING WITH JI PENGFEI: FUTURE OF HONG KONG

1. AT HIS MEETING WITH VICE PREMIER JI PENGFEI ON 5 JANUARY THE LPS RECALLED THAT YOU BROUGHT UP THE SUBJECT OF THE FUTURE OF HONG KONG DURING YOUR VISIT LAST YEAR. MR ATKINS SAID THAT IN A COMPARATIVELY FEW YEARS' TIME ALL THE LAWS AND POWERS WHICH AT PRESENT EXISTED IN HONG KONG WOULD COME TO AN END IF NOTHING WAS DONE. THIS QUESTION WAS ALREADY THE SUBJECT OF MUCH DISCUSSION IN HONG KONG. THE LPS BELIEVED THAT IT WAS THE WISH OF BOTH SIDES THAT CONFIDENCE IN HONG KONG BE MAINTAINED. WE WERE GIVING MUCH THOUGHT TO THIS SUBJECT AND THE LPS BELIEVED HE SHOULD DRAW THE MATTER TO THE ATTENTION OF PREMIER ZHAO THE FOLLOWING DAY.
2. VICE PREMIER JI SAID THAT THERE WERE STILL 15 YEARS TO GO. IT WAS AN IMPORTANT QUESTION AND THE CHINESE WERE NOW THINKING OF STUDYING THE MATTER SOON. A DECISION ON HONG KONG SHOULD NOT OF COURSE WAIT FOR 15 MORE YEARS. HE COULD ASSURE THE UK SIDE THAT IN THE FUTURE CHINA WOULD PRESERVE THE INTERESTS OF "EXISTING INDUSTRIALISTS AND BUSINESS CIRCLES". HOW THIS SHOULD BE DONE WAS A MATTER WHICH WOULD SOON BE PUT UNDER STUDY.
3. JI SAID THAT DOMESTICALLY CHINA NOW ADVOCATED AN OPEN DOOR POLICY. THEY HAD ESTABLISHED SPECIAL ECONOMIC ZONES IN SHENZHEN AND ELSEWHERE. RELATIONS BETWEEN HONG KONG AND THE MAINLAND WERE DEVELOPING WELL. INVESTORS SHOULD NOT WORRY. THEY WOULD STILL BE ABLE TO MAKE MONEY IN HONG KONG. CHINA WOULD NOT TAKE MEASURES SUCH AS THOSE TAKEN IN THE EARLY YEARS OF THE REVOLUTION WHEN THEY HAD CONFISCATED PROPERTY. THEY WOULD NOT CONFISCATE CAPITALISTS' ASSETS IN HONG KONG. IN THE FUTURE THE TWO SIDES COULD CONDUCT TALKS ON THIS MATTER AND EXCHANGE VIEWS.
4. MIFT CONTAINS REPORT OF LPS DISCUSSION ON HONG KONG WITH PREMIER ZHAO.

CRADOCK

LIMITED

HD/HKGD

HD/FED

PS

PS/LPS

PS/PUS

MR GOODISON

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