

MR COLES

cc Mr Butler  
Mr Ingham  
Mr Donald  
UK Trade Commissioner  
(for checking)

HONG KONG TEXTILE KIT

Following are points that the Prime Minister ( or anyone else) can make, publicly or privately, on the textile (meaning textiles and clothing) problem.

1. I well appreciate that 40 per cent of Hong Kong jobs and exports come from textiles. But I also know that, in Britain, because of closures, restructuring and higher productivity, we have lost a quarter of a million (250,000) textile jobs in the last 3 years. The textile problem is a world problem.
2. All sort of figures can be bandied about but let us get the perspective right:-
  - (i) Britain is Hong Kong's second largest export market (USA is first) - we take 10 per cent of Hong Kong exports - large quantities of clothing; and cameras, watches, etc. In total over £ $\frac{3}{4}$  billion. Hong Kong has trade surplus with UK.
  - (ii) One third of all UK textile imports from what is called the developing world comes from Hong Kong. £400 million out of £1,200 million.
  - (iii) EC imports of textiles from developing world are per head, double those of USA and Japan.
3. EC mandate for new MFA bilaterals is tough. Evolved in 6 Council meetings. I do not want to raise any false hopes of change in mandate. I know cut-backs and low growth elements resented but large volume of trade will be provided for.

/ /If

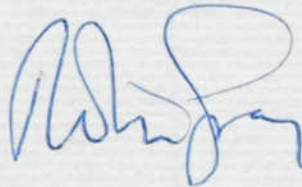
4. [If true] I know that EC/HK textile negotiations were again broken-off [in last few days]. Not end of story. Still 3 months before existing bilateral runs out. My experience that cliff-hanging is a feature of any important negotiation. I hope there will be a new agreement covering next 4 years or more so. Hong Kong manufacturers will want to know where they stand. When agreement reached we will stick by it.

5. The nature of instructions to EC negotiator was known last December before new MFA extension Protocol agreed. Regret any subsequent misunderstanding but still 3 months in which to make bilateral agreement.

6. True that EC has to take positive decision whether to stay in MFA. Decision will be based on assessment of bilaterals - over 1 dozen already agreed. UK has lost no opportunity to remind EC partners that Hong Kong offers open market.

7. Not prepared to speculate what EC would do if it left MFA. Cross bridges when come to them. Must hope for satisfactory bilaterals in next 3 months.

8. UK and HK both need MFA. And GATT which is basis of open trading system. UK working for successful GATT Ministerial meeting in November.



Robin Gray  
Department of Trade

26 September 1982

Private Secretary

Prime Minister's Meeting with selected  
businessmen, 27 September

1. The main purpose of this meeting will be to give those present the opportunity to express their views about the state of business confidence in Hong Kong, and about what will be needed to preserve it over the next few years. Given the nature of the meeting the Prime Minister will not wish to go beyond what she has said to the press in speaking about her talks with Chinese leaders: we cannot rely on confidentiality in this forum. I do not think that those present will expect her to do so. Nor do I see any need for her to make more than a few introductory remarks to start the ball rolling.

2. I attach some headings which set out the ground the P.M. might wish to cover.

Governor

Government House  
26/9/82

Lack of knowledge.

H-k. - Premier, Chan

Vitor Fung. - Status quo i.e.  
Joint admin. with  
2 years notice 2L = 25 or  
more

Unique. - free enterprise  
to have.

Joint administration?

Business connections with China

Confidentially - Proper. →

Dr. Woo. - "Status quo"

Then Law can change over night.

Robert Wade - Gray's prep'n.

McGregor - isolated myself for  
Lidwands Wheeler

Relationship with Peter Walker.

Peter - sensitive way of working.

Right strategic view.

Gave correct advice.

Good on | of Ind. Pub. Law.  
Public relations. | of. Proceedings under

Walker Marshall

Got more electricity out of coal.

Bob's are ~~is~~ maintenance

Norman Willis - more forthright  
than Kinosh.

Various attempts to produce  
an agreement.

Magaya - canchi.

Peluti - Statements for Bern.

Answering Peluti  
for work

Why to police - clear

Wagyo - - Packed over  
sketches out

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OPSS

### HEADINGS

1. Two meetings with Premier ZHAO and Chairman DENG.
2. They will have seen the Prime Minister's comments to the press on the results - particularly the statement.
3. Talks will now begin on the basis of the statement through diplomatic channels and will remain confidential.
4. In entering the talks the Prime Minister wishes to be sure she fully understands the wishes of Hong Kong. This is the business community's opportunity to make their wishes known.



China.

Sp. ec. zone

— not been successful —

—  
No knowledge of H.K.

"Today the leaders of both countries held far-reaching talks in a friendly atmosphere on the future of Hong Kong. Both sides made clear their respective positions on this subject. They agreed to enter talks through diplomatic channels following the visit with the common aim of maintaining the stability and prosperity of Hong Kong"

Dr. Bedford.

Long period -  
Collection - etc.

London - Paris - H-K

↓  
less confidence  
in London.      Moral obligation

What ordinary people of H-K think.

Stability	prosperity	Significant
volatile	impoverished	Cherish
-	-	involvement.

Benefit of H-K

Practical confidence - considerable progress  
made  
- may be forward has taken place.

Hope for respect.      Step-by-step.  
Here people more active.

Encourage people of H-K

MEETING WITH BUSINESSMEN  
AT GOVERNMENT HOUSE  
27TH SEPTEMBER 1982 AT 2.45 P.M.

- Mr. Patrick P.K. Wu  
Executive and General  
Manager of Wing Lung Bank.  
Aged 45. The bank is a  
medium size local Chinese bank.  
Conservative in approach.
- Dr. Philip C.K. Kwok  
Director of Wing On Bank and  
Senior Corporate Executive  
of the Wing On Group of  
companies.  
Aged 44. Educated MIT and Harvard.  
The bank is a small local bank  
owned solely by the Kwok family.
- Mr. Fung King-hey  
Chairman of Sun Hung Kai Bank.  
Aged 60. Speaks little English.  
The bank received its banking  
licence in 1982, the only locally  
incorporated company to be  
granted a full banking licence  
since 1965. The Sun Hung Kai  
Group also specialises in securities,  
insurance and property development.
- Mr. James Sweitzer  
Vice-President and General Manager  
of Manufacturers Hanover (Asia) Ltd.  
Aged 48. The company is a deposit  
taking company. Sepcialised in  
merchant banking.
- The Hon. David K. Newbigging  
Chairman of Jardine Matheson  
& CO.  
Aged 48. Member of Executive  
and Legislative Council.
- Mr. Duncan Bluck  
Chairman of Swire Group.  
Aged 55. Has been Chairman of  
Swire Group since 1981.

MEETING WITH BUSINESSMEN

- 2 -

- Mr. Sam Osmond  
Managing Director of Shell  
Company HK Ltd.  
Aged 49.
- Mr. James Tien  
Deputy Managing Director of  
Manhattan Garments.  
Aged 35. Educated in USA.  
Son of the Hon. Francis Tien,  
a Legislative Council member.  
Manhattan Garments is one  
of the biggest jean manufacturers  
in Hong Kong.
- Mr. S.T. King  
Managing Director of  
Wearbest Garments Manufacturing  
Co. Chairman of Hong Kong  
Garment Manufacturers' Association.  
Aged 60. Came from Shanghai  
in 1949. Influential in textiles  
circle.
- Mr. Robert Mui  
General Manager of Kam Shing  
Knitting Factory. Chairman of  
Hong Kong Knitting Factories  
Association.  
Aged 37. Bright and articulate.
- Mr. Peter Wong  
Managing Director of Chung Wah  
Shipbuilding and Engineering  
Co. Ltd.  
Aged 37. A naval architect  
by training.
- Mr. Roger King  
Managing Director of Euroasia  
Dockyard.  
Aged 42. An electrical engineer  
by training. Son-in-law of the late  
shipping tycoon Mr. C.Y. Tung.  
Euroasia Dockyard is rapidly  
expanding into new activities, such  
as building of oil rigs.

MEETING WITH BUSINESSMEN

- 3 -

- Dr. Andrew Chuang  
Director and General  
Manager of Chuang's (Holdings)  
Ltd.  
Aged 34. Educated in UK.  
Son of Mr. C.W. Chuang who was  
one of the founding members of the  
Chinese Manufacturers' Association.  
Chuang's (Holdings) Ltd. has a  
number of factories specialising in  
manufacturing telecommunication  
equipments.
- Dr. Victor Fung  
Managing Director of Li & Fung  
(Trading) Ltd.  
Aged 37. Educated MIT and  
Harvard. The Li & Fung Group  
is involved in finance, trading and  
manufacturing.
- Mr. Trevor Bedford  
Managing Director of Hong Kong  
Land Co. Ltd.  
Aged 46. Hong Kong Land is the  
largest property company in  
Hong Kong and has a major holding  
of land in Central District.
- Mr. Li Ka-shing  
Chairman of the Cheung Kong  
Holdings Ltd.  
Aged 54. A successful and  
aggressive businessman.  
Cheung Kong Holdings Ltd.  
is one of the several largest  
property companies in Hong Kong.
- Mr. Gordon Wu  
Director of Hopewell Holdings Ltd.  
Late 40's. Hopewell is one of  
the biggest property companies in  
Hong Kong. It has recently  
entered into a major joint venture  
with China to build a new road  
from Shenzhen to Guangzhou.

MEETING WITH BUSINESSMEN

- 4 -

Mr. Stephen Wong

Vice-Chairman and  
Managing Director of  
Goodyear Investors Ltd.

Aged 50. A successful real  
estate developer and  
financier.

Mr. Paul Myners

Managing Director of  
N.M. Rothschild and Son  
(HK) Ltd. Chairman of the  
Hong Kong Deposit Taking  
Companies Association.

Aged 34. Formerly financial  
writer with the Daily Telegraph.  
Rothschild is a deposit taking  
company specialising in gold  
trading.

Mr. Sun Sun Chan

General Manager of the  
Sun Hung Kai Group.

Aged 35. An international  
finance and investment expert.

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Personality Notes  
of Guests Invited to Dinner  
at Government House  
on Sunday 26th September 1982

The Hon. Sir Alan Huggins  
Chief Justice (Acting)

Born 1921. Educated in England. Joined the Hong Kong Judiciary as Magistrate in 1953. Promoted to District Judge in 1958, Puisne Judge 1965 and Justice of Appeal in 1976.

The Hon. Sir Philip Haddon-Cave, KBE, CMG, JP  
Chief Secretary

Born 1925 in Tasmania. Educated in Tasmania and United Kingdom. Served in Kenya and Seychelles before joining the Hong Kong Government as Senior Administrative Officer in 1962. Deputy Financial Secretary in 1969, Financial Secretary in 1971, now Chief Secretary since November 1981. Married to Betty Simpson.

Major-General the Hon. J.L. Chapple, CBE  
Commander British Forces, Hong Kong

Born 1931. Educated in the United Kingdom. Joined 2nd King Edwards own Gurkha Rifles in 1954. Served in Hong Kong in 1959 - 60 as Adjutant, 1965 - 67 as Co Commander, Commander Officer 1970 - 71, Commander Gurkha Field Force 1975 - 77 before being appointed to the present post. Married to Annabel.

The Hon. J.H. Bremridge, OBE  
Financial Secretary

Born South Africa 12.7.25. Educated in UK. Army service 1943 - 47. Company Executive and Chairman of John Swire & Sons H.K. Ltd. until 1981. Member of Legislative Council 1974 and Executive Council 1977 until became Financial Secretary in 1981. Married to Jacqueline Eve.

The Hon. J.C. Griffiths, QC  
Attorney General

Born 1931. Called to the Bar in 1956, and appointed a QC in 1972. Came to Hong Kong as Attorney-General in 1979.



The Hon. Sir S.Y. Chung, CBE, JP  
Senior Unofficial Member of the Executive Council

Born 1917. Educated in Hong Kong and England. Chairman of Sonca Industries Ltd. Unofficial member of the Legislative Council from 1.7.68 to 30.6.74. Unofficial member of the Executive Council since 1.7.72 and senior member since September 1980. Widowed.

The Hon. R.H. Lobo, CBE, JP  
Senior Unofficial Member of the Legislative Council  
and Member of the Executive Council

Born 1923 in Macao. Educated in Macao and Hong Kong. A businessman. Member of the Legislative Council since July 1972 and the Executive Council since July 1978. Married to Margaret Mary.

The Hon. M.G.R. Sandberg, CBE, JP  
Member of the Executive Council

Born 1927. Educated in Oxford. A former Army Officer, has served with the Hong Kong and Shanghai Banking Corporation since 1949. A member of the Executive Council since September 1978. Married to Carmel Sandberg.

The Hon. Donald Liao Poon-huai  
Secretary for Housing

Born in Taiwan 1929. Educated in Hong Kong and UK. Was a lecturer in Architecture before joining the Housing Authority as Architect in 1960. Appointed Commissioner for Housing in 1968. Title changed to Director of Housing in 1973. Promoted to the present post in 1980. Married to Christine Mao, a ballerina.

Sir Yue-kong Pao, CBE, JP  
Chairman, World-Wide Shipping Group

Born 1918. Educated in China. In addition to being Chief Executive of the World-Wide Shipping Group, which he founded, he is Chairman of a large number of other companies.

Mr. Hilton Cheong-Leen, OBE, JP  
Chairman, Urban Council

Born 1922. Educated in Guyana and Hong Kong.  
A company director. Was elected as a member of the Urban Council in 1957. Was Vice-Chairman from 1973 to 1975, and again from 1979 to 1981, and assumed present post in April 1981. Widowed.

Mr. Lee Quo-wei, CBE, JP  
Banker (Hang Seng Bank Ltd.)

Born 1918. Educated in Hong Kong. Past member of Executive and Legislative Councils. Now Chairman of the Board of Education.

Mr. Norman S. Thompson, CBE  
Chairman, Mass Transit Railway Corporation

Born 1920. Educated in United Kingdom. Worked for a number of shipping and related companies. Became Managing Director of Cunard Steamship Co. Ltd. in 1971. Took over the present chairmanship of MTR in 1974. Married to Peggy.

Miss Pauline Chan, OBE, JP

Born 1918. Educated in Hong Kong. Managing Director of Haking W. Electronic Ltd.

Mr. Woo Hon-fai  
Chairman, Chinese Gold and Silver Exchange  
and Gold and Silver Stock Exchange

Born 1922. Arrived in Hong Kong in 1946. Financier. Became Chairman of the Chinese Gold and Silver Exchange Society in 1970 and Chairman of the Gold and Silver Stock Exchange in 1971.

Mr. Michael Brown  
Senior Manager, The Chartered Bank

Aged 45. Banker. He is in charge of Hong Kong Operations for the Chartered Bank - i.e. supervises Hong Kong Island Branches. Mr. Brown was in Hong Kong between 1970 and 1973, then went back to the UK for five years before returning to Hong Kong in 1978.

Mr. Robin G. Hutcheon  
Editor, South China Morning Post

Born 1928 in China. Educated in China and Australia.  
Editorial writer of South China Morning Post.

Mr. Louis Cha Leung-yung  
Publisher & Editor, Ming Po Daily News

Born 1924 in China. Educated in China. Ming Po Daily  
News is popular among the middle class and the editorials written  
by Mr. Cha has<sup>ve</sup> influence locally as well as in China.

Mr. Frank Pong

Born 1944. Educated in Hong Kong and UK. Director  
of Shiu Wing Steel Ltd. Married to Alexia Li.

GUESTS INVITED TO DINNER AT GOVERNMENT HOUSE  
ON SUNDAY 26TH SEPTEMBER 1982

8.15 P.M. LOUNGE SUIT

The Rt Honourable Margaret Thatcher and Mr. Denis Thatcher	
Mr. F.E.R. Butler	Principal Private Secretary
Mr. R.W. Gray	Deputy Under Secretary of State, Department of Trade
Mr. B. Ingham	Chief Press Secretary
Mr. A. Donald	Assistant Under Secretary of State, FCO
Mr. A.J. Coles	Private Secretary
The Honourable Sir Alan Huggins	The Chief Justice
The Honourable Sir Philip and Lady Haddon-Cave	The Chief Secretary
Major-General the Honourable J.L. and Mrs. Chapple	The Commander British Forces
The Honourable J.H. and Mrs Bremridge	The Financial Secretary
The Honourable J.C. Griffiths	The Attorney General
The Honourable Sir Sze-yuen Chung	Senior Unofficial of the Executive Council
The Honourable R.H. Lobo	Senior Unofficial of the Legislative Council
The Honourable M.G.R. and Mrs Sandberg	Chairman Hongkong & Shanghai Banking Corp.
The Honourable Donald Liao Poon-huai and Mrs. Liao	Secretary for Housing
Sir Yue-kong and Lady Pao	Chairman World Wide Shipping Ltd.
Mr. Hilton Cheong-leen	Chairman Urban Council
Mr. Lee Quo-wei	Vice Chairman and General Manager Hang Seng Bank Ltd.

Mr. Norman S. Thompson	Chairman Mass Transit Railway
Miss Pauline Chan	Haking W Industries
Mr. Woo Hon-fai and Mrs Woo	Chairman The Hong Kong Stock Exchange
Mr. and Mrs. Michael Brown	Senior Manager The Chartered Bank
Mr. and Mrs. Robin Hutcheon	Editor South China Morning Post
Mr. and Mrs. Louis Cha	Ming Pao Daily News
Mr. and Mrs. Frank Pong	Director Shiu Wing Steel Co.

5 GH  
H E The Governor  
Lady Youde  
Mr. G.A. Higginson  
Mr. Paul Croft  
Miss Mary Carson

TOTAL 42

DINNER WITH UMELCO  
MONDAY 27TH SEPTEMBER 1982

TABLE ORCHID

The Rt Honourable Margaret Thatcher, MP

H E The Governor

The Honourable Sir S.Y. Chung

Senior Unofficial Member  
of Executive Council

The Honourable R.H. Lobo

Senior Unofficial Member  
of Legislative Council

The Honourable O.V. Cheung

Past Senior Unofficial Member  
of Legislative Council,  
Barrister-at-law, QC

The Honourable Li Fook-wo

A banker

Dr. the Honourable Harry Fang

A practitioner in  
Orthopaedic surgery

The Honourable Michael Sandberg

Chairman, Hong Kong and  
Shanghai Banking Corporation

The Honourable Lo Tak-shing

A solicitor

The Honourable David Newbigging

Chairman of Jardines

The Honourable Lydia Dunn

A director of Swires

TABLE LILY

Mr. Denis Thatcher

Mr. F.E.R. Butler

Lady Youde

Dr. the Honourable Francis Tien

Appointed to the Legislative  
Council since 1974. A very  
successful businessman in  
garment manufacturing. Chairman  
of Manhattan Garments. Chairman  
of Vocational Training Council.

- The Honourable Alex Wu  
Appointed to Legislative Council since 1975. A businessman in publishing and trading business. Chairman of Council for the Performing Arts.
- The Reverend the Honourable Joyce M. Bennett  
Appointed to Legislative Council since 1976. An ordained priest of the Anglican Church, principal of a secondary school.
- The Honourable Chen Shou-lum  
Appointed to Legislative Council since 1976. A director and General Manager of the Hong Kong Electric Group.
- Dr. the Honourable Henry Hu  
Appointed to Legislative Council since 1978. A barrister-at-law.
- The Honourable Peter C. Wong  
Appointed to Legislative Council since 1976. A solicitor.
- The Honourable Wong Lam  
Appointed to Legislative Council since 1976. A Public Relations manager in the public transport business.
- Dr. the Honourable Rayson Huang  
Appointed to Legislative Council since 1977. Vice-Chancellor of the Hong Kong University.
- The Honourable Charles Yeung  
Appointed to Legislative Council since 1977, an indigenous New Territories villager. A solicitor.

DINNER - MONDAY 27TH SEPTEMBER 1982

THE RT HONOURABLE MARGARET THATCHER

THE HONOURABLE  
SIR SZE-YUEN CHUNG

H E THE GOVERNOR

THE HONOURABLE  
LI FOOK-WO

THE HONOURABLE  
R H LOBO

THE HONOURABLE  
LYDIA DUNN

THE HONOURABLE  
LO TAK-SHING

DOCTOR THE HONOURABLE  
HARRY FANG SIN-YANG

THE HONOURABLE  
M G R SANDBERG

ORCHID

THE HONOURABLE O V CHEUNG

MR DENIS THATCHER

THE HONOURABLE  
FRANCIS YUAN-HAO TIEN

LADY YOUDE

THE HONOURABLE  
PETER C WONG

THE HONOURABLE  
CHEN SHOU-LUM

DOCTOR THE HONOURABLE  
RAYSON HUANG

THE HONOURABLE  
WONG LAM

THE REVEREND THE  
HONOURABLE JOYCE M BENNETT

THE HONOURABLE  
CHARLES YEUNG SIU-CHO

MR F E R BUTLER

THE HONOURABLE  
HENRY H L HU

LILY

THE HONOURABLE ALEX WU SHU-CHIH