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FM HONG KONG 101006Z NOV 82

TO ROUTINE FCO

TELEGRAM NUMBER 1302 OF 10 NOVEMBER

INFO ROUTINE PEKING

PEKING TELNO 707: FUTURE OF HONG KONG: TDC VISIT TO CHINA.

1. SIR Y K KAN AND THREE OTHER MEMBERS OF THE TDC DELEGATION (NEUBIGGING, WONG PO-YAN AND DUNNING) HAD A PRIVATE MEETING WITH THE MAYOR OF SHANGHAI IN SHANGHAI ON 3 NOVEMBER. FOLLOWING ARE THE MAIN POINTS MADE BY WANG DAOHAN ACCORDING TO THE NOTES OF THE MEETING GIVEN TO US BY SIR Y K KAN (COPY BY BAG):

' WANG DAOHAN RAISED THE QUESTION OF THE FUTURE OF HONG KONG UP TO AND AFTER 1997 AND STRESSED THE FOLLOWING POINTS:

(A) PROSPERITY AND STABILITY WOULD BE MAINTAINED, EVEN AFTER 1997

(B) INDIVIDUAL AND CORPORATE PROPERTY AND INVESTMENTS WOULD BE PROTECTED

(C) AFTER 1997:

- HONG KONG'S STATUS AS A FREE PORT AND INTERNATIONAL FINANCIAL AND BUSINESS CENTRE WOULD CONTINUE

- SOVEREIGNTY IS NOT NEGOTIABLE

- MANAGEMENT AND ADMINISTRATION IS (IS) NEGOTIABLE

- THE OBJECTIVES ARE CLEAR AND THEREFORE AN ACCEPTABLE FORMULA CAN BE ACHIEVED

|| N.B.

(D) 'THOSE CONCERNED' SHOULD CONTINUE WITH THEIR DAY TO DAY BUSINESS WHICH WOULD HELP TO GENERATE AND MAINTAIN CONFIDENCE. MEANWHILE SHUTTLE DIPLOMACY IN THE KISSINGER MOULD COULD BE USED TO SOLVE THE KEY ISSUES

(E) HONG KONG IS A SPECIAL SITUATION WHICH REQUIRES SPECIAL CONSIDERATION AND SPECIAL ARRANGEMENTS

(F) THE POLICY STATEMENTS MADE IN BEIJING TO THE TDC DELEGATION BY VICE-CHAIRMAN XI, REFLECTED THE POLICY OF THE TOP LEADERS.

THE MAYOR WENT OF TO SUGGEST THAT IT WOULD BE EASY FOR SIR Y K TO RESTORE HONG KONG'S CONFIDENCE. ''

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/THE MAYOR

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THE MAYOR WENT ON TO SUGGEST THAT IT WOULD BE EASY FOR SIR Y K TO RESTORE HONG KONG'S CONFIDENCE. 'THE CONSTANT SHANGHAI POLICY TOWARDS HONG KONG IS TO MAINTAIN THE PRESENT SITUATION. WE HAVE ALREADY TAKEN A FEW STEPS TO COUNTERACT THE ADVERSE PUBLICITY. WE WILL ASK HONG KONG PEOPLE TO COME TO SHANGHAI AND WE WILL SEND SHANGHAI PEOPLE TO HONG KONG'. HE AGAIN SAID THE 'SOVEREIGNTY ISSUE' WOULD BE DISCUSSED IN GOOD TIME'.

2. THE MEETING TOOK PLACE ON CHINESE INITIATIVE: THE TDC DELEGATION WERE WOLD THAT WAN 'SIMPLY WANTED TO SEE HIS FRIENDS'. IT SEEMS TO US LIKELY THAT WANG WAS ASKED BY PEKING TO RAISE THE QUESTION OF THE FUTURE MAINLY IN ORDER TO GET ACROSS THE POINT ABOUT SOVEREIGNTY, WHICH WAS NOT MADE EXPLICITLY BY XI ZHONGXUN. THE AMBASSADOR MAY WISH TO COMMENT ON THE REFERENCE TO 'SHUTTLE DIPLOMACY'.

YOUDE

FUTURE OF HONG KONG

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HD/PLANNING STAFF

HD/PUSD

PS

PS/LORD BELSTEAD

PS/PUS

MR GIFFARD

MR DONALD

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THIS TELEGRAM  
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