

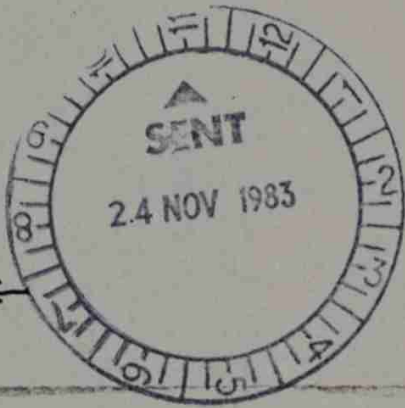
FUTURE OF HONG KONG ADVANCE COPIES 10

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PS
PS/PUS
PS/MR LUCE
MR DONALD
ED/HKD
ED/FED

COPY TO:
MR COLES, No. 10 DOWNING ST
Mr Roberts News D.



RESIDENT CLERK

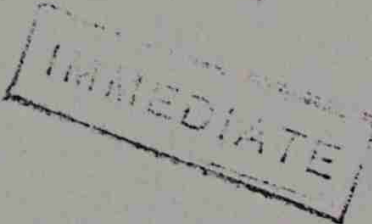
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DESBKY 241100Z

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Dms
24/11

FROM PEKING 240922Z NOV 83

TO IMMEDIATE FCO



TELEGRAM NUMBER 1248 OF 24/11/83

REPEATED FOR INFO TO IMMEDIATE HONG KONG

attached
?

YOUR TEL NO 1247: FUTURE OF HONG KONG: GUANGDONG NUCLEAR PROJECT

1. WE AGREE WITH THE ADVICE IN PARA 3 OF TUR. HMG'S EQUITY PARTICIPATION IN THE PROJECT WILL NOT MODIFY CHINA'S HARDLINE.
 2. THE ADVANTAGES LIE ELSEWHERE. HMG'S PARTICIPATION WILL GIVE SUBSTANCE TO OUR DECLARED MORAL COMMITMENT TO THE PEOPLE OF HONG KONG BEYOND 1997. CONFIDENCE IN HONG KONG ITSELF WILL BENEFIT.
 3. PARTICIPATION BY HMG WILL EASE THE PROBLEMS OF SETTING UP HKNIC, WHICH IS THE ESSENTIAL PRELIMINARY TO ESTABLISHING THE JOINT VENTURE COMPANY WITHOUT WHICH THE PROJECT WILL NOT RUN. FAILURE TO SET UP HKNIC, ESPECIALLY IF ATTRIBUTABLE TO HMG'S UNWILLINGNESS TO OFFER TANGIBLE SUPPORT, RUNS THE RISK OF DAMAGING CONFIDENCE IN HONG KONG, AND OF SOURING THE ATMOSPHERE OF THE TALKS.
- THE CHINESE WOULD ALMOST CERTAINLY QUESTION OUR SINCERITY IN SAYING (AS WE CONSTANTLY DO) THAT OUR AIM IS TO MAINTAIN THE PROSPERITY OF HONG KONG UP TO AND BEYOND 1997.
4. THE GOVERNOR MAY WISH TO DISCUSS THIS QUESTION FURTHER WITH THE AMBASSADOR WHO LEFT FOR HONG KONG BEFORE RECEIPT OF TUR.

CLARK

CCN PARA 1 WA PROJECT WILL NOT MODIFY