

GRS 430

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FROM PEKING 210822Z JAN 85

TO PRIORITY FCO

TELEGRAM NUMBER 77 OF 21/1/85

INFO IMMEDIATE HONG KONG AND BTC HONG KONG

VISIT BY CLP DELEGATION: MEETINGS WITH CHINESE LEADERS

1. LORD KADOORIE AND HIS DELEGATION CALLED ON BOTH ZHAO ZIYANG AND DENG XIAOPING WHILE THEY WERE HERE. HE ATTENDED BOTH MEETINGS.

2. THE CALL ON ZHAO LASTED LESS THAN 20 MINUTES, INCLUDING PHOTOGRAPHS, AND WAS CONFINED TO COURTESIES. KADOORIE DREW ATTENTION TO HIS FAMILY'S LONG CONNECTION WITH CHINA, THE ROLE OF HONG KONG AS A QUOTE BRIDGE UNQUOTE BETWEEN EAST AND WEST, AND HIS HOPE THAT THE NUCLEAR PROJECT WOULD BRING PROSPERITY TO ALL CONCERNED.

ZHAO DREW ATTENTION TO THE FACT THAT THE GUANGDONG NUCLEAR PROJECT WOULD BE CHINA'S LARGEST JOINT VENTURE AND LEAD TO THE BUILDING OF THE COUNTRY'S LARGEST POWER STATION: WELCOMED IT AS AN EXAMPLE OF COOPERATION BETWEEN HONG KONG AND CHINA: AND STRESSED ITS IMPORTANCE TO CHINA'S DEVELOPMENT AND TO HONG KONG'S PROSPERITY.

3. THE CALL ON DENG LASTED FOR 35 MINUTES, AND THE CONVERSATION WAS A LITTLE MORE SUBSTANTIVE. DENG AND KADOORIE RAN OVER THE GROUND COVERED AT THE MEETING WITH ZHAO, AND DENG COMPLIMENTED KADOORIE ON THE POSITIVE ATTITUDE HE HAD TAKEN TOWARDS THE PROJECTS AND THE FUTURE OF HONG KONG. DENG THEN EMPHASISED THE LONG TERM NATURE OF THE OPEN-DOOR POLICY IN THE TERMS HE HAD USED WITH MRS THATCHER, AND REPEATED CHINA'S AMBITION OF QUADRUPING HER GNP BY THE END OF THE CENTURY AND CATCHING UP WITH THE DEVELOPED COUNTRIES WITHIN HALF A CENTURY AFTER THAT. HE ALSO REPEATED THAT ALTHOUGH CHINA WOULD INTRODUCE SOME QUOTE CAPITALIST THINGS UNQUOTE, THE SOCIALIST SYSTEM WOULD REMAIN QUOTE IN COMMAND UNQUOTE. (FOR EXAMPLE, HE SAID IN AN ASIDE, THE GUANGDONG NUCLEAR PROJECT WOULD REMAIN 75 PER CENT SOCIALIST EXCLAM)

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4. KADOORIE RESPONDED THAT HE WAS HAPPY TO COOPERATE WITH A SOCIALIST COUNTRY, AND TO SHOW THAT CAPITALISM AND SOCIALISM COULD WORK TOGETHER FOR THE BENEFIT OF ALL CONCERNED. HE ASSURED DENG OF HIS COMPANY'S COMMITMENT TO THE PROJECT, AND COMPLIMENTED CHINESE LEADERS ON THEIR GOVERNMENT'S SOUND FINANCIAL POLICY.

5. DENG SAID HE WISHED TO ASSURE FOREIGN JOINT VENTURE PARTNERS THAT THEY WOULD NOT LOSE MONEY. CHINA WOULD TAKE ACCOUNT OF FOREIGN PARTNERS' INTERESTS, AS IN THE NEGOTIATIONS ON THE FUTURE OF HONG KONG THEY HAD TAKEN ACCOUNT OF BRITISH AND HONG KONG AS WELL AS CHINESE INTERESTS. SIMILARLY, CHINA WOULD TAKE ACCOUNT OF THE INTERESTS OF THE PEOPLE OF TAIWAN AND OF FOREIGN INVESTORS THERE WHEN THIS REMAINING ITEM ON THE REUNIFICATION AGENDA WAS SETTLED. INDEED, THE TERMS CHINA OFFERED TAIWAN WERE EVEN MORE GENEROUS THAN THOSE OF THE HONG KONG SETTLEMENT

6. THE ATMOSPHERE IN BOTH MEETINGS WAS WARM AND FRIENDLY. AT THE DENG MEETING IT WAS POSITIVELY GOOD-HUMOURED WITH THE JOSSING ONE WOULD EXPECT BETWEEN TWO SUCH COLOURFUL OCTOGENARIAN CHARACTERS. BOTH MEETINGS WERE WELL COVERED IN THE CHINESE PRESS.

THOMSON

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ADDITIONAL DISTN.
GUANGDONG NUCLEAR

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