Hong Kong

PRIME MINISTER

Call by Lord Maclehose

You will wish to have his views on the problem of the future of Hong Kong.

I attach two letters from the Foreign Office:-

a) The first reporting a recent discussion between Mr. Pym and Mr. Heath on the latter's conversations in Peking about this subject.

b) Secondly, a note about the attitudes of people in Hong Kong to a possible transfer of sovereignty.

A.J.C.

22 July 1982

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Foreign and Commonwealth Office

London SW1A 2AH

21 July 1982

Prime Minister

To note.

A.J.C. 23/7

Dear John,

Future of Hong Kong

You asked if we could let you have some information on the probable views of people in Hong Kong on the question of future sovereignty over the Territory.

It is not possible to gauge the full range of public opinion on this subject. There has been nothing approaching a major opinion poll although a survey carried out earlier this year by the Reform Club of Hong Kong claimed 75% support for a scheme which would involve British recognition of Chinese sovereignty in return for continuing British administration. As public debate on the subject has increased in Hong Kong, however, editorials in the press have considered a number of schemes in which the main emphasis has been on the importance of the maintenance of the status quo so far as administration is concerned, rather than sovereignty.

The view of Lord MacLehose is certainly that no-one in Hong Kong seriously expects that a solution which ensures continued British administration in Hong Kong can be achieved without a British shift on sovereignty. Sir E Youde, the present Governor, shares this view. It is borne out by opinions expressed during a recent informal meeting which the Governor held with Unofficials Members of the Executive and Legislative Councils. The Governor reported that Members expressed themselves as in no doubt that in discussions with the Chinese it would be impossible to make any real progress towards the continuation of British administration on satisfactory terms unless HMG was prepared to concede Chinese sovereignty over the whole Territory.

/Such a view

Such a view probably fits the attitudes of most Hong Kong Chinese (98% of the population). The majority are either fairly recent immigrants from China or their children. They are likely to see themselves as still primarily Chinese, although they do not wish to live under the Communist system. Thus the British connection is mainly of value to them in providing an umbrella under which they can carry on their profitable economic activity in Hong Kong. They are less likely to feel an emotional attachment to the UK. But they would need to be fully assured that British administration would continue with sufficient guarantees to safeguard their freedom and livelihood.

Yours ever.

Francis Richards

for (J E Holmes)
Private Secretary

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Foreign and Commonwealth Office

London SW1A 2AH

21 July, 1982

Prime Minister

To note.

A.J.C. 23/7.

Dear John,

Future of Hong Kong: Discussion between the Secretary of State and the Rt Hon Edward Heath MP

The Prime Minister has seen Peking telegrams numbers 202 and 209 reporting on the conversation between Mr Heath and Deng Xiaoping in Peking on 6 April. As a follow up, Mr Heath called on the Secretary of State on 30 June to give his personal impressions.

Mr Heath said that when he saw Vice Premier Deng it was quite clear that Deng expected his remarks to be passed on to HMG. Mr Heath took the view that it would be the wrong tactics to suggest to the Chinese that the treaties governing Hong Kong should be extended or that Hong Kong Island and Kowloon would be administered on their own. The Chinese accepted the economic value to them of Hong Kong and were offering in exchange for sovereignty a free port with no governor but some form of as yet undefined administration. There was pressure on the Chinese not to wait until 1997 and something had to be done now given the amount of talk in Hong Kong. A transitional period might be required. Mr Heath said it would be difficult to persuade the Chinese to accept British administration after 1997. Nor did he believe that the people in Hong Kong really expected this. Many were now investing in China and believed that Deng had established an economically stable society. Mr Heath suggested that it would be important to keep the debate open on sovereignty matters during the Prime Minister's visit. Mr Heath concluded by offering his services if he could be of further use in the future.

Mr Pym said that we recognised the seriousness of the issue, and the problem caused by the talk in Hong Kong. We considered that continued British administration in Hong Kong would be needed to maintain confidence. Mr Pym did not respond to Mr Heath's offer of services.

Yours ever,

(B J P Fall)
Private Secretary

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