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10 DOWNING STREET

From the Private Secretary

11 October, 1982

Dear John,

PQ: Future of Hong Kong

Thank you for your letter of 8 October describing the line which Lord Belstead proposes to take in response to the Parliamentary Question on 14 October. The Prime Minister agrees with the main answer and has commented "the less said the better".

With regard to the Supplementaries she has asked whether the word "contacts" should not be substituted for "meetings" in the first Note for Supplementaries.

The Prime Minister would like the first sentence of the second Note for Supplementaries to read: "I cannot make any useful forecast of how long the talks will take".

Finally, with regard to the sixth Note for Supplementaries, the last sentence should read: "I would rule out no possible solution that was acceptable to the people of Hong Kong and to this Parliament".

JC

J. E. Holmes, Esq.,
Foreign and Commonwealth Office

M



Foreign and Commonwealth Office

London SW1A 2AH

8 October 1982

Prime Minister

*Content that Lord Belstead
should take this line?*

*Yes -
the bill would
be better
not*

Dear John,

A.J.C. 8/10

PQ: Future of Hong Kong

Lord Brockway has put down for oral answer on 14 October a question on the Prime Minister's discussions in Peking in September, "particularly regarding the future of Hong Kong". Lord Belstead will reply.

I enclose a draft section on Hong Kong for inclusion in Lord Belstead's reply and draft notes for supplementaries that may arise with regard to Hong Kong. These are based closely on the joint statement issued after the Prime Minister's meeting with Deng Xiaoping, the comments made by the Prime Minister in her press conferences in Peking and Hong Kong, and the relevant parts of the speech made by the Governor of Hong Kong in the Legislative Council on 6 October. They have been cleared with HMA Peking and the Governor of Hong Kong. I would be grateful for your confirmation that they are acceptable.

The remainder of the reply on the Prime Minister's other discussions in Peking is non-controversial and will be handled in the normal way.

Yours ever

(J. E. Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

PQ: LORD BROCKWAY

Q To ask HMG whether they will make a statement on the discussions which the Prime Minister had in Peking in September, particularly regarding the future of Hong Kong.

A [for Hong Kong]
The Prime Minister held far-reaching talks in a friendly atmosphere on the future of Hong Kong with both Premier Zhao Ziyang and Chairman Deng Xiaoping. Both sides made clear their respective positions on this subject, and agreed to enter into talks through diplomatic channels following the visit with a common aim of maintaining the stability and prosperity of Hong Kong.

REFERENCES

FLAG A PQ 13 February 1981, Vol 417, Col 403

FLAG B PQ 8 July Vol 432, Col 993-4

NOTES FOR SUPPLEMENTARIES

Start of Talks

Contacts
1. Meetings in Peking to follow up the Prime Minister's visit *have* already begun.

Timetable for Talks

2. ~~The aim will be to complete them as soon as possible~~ but I cannot make any useful forecast of *how long US* ~~that will be~~ *talks will take* ~~when~~ that will be. The issues are complex, and there are differences between the sides that must be reconciled.

Areas of disagreement with Chinese

3. There is a difference of views over sovereignty. The Chinese position is wellknown. The Prime Minister stated our position clearly. But given our common objective, we believe that these differences can be reconciled and an agreement reached.

Action to prevent erosion of confidence in Hong Kong

4. The Prime Minister has made it clear that Her Majesty's Government is committed to the people of Hong Kong and that during the talks we will speak for the people of Hong Kong. The Governor's speech to the Legislative Council last week emphasised the intention of the Hong Kong Government to invest vigorously in the future of

Hong Kong and its people and to continue with the development of the territory.

Failure to reach agreement with the Chinese

5. That is a very pessimistic view. The Prime Minister and the Chinese leaders have agreed on a common aim to maintain the stability and prosperity of Hong Kong and the aim of the talks is to build on this.

UK position on sovereignty

6. Britain administers Hong Kong under three international treaties. If there is a dispute about them, the right way to deal with it is by discussion and agreement. I would rule out no possible solution that was acceptable to the people of Hong Kong. *and to this Parliament*

Aims of HMG

7. Her Majesty's Government's aim is to preserve the stability and prosperity of Hong Kong in a way acceptable to Parliament and the people of Hong Kong. (We are not entering into the talks with any rigid preconceptions as to how this might be achieved, and will be receptive to any proposals that meet these criteria.)

Involvement of people of Hong Kong

8. The process of consultation has already begun. An important stage in it was the visit to London last month by the Governor and 5 Unofficial Members of the Executive and Legislative Councils. The process is a continuous one and careful consideration is now being given as to how it can best be pursued.

Wishes of people of Hong Kong

9. The Prime Minister has made it clear that the

views of the people of Hong Kong will be fully taken into account in the talks.

Progress reports on talks

11. For reasons that will be obvious to Noble Lords, the contents of the talks must necessarily remain confidential. That doesn't rule out an agreed statement, during the talks, if there is anything particular to report.

House of Lords *24/1*

Friday, 13th February, 1981.

1 House met at eleven of the clock: The LORD CHANCELLOR on the Woolsack.

Prayers—Read by the Lord Bishop of Truro.

Hong Kong: Expiry of Lease

Lord Brockway: My Lords, I beg leave to ask the first Question which stands in my name on the Order Paper.

The Question was as follows:

To ask Her Majesty's Government whether the future of Hong Kong was discussed at the meeting in October of the Secretary of State for Foreign and Commonwealth Affairs with the Foreign Minister of the People's Republic of China and, if so, whether any understandings were reached.

The Parliamentary Under-Secretary of State, Department of Trade (Lord Trefgarne): No, my Lords.

Lord Brockway: My Lords, may I ask the Minister whether time is not now short, since within a few years the Chinese lease for a decisive area of Hong Kong will be ended? Is it not desirable that the present ambiguity should be replaced by negotiations for a constructive agreement?

Lord Trefgarne: My Lords, our policy in this matter has two important strains. On the one hand, there is our commitment to the territory, which has been announced before today from this Box, and I confirm it again now; and, on the other there are our excellent relations with the People's Republic of China. We have no doubt that this matter will be resolved in good time.

Lord Campbell of Croy: My Lords, as relations with the Peking Government have, happily, been improving over the last five years or so, and since there are nearly 20 years before the lease is due to run out, would it not be best to allow matters to proceed as they are at the moment?

Lord Trefgarne: My Lords, it is, of course, important to ensure that the confidence of the business community and others in Hong Kong is maintained. Therefore, it is, I am sure, desirable that this matter should be resolved well in advance of the expiry of the lease, and I have no doubt that it will be.

Lord Goronwy-Roberts: My Lords, will the Minister confirm, once more, that our understanding with China in regard to Hong Kong is part of the undoubtedly excellent relations that we now enjoy with the People's Republic of China, and that, however informal that understanding may be, it has proved workable and augurs well for the future, which both previous supplementary questions have raised?

Lord Trefgarne: Yes, indeed, my Lords. There is no doubt that the People's Republic of China derive very considerable benefit—for example, in terms of foreign exchange earnings—from the present arrangements with regard to the territory, and I can say that they are certainly well aware of our views, which I do not think depart very far from theirs.

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European Disarmament Conference Proposals

UKIC 0201

RECEIVED IN SECRETARY NO. 51
18 FEB 1981

DESK OFFICER	REGISTRY
My Lords, I beg leave to ask the second Question which stands in my name on the Order Paper.	
<i>no</i>	<i>11-2</i>
	<i>11-2-6</i>

11.8 a.m.

Lord Brockway: My Lords, I beg leave to ask the second Question which stands in my name on the Order Paper.

The Question was as follows:

To ask Her Majesty's Government what is their response to the undertaking by Chancellor Schmidt and President Giscard d'Estaing, stated in the communiqué after their summit meeting in Paris on 6th February, to work together to set up a European disarmament conference.

Lord Trefgarne: My Lords, the Government support the proposal for a conference on disarmament in Europe tabled at the Madrid CSCE Review Meeting on 9th December by France. We shall be working with our allies for the adoption of this proposal, which would open the way for confidence-building measures applying to the whole of Europe.

Lord Brockway: My Lords, while I welcome that reply, may I ask the Minister whether he can clarify the nature of the European conference that is proposed? Is he aware that France is limiting it to observational manoeuvres of a larger area and information, while West Germany has been proposing actual measures of disarmament? Will the Government support the fullest terms of reference for this conference, particularly to end the nuclear confrontation in Europe?

Lord Trefgarne: My Lords, the French proposal envisages, initially, negotiations on militarily significant, verifiable and binding confidence-building measures, to which the noble Lord refers, applying to the whole of Europe; that is to say, from the Atlantic to the Urals. The results of this initial stage of the conference would be submitted to the next CSCE follow-up meeting, which would examine, in the light of the progress, how efforts towards security and disarmament in Europe should be continued. It is true to say that there are a number of other proposals for conferences of one sort or another put forward by, for example, Poland, Romania, Yugoslavia and Sweden. Some of them, however, have some shortcomings. In particular, some of them do not go farther east than Germany itself, leaving the area adjacent to the border, but inside the Soviet Union, unaffected.

Lord Brockway: My Lords, I thank the Minister for that reply.

Lord Goronwy-Roberts: My Lords, will the Minister confirm that this is essentially an attempt to strengthen

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THE FALKLAND ISLANDS: ARGENTINE STOCKS OF NAPALM AND DUM-DUM BULLETS

Lord Molson asked Her Majesty's Government:

Whether any napalm weapons or dum-dum bullets were found in the equipment of the Argentine forces in the Falkland Islands.

The Minister of State for Defence Procurement (Viscount Trenchard): Our forces reported the discovery of stocks of a substance which was believed to be napalm together with filled tanks for its aerial delivery; our forces also reported what appear to be dum-dum bullets. We are continuing to investigate the precise nature of the substances found but further analysis may be required in the United Kingdom before a positive identification can be made.

DISARMAMENT: UN SECRETARY-GENERAL'S STUDIES AND RECOMMENDATIONS

Lord Brockway asked Her Majesty's Government:

On what grounds they did not reply to the invitations of the UN General Assembly to state their views on (1) the study of the Secretary-General on the relationship between disarmament and development and the request for its mass distribution; (2) the Secretary-General's study on institutional arrangements for disarmament, including the convening of a world disarmament conference; and (3) the Secretary-General's recommendations on the organisation and financing of a World Disarmament Campaign.

Lord Belstead: Our views on (1) are contained in the joint reply which the ten member states of the European Community sent to the Secretary-General on the 10th June. Copies have been placed in the Library of the House.

We did not communicate our views on (2) formally because they had already been made clear by the United Kingdom expert on the study group. The study does not recommend a World Disarmament Conference.

We did not comment in writing on (3) because it would have been premature to do so before the campaign was launched at the Special Session. As my right honourable friend made clear in another place on the 22nd June, much is already being done to inform the public about disarmament in Britain and in other countries which enjoy freedom of information and debate.

HONG KONG: FUTURE

Lord Lloyd of Kilgerran asked Her Majesty's Government:

What steps are being taken to approach the

Government of the People's Republic of China in respect of the future of Hong Kong generally.

Lord Belstead: Hong Kong has been raised in a number of ministerial discussions with Chinese leaders. Both Her Majesty's Government and the Chinese Government are studying the question of the future of the Territory and both sides are agreed on the vital importance of its continued prosperity and stability.

Lord Lloyd of Kilgerran asked Her Majesty's Government:

Whether they agree that the *status quo* should be preserved in Hong Kong at the end of the New Territories lease in 1997 and that the whole of Hong Kong Chinese territory should be administered by Her Majesty's Government for another 20 years and there after unless and until the Chinese Government gives at least 10 years notice of their desire to change the administration.

Lord Belstead: It would be inappropriate at this time to speculate on the arrangements to be reached on this matter.

HONG KONG: FUTURE AND REFORM CLUB PROPOSALS

Lord Lloyd of Kilgerran asked Her Majesty's Government:

Whether they had received and considered the proposals of the Reform Club of Hong Kong in regard to the future of the Territory based upon the survey of public opinion undertaken by that Club which appeared to suggest that 85 per cent. of the people of Hong Kong wished to preserve its present *status quo*.

Lord Belstead: Yes.

CHEMICAL WEAPONS: SOUTH-EAST ASIA

Lord Hylton asked Her Majesty's Government:

Whether they will place in the Library copies of the documentation, referred to in their Written Reply of 7th June 1982 (HL Deb., col. 92) concerning the use of chemical and biological weapons of war in South-East Asia and elsewhere.

Lord Belstead: A copy of Mr Haig's report to the United States Congress of the 22nd March 1982 has been placed in the Library of the House. I regret that other evidence available to us cannot be released for reasons of security.

House adjourned at fourteen minutes before ten o'clock.

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