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cc to Henry Henry - Peking
July 1982

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PS
PS/Lord Belstead
PS/PUS
Mr Giffard
Mr Donald

HKGD
News D (Mr Roberts)
Planning Staff (Mr Walden)
FED
Mr Coles No.10
Governor HONG KONG
HMA Peking

CALL ON THE SECRETARY OF STATE BY SIR S Y CHUNG,
SENIOR MEMBER OF THE HONG KONG EXECUTIVE COUNCIL,
14 OCTOBER 1982

Present

Mr Francis Pym MC MP Sir S Y Chung
Mr R D Clift
Mr J C Holmes

Future of Hong Kong

1. Sir S Y Chung said that he was very grateful for the Prime Minister's achievement, during her visit to Peking, in obtaining agreement on talks with the Chinese. In his view, this had been entirely the correct objective. Moreover, he disagreed with those who thought that she should not have laid so much stress in her public pronouncements on the Hong Kong treaties. Thinking people did not agree with this.
2. Sir S Y said that he and other Unofficial Members in Hong Kong were concerned at Chinese tactics of spreading rumours since the Prime Minister's visit. It was important to counteract these. Mr Pym said that it would be wrong to try to do this point by point; this would merely spur the Chinese to further statements. Sir S Y said that he was not suggesting any public action but he thought that the matter should be discussed with the Hong Kong Unofficials. The Unofficials felt somewhat uneasy because the Chinese appeared to have laid their cards on the table whereas people in Hong Kong did not know exactly what the British hand consisted of.

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3. Mr Pym emphasised that meetings with the Chinese had only just begun. There was no question of any negotiation having taken place but he quite took the point about periodic briefing of the Unofficials and he would consider this. Sir S Y asked that there should be no change in what he understood to be the present position of the British Government (i.e. that sovereignty should only be conceded if there were fully satisfactory arrangements allowing for the continuation of the status quo as regards administration) without consultation with the Unofficials in Hong Kong.

4. Mr Pym emphasised that there was no thought of the British Government changing its position but he undertook to pass Sir S Y's request to the Prime Minister. He stressed that people in Hong Kong should have confidence in HMG; the Prime Minister's position was robust and she placed particular importance on the views of the people of Hong Kong. Sir S Y said that there was a danger in the negotiations being too long drawn out. He did not think that confidence in Hong Kong could hold out for much longer than 1 1/2 to 2 years. Mr Pym commented that he hoped that a favourable result could be achieved in a much shorter time but it was of course impossible to make firm predictions.

5. Sir S Y said that he hoped it would be possible for the Governor of Hong Kong to take part in the negotiations with the Chinese. The Unofficials had full confidence in Sir Edward Youde. Mr Pym said that he would convey this to the Prime Minister.

British Nationality Act 1981

6. Sir S Y said that the amending legislation for Hong Kong consequent upon the passing of the British Nationality Act was shortly to come before the Executive and Legislative Councils. At the same time they were concerned about the description to be placed in the passports of British Dependent Territories Citizens. It would be very difficult for the Hong Kong Councils to pass their legislation if they did not have a favourable answer on the description. He stressed that there was a timing element. About 6 weeks were needed to get the legislation through in Hong Kong. People in Hong Kong had noted the Prime Minister's encouraging remarks on the question during her visit. Mr Pym confirmed that Ministers were considering the matter urgently.

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A meeting on
this has been
arranged for
Thursday.

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Hong Kong & General Department
18 October 1982