



Foreign and Commonwealth Office

London SW1A 2AH

15 October, 1982

Dear John,

Future of Hong Kong: Recent Chinese Statements and Briefing of
Hong Kong Unofficials

Sir S Y Chung, Senior Unofficial Member of the Hong Kong Executive Council, has been visiting London this week. He called on Mr Pym on 14 October. He expressed great appreciation for the Prime Minister's achievement in getting agreement with the Chinese on the start of talks on the future of Hong Kong. At the same time he expressed much concern over recent Chinese statements indicating a hard line both on sovereignty and on British administration and asked that the Executive Council should be consulted before any change was made in HMG's negotiating position. Some resentment at the lack of information so far given to EXCO on the talks was evident. He was also concerned that there should be no shift beyond the 'fall back' of a possible concession on sovereignty in return for the maintenance of the status quo as regards British administration. He also asked that the Governor of Hong Kong should take part in the talks with the Chinese. The Secretary of State expressed understanding and undertook to pass on Sir S Y's views to the Prime Minister.

In Hong Kong telegram numbers 1157 and 1170, the Governor underlines the need to provide the Executive Council with some reassurance on the recent Chinese statements. Hong Kong telegram number 1171 contains an outline of a possible briefing which he wishes to make at the next EXCO meeting on 19 October.

The Ambassador has commented both on the Chinese statements and on the Governor's proposals in Peking telegram numbers 653 and 660. His view, with which we broadly agree, is that the statements are primarily part of the Chinese negotiating style intended to present the outcome of the talks as a foregone conclusion and to soften up the opposition. The technique began with the calculated remarks by Premier Zhao Ziyang to the press before his discussion with the Prime Minister in Peking. (Copies of all the relevant telegrams are enclosed).

Sir P Cradock expresses considerable reservations about the briefing of EXCO and in particular about saying anything, even by implication, which might widen the knowledge of the content of the Prime Minister's discussion with Chinese leaders in Peking. This leads him to query the suggestion by the Governor that we could confirm that the Chinese statements amount to a broad picture of the current Chinese position on the future of Hong Kong.



We share a number of the Ambassador's reservations. There is the additional point that the Chinese statements have covered a very wide field including some points which were made to the Prime Minister, others which appear to be part of the Chinese position * ~~~~~ * and further ideas which are probably speculative or on which the Chinese have probably not made up their minds. However, in our view it is very important that the Governor should give EXCO as much reassurance as possible. The Ambassador overestimates the risk of leaks from that body. EXCO has a very good record indeed on preserving confidentiality. There is no question of proceeding to further briefing of the Hong Kong Consular Corps, the business community or even a wider grouping of the Unofficial Members of the Executive and Legislative Councils (UMELCO)).

/ I enclose a draft telegram of instructions to the Governor of Hong Kong agreeing to his proposal to provide a briefing but amending his suggested speaking notes to take account of the Ambassador's views and other considerations. This does not include any further information about the content of the Prime Minister's talks in Peking, but does emphasise that the latter did not amount to a negotiating session.

A passage is included to take account of Sir S Y Chung's request for further consultation. Given the Prime Minister's assurance that the views of the people of Hong Kong would be taken into account it would be right to meet this point so far as possible while reserving the right of HMG to make any decision on policy or tactics.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

* ~ * Passage deleted and retained under
Section 3(4). *Wayland*
9 October 2012



J

10 DOWNING STREET

From the Private Secretary

18 October 1982

FUTURE OF HONG KONG: RECENT CHINESE STATEMENTS
AND BRIEFING OF HONG KONG UNOFFICIALS

Thank you for your letter of 15 October. When we spoke on the telephone on Friday night, I made the point that these papers were not quite in the most convenient form for submission to the Prime Minister. May I suggest that, in future, it would be better to have a single letter which sets out the problems and the line you propose to take, rather than a draft telegram which can only be understood in relation to other telegrams?

In the circumstances, we agreed that it would be best for the FCO to decide whether the telegram in question should be despatched.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

A

SECRET

SECRET

29837 - 1

MR 4/10
h-c

OO PEKING
GRS 752
SECRET
FM FCO 161100Z OCTOBER 1982
TO IMMEDIATE HONG KONG
TELEGRAM NUMBER 858 OF 16 OCTOBER
INFO IMMEDIATE PEKING (PERSONAL FOR AMBASSADOR)

PERSONAL FOR GOVERNOR

YOUR TELNOS 1157, 1170, 1171, AND PEKING TELNOS 653 AND 660:
FUTURE OF HONG KONG : CHINESE STATEMENTS

1. WE AGREE THAT IT IS NECESSARY TO SPEAK TO EXCO TO ALLAY THEIR CONCERN ABOUT THE CHINESE STATEMENTS. WE ALSO AGREE WITH THE AMBASSADOR (PEKING TELNO 660) THAT WE NEED TO BE EXTREMELY CAREFUL IN BRIEFING TO AVOID WIDENING THE KNOWLEDGE OF THE CONTENT OF THE PRIME MINISTER'S TALKS IN PEKING. AT THE SAME TIME WE ACCEPT THAT EXCO ARE IN A SPECIAL POSITION AND THAT IT IS VITAL TO CARRY THEM WITH US OVER THE COMING MONTHS. WE KNOW THAT YOU WILL IMPRESS ON THEM THE NEED FOR VERY TIGHT SECURITY. WE DO NOT THINK THERE SHOULD BE ANY QUESTION AT THIS STAGE OF SPREADING THE BRIEFING TO THE WIDER CIRCLE OF UMELCO AND CERTAINLY NOT TO THE CONSULAR CORPS OR THE BUSINESS COMMUNITY.
2. THE NEED FOR REASSURANCE TO EXCO IS UNDERLINED BY REMARKS BY SIR S Y CHUNG IN LONDON THIS WEEK TO MINISTERS AND OTHERS. HE HAS SOUGHT CLARIFICATION OF WHETHER ANY OF THE POINTS MADE IN THE PRESS (EG GAVSHON'S ARTICLE IN THE OBSERVER OF 10 OCTOBER) WERE ACTUALLY MADE TO MRS THATCHER BY CHINESE LEADERS (IN PARTICULAR HE CITED CHINESE CONTROL OF FOREIGN AFFAIRS AND THE APPOINTMENT OF A CHINESE GOVERNOR). HE IS CLEARLY UNDER PRESSURE FROM HIS COLLEAGUES WHO ARE SEEKING REASSURANCE THAT WE ARE NOT WITHHOLDING INFORMATION ON THE CHINESE POSITION (OR EVEN THAT WE HAVE STARTED THE PROCESS OF SUBSTANTIVE NEGOTIATION).
3. SIR S Y CHUNG IN DISCUSSION WITH ME ALSO PUT GREAT STRESS ON THE NEED FOR HMG TO CONSULT UNOFFICIALS BEFORE ANY CHANGE WAS MADE IN THE POSITION WHICH HE UNDERSTOOD THE PRIME MINISTER HAD ACCEPTED, NAMELY THAT SOVEREIGNTY COULD ONLY BE CONCEDED AS A

SECRET

/LAST

SECRET

29837 - 1

LAST RESORT IN RETURN FOR THE RETENTION OF THE STATUS QUO (UNDER-
LINE) (IE UNDER BRITISH ADMINISTRATION).

4. OUR MAIN COMMENT ON THE PROPOSALS IN YOUR TELNOS 1170 AND
1171 IS THAT WE AGREE WITH THE AMBASSADOR THAT IT WOULD BE A
MISTAKE TO TELL EXCO THAT THE RECENT STATEMENTS INCLUDE THE MAIN
ELEMENTS IN THE CHINESE POSITION AS WE UNDERSTAND IT. WHILE WE
KNOW *~~~~~* THAT THE CHINESE
PROPAGANDA REFLECTS THE THRUST OF THEIR PRESENT THINKING, IT
WOULD BE WRONG TO GIVE THE IMPRESSION THAT THIS POSITION WAS PUT
AS A PACKAGE TO THE PRIME MINISTER. MOREOVER, SOME OF THE POINTS
OF DETAIL, INCLUDING THOSE WHICH HAVE MOST STRUCK THE UNOFFICIALS,
ARE NOT NECESSARILY SET IN CONCRETE.

5. THIS AFFECTS POINT 1 AND 4 IN YOUR TELNO 1171. TAKING
ACCOUNT OF THE AMBASSADOR'S SUGGESTION, WE SUGGEST THAT THESE
BE COMBINED AS FOLLOWS:

' WHAT THE CHINESE HAVE SAID OVER THE PAST FEW WEEKS IS
PROBABLY A MIXTURE OF THEIR HARD LINE ON SOVEREIGNTY,
SOME KITE-FLYING AND SOME PRIVATE OFF-THE-CUFF
SPECULATION EMBROIDERED BY FOREIGN CORRESPONDENTS. CERTAIN
ELEMENTS ARE THE OBVIOUS COROLLARY OF THE CHINESE STAND ON
THE PRINCIPLE OF SOVEREIGNTY BUT WE SHOULD BE CAUTIOUS
ABOUT ASSUMING THAT THEY HAVE COME TO ANY FIRM CONCLUSIONS
ON THE DETAILS, EG ABOUT CONTROL OF FOREIGN AFFAIRS OR A
CHINESE GOVERNOR. THE PRIME MINISTER'S TALKS WERE
CONCERNED WITH THE BROAD PRINCIPLES. IT WAS NOT A
NEGOTIATING SESSION. '

6. POINT 2 COULD BE USED WITH THE OMISSION OF THE PHRASE:

' AND IN BREACH WITHOUT PUBLICITY. '

7. WE SUGGEST AN AMPLIFICATION OF POINT 3 AS FOLLOWS:

' IT CAN BE ASSUMED THAT CHINESE INDISCRETIONS FORM PART OF
A DELIBERATE PATTERN. WE CAN ONLY SPECULATE ABOUT CHINESE
MOTIVES. IT IS OF COURSE A FAMILIAR COMMUNIST TECHNIQUE
TO SEEK TO INFLUENCE THE COURSE OF ANY NEGOTIATIONS BY
LEAKING INFORMATION BOTH BEFORE AND DURING CRITICAL TALKS.
EXCO WILL BE AWARE OF ZHAO'S CALCULATED REMARKS TO THE
PRESS BEFORE HIS TALKS WITH THE PRIME MINISTER HAD EVEN

2

SECRET

1/REGUN

* ~ * Passage deleted and retained under
Section 3(4). *Wayland*
11 October 2012

SECRET

29837 - 1

BEGUN. IT IS IMPORTANT THAT THE LEADERS OF HONG KONG
OPINION SHOULD NOT BE RATTLED BY THIS METHOD OF PRESSURE.'

8. POINTS 5, 6 AND 7 SHOULD ALL BE USED. WE SUGGEST THAT YOU
ADD THE FOLLOWING ADDITIONAL POINT TO COVER THE SPECIFIC REQUEST
OF SIR S Y CHUNG:

' THE PRIME MINISTER HAS CONCEDED NOTHING TO THE CHINESE.
THE PURPOSE OF THE TALKS WHICH HAVE JUST BEGUN IN PEKING
IS TO EXPLORE THE CHINESE POSITION IN DEPTH AND TO SEEK A
PRACTICAL SOLUTION SATISFACTORY TO CHINA, BRITAIN AND THE
PEOPLE OF HONG KONG. THE PRIME MINISTER HAS MADE CLEAR
THE IMPORTANCE OF KEEPING IN CLOSE TOUCH WITH HONG KONG
OPINION DURING THE PROCESS. WE SHALL OF COURSE KEEP EXCO
INFORMED.'

PYM

NNNN

DIST:

LIMITED

HD/HKGD

HD/FED

HD/PLANNING STAFF

HD/PUSD

PS

PS/LORD BELSTEAD

PS/PUS

MR GIFFARD

MR DONALD.

COPIES TO:

MR COLES NO. 10.

3

SECRET