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RECORD OF CALL ON VICE FOREIGN MINISTER YAO GUANG BY SIR P CRADOCK AT THE MFA ON WEDNESDAY 26 JANUARY 1983 AT 10 AM

Present:

Sir P Cradock	Yao Guang, Vice Foreign Minister
Mr R N Peirce	Ke Zaishuo, Counsellor at WED
	Cai Qiquan, "official WED"
	Zhang Youyun, Interpreter

HKK 040/4
- 7 FEB 1983

1. After initial courtesies Sir P Cradock said that he had been instructed by HMG to express concern that we had still received no reply to the proposals he had put to the minister's predecessor on 19 October. At that time Zhang Wenjin had indicated that we might expect a reply soon. Since then over three months had passed and despite many reminders he had had no reply nor any real indication of when we might expect one. These were very important talks on a very important subject. When Mrs Thatcher had called on Deng Xiaoping in September he had said that he wished to have the matter settled within one to two years. Time was now pressing. Against this background a delay of over three months caused us great concern.

2. More recently we had seen various press reports of remarks made to a visiting Hong Kong delegation by Vice Chairman Liao Chengzhi. These gave the impression that China was waiting for a British response, that the "ball was in the British court". It was not absolutely clear what Liao had actually said, but a misleading impression had been given and had been allowed to persist for some time. It had been widely reported in the Hong Kong press. This however was a secondary point. The main point he now wished to make was that we were still waiting for a Chinese reply and that this was causing us great concern.

3. Yao Guang said that he had taken up his new post on 13 December. He had been informed about the meetings between Sir P. Cradock and Zhang Wenjin, but he had been very busy since assuming his post. The Foreign Minister himself was also new to his job. He and two Vice Foreign Ministers had been away from Peking from 20 December until very recently accompanying Premier Zhao Ziyang on a tour of Africa. Yao could say clearly that the Chinese would give us an official reply. The reason that they had failed to do so in good time was purely technical: because of all the personnel changes in the ministry they had needed to have a transitional period. Sir P Cradock had said that the British side was very concerned. China too attached importance to its contacts with us. China attached equal importance to the subject.

4. Yao said that Zhang Wenjin had explained the Chinese position clearly to Sir P Cradock, in accordance with what had been said by Zhao Ziyang and Deng Xiaoping to Mrs Thatcher. This stand had not changed. What Liao Chengzhi had said to the Hong Kong delegation was also China's stand. There had been no change. Still less had Liao given a mistaken (sic) impression. Hong Kong press reports were simply speculation. For example they had reported that China had put a specific formula to Britain and was waiting for a reply. Liao had not said this. Hong Kong delegations were concerned about the Hong Kong question and wanted to know China's position. Chinese leaders, including Liao, explained China's stand. This was natural and to the good. What Liao Chengzhi said conformed with what had been said to Mrs Thatcher during her visit; it was both positive and constructive. In conclusion Yao wished to make two points:-

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(a) A reply was being prepared and would be given to us as soon as possible.

(b) China shared Britain's concern with regard to the urgency and importance of the matter.

5. Sir P Cradock said that he was encouraged by (b) and relieved to hear (a), but he had been told on a number of occasions that we could expect a reply "soon" or "as soon as possible", but nothing had happened. Could the Minister be more precise?

6. Yao said that the precise timing was not very important. What was important was that the British side should have a better understanding of the Chinese stand on Hong Kong. Zhang Wenjin had explained this fully.

7. Sir P Cradock agreed that a good understanding was important, but until we received a reply from the Chinese side we did not know anything officially. What we had heard were various remarks, views and press comments, but no reply to our communication of 19 October. It was the normal practice for governments to conduct their communications through diplomatic channels. In this case there had been no reply on the diplomatic channel.

8. Yao agreed that there had been no formal reply, but China's stand had been made clear in the talks with the Prime Minister. These talks had been at the highest level and carried the greatest authority. After the Prime Minister's visit Zhang Wenjin had stated China's stand

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again to Sir P Cradock. The Chinese would give us a formal reply. When they did China's stand would be further discussed. Matters of substance would also be discussed. China's stand has been made clear to Mrs Thatcher and remained unchanged. It was most important that the British side had a good understanding of it.

9. Sir P Cradock replied that we were not entirely at one on this point. The talks in September had been very important and were the basis for what followed, but we had work to pursue now. We had made proposals concerning the talks, including both the basis and the modalities, but because of the failure of the Chinese side to reply to these proposals all we had had to date were talks about talks. It was not enough to refer to what had been said by our leaders in September. There was urgent work to be done. Given the passage of time it was reasonable that he should ask for a more precise indication of when we should expect a reply, say within a month or two weeks.

10. Yao said that he had noted the point. The Chinese would try to reply as soon as possible. He had said before that there had been changes in the ministry. The failure to reply in good time had been for purely technical reasons. Now that the Foreign Minister had returned the transitional period was almost at an end.

11. Sir P Cradock said that he had noted the Minister's words and would report. He wished to add that it was important for confidence and stability in Hong Kong that talks should get under way soon. There were differences of approach between the two sides, but if we

did not talk we would have no hope of resolving these differences. The credibility of both the UK and China was at stake in conducting talks and bringing them to a successful conclusion. We should be able to deal with this important matter in a responsible way and show the world that we could do so. He wished now to return to his secondary point, namely the various press reports which had been troubling us. The British side had kept absolutely quiet about our position in the talks, but various press reports attributed to the Chinese side had revealed this or that aspect of the talks. The success of the talks depended on confidentiality. It was difficult to dismiss the reports of Liao's recent interviews as mere speculation. Remarks by this important Chinese figure had been reported by all the Hong Kong papers, communist as well as right wing. A correspondent from Wen Wei Po had been with the New Territories delegation and his paper had immediately carried a headline to the effect that China had put proposals to Britain and was awaiting a reply. This was rather different from speculation. He hoped the Minister would understand our concern on this, but this matter was subsidiary to the main purpose of this call. Sir P Cradock then asked the Minister to confirm his assumption that the Minister was now to be responsible for Hong Kong matters.

12. Yao said that he was responsible for Hong Kong, but temporarily. He then said that there had already been a lot of discussion about the Hong Kong question in the talks so far. Sir P Cradock interjected that so far we had only had talks about talks. Yao said that it could not be said that there had been no talks. In Sir P Cradock's discussions with Zhang Wenjin a lot had been discussed. There had
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been a full exchange of views. Despite our differences we should continue our contacts and discussions.

13. Yao said that China abided by the agreement that confidentiality should be maintained, but this did not mean that China could not state its stand. There were two entirely different questions. China was a sovereign state and was entitled to express its stand. Personally he did not think that China had made enough use of the media. Later on China should use the media more to publicise its position on various issues including Hong Kong. The British Prime Minister had made remarks about Hong Kong to the press and parliamentary debates in Britain had been reported in the press. Why could not China state its position?

14. Sir P Cradock agreed that as a sovereign state China was entitled to state its views, but the talks were a delicate matter. The usual practice was not to reveal the content of such discussions. We were very careful. We had not even revealed that the talks were still only at a preliminary stage, but Chinese officials had given interviews revealing almost everything that had been said to Mrs Thatcher in September. This put pressure on us to do the same sort of thing, which could lead to a public slanging match from which no one would gain. He was very concerned that Yao envisaged increased use of the media for this would put further pressure on us to respond in kind. This was not the atmosphere in which successful discussions could be conducted.

15. Yao repeated that China had not revealed the content of the Prime Minister's talks. Sir P Cradock was confusing two different questions.

/Sir P Cradock

Sir P Cradock interjected that he had to disagree on this point. Yao said that he was afraid this disagreement stemmed mainly from our differences between us on the question of Hong Kong. Why could China not say that it had sovereignty over Hong Kong? That was China's stand. China also spoke about maintaining the stability and prosperity of Hong Kong. Why could China not talk about making a good job of the transitional period between now and 1997? China had not told the public what had been said during the talks.

16. Sir P Cradock said that we would have to agree to differ on this point. He was not referring to statements of general principles, but to the disclosure of details; for example Vice Foreign Minister Qian Qichen had told a visiting Financial Times delegation in October China's views on sovereignty and administrative control. There had been nothing comparable from the British side. If, as the Minister envisaged, more use of the media should be made in future, the conduct of talks would be made more difficult. Our concern should be with the talks and with making a success of them.

17. Yao said he could assure Sir P Cradock that China would not reveal the content of talks between the two sides, but China would continue to make clear its position. These were two different questions. China had no intention of conducting talks through the media. Talks should be kept on the diplomatic channel. Their content should not be revealed. But China would continue to expound its stand. Hong Kong was China's Hong Kong. China had sovereignty over Hong Kong. China's statements to the media were China's affair.

The mass media in China was not very developed, but would be ^{improved} important. This was not to say that China would conduct talks through the media. The meeting ended at 1110.

BRITISH EMBASSY

PEKING

28 January 1983

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HONG KONG AND GENERAL DEPARTMENT

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A. J. C. $\frac{8}{2}$

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