

GR 350
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FM PEKING 230300Z MAR 83
TO PRIORITY FCO
TELNO 263 OF 23 MARCH
RPTD INFO PRIORITY HONG KONG.

dead in full.
mt

FUTURE OF HONG KONG

1. CHEN ZHAOYUAN, PRC AMBASSADOR-DESIGNATE TO LONDON, HAD LUNCH WITH ME ON 22 MARCH. HE ASKED ABOUT MY RECENT TRIP TO LONDON, AND I TOLD HIM THAT I HAD RETURNED WITH A PERSONAL MESSAGE FROM MRS THATCHER TO PREMIER ZHAO. I WOULD DELIVER THE MESSAGE TO YAO GUANG ON 23 MARCH AND DID NOT WISH TO ANTICIPATE ITS CONTENT, BUT I COULD SAY THAT WE THOUGHT IT WAS A HELPFUL STEP AND WE HOPED THAT THE CHINESE WOULD SEE IT AS SUCH. IT WOULD CERTAINLY DEMONSTRATE OUR SINCERITY IN SEEKING AN AMICABLE NEGOTIATED SETTLEMENT. BUT THE CHINESE MUST REALISE THE CONSTITUTIONAL RESTRAINTS ON MRS THATCHER'S POWERS.

2. I TOLD CHEN THAT IT WOULD BE HIS JOB AS AMBASSADOR TO ENSURE THAT CHINESE LEADERS WERE MADE AWARE OF THE CONSTITUTIONAL REALITIES IN LONDON. HE ACCEPTED THIS, BUT REPLIED THAT I SHOULD INFORM MY GOVERNMENT ABOUT CHINESE REALITIES. I COMMENTED THAT THIS WOULD BE AN EASIER TASK IF THE CHINESE COULD TELL ME IN PLAIN TERMS WHAT THEIR DIFFICULTIES WERE.

3. FINALLY? I STRESSED THE NEED FOR CONFIDENTIALITY. WENG BENZUO (DIRECTOR OF WED) REHEARSED THE USUAL CHINESE RESPONSE, CLAIMING THAT THE CHINESE COULD NOT DECLINE TO STATE THEIR BASIC POSITION IN RESPONSE TO QUESTIONS FROM HONG KONG COMPATRIOTS (SEMICOLON) BUT THEY HAD NOT REVEALED THE CONTENT OF THE TALKS. WE AGREED TO DIFFER ON THIS POINT, BUT I WARNED THE CHINESE THAT DISCLOSURES COULD BE MISUNDERSTOOD OR DISTORTED BY THE PRESS, PARTICULARLY THE HONG KONG PRESS. I ADDED THAT THERE WAS GREAT PARLIAMENTARY PRESSURE ON MRS THATCHER TO REVEAL OUR POSITION. EVERY LEAK INCREASED THIS. A PUBLIC AIRING OF DIFFERENCES WOULD NOT BE HELPFUL TO PROSPERITY AND STABILITY IN HONG KONG.

4. CHEN HIMSELF SAID NEXT TO NOTHING ON THE SUBJECT OF HONG KONG EXCEPT THAT WE MUST WORK FOR AN AGREED SOLUTION. I ASSUME HE HAD MERELY BEEN INSTRUCTED TO FIND OUT WHAT HE COULD ABOUT THE MESSAGE.
CRADOCK

FUTURE OF HONG KONG

LIMITED

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HD/FED
HD/PLANNING STAFF
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