



Prime Minister.

Foreign and Commonwealth Office

Agree the line at  
the end of the letter?

London SW1A 2AH

27 April 1983

A.S.C.  $\frac{27}{4}$

① Wait for reply.

② Then to assess Chinese reaction.

Dear Sir,

N.B. This is much further than S.Y. suggested to me. *me*

Future of Hong Kong: Possible Involvement of EXCO Unofficials  
in the Negotiations in Peking

There has been an exchange with the Governor and the Ambassador in Peking about the possible involvement of EXCO Unofficials in the negotiations in Peking. You may recall that an idea somewhat on these lines was originally put to the Prime Minister by Sir S Y Chung (your letter of 20 December 1982). The Prime Minister replied that the talks which had so far taken place were hardly of a type to warrant that.

The Unofficials, and Sir S Y in particular, are keen to be involved as closely as possible in the negotiations and they have now returned to the charge. The Governor's strong view is that if they were excluded because HMG objected this would have a very damaging political impact in Hong Kong. There is no doubt of the Unofficials' sensitivity. We must also keep in mind the importance of a good relationship between Sir E Youde and the Unofficials and the need to keep the Unofficials on our side as much as possible.

On the other hand, HMA Peking has put forward a number of counter arguments:

- (a) the Chinese would probably object to the idea. It would certainly complicate and could even slow or delay the substantive talks which we hope the Prime Minister's letter to Premier Zhao will effect;
- (b) if the Chinese should agree, Sir S Y's presence could well put a brake on any possible flexibility by the Chinese or could assist them in seeking to drive wedges between him and us;

/(c) once



- (c) once Sir S Y had taken part in one negotiating session, it would be very difficult to exclude him from future sessions. This could affect our tactical freedom of manoeuvres in the talks;
- (d) the role of the Unofficials is an advisory one. To build them into HMG's negotiating team would alter this role radically. It could strengthen their belief that they had a power of control over HMG's decisions.

These are strong arguments. There is no need to take any firm decisions before we have received a reply to the Prime Minister's message and see what form, if any, the negotiations are likely to take; but it would be helpful for the Governor to be able to say something to the Unofficials soon, to allay the pressure. A line is also needed for Sir S Y Chung's visit next week.

Mr Pym suggests the following:

- (i) No firm decisions can be taken until we see the Chinese reply and are able to study its implications;
- (ii) But we see potential problems in participation by the Unofficials, at least in the early stages of any negotiations: the Chinese would almost certainly object and this could sour the atmosphere; and if they agreed they would be tempted to use the Unofficials' presence to drive wedges between us and them;
- (iii) Nevertheless we certainly see value in participation by Sir S Y, with the Governor, in an early presentation to the Chinese on Hong Kong. We would envisage this as separate from but parallel to the negotiations themselves. This would need to be made clear to the Chinese.
- (iv) Meanwhile there is of course no objection to Unofficials paying private visits to Peking at any time.

I would be grateful if you could let me know the Prime Minister's views.

*Tom eve*  
*John Holmes*  
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Private Secretary

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10 Downing Street



27 APR 1968

