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cc. Mr Coles (No 10)

S E C R E T

Mr Giffard

- cc: PS
- PS/Lord Belstead
- PS/PUS
- Mr Donald o r
- Mr Roberts, News Dept
- Mr Elliott, FED
- Mr Morris, HKGD
- Mr Burrows, Legal Advisers
- Mr Walker, Research Dept

FUTURE OF HONG KONG : HONG KONG NEWS REPORT

1. The Governor of Hong Kong telephoned to say that a number of Hong Kong evening papers were carrying a story with the following points:
  - (a) Talks would begin in Peking next Friday (20 May).
  - (b) Agreement had been reached on the basis of the Chinese formula, ie the UK would recognise Chinese sovereignty over the whole of Hong Kong.
  - (c) The agenda for the talks would be arrangements for the transfer of power within the next 14 years and what action the UK and Hong Kong Governments should take to assist this. The agenda would also cover cooperation between the UK and Chinese Governments after 1997.
  - (d) The Governor was awaiting instructions from London on whether he should attend as a member of the British delegation.
  - (e) A senior official in the FCO had stated that because the British side was no longer insisting on sovereignty the two sides could proceed to the necessary arrangements for the transfer.

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2. The Governor pointed out that these reports would have a serious effect on confidence. He proposed instructing the Hong Kong Government spokesman to take the following line:

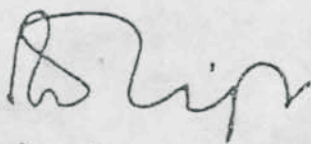
- (i) There were no plans at the moment for the Governor to visit Peking. He would, as already stated, go when the talks reached the appropriate stage.
- (ii) The newspaper reports were not an accurate representation of the state of the talks or of the British position.
- (iii) People should not be misled by what they heard outside the talks. As Lord Belstead had said the only authentic information was that which emerged from the talks themselves.

3. After consulting FED and News Department I telephoned the Governor to agree his line. I suggested that they preface the comment by saying that discussions with the Chinese were continuing and by stressing their confidentiality. I also said that we would say if asked that no official of the FCO or other Government Department had made any statement on the subject.

4. The report is clearly a leak by the Chinese, with the intention of making it appear that it has a British origin. It was to be expected that the Chinese at some stage would try to create the impression that we had accepted their premise. They have started early. It clearly makes it the more important that we should leave the Chinese under no illusion about our position.

5. Hong Kong will be reporting this by telegram. We shall need to consider whether we should protest to the Chinese. Sir P Cradock will have views. My initial view is that at his next contact he probably should be instructed at the least to draw attention to the report, to emphasise that we had no hand in it and to say that information released outside the talks could well jeopardise them.

6. Meanwhile News Department may wish to take a similar line to Hong Kong if asked.



13 May 1983

R D Clift  
Hong Kong and General Department

S E C R E T



A.J.C.  $\frac{16}{5}$

h.a.

*With the compliments of*

J E HOLMES

FOREIGN AND COMMONWEALTH OFFICE  
LONDON, SW1A 2AH

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DESKBY FCO 131630Z  
DESKBY PEKING 140100Z  
FM HONG KONG 131355Z MAY 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 681 OF 13 MAY  
INFO IMMEDIATE PEKING

MY TELEPHONE CONVERSATION WITH CLIFT

FUTURE OF HONG KONG

1. A HONG KONG JOURNALIST HAS TOLD US THAT THE FOLLOWING STORY IS BEING SPREAD AMONG THE PRESS HERE AND A SUBSTANTIAL SUMMARY OF IT HAS ALREADY APPEARED IN THE MING BAO EVENING PRESS THIS EVENING. IT IS EXPECTED TO GET WIDE COVERAGE IN TOMORROWS PAPERS.

I) THE TALKS ARE TO BEGIN IN PEKING ON FRIDAY NEXT:

II) AGREEMENT TO BEGIN HAS BEEN REACHED ON THE BASIS OF QUOTE THE CHINESE FORMULA UNQUOTE:

III) THAT IS TO SAY, THE UK WILL RECOGNISE CHINESE SOVEREIGNTY OVER THE WHOLE OF HONG KONG, ALBEIT IN A SUBTLE WAY:

IV) THE AGENDA FOR THE TALKS WILL BE:

(A) ARRANGEMENTS FOR THE TRANSFER OF POWER DURING THE NEXT 14 YEARS AND WHAT THE UK GOVERNMENT AND THE HONG KONG GOVERNMENT SHOULD DO IN THIS PERIOD:

(B) WHAT CO-OPERATION THERE SHOULD BE BETWEEN THE UK GOVERNMENT AND THE CHINESE GOVERNMENT AFTER 1997:

V) THE GOVERNOR IS AWAITING INSTRUCTIONS FROM LONDON AS TO WHETHER HE SHOULD ATTEND THE TALKS, AS A MEMBER OF THE BRITISH DELEGATION.

2. ACCORDING TO OUR INFORMANT THE STORY ORIGINATED WITH THE LEFT WING MAGAZINE QUOTE WIDE ANGLE UNQUOTE WHO SPREAD IT TO A NUMBER OF LOCAL NEWSPAPERS. THE PRESS THIS EVENING QUOTES 'SOURCES CLOSE TO PEKING' AND A QUOTE HIGH LEVEL FOREIGN OFFICE OFFICIAL UNQUOTE.  
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FUTURE OF HONG KONG

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ED/HKGD  
ED/FED  
ED/PLANNING STAFF  
ED/FUSD  
PS  
PS/MR HURD  
PS/LORD BELSTEAD  
PS/FUS  
SIR J BULLARD  
MR GIFFARD  
MR DONALD

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MR MARTIN ASSESSMENTS STAFF  
CABINET OFFICE  
MR FLOWER FUSD  
MR COLES NO 10 DOWNING ST.  
SIR A PARSONS NO 10 DOWNING ST

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SECRET  
DESKBY FCO 131630Z  
DESKBY PEKING 140100Z  
FM HONG KONG 131400Z MAY 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 683 OF 13 MAY  
INFO IMMEDIATE PEKING (PERSONAL FOR AMBASSADOR)

MIPT

HONG KONG PRESS REPORT

1. THE FOLLOWING ARE THE MAIN POINTS MADE BY THE HONG KONG GOVERNMENT SPOKESMAN THIS EVENING:-

QUOTE COMMENTING ON A REPORT PUBLISHED IN A LOCAL EVENING PAPER TODAY, THE GOVERNMENT SPOKESMAN SAID THAT DISCUSSIONS IN PEKING ARE CONTINUING BUT THEIR CONTENT REMAINS CONFIDENTIAL. THERE ARE NO CURRENT PLANS AT THE MOMENT FOR THE GOVERNOR TO VISIT PEKING. AS ALREADY STATED HE WILL GO WHEN THE TALKS REACH THE APPROPRIATE STAGE. CONTINUING THE SPOKESMAN SAID THAT THE NEWSPAPER REPORT WAS NOT AN ACCURATE REPRESENTATION OF THE STATE OF THE TALKS, OR OF THE BRITISH POSITION. THE SPOKESMAN ADDED THAT AS LORD BELSTEAD HAS SAID LAST DECEMBER PEOPLE SHOULD NOT BE MISLED BY WHAT THEY HEAR OUTSIDE THE TALKS. THE ONLY AUTHENTIC INFORMATION IS THAT WHICH EMERGES OFFICIALLY FROM THE TALKS UNQUOTE.

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DESKBY FCO 131630Z

DESKBY PEKING 140100Z  
FM HONG KONG 131357Z MAY 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 682 OF 13 MAY  
INFO IMMEDIATE PEKING (PERSONAL FOR AMBASSADOR)

FUTURE OF HONG KONG

1. THESE REPORTS ARE CLEARLY BASED ON ZHAO ZHIYANG'S REPLY TO THE PM'S LETTER. OUR NORMAL REACTION WOULD BE TO REFUSE TO COMMENT ON THE STATE OF THE TALKS ON THE GROUNDS OF THEIR CONFIDENTIALITY. BUT IF THESE REPORTS WERE ALLOWED TO GAIN CURRENCY HERE THEY WOULD BE SEVERELY DAMAGING TO CONFIDENCE IN HONG KONG. I HAVE THEREFORE AUTHORISED THE GOVERNMENT SPOKESMAN TO ISSUE A STATEMENT WHICH MAKES CLEAR THEY THEY DO NOT ACCURATELY REFLECT EITHER THE STATE OF THE TALKS OR THE BRITISH POSITION. MAIN POINTS ARE IN MY I.F.T.

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