PRIME MINISTER

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HONG KONG

Percy Cradock yesterday delivered our reply to Zhao's letter. He had a two-hour talk with the Chinese Ministry of Foreign Affairs but nothing much transpired. The Chinese reiterated their wish to hold substantive talks as soon as possible but did not suggest a date. They will now reflect on our suggestions about the agenda and the form of talks and will then summon Percy Cradock again. It therefore looks less and less likely that the talks will open before 10 June.

A. J. C .