

27^B

SECRET

GR 340
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DESKBY FCO 071200Z
DESKBY HONG KONG 080030Z
FM PEKING 070950Z JUN 83
TO IMMEDIATE FCO
TELNO 530 OF 7 JUNE
AND TO IMMEDIATE HONG KONG KONG (PERSONAL FOR GOVERNOR).

ML 15/6
h-a-

HONG KONG TELNO 766: FUTURE OF HONG KONG

1. I CERTAINLY HOPE WE COULD OBTAIN AN ASSURANCE FROM THE CHINESE THAT THEY WOULD NOT PUBLISH THE AGENDA. NO DOUBT WE COULD EXACT THIS AS A FORMAL CONDITION OF OUR AGREEMENT. THE CHINESE WOULD PROBABLY AGREE, VERY MUCH IN THE WAY THEY HAVE AGREED TO KEEP CONFIDENTIAL THE LETTERS BY ZHAO AND MRS THATCHER. BUT WE SHOULD BE UNDER NO ILLUSION THAT THIS WILL NOT PREVENT THEM LEAKING IN AN UNATTRIBUTABLE WAY IF IT SUITS THEIR BOOK. THIS IS WHY I HAVE POINTED OUT THE NEED TO WARN THE CHINESE THAT IF LEAKAGE OCCURRED WE SHOULD BE OBLIGED TO MAKE PUBLIC THE CONDITIONS IN THE PRIME MINISTER'S LETTER. THIS IS OUR ONLY EFFECTIVE SACTION.

2. ON PARA 5(A) OF TUR, THERE IS NO, REPEAT NO, PROSPECT OF OMITTING THE WORDS "TRANSFER OF". ON PARA 5(B), THE ADDITION OF "PROPOSED" WOULD BE VERY DIFFICULT AND, AS I SEE IT, OF LITTLE VALUE. IT COULD BE ARGUED THAT "PROPOSED TRANSFER OF SOVEREIGNTY" SMACKED MORE OF PRIOR AGREEMENT THAN "TRANSFER OF SOVEREIGNTY". OUR MAIN ALLY IS LIKELY TO BE THE USE OF THE INDEFINITE ARTICLE BEFORE "TRANSFER", IF WE CAN GET AWAY WITH THAT.

3. ON PARA OF TUR, IT WOULM BE MY INTENTION TO OBTAIN ORAL CONFIRMATION FROM YAO GUANG THAT THE CHINESE ACCEPTED OUR ORDER OF DISCUSSION. IT WOULD BE CONFIRMED BY THE ORDER OF ITEMS IN THE AGENDA FORMULA WHICH IS AT PRESENT DISCUSSED. I SEE LITTLE PROSPECT OF SUCCESS, AND LITTLE VALUE, IN ENDEAVOURING TO INSERT "IN THAT ORDER".

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4. ON THE ANNOUNCEMENT (PARA 8 OF TUR), I WOULD HOPE THAT ANY PUBLIC ANNOUNCEMENT ABOUT THE TALKS MIGHT BE CONFINED TO A STATEMENT ALONG THE LINES OF PARA 2 OF MY TELNO 473 OF 18 MAY. THE CHINESE MAY WELL OBJECT TO THIS FORMULA, BUT WITHOUT THE OPPORTUNITY TO EXPLORE THEIR POSITION ON THIS IT IS DIFFICULT TO SEE WHAT SORT OF COMPROMISE FORMULA WE MIGHT ACHIEVE. WE SHOULD HAVE TO SEEK TO AVOID THE TWO PITFALLS MENTIONED IN PARA 12 OF MY TELNO 517, BUT IN ANY EVENT IT WILL BE CLEAR TO THE PUBLIC, PARTICULARLY AS A RESULT OF YOUR ATTENDANCE, THAT A MILESTONE OF SOME KIND HAS BEEN REACHED.

CRADOCK

FUTURE OF HONG KONG

LIMITED

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