Prime Minister 770 Interesting. Exco did not give the Governor quite such SECRET GR 320 carte blanche as precast. SECRET Non would 7.6.

OR) I have done to the first of the first DESKBY PEKING 070830Z FM HONG KONG Ø7Ø744Z JUN 83 TO IMMEDIATE F C O TELEGRAM NUMBER 766 OF 7 JUNE INFO IMMEDIATE PEKING (PERSONAL FOR AMBASSADOR) FUTURE OF HONG KONG : YOUR TELNO 350 TO PEKING : PARA 4. EXCO HAD NOT OF COURSE AT THAT POINT BEEN CONSULTED ON THE PROPOSED AGENDA. GIVEN THE PACE OF DEVELOPMENTS I ARRANGED A PRELIMINARY DISCUSSION AT EXCO THIS MORNING AND THERE WILL BE A FULLER DISCUSSION AT THE REGULAR MEETING ON THE FUTURE TOMORROW. 2. THE INITIAL CONCERN IN EXCO CONCENTRATED ON WHAT THE PUBLIC REACTION WOULD BE HERE IF THE CHINESE LEAKED THE AGENDA. SOME MEMBERS THOUGHT THAT IF THEY DID, ANY REFERENCE TO THE 'TRANSFER OF SOVEREIGNTY'' COULD BE INTERPRETED BY THE PUBLIC AS INDICATING THAT SOVEREIGNTY HAD ALREADY BEEN CONCEDED. 3. I SPOKE ON THE LINES OF PARA 11 OF PEKING TELNO 517 BUT IT WOULD BE HELPFUL IF I COULD HAVE THE AMBASSADOR'S VIEWS ON THE FOLLOWING POINTS WHICH CAME UP TODAY. 4. HOW FIRM AN ASSURANCE MIGHT WE GET FROM THE CHINESE THAT THEY WOULD NOT PUBLISH? COULD WE FOR EXAMPLE MAKE THIS A FORMAL CONDITION OF OUR AGREEMENT? 5. IF THERE REMAINS NEVERTHELESS A DANGER OF THE CHINESE LEAKING THE AGENDA, WHAT ARE THE PROSPECTS OF HOLDING OUT FOR -(A) THE OMISSION OF THE WORDS ''TRANSFER OF'' BEFORE ''SOVEREIGNTY'' (I TOLD EXCO THAT THE AMBASSADOR HAD ALREADY TRIED THIS), (B) THE ADDITION OF SOME WORDS TO DILUTE FURTHER ANY IMPLICATION THAT TRANSFER HAD BEEN AGREED. 6. WOULD IT BE THE INTENTION TO GET FORMAL CONFIRMATION FROM YAO GUANG THAT THE CHINESE ACCEPTED OUR ORDER OF DISCUSSIONS? IF SO, WOULD WE TRY TO GET IT CONFIRMED IN THE AGENDA FORMULA? SECRET /T. THE

SECRET 7. THE POINTS MADE ABOVE COULD BE MET BY E.G. INSERTING SOMETHING LIKE ''PROPOSED'' BEFORE ''TRANSFER OF SOVEREIGNTY'' AND ''IN THAT ORDER'' AFTER THAT PHRASE. WOULD THE AMBASSADOR THINK THIS WORTH TRYING EVEN IF THEY WERE NOT MADE STICKING POINTS? 8. WHAT KIND OF FORMULA DOES HE HAVE IN MIND FOR THE ANNOUNCEMENT (PARA 12 OF HIS TELNO 517).

9. ANY ADDITIONAL COMMENT WHICH PEKING COULD OFFER TO REACH ME BY 080030Z WOULD BE VERY HELPFUL.

YOUDE

HD/HKD
HD/PLANNING STAFF
HD/FED
PS
PS/PUS
MR.GIFFARD
TR. DONALD

MR BUTLER
NO. LO. DOWNING STREET

SEČRET

GR 320

SECRET

AMENDED DISTRIBUTION - 7 JUNE 1983

SECRET

DESKBY PEKING Ø7Ø83ØZ

FM HONG KONG Ø7Ø744Z JUN 83
TO IMMEDIATE F C O
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SECRET

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YOUDE

FUTURE OF HONG KONG

LIMITED

MRWRIGHT

HD/HKGD
HD/FED
HD/FLANKING STAFF
HD/FUSD
PS
PS/M2 HURD
PS/LORD BELSTEAD
PS/FUS
SIR J BULLARD
MR GIFFARD
MR DONALD

COPIES TO

SIR I SINCLAIR LEGAL ADVISER
MR BURROWS LEGAL ADVISERS
MR ROBERTS NEWS D
MR MARTIN ASSESSMENTS STAFF
CABINET OFFICE

MR FLOWER PUSD

MR COLES NO 10 DOWNING ST. SIR A PARSONS NO 10 DOWNING ST.

SECRET