## SECRET

GPS 230 SECRET 161430Z FM HONG KONG 161248Z JUN 83 TO IMMEDIATE F C O TELEGRAM NUMBER 812 OF 16 JUNE INFO IMMEDIATE PEKING (PERSONAL FOR AMBASSADOR)

FUTURE OF HONG KONG

I TOOK ADVANTAGE OF AN INFORMAL DINNER WITH EXCO THIS EVENING TO CONFIRM THAT THE FOLLOWING FORMULA WAS ACCEPTABLE TO THEM.

2. QUOTE IN ORDER TO MEET THE WISH OF THE CHINESE SIDE FOR A BROAD AGENDA COVERING THE WHOLE COURSE OF THE FORMAL TALKS, THE BRITISH SIDE AGREE THAT, DURING THE COURSE OF THE TALKS, MATTERS RELEVANT TO THE FUTURE OF HONG KONG SHOULD BE DISCUSSED, IN PARTICULAR ALL THE SUBJECTS MENTIONED IN MRS THATCHER'S LETTER AND PREMIER ZHAO'S LETTER. THESE WOULD INCLUDE ARRANGEMENTS FOR HONG KONG AFTER 1997, ARRANGEMENTS IN HONG KONG BETWEEN NOW AND 1997, AND MATTERS RELATING TO A TRANSFER OF SOVEREIGNTY IN THAT ORDER. BOTH SIDES AGREE THAT THIS AGENDA SHOULD REMAIN CONFIDENTIAL. UNQUOTE.

- 3. IN ADDITION I CONFIRMED THAT IT WAS THE COUNCIL'S INDEPENDENT VIEW THAT
- (A) THE REFERENCE TO ''ARRANGEMENTS IN HONG KONG BETWEEN NOW AND 1997' WOULD NOT GIVE THE CHINESE ANY NEW STATUS OR RIGHT TO INTERFERE BEFORE 1997. (PARA 3(1) OF MY TELNO 779).
- (B) TO ATTEMPT TO WRITE IN A SPECIFIC REFERENCE TO THE ARRANGEMENTS HAVING TO BE ACCEPTABLE TO THE PEOPLE OF HONG KONG WOULD LEAD TO A FURTHER WHANGLE WITH THE CHINESE TO WHOM THE REFERENCE WOULD BE UNACCEPTABLE. THEY BELIEVED THAT THE REFERENCE TO THE PRIME MINISTER'S LETTER WAS A SUFFICIENT SAFEGUARD OF OUR POSITION. YOUDE

FUTURE OF HONG KONG

LIMITED

HD/HKGD HD/FED HD/PLANKING STAFF HD/PUSD PS PS/MR HURD PS/LOED BELSTEAD PS/PUS SIR J BULLARD MR GIFFARD MR DONALD MRWRIGHT

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. SIRAPARSONS NO 10 DOWNING STREET

SECRET