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DESKBY 291100Z (BOTH)

FROM PEKING 200910Z JUN 83

TO IMMEDIATE FOO

TELEGRAM NUMBER 605 OF 29/6/83

*head in bill.**MS*

REPEATED FOR INFO TO IMMEDIATE HONG KONG

FUTURE OF HONG KONG: PRESS ANNOUNCEMENT

1. I WAS TELEPHONED THIS AFTERNOON BY ASSISTANT MINISTER ZHOU NAN, WHO SAID HE (AND IT TRANSPIRED YAO GUANG) WAS WORRIED AT MY STATEMENT ON 28 JUNE THAT HONG KONG WOULD WISH TO ISSUE THE PRESS ANNOUNCEMENT SEPARATELY IN ADDITION TO LONDON AND PEKING ON 1 JULY. THE CHINESE HAD MADE IT PLAIN THE NEGOTIATIONS WERE BILATERAL BETWEEN BRITAIN AND CHINA AND THAT THERE SHOULD BE A JOINT SINO-BRITISH ANNOUNCEMENT. IF THERE WERE A SEPARATE HONG KONG ANNOUNCEMENT IT WOULD GIVE THE IMPRESSION THAT HONG KONG WAS AN EQUAL THIRD PARTY. THE ACCOUNEMENT OF THE GOVERNOR'S ATTENDANCE MIGHT ALSO BE MISCONSTRUED IN THIS SENSE.

2. I SAID THE NEED FOR A HONG KONG ANNOUCEMENT AROSE FROM THE PLAIN FACT THAT WE WERE TALKING ABOUT HONG KONG'S FUTURE. HONG KONG WAS DIRECTLY AND INTIMATELY INVOLVED. IT WAS UNREAL TO EXPECT THAT ITS PRESS COULD BE GAGGED. MOREOVER, THE GOVERNOR WOULD HAVE TO ANNOUNCE HIS PARTICIPATION AND HIS MOVEMENTS. HE COULD NOT TRY TO LEAVE BY STEALTH. FAILURE TO MAKE AN OFFICIAL ANNOUNCEMENT IN HONG KONG WOULD PROMPT THE MOST DANGEROUS SPECULATION. I REMINDED ZHOU NAN THAT YAO GUANG HAD NOT DEMURRED AT MY STATEMENT YESTERDAY.

3. ZHOU SAID THAT YAO GUANG (AND HE IMPLIED OTHERS) WAS UNHAPPY NOW. IF THERE WERE AN INDEPENDENT HONG KONG ANNOUNCEMENT THE CHINESE SIDE MIGHT BE FORCED TO ISSUE SUPPLEMENTARY CLARIFICATION THAT THIS WAS A PURELY BILATERAL MATTER.

4. AFTER FURTHER ARGUMENT I SUGGESTED AN ANSWER MIGHT BE TO DELAY THE HONG KONG ANNOUNCEMENT BY, SAY, AN HOUR AND THEN SAY IT HAD JUST BEEN ANNOUNCED IN LONDON AND PEKING THAT.....THE GOVERNOR'S POSITION, IE AS A MEMBER OF THE BRITISH DELEGATION, WOULD BECOME PLAIN IN ANSWER TO PRESS QUESTIONS. AFTER SOME HESITATION, IN WHICH HE SAID THE CHINESE SIDE HAD NEVER ACCEPTED THE THREE-LEGGED-STOOL APPROACH, ZHOU NAN SAID THIS SHOULD BE ACCEPTABLE. I SAID I HAD MADE THE PROPOSAL ON THE USUAL PERSONAL BASIS AND WOULD CHECK THAT IT REPRESENTED MY GOVERNMENT'S VIEW.

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5. THE ABOVE IS, IN MY VIEW: THE ONLY WAY ROUND THIS NEW OBSTACLE AND I HOPE YOU WILL ALLOW ME TO CONFIRM TO ZHOU NAN THAT WE SHALL PLAY THINGS THIS WAY. WE MUST AVOID SUPPLEMENTARY CLARIFICATION OR ANY PUBLIC SUGGESTION OF DISAGREEMENT. THE INCIDENT UNDERLINES EXTREME CHINESE SENSITIVITY ON THE BILATERAL NATURE OF THE GAME AND THE NEED FOR GREAT CIRCUMSPECTION IN WHAT IS SAID TO THE PRESS IN HONG KONG.

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FUTURE OF HONG KONG

LIMITED
HD/HKD
HD/FED
HD/PLANNING STAFF
HD/PUSD
PS
PS/LADY YOUNG
PS/MR LUCE
PS/PUS
SIR J BULLARD
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MR WALKER, RESEARCH DEPT

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