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DESKBY FCO 141100Z

FM PEKING 140930Z OCT 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 1028 OF 14 OCTOBER

INFO IMMEDIATE HONG KONG

28

MF

YOUR TELNO 669: FUTURE OF HONG KONG: MESSAGE FROM THE
PRIME MINISTER

1. I CALLED ON VICE-FOREIGN MINISTER YAO GUANG THIS MORNING. I EXPLAINED THAT I HAD JUST RETURNED FROM LONDON AFTER CONSULTATIONS WITH THE PRIME MINISTER, YOU AND MR LUCE. THE PRIME MINISTER HAD CONCLUDED THAT CONSULTATION HAD BECOME NECESSARY IN VIEW OF THE DIFFERENCES SEPARATING THE TWO SIDES IN THE TALKS. THE RESULT OF THE CONSULTATIONS WAS A MESSAGE FROM THE PRIME MINISTER. I THEN SPOKE AS IN PARAS 4-7 OF TUR AND LEFT A COPY OF THE MESSAGE.
2. I FOLLOWED UP THE MESSAGE WITH SOME PERSONAL OBSERVATIONS. I EXPRESSED THE HOPE THAT THE CHINESE SIDE WOULD RECOGNISE THE IMPORTANCE AND MAGNITUDE OF THE STEP WE WERE TAKING. THE PRIME MINISTER'S MESSAGE WAS CLEAR EVIDENCE OF THE BRITISH SIDE'S PROFOUND WISH TO MOVE FORWARD CONSTRUCTIVELY AND IN A SPIRIT OF COOPERATION. WE CONSIDERED IT VITAL TO THE MAINTENANCE OF HONG KONG'S STABILITY AND PROSPERITY THAT THE TALKS SHOULD NOT FAIL. WE WERE DEEPLY COMMITTED TO A SUCCESSFUL OUTCOME. THE MESSAGE WAS A SINCERE EFFORT TO ACCOMMODATE CHINESE VIEWS ON SOVEREIGNTY AND ADMINISTRATION. REFERRING TO THE PRIME MINISTER'S LETTER OF 10 MARCH TO ZHAO ZIYANG, I REPEATED THE CONSTITUTIONAL CONSTRAINTS ON THE PRIME MINISTER'S FREEDOM OF ACTION AS FAR AS A TRANSFER OF SOVEREIGNTY WAS CONCERNED. I STRESSED THE CONTINUING NECESSITY FOR SECRECY. ANY PUBLIC MISREPRESENTATION OF THE STEP WE WERE TAKING WOULD MAKE IT NECESSARY FOR US TO CLARIFY OUR POSITION IN PUBLIC. SUCH PUBLIC STATEMENTS WOULD ONLY MAKE BOTH SIDES' TASK MORE DIFFICULT. I HOPED THAT, AS A RESULT OF THE PRIME MINISTER'S MESSAGE, WE SHOULD BE ABLE TO MAKE SUBSTANTIAL PROGRESS IN THE NEXT ROUND. I ADDED THAT WE DID NOT CONSIDER THAT THE MESSAGE REQUIRED A FORMAL CHINESE REPLY. WE HOPED THAT THE CHINESE REACTION TO THE MESSAGE WOULD BE APPARENT IN THE FURTHER CONDUCT OF THE TALKS. IF YAO GUANG HAD ANY QUESTIONS IN CLARIFICATION, I WOULD DO MY BEST TO ANSWER THEM.
3. YAO GUANG THANKED ME FOR CONVEYING THE MESSAGE. HE HAD TAKEN NOTE OF ITS CONTENT AND OF MY COMMENTS. HE WOULD REPORT FULLY TO THE CHINESE GOVERNMENT. THE CHINESE SIDE WOULD STUDY THE MESSAGE CAREFULLY AND WOULD COMMENT UPON IT ON 19 OCTOBER.

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/4. YAO

4. YAO CONTINUED THAT BEFORE ASKING QUESTIONS HE WOULD LIKE TO MAKE SOME COMMENTS. HE REFERRED TO THE COMMON GROUND AS WELL AS THE DIFFERENCES OF PRINCIPLE BETWEEN THE TWO SIDES OVER HONG KONG. DURING THE PRIME MINISTER'S TALKS LAST YEAR AND IN SUBSEQUENT BILATERAL CONTACTS, THE CHINESE HAD MADE CLEAR THEIR INTENTION TO RESUME THE EXERCISE OF SOVEREIGNTY, INCLUDING ADMINISTRATION, WHILST MAINTAINING HONG KONG'S STABILITY AND PROSPERITY. THE CHINESE HAD REPEATEDLY STATED THAT THE RESUMPTION OF THE EXERCISE OF SOVEREIGNTY WAS THE PREMISE AS WELL AS THE BASIS FOR A SETTLEMENT. BY CLEARLY ACCEPTING THE PREMISE IT WOULD BE EASY TO SOLVE OTHER MATTERS. THE CHINESE SIDE ATTACHED IMPORTANCE TO THE DIFFERENCES BECAUSE THEY WERE ONES OF PRINCIPLE. WITHOUT THEIR RESOLUTION IT WOULD BE DIFFICULT TO CONDUCT THE TALKS. CHINA HOPED TO SOLVE THE HONG KONG QUESTION THROUGH NEGOTIATION. THE HONG KONG PROBLEM WAS ONE LEFT OVER FROM HISTORY. CHINESE POLICY HAD BEEN TO MAINTAIN THE (NEXT TWO WORDS UNDERLINED) STATUS QUO AND TO SOLVE THE PROBLEM THROUGH NEGOTIATION WHEN CONDITIONS WERE RIPE. THEY BELIEVED THAT THE CONDITIONS WERE NOW RIPE.

5. YAO GUANG ALSO DREW ATTENTION TO BRITISH REFERENCES TO SEEKING THE AGREEMENT OF THE PEOPLE OF HONG KONG TO ANY SETTLEMENT. HE DID NOT WISH TO DWELL ON THE POINT BUT NOTED THAT WE HELD DIFFERENT VIEWS ON THIS ISSUE.

6. HE THEN RAISED TWO QUESTIONS: DID THE UK SIDE HAVE ANY IDEA WHAT FORM THE '' OTHER EFFECTIVE METHODS'' IN PARA 4 OF THE MESSAGE MIGHT TAKE: AND DID WE INTEND TO PROPOSE SUCH '' OTHER EFFECTIVE METHODS'' AT THE NEXT ROUND?

7. I RE-READ TO YAO GUANG THE FINAL PARAGRAPH OF THE MESSAGE. I NOTED THAT HIS REMARKS WERE OF AN HISTORICAL CHARACTER, DEALING AS THEY DID WITH THE SITUATION BEFORE THE PRIME MINISTER'S MESSAGE. I HOPED THAT THE CHINESE SIDE'S ATTACHMENT TO PRINCIPLE DID NOT MEAN THAT THEY WOULD INSIST ON DWELLING ON THESE ISSUES. WE WERE TRYING TO GET OVER THEM. THE MESSAGE WAS A GREAT EFFORT TOWARDS THEIR RESOLUTION. YAO GUANG SHOULD LOOK FORWARDS AND NOT BACKWARDS. YAO GUANG COMMENTED THAT IT WAS HARD TO FORGET THESE DIFFERENCES OF PRINCIPLE. I SAID IF IT MADE HIM FEEL MORE COMFORTABLE HE COULD TALK ABOUT THEM, BUT WE REALLY MUST LOOK AHEAD.

8. IN RESPONSE TO HIS SPECIFIC QUESTIONS, I SAID THAT THE WORD ''OTHER'' WAS VERY IMPORTANT. IT MEANT '' OTHER THAN BRITISH ADMINISTRATION''. WE WERE READY TO SEE IF WE COULD CONSTRUCT TOGETHER, ON THE BASIS OF THE CHINESE PROPOSALS, A SYSTEM WHICH WOULD ASSURE HONG KONG'S FUTURE. IF WE WERE ABLE TO AGREE ACCEPTABLE ARRANGEMENTS ON THIS BASIS WE WOULD RECOMMEND THEM TO PARLIAMENT. ON HIS SECOND QUESTION WE, OURSELVES WERE NOT GOING TO PUT FORWARD A NEW METHOD AT THE NEXT MEETING. WE HOPED TO LEARN MORE OF THE CHINESE PROPOSALS AND BUILD ON THEM.

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/s/ YAO GUANG

9. YAO GUANG THEN ASKED FOR A CLEAR EXPLANATION OF OUR USE OF THE TERM 'BRITISH LINK'. I SAID THAT THIS EXPRESSION HAD BEEN USED AS SHORTHAND FOR ALL THE VARIOUS CONNECTIONS HONG KONG HAD WITH THE UK AS SET OUT IN THE PAPERS WE HAD SUBMITTED. WE HAD FIRST SPOKEN OF BRITISH ADMINISTRATION, BUT HAD LATER CONCLUDED THAT AS HONG KONG WAS VERY LARGELY SELF-GOVERNING THIS WAS AN INACCURATE DESCRIPTION. HOWEVER, ALL THIS PREDATED THE PRIME MINISTER'S MESSAGE. ALTHOUGH WE NATURALLY HOPED THAT THE OUTCOME OF THE NEGOTIATIONS WOULD PRODUCE A SUBSTANTIAL ROLE FOR THE UK IN HONG KONG, THE PRIME MINISTER'S MESSAGE MADE CLEAR THAT WE WERE WILLING TO SEE IF WE COULD BUILD UPON THE CHINESE PLAN.

10. YAO CUANG ASKED IF THE '' OTHER EFFECTIVE METHODS'' WOULD BE THOSE CONNECTED WITH THE BRITISH LINK. I REITERATED OUR WILLINGNESS TO START FROM THE CHINESE PLAN.

11. YAO GUANG, OVER WHOM THE MISTS WERE BEGINNING TO LIFT BY THIS STAGE, THEN ASKED, AT THE SUGGESTION OF LUO JIAHUAN, IF OUR WILLINGNESS TO SEEK TO CONSTRUCT ARRANGEMENTS ON THE BASIS OF THE CHINESE PROPOSALS MEANT THAT WE WERE ACCEPTING THE CHINESE PREMISE. I SAID THAT FOR THE PURPOSES OF OUR DISCUSSIONS WE WERE NO LONGER INSISTING ON BRITISH ADMINISTRATION AS THE PREREQUISITE. WE WERE READY TO SEE WHAT COULD BE BUILT ON THE CHINESE PROPOSALS. AT DINNER ON 23 SEPTEMBER KE ZAISHUO HAD SAID THE PROPOSALS AND PREMISE WERE INDISSOLUTELY LINKED. THE MESSAGE WAS VERY CLEAR: BUT THE CHINESE SIDE WOULD HAVE TO DECIDE IF IT MET THEIR PREMISE.

12. I SAID THAT I WAS AVAILABLE AT ANY TIME FOR FURTHER CLARIFICATION BEFORE THE NEXT ROUND.

13. SEE MIFT FOR COMMENT.

CRADOCK

FUTURE OF HONG KONG

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HD/HKD

HD/FED

HD/PLANNING STAFF

HD/PUSD

PS

PS/LADY YOUNG

PS/MR LUCE

PS/PUS

SIR J BULLARD

MR GIFFARD

MR DONALD

MR WRIGHT

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MR WALKER RESEARCH D OAB

MR GOODALL, CABINET OFFICE

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DESKBY FCO 141100Z
FM PEKING 140930Z OCT
TO IMMEDIATE FCO
TELEGRAM NUMBER 1029 OF 14 OCTOBER
INFO IMMEDIATE HONG KONG

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MIPT: FUTURE OF HONG KONG: PRIME MINISTER'S MESSAGE

COMMENT

1. IT TOOK TIME AND CONSIDERABLE REPETITION, BUT I AM FAIRLY CONFIDENT THAT YAO GUANG EVENTUALLY UNDERSTOOD THE MESSAGE. I DID NOT EXPECT SUBSTANTIVE COMMENT FROM HIM AND DID NOT GET IT. YAO IS NOT GOOD AT SPONTANEOUS DISCUSSION AND HIS FIRST REPLY ON THE HISTORICAL BACKGROUND AS THE CHINESE SAW IT WAS MERE REITERATION OF A STOCK BRIEF. THIS WAS REALLY JUST PROTECTIVE COVERING.
2. YAO'S QUESTIONS WERE DESIGNED IN A RATHER CLUMSY WAY TO SEE WHETHER WE WERE PROPOSING TO PUT FORWARD SOME OTHER SCHEME FOR HONG KONG DIFFERENT FROM THAT ENVISAGED IN THE CHINESE PREMISE. I THINK HE GRASPED THAT WE WERE NOT.
3. ALTHOUGH THE CHINESE WILL LOOK VERY CAREFULLY THROUGH THE PRIME MINISTER'S MESSAGE TO SEE WHETHER THERE ARE HIDDEN SNAGS, I AM FAIRLY CONFIDENT THAT THE REPORT THAT YAO NOW MAKES TO THE LEADERSHIP WILL BE REASONABLY CLEAR, AND THAT THE RIGHT CONCLUSIONS WILL BE DRAWN. I DOUBT WHETHER WE SHALL GET ANY FURTHER RESPONSE BEFORE THE TALKS START NEXT WEEK.

CRADOCK

FUTURE OF HONG KONG

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FROM PEKING 100650Z OCT 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 995 OF 10/10/83

REPEATED FOR INFO TO PRIORITY HONG KONG

Al 11/10
h-a.

FCO TEL NO 668: FUTURE OF HONG KONG

1. WE SPOKE TO THE MFA ON 8 OCTOBER STRESSING THAT THE AMBASSADOR WOULD BE BEARING AN IMPORTANT MESSAGE. THE MFA HAVE NOW TOLD US THAT YAO GUANG MUCH WISHES TO ACCEDE TO THE AMBASSADOR'S REQUEST. HIS DIARY IS VERY FULL FOR 14 OCTOBER, BUT THE MFA ARE NEVERTHELESS TRYING TO ARRANGE A CALL FOR THE AMBASSADOR SOMETIME DURING THE COURSE OF THAT DAY, PERHAPS IN THE EVENING. THE MFA WILL CONFIRM ARRANGEMENTS FOR THE CALL ON 13 OCTOBER.

2. PLEASE CONFIRM THAT THE AMBASSADOR WILL RETURN TO PEKING ON BAO03 ON 13 OCTOBER

CLARK

FUTURE OF HONG KONG

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