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10 DOWNING STREET

From the Private Secretary

7 December 1983

HONG KONG: POSSIBLE VISIT BY EXCO

Thank you for your letter of 5 December. We have set aside the period 1630-1800 on 16 January in case it is necessary for the Prime Minister to receive EXCO on that day. This is purely a provisional diary arrangement and I have not yet consulted the Prime Minister about her willingness to receive EXCO (though I have no doubt that if the Foreign and Commonwealth Secretary recommends that this is necessary she will do so).

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

CT



Foreign and Commonwealth Office

London SW1A 2AH

5 December 1983

Dear John,

Hong Kong: Possible Visit by EXCO

You will have seen Hong Kong telegrams Nos 1828 and 1829 in which the Governor floats the possibility of a visit to London by EXCO in early January (I enclose copies).

Sir Geoffrey Howe thinks that we cannot decide at this stage on whether an EXCO visit will be necessary. He does see the need for a major stocktaking in December and January after the next round of talks but we cannot yet say whether that will give rise to decisions which will require high level discussion with EXCO. But the odds probably are that the Unofficials themselves will press very hard for a visit and for reassurances on HMG's position. The meeting of OD(K) on 13 December would provide a convenient opportunity for Ministers to decide the question of a visit by EXCO, in the light of the assessment of progress at the 7/8 December round.

Hong Kong have floated the idea of a visit on 13 or 16 January, after a number of Unofficials and the Governor will be attending a trade promotion function in New York. (The Governor in any case plans to be in London on the 13th.) Sir Geoffrey agrees that, if a decision is taken that an EXCO visit should take place, 16 January might be the best date (he may be returning from an overseas visit on 13 January). It would be useful to know whether that date would be convenient to the Prime Minister if the need should arise.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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TO IMMEDIATE FCO

TELEGRAM NUMBER 1628 OF 25 NOVEMBER

INFO IMMEDIATE PEKING

FUTURE OF HONG KONG

1. SIR S.Y. CHUNG RE-AFFIRMED TO ME LAST NIGHT HIS BELIEF, SHARED BY HIS UNOFFICIAL COLLEAGUES, THAT WE HAVE REACHED A CROSS-ROADS IN THE TALKS WITH THE CHINESE ON THE FUTURE OF HONG KONG. WHATEVER THE OUTCOME OF THE MEETING ON DECEMBER 7/8, THEY BELIEVE THAT THEY NOW NEED A CLEARER UNDERSTANDING OF HMG'S POSITION AND WHERE WE THINK THE TALKS ARE LEADING.

2. HE REFERRED AGAIN TO THE POSITION TAKEN BY UMELCO IN SEPTEMBER 1982 THAT CONTINUING BRITISH ADMINISTRATION SHOULD BE THE OBJECTIVE. IF HMG THOUGHT THAT THIS WAS NO LONGER ACHIEVABLE THEN THIS SHOULD BE CONVEYED IN SOME FORM TO UMELCO: OTHERWISE THE UNOFFICIALS IN EXCO WOULD BE IN AN ENTIRELY FALSE POSITION IN RELATION TO THEIR LEGCO COLLEAGUES. (THERE IS FORCE IN THIS: WHEN MR EVANS MET UMELCO LAST WEEK THEY WERE STILL STRONGLY ON THE TACK OF CONTINUING BRITISH ADMINISTRATION, BUT IT IS CLEAR FROM OUR INFORMAL CONTACTS WITH THEM ON THE FUTURE THAT THEY ARE BECOMING INCREASINGLY CONCERNED ABOUT THE GAP BETWEEN THIS OBJECTIVE AND WHAT MAY BE ACHIEVABLE IN THE LIGHT OF THE PUBLIC AND OTHER EVIDENCE OF THE CHINESE POSITION).

3. SIR S.Y. ALSO REFLECTED THE CONCERN OF HIS COLLEAGUES ABOUT WHAT ASSURANCES (OR "INSULATORS") HMG WILL NOW BE SEEKING. IN THEIR MINDS IT WILL NOT BE SUFFICIENT TO RELY ON CHINESE ASSURANCES ALONE (AND IN THIS THEY CERTAINLY REFLECT THE VIEWS OF THE BULK OF THE POPULATION). HE RAISED THE QUESTION OF WHAT STANDING THE UK COULD CLAIM TO MONITOR CHINESE RESPECT FOR THE AUTONOMY OF HONG KONG AFTER 1997. (THIS RAISES THE ISSUE OF WHAT SHOULD BE INCLUDED IN THE BILATERAL AGREEMENT AND, IF AFTER SIGNATURE THE CHINESE DID NOT ABIDE BY IT, THE EXTENT TO WHICH THE UK COULD AND WOULD ASSERT A RIGHT TO INTERVENE WITH THE CHINESE GOVERNMENT ON THE ISSUE).

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4. SIR S.Y. SAID THAT, GIVEN THEIR CONCERNS, HIS UNOFFICIAL COLLEAGUES HAD ASKED HIM TO SUGGEST THAT I SHOULD DRAW YOUR ATTENTION TO THE FACT THAT A NUMBER OF THEM WILL BE IN NEW YORK (ON A TRADE DEVELOPMENT OCCASION) ON JANUARY 9/10 AND 11. THE END OF THAT WEEK AND THE BEGINNING OF THE NEXT (EG FRIDAY 13TH AND MONDAY 16TH) WOULD BE A CONVENIENT POINT AT WHICH, IF MINISTERS AGREED, THEY COULD TRAVEL ON TO LONDON FOR A REVIEW OF THE POSITION REACHED AND OF WHERE THE NEXT PHASE OF THE TALKS SHOULD LEAD, WITH OTHER EXCO UNOFFICIALS FROM HONG KONG JOINING THEM THERE.

5. PLEASE SEE MIFT.

YOUDE

FUTURE OF HONG KONG

LIMITED

ED/HKD

ED/FED

ED/PLANNING STAFF

ED/PUSD

D/ED/PUSD(MR FLOWER)

RESEARCH DEPT(MR WALKER)

LEGAL ADVISER(SIR IAN SINCLAIR)

PS

PS/LADY YOUNG

PS/MR LUCE

PS/PUS

SIR J BULLARD

MR GIFFARD

MR DONALD

MR WRIGHT

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PS/CHANCELLOR OF THE EXCHEQUER

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MR BURROWS LEGAL ADVISERS

MR COLES NO 10 DOWNING ST

SIR A PARSONS " "

MR MARTIN ASSESSMENT STAFF
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MR GOODALL CABINET OFFICE

MR BRENNAN " "

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TO IMMEDIATE FCO

TELEGRAM NUMBER 1629 OF 25 NOVEMBER 1983

INFO IMMEDIATE PEKING

MIPT

FUTURE OF HONG KONG

1. GIVEN THEIR CONCERN ABOUT THE RIGIDITY OF THE CHINESE POSITION, ABOUT WHERE THE TALKS ARE LEADING, AND THEIR WISH TO HAVE A CLEARER EXPOSITION OF HMG'S POSITION, IT WAS INEVITABLE THAT THE UNOFFICIALS SHOULD SEIZE ON THE COINCIDENCE OF THEIR VISIT TO NEW YORK TO SUGGEST A FURTHER DISCUSSION IN LONDON IN JANUARY.

2. WE SHALL IN ANY CASE HAVE TO HAVE IN MIND A TIMETABLE FOR EARLY NEXT YEAR BECAUSE WE SHALL NEED TO FIX DURING THE TALKS ON DECEMBER 7/8, A DATE FOR THE FIRST MEETING IN PEKING IN THE NEW YEAR. MR EVANS WILL NOT BE IN PEKING, ON PRESENT PLANS, BEFORE MID JANUARY: CHINESE NEW YEAR IS THE FIRST WEEK IN FEBRUARY. THE FIRST MEETING IN THE NEW YEAR MIGHT THEREFORE BE IN THE LAST WEEK OF JANUARY.

3. ANY REVIEW OF THE FUTURE WILL HAVE TO TAKE INTO ACCOUNT ANY MEETINGS WITH CHINESE LEADERS WHICH SIR PERCY CRADOCK MAY HAVE JUST BEFORE HIS DEPARTURE. THERE WILL THEN BE THE CHRISTMAS AND NEW YEAR HOLIDAYS. GIVEN THE NEED TO PREPARE THE REVIEW A DISCUSSION WITH EXCO IN MID JANUARY WOULD FIT VERY WELL. IF IT IS TO BE IN LONDON IT WOULD MEAN MR EVANS DELAYING HIS DEPARTURE.

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4. I HAVE NOT GONE INTO THE QUESTION WITH SIR S Y CHUNG OF HOW MINISTERS WILL WISH TO CONDUCT THE REVIEW (YOUR TELNO 1230) AND I CAN UNDERSTAND THAT MINISTERS WILL WISH TO CONSIDER THE OUTCOME OF THE DECEMBER 7/8 MEETING BEFORE COMMITTING THEMSELVES. BUT GIVEN THE IMPORTANCE OF THE ISSUES WHICH ARE BOUND TO ARISE I BELIEVE IT WILL BE ESSENTIAL FOR A CLEAR MANDATE TO BE AGREED FOR THE PHASE BEGINNING IN THE NEW YEAR AND THAT ANOTHER MEETING IN LONDON WITH EXCO WOULD BE THE BEST WAY OF ACHIEVING IT.

YOUDE

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