

FUTURE OF HONG KONG ADVANCE COPIES 910

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FM PEKING 210600Z DEC 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 1388 OF 21ST DEC 83

INFO IMMEDIATE HONG KONG

MIPT: CALL ON ZHAO ZIYANG

COMMENT

1. ZHAO WAS RELAXED AND FRIENDLY, AND SHOWED A DETAILED KNOWLEDGE OF THE SUBJECT. HE WAS AT PAINS TO ACKNOWLEDGE THE VALUE OF THE PRIME MINISTER'S MESSAGE OF 14 OCTOBER. HE REPEATED THAT THE CHINESE SIDE WERE WILLING TO DISCUSS ANYTHING WITH US SO LONG AS THEIR BASIC PRINCIPLES WERE NOT INFRINGED. HE CLEARLY WISHED TO GIVE AN IMPRESSION OF CONSIDERABLE FLEXIBILITY, THOUGH HE DID POINT TO THE POSSIBILITY THAT THE VIEWS OF THE TWO SIDES WOULD DIFFER ON SOME THINGS.

2. ON DETAIL, HE CONFIRMED WITHOUT RESERVATION THAT WHAT WAS AGREED WITH US WOULD BE PUT INTO THE BASIC LAW FOR HONG KONG. HE ALSO MADE NO OBJECTION TO MY RESTATEMENT OF WHAT JI PENGFEI HAD SAID THE NIGHT BEFORE ABOUT OVERSEAS VICIL SERVANTS WITH ID CARDS CONTINUING TO SERVE IN HONG KONG. ON THE QUESTION OF TROOPS, THERE WAS PERHAPS A HINT OF FLEXIBILITY, THOUGH ZHAO WAS CLEARLY TOUCHY ABOUT THE CHINESE RIGHT TO STATION TROOPS IN HONG KONG.

3. ZHAO REPEATED THE NOW STANDARD THEME THAT WE SHOULD MAKE OUR CONCERNS KNOWN AT AN EARLY STAGE. THIS, TOGETHER WITH THE KNOWLEDGE THAT ZHAO SHOWED OF THE DETAIL OF THE PROBLEM, REINFORCES MY VIEW THAT WE WOULD DO WELL TO GET OUR IDEAS TO THE CHINESE AS SOON AS POSSIBLE. IN PARTICULAR WE NEED TO GET THE CENTRAL WORKING PAPERS TO THEM AS SOON AS POSSIBLE AFTER THE JANUARY MEETING WITH EXCO, AND AT LEAST ONE BEFORE THE 25/26 JANUARY ROUND. I ALSO THINK AS I HAVE PROPOSED BEFORE, THAT WE SHOULD TELL THE CHINESE AS SOON AS POSSIBLE WHAT SUBJECTS THEY WILL COVER.

~~SUBJECTS THEY WILL COVER.~~

4. ZHAO ALSO REPEATED MORE CLEARLY THE CHINESE WISH TO HAVE SOME DISCUSSION OF THE TRANSITIONAL PERIOD IN ~~THE~~ PARALLEL WITH DISCUSSION OF THE POST-1977 PERIOD. MY FEELING ON THIS IS THAT WHILE WE SHOULD MAINTAIN FORMALLY THE PRINCIPLE OF TAKING THE ITEMS IN THE ORDER OF THE AGENDA, IT WILL IN FACT NOT BE PRACTICAL, PARTICULARLY WHEN DEALING WITH THE CENTRAL ARRANGEMENTS, TO AVOID DISCUSSION OF THE PERIOD BEFORE 1997. IN VIEW OF THIS THERE WOULD BE ADVANTAGE IN SHOWING SOME FLEXIBILITY IN PRACTICE.

CRADOCK .

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