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Foreign and Commonwealth Office

London SW1A 2AH

13 January, 1984

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Dear John,

Hong Kong: Meeting with Governor and Unofficials 13 January 1984

I wrote to you earlier today with a short brief for the Prime Minister's meeting. Sir Geoffrey Howe met the visitors this afternoon. The following main points emerged.

Objective of Negotiations

There was a general agreement that it was unrealistic to continue to seek British administration and that, within the conditionality contained in the Prime Minister's messages to the Chinese Government, our objective should be redefined. The formula in paragraph 3 of the brief for the Prime Minister's meeting was generally accepted but there was a suggestion that the need for no change after 1997 should be included. The objective would thus read 'Negotiation of the highest degree of autonomy for Hong Kong, both internal and external, consistent with the assumption by China of sovereignty and the right of administration. We should also seek to assert in the negotiations the principle of minimum change in the Hong Kong systems. The arrangement should be backed by the maximum assurances against interference in order to maintain domestic and international confidence'.

*Period of about 50 years*Assurances

As expected the Unofficials put much stress on this point. In the discussion they accepted that we should not regard the seeking of assurances as a separate exercise but as a series of proposals which we should try to insert at appropriate stages of the negotiation, as confidence building components in any final arrangement. Sir Geoffrey Howe pointed out that it would not be right to regard any particular assurances or group of assurances as absolute requirements for acceptance of an agreement. We would need to examine the package as a whole. It was agreed that further consideration would be given to the types of assurance which we might seek. The Unofficials showed particular interest in a recent suggestion that Ji Pengfei, Head of the Chinese Hong Kong and Macau Office of the State Council, made to a visiting Hong Kong Professor, to the effect that there should be a tripartite 'Council' in Hong Kong. Unofficials were particularly struck by a reference by Ji to the possibility of representation by 'pro-British' elements on the Council. They thought that this might give us an opportunity of establishing machinery to monitor the observance of an agreement on Hong Kong, with the inclusion of some sort of British role. Sir Geoffrey



Howe pointed out that our information on this proposal was sketchy. We should clearly find out more about it but at first sight he doubted whether it would provide a basis for any form of outside supervisory role of an agreement after 1997.

Tactics

The meeting discussed how we should react to and take advantage of the Chinese ''deadline'' of September 1984. The Unofficials showed interest in reaching an interim agreement before that date, in order to pre-empt the Chinese action and possibly to give people in Hong Kong a first chance to offer views on the acceptability of an arrangement. It was agreed that there was a variety of possible permutations ranging from a full agreement in the autumn to a joint statement which would allow for negotiation to continue thereafter. We must be careful that our position on conditionality was not damaged and also ensure that we were not shown to be edged out of any further discussion if the Chinese had made a unilateral statement in September.

Conditionality

Unofficials pointed out that whereas the British side had impressed on the Chinese side the conditional nature of our willingness to explore the Chinese position, the Chinese side always talked as though unconditional concessions had been made. Sir P Cradock said that we had always insisted on the point. Sir Richard Evans would also make a point of making sure the position was clear when he restarted the talks.

Public Presentation

The Unofficials showed some interest in the idea that we should start to prepare opinion in Hong Kong for the possibility of an eventual agreement not involving British administration. It was agreed that the means of doing this for instance by unattributable briefings should be considered further bearing in mind the importance of not prejudicing conditionality.

Constitutional Development up to 1997

All but one of the Unofficials, Mr T S Lo, endorsed in general terms the idea of the evolution towards a more representative system on a collegiate, step by step basis. All agreed with Sir Geoffrey Howe that there was no dispute over the direction of constitutional development, but that the pattern and pace of the precise arrangements would require further discussion. We should also need to consider carefully how to get the Chinese to acquiesce without allowing them any sort of veto.

/Possible representation



Possible Representation of Hong Kong Unofficials on British
Negotiating Team

Sir S Y Chung pressed this idea strongly, arguing that, since British administration was no longer our objective. Legislative Council Unofficials and others in Hong Kong would be likely to demand that a Hong Kong Chinese took part in the negotiations as part of the British team. Sir Geoffrey Howe expressed sympathy with the idea in principle but pointed out that in practice it would pose severe risks to the talks. The Chinese would be bound to turn it down. They would react badly. If we pressed it the talks could be at risk. If we acquiesced in the Chinese refusal we should be seen to accept that the Chinese could dictate the composition of the British delegation. The Chinese somewhat reluctantly accepted this but they could revert to it on Monday.

This letter has been seen in draft by Sir P Cradock. Sir Geoffrey has not yet seen it: I shall be showing him a copy over the weekend.

Yours ever,

Peter

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