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COPY TO:

MR COLES, No. 10 DOWNING ST

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DESKBY 251100Z

FM PEKNING 250920Z JAN 84

TO HAMEDHATE FCO

TELEGRAM NUMBER 131 OF 25TH JAN 84

MINFO MIMMEDINATE HONG KONG

FUTURE OF HONG KONG: STH ROUND OF TALKS: FARST DAY.

1. ZHOU NAN SPOKE FRAST. HE WELCOMED ME AND RECALLED THE PROGRESS MADE SO FAR. HE REFERRED TO ZHAO ZHYANG'S MESSAGE TO THE PRIME MINNISTER, CONVEYED THROUGH SHR PERCY CRADOCK ON 20 DECEMBER, AN WHICH ZHAO HAD SAND AT WAS DESARABLE AND POSSUBLE TO EXPEDITE THE TALKS AND TRY TO REACH AGREEMENT AT AN EARLY DATE. NOW THAT WE HAD ENTERED 1984, THERE WAS NOT MUCH TIME LEFT. THE CHIMESE SHOE CONSHIDERED THAT OBJECTUVE CONDUTTIONS CURRENTLY EXHISTED FOR SPEEDING UP THE TALKS. HE REPEATED THAT THE CHINESE SUDE WOULD WELCOME SUGGESTIONS FROM US ON THE 12 POWNT PLAN AND WOULD GHIVE THEM SERWOUS CONSHIDERATION SO LONG AS THEY WERE CONDUCTIVE TO THE MAINTENANCE OF STABBLERTY AND PROSPERINTY AND DED NOT PREJUDICE BASING CHIMESE PRINCIPLES. HE HOPED WE WOULD SET OUT SHINCERELY AND STRAIGHTFORWARDLY ALL MATTERS THAT CONCERNED US AND WOULD PRODUCE AS QUINCKLY AS POSSIBLE ALL OUR WORKING PAPERS. HIT WOULD NOT BE DAFFACULT TO REACH AGREEMENT AN PRANCAPLE QUACKLY HE WE FOCUSSED ON MAJOR MATTERS OF PRINCHPLE AND DAND NOT GET ENTANGLED IN EXCESSIVE DETAIN.

2. ZHOU THEN OFFERED FURTHER ELABORATHON OF THE 12 POINT PLAN, RELATING HIS COMMENTS TO OUR FOUR MOST RECENT WORKING PAPERS. POINT 7 (THE MONETARY SYSTEM)

THE STAPULATION IN THUS POINT OF THE PLAN WAS IN PITSELF CLEAR AND EXPLICIT. THE CHINESE GOVERNMENT HAD FORMULATED A SET OF POLICIES WHICH WERE ROUGHLY AS FOLLOWS:

A) AFTER THE ESTABLISHMENT OF THE SAR, THE MONETARY AND FINANCHAL SYSTEMS AND THE RELEVANT LAWS AND ORDINANCES CURRENTLY IN FORCE WOULD REMAIN BASHCALLY UNCHANGED.

MUSICALLY UNCHANGED,

S EXCEPT FOR COLONBALLY TANNED LAWS AND TERMS. CURRENT FRANCHAL

- B) HONG KONG WOULD CONTINUE TO BE OPEN TO FOREIGN FINANCHAL BUSINESSES AND THEME FREEDOM OF OPERATION AND THE FREE FLOW OF CAPAITAL WOULD BE GUARANTEED. THERE WOULD BE NO EXCHANGE CONTROLS. THE FOREIGN EXCHANGE, GOLD, SECURATIONS AND FUTURES MARKETS WOULD REMAIN OPEN. ''FREE TRANSACTIONS WOULD BE PROTECTED.'' (SAC)
- C) THE SAR GOVERNMENT WOULD EXERCISE AUTHORISTY TO CONTROL CURRENCY AND FINANCE MIN HONG KONG MIN ACCORDANCE WHITH THE BASHIC LAW AND COULD WHEN NECESSARY REVISE AND FORMULATE REGULATIONS MIN ACCORDANCE WHITH LEGISLATINE PROCEDURES. THE SAR GOVERNMENT WOULD ALSO BE ABLE TO REORGANISE OR SET UP MANAGEMENT AGENCIES.
- D) THE HONG KONG DOLLAR WOULD CONTINUE TO CHRCULATE AND REMAIN FREELY CONVERTIBLE. NOTES AND COUNS BEARING A CROWN OR MARKINGS WITH COLONIAL IMPLICATIONS WOULD BE PROGRESSIVELY REPLACED AND WHITHDRAWN FROM CHRCULATION WHITHIN A DEFINITE PERIOD.
- E) THE SAR GOVERNMENT WOULD BE VESTED WHITH THE AUTHORNITY TO.

  HISSUE THE HONG KONG DOLLAR AND COULD AUTHORNISE DESIGNATED BANKS
  TO HISSUE CURRENCY. WHITH THE AUTHORNISATION OF THE SAR GOVERNMENT,
  THE CURRENT NOTE HISSUENG BANKS COULD PARTHCHPATE HAN HISSUENG,
  PROVIDED THIS PROCEEDED IN A SOUND FASHION AND A STABLE VALUE
  HAD BEEN FIRMLY ESTABLISHED. THE PROPORTIONS OF
  CURRENCY TO BE HISSUED BY EACH HISSUENG BANK WOULD BE
  SPECIFIED THROUGH LEGISLATION OF THE SAR.
- F) THE EXCHANGE FUND WOULD BE MANAGED AND CONTROLLED BY THE SAR GOVERNMENT INN ORDER TO HELP STABINGUISE THE HONG KONG DOLLAR.
- G) USING THE NAME ''HONG KONG, CHIMA'' THE SAR COULD MAINTAIN OR ESTABLISH RELATIONS WITH INTERNATIONAL MONETARY ORGANISATIONS WHOSE MEMBERSHIP WAS NOT LIMITED TO STATES. HONG KONG COULD PARTICIPATE AS A MEMBER OF THE CHIMESE GOVERNMENT DELEGATION IN ORGANISATIONS AND CONFERENCES WHOSE PARTICIPANTS WERE LIMITED TO STATES, BUT COULD MAKE STATEMENTS IN THE NAME OF THE HONG KONG SAR.
- H) ADMINISTRATIVE PERSONNEL OF FUNANCIAL AGENCIES WOULD BE APPOINTED BY THE SAR, WHICH COULD ALSO RECRUIT FOREIGN EXPERTS. THE RECRUITMENT AND EMPLOYMENT OF STAFF IN COMMERCIAL HINSTITUTIONS WOULD BE FOR DECISION BY THE RESPECTAIVE HINSTITUTIONS THEMSELVES.
- 3. ZHOU SAND NT WAS CLEAR FROM THE ABOVE THAT THE CONTENTS OF THE MONETARY SYSTEM WORKING PAPER WERE LARGELY COVERED NON THESE ENIGHT POINTS AND THERE WAS NOT MUCH DISCREPANCY BETWEEN OUR UNDERSTANDING AND THE CHINESE POINTS. BUT SOME FORMULATHONS NON THE WORKING PAPER WERE NACCURATE OR NAPPROPRIMATE, AN EXAMPLE WAS THE STATEMENT THAT HONG KONG WOULD REMAIN A MEMBER OR AN ASSOCIMATE MEMBER OF INTERNATIONAL ECONOMIC CAORGANISATIONS ON THE PRESENT BASIS. NOT WOULD BE INAPPROPRIMATE THE PHRASE 'ON THE PRESENT BASIS' WERE TO BE NATERPRETED AS MEANING HONG KONG'S MEMBERSHIP OF INTERNATIONAL ORGANISATIONS AFTER 1997 AS A BRITTISH DEPENDENCY. HIS SEVENTH POINT ((G) ABOVE) WAS CLEAR IN THIS RESPECT AND HE

BELIEVED WE WOULD NOT OBJECT TO MIT. HE REFERRED TO THE PROPOSAL MIN THE PAPER TO ESTABLISH AN MINDEPENDENT MONETARY COMMISSION AND TO THE SUGGESTION THAT THE HONG KONG DOLLAR COULD BE LIMIKED TO ANOTHER CONVERTIBLE CURRENCY OR BASKET OF CURRENCINES. THESE SUGGESTIONS WERE TOO SPECIFIE AND COULD AND SHOULD BE LEFT TO THE SAR GOVERNMENT TO HANDLE MIN THE LIMIT OF THE PREVAILING CHRCUMSTANCES. MIT WAS MINADVINSABLE TO MAKE PREJUDGEMENTS.

POINT 5 (LIFE STYLE, FREEDOMS, PROTECTION OF PROPERTY)

4. ZHOU SAND THUS POUNT HIN THE PLAN COVERED THE MANN PART OF THE WORKSING PAPERS ON THE ECONOMIC SYSTEM, CULTURE AND EDUCATION AND THE RIGHTS OF UNDINVIDUALS. ECONOMIC SYSTEM: THE STATEMENT THAT, AFTER CHINA HAD RESUMED THE EXERCISE OF SOVERENGNTY OVER HONG KONG, THE CURRENT SOCHAL AND ECONOMIC SYSTEMS WOULD REMAIN UNCHANGED MEANT THAT THE SAR WOULD CONTINUE TO PRACTICE A CAPITALISH SYSTEM. THE PROPERTY OF HINDINGHIDUALS, CORPORATIONS AND OTHER LEGAL PERSONS AND THE OWNERSHIP OF ENTERPRISES WOULD BE PROTECTED BY LAW. HIT WENT WHITHOUT SAYING THAT THE CHINESE GOVERNMENT WOULD NOT HINTRODUCE SOCHALMST POLINCHES AIN HONG KONG. THERE WAS NO MAJOR DISCREPANCY BETWEEN OUR UNDERSTANDING AND THEMES. BUT HE POMNTED OUT THAT THE WORKING PAPER STATED THAT THE HONG KONG ADMINISTRATION WOULD CONTINUE TO HAVE FULL AUTHORITY TO DECIDE HITS ECONOMIC POLICY. THE WORDS FULL AUTHORITY WERE NOT CLEAR IN MEANING AND LACKED PRECISION. A MORE APPROPRIBATE FORMULATION WOULD BE 'THE FUTURE SAR GOVERNMENT WOULD HAVE AUTHORITY TO DECIDE ECONOMIC POLISY AND TO MAKE ECONOMIC POLICY DECHSIONS WITHIN THE FRAMEWORK OF

CULTURE AND EDUCATION: THE CHINESE SHIDE HAD ALREADY STATED THAT THE HONG KONG SAR WOULD ENJOY A HAIGH DEGREE OF AUTONOMY AND, USHING THE NAME "HONG KONG, CHINA", COULD ON HITS OWN MAINTAIN AND DEVELOP CULTURAL RELATIONS AND CONCULDE AGREEMENTS WITH FOREIGN COUNTRIES, REGIONS AND THE RELEVANT HINTERNATIONAL ORGANISATIONS. THAT MEANT THAT THE SAR GOVERNMENT COULD FORMULATE ON HITS OWN AUTHORITY SPECIFIED POLICIES HIN THE FRELDS OF CULTURE, EDUCATION AND SCHENCE FOR HONG KONG AND COULD CARY ON AND DEVELOP EXHISTING EXTERNAL THES HIN THESE FREELDS.

THE BASHC LAW".

ACCORDING TO THE PRINCIPLE THAT SOCIAL AND ECONOMIC SYSTEMS WOULD BE UNCHANGED, THE CURRENT EDUCATIONAL SYSTEM WOULD BE RETAINED AND THE SAR GOVERNMENT WOULD HAVE AUTHORISTY TO DECIDE BUTS OWN SPECIFIC POLICIES ABOUT THE SCHOOL SYSTEM, THE ADMINISTRATION OF SCHOOLS, THE LANGUAGE OF TURITION, THE ALLOCATION OF FUNDS, ''DEGREE QUOTAS'' (SHIC), EXAMS AND THE EXPISTENCE OF PRINVATE SCHOOLS. EDUCATIONAL HINSTRITUTES HIN HONG KONG COULD CONTINUE TO RECRUINT AND EMPLY STAFF FROM OUTSHIDE HONG KONG AND USE TEACHING MATERIALS PRODUCED ABROAD. OF COURSE, ALL MATERIAL WHICH HIMPLED COLONIAL RULE AND HIMPARIRED CHINESE SOVERENGNTY WOULD HAVE TO BE REMOVED, WHETHER HIT WAS HIN TEXTBOOKS PRODUCED HIN HONG KONG OR HIN FOREHIGN MATERIAL. SCHOOLS AND SCHENTIFIC AND CULTURAL HINSTRITUTES RUN BY MISSHIONARHIES, ORGANISATIONS, HINDINVIDUAL AND FOREHIGN COUNTRIES

COULD REMAIN AND OPELATE WITHIN THE FRAMEWORK OF THE BASIC LAW. EDUCATIONAL AND TECHNICAL QUALIFFICATIONS GAINED OUTSIDE HONG KONG WOULD BE RECOGNISED AND RESPECTED SUBJECT TO CERTAIN EVALUATION PROCEDURES BASED ON THE PRINCIPLE OF EQUAL TREATMENT WITHOUT DISCRIPTIONATION. THESE POINTS COVERED THE CONTENTS OF THE WORKING PAPER ON CULTURE AND EDUCATION.

RUGHTS OF HINDHYNDUALS: POHNT 5 OF THE CHANESE PLAN PRESCRUBED THE BROAD TERMS THE HINDHWINDUAL RINGHTS AND FREEDOMS OF MINHABITANTS OF THE SAR. RIGHTS AND FREEDOMS HAD NOT BEEM ENUMERATED BECAUSE INT WAS NOT POSSIBLE TO ENUMERATE ALL OF THEM. ACCORDING TO THE PRINCIPLE OF NO CHANGE UN THE LIFESTYLE, HAN ADDITION TO THE BASHC RIGHTS AND FREEDOMS ALREADY PRESCRIBED, THE OTHER RIGHTS AND FREEDOMS CURRENTLY ENJOYED BY PEOPLE HIM HONG KONG WOULD BE RESPECTED. CURRENT LAWS DEALING WITH RIGHTS AND FREEDOMS WOULD REMAIN AND WOULD INCLUDE, FOR EXAMPLE, LAWS GOVERNING THE FREEDOMS TO ENGAGE HIN ACADEMIC RESEARCH, CHOOSE A JOB, DEMONSTRATE AND STRUKE. AS THE WORKHING PAPER HAD POINTED OUT, NO RNIGHT OR FREEDOM WAS ABSOLUTE AND ALL WERE SUBJECT TO CERTAINN RESTRICTIONS. MIN EXERCISING THESE REGHTS AND FREEDOMS, THE BASHC LAW SHOULD NOT BE OVERSTEPPED, NOR SHOULD NATHONAL SECURATY AND THE PUBLIC HATEREST BE HARMED, NOR SHOULD THE REGHTS OF OTHER ENDINADUALS BE ENCROACHED UPON. ON THIS PORINT, THERE WAS NO DAFFERENCE BETWEEN US. ZHOU REFERRED TO THE HINTERNATIONAL COVENANT ON CHIVIN AND POLHTUCAL RIGHTS AND THE MATERNATIONAL COVENANT ON ECONOMIC, SOCIETAL AND CULTURAL RUGHTS. AFTER 1997, THE SAR WOULD NOT BE ABLE TO REMAIN WATHEN THE TWO COVENANTS OR TO UNDERTAKE OBLUGATIONS ARMSHING FROM THEM AS A BRUTGISH DEPENDENCY. BUT THE SAR ON NATS OWN COULD DECIMDE TO APPLY THE PRINCIPLES AND SPHRINT OF THEM TO LEGISLATION IN HONG KONG.

- 5. ZHOU SAND NOT WOULD NOT BE DIFFICULT FOR US TO SEE FROM HAS COMMENTS ON THE FOUR WORKING PAPERS, THAT THE CHANESE SIDE HAD EARNESTLY AND FULLY STUDIED ALL OUR PROPOSALS AND WERE APPROACHING OUR COMMON TASK HIN A FRIENDLY SPIRMIT. HE HOPED WE WOULD SHOW A GOOD UNDERSTANDING OF WHAT HE HAD SAND MAKE A POSHITHIVE RESPONSE. HE WOULD OFFER COMMENTS ON POINTS RELATING TO THE LEGAL SYSTEM THE NEXT DAY.
- 6. IN THANKED ZHOU FOR HIS STATEMENT AND SAND WE WOULD GIVE NOT THE MOST CAREFUL STUDY. IN THEN SPOKE ON THE LINES SUGGESTED NON YOUR TELNO 48.
- 7. ZHOU RESPONDED BRHÆFLY. HE SAND HE HAD LESTENED WENTH GREAT CARE. HE WAS GLAD TO NOTE THAT WE FULLY AGREED WENTH PREMINER ZHAO THAT THE TWO SMIDES SHOULD SPEED UP THE TALKS TO REACH AGREEMENT AT THE EARLHEST POSSMIBLE DATE. HE WOULD REPORT THINS POSMITHIVE RESPONSE TO THE PREMIMER. (HE HAD NOT OF COURSE SAND THINS. HE CONFINED MYSELF TO THE TEXT THIN PARAGRAPH 2 OF YOUR TELNO 48). HE NOTED THE PREVIOUS OFFERED HIN MY STATEMENT OF THE AREAS TO BE COVERED HIN THE MARIN WORKHING PAPERS STILL TO BE PRESENTED. HE WOULD HE NECESSARY

WORKLING PAPERS STITLL TO BE PRESENTED. HE WOULD HE NECESSARY MAKE FURTHER COMMENTS ON MY STATEMENT LATER. 8. IN THEN SPOKE ALONG THE LHINES HIN HONG KONG TELNO 116 TO YOU, AS AMENDED BY HONG KONG TELNO 148 TO YOU, AND PASSED OVER COPILES OF THE PAPER ON LAND. IN CONCLUDED BY ASSURTING ZHOU THAT WE WOULD STUDY WHITH GREAT CARE ALL THAT HE HAD SAND THAT DAY AND WOULD COMMENT ON HAT HAN DUE COURSE. ZHOU THANKED ME FOR THE WORKSING PAPER. THE CHINESE SHIDE WOULD GLIVE CAREFUL STUDY TO THE QUESTINON OF HOW AND WHEN TO SETTLE THE INSSUE OF LEASES AND INF POSSIBLE WOULD OFFER SOME COMMENTS THE FOLLOWING DAY. 9. COMMENT HIS HIN MIFT. EVANS NNNN HATEREATHORAL COVERANT ON CHICAL AND POLYFOCAL POSHIE AND ENGLISHE WAS NO DIFFERENCE PETWEEN US. DRON AFFERED TO THE ESTANDINE OF OTHER ANDEMODALS BE EXCRORDED WHEEL OF THIS HOUSE TO SECURE AND THE PUBLIC CONTERES OF MARKET, MOR SOCIETY OF C STATE OF A SHOETH WILL BE SHEWELFERED HIM SHOPE THE ASSESSMENT OF SECTION ALL HOLD ENDING THOSE PORCH ST. PRESCHOOL ALL 21 NOVE TO THE OWNERS OF STATE AND PURPLED SHAPE AND A STATE tion of the Court Section as day a straight the section of the e this time, accoming to the statement of an Darker of the THE ENGLID TEADS THE MANAGEMENT AND TE AND TE SELECTION. IT STOMEROW THE CONTRACTOR INC. WHEN HE EXPERT ON CHARLES AND NORMAN BY EMPTH MEXICA- SETTLE BOXES TEXAL ON ASSISTANCE OF THE

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## SECRET

GR 470

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DESKBY 251100Z

FROM PEKING 251030Z JAN 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 132 OF 25TH JAN 84

INFO IMMEDIATE HONG KONG

MIPT. FUTURE OF HONG KONG: 8TH ROUND: FIRST DAY:

- 1. THERE WAS NO SURPRISES IN ZHOU NAN'S OPENING STATEMENT, THE TONE OF WHICH WAS FRIENDLY. HIS DETAILED COMMENTS OF THE FOUR MOST RECENT WORKING PAPERS WERE REASONABLY ENCOURAGING. WE SHALL BE DOING A MORE DETAILED ANALYSIS, BUT OUT INSTITULE IMPRESSION IN THAT THE CHINESE STIDE HAVE NOT CHALLENGED MOST OF THE POUNTS IN THEM. THERE WAS AN UNWELCOME NOTE IN ZHOU NAN'S SUGGESTION THAT TEACHING MATERIAL CONTAINING TERMS IMPLYING COLONIAL RULE OR IMPAIRING CHINESE SOVEREIGNTY WOULD HAVE TO BE REVISED. MORE IMPORTANTLY, HE SET ASHDE THE INDEA OF AN INDEPENDENT MONETARY COMMISSION AS A MATTER FOR THE FUTURE SAR GOVERNMENT TO DECRIDE.
- 2. AT TOMORROW'S SESSION ZHOU HAS PROMISED TO PRODUCE SOME ADDITIONAL COMMENTS ON LEGAL QUESTIONS, AND PERHAPS SOME HINHTHAL COMMENTS ON THE PAPER ON LAND. IN SHALL MAKE SOME PRELIMINARY COMMENTS ON ZHOU'S STATEMENT OF TODAY, IN WILL ALSO MAKE SOME FURTHER COMMENTS ON THE LEGAL SYSTEM AND ON EXTERNAL TRADE RELATIONS, DRAWING ON FCO TELS NOS 42 AND 43, THOUGH WITHOUT ATTEMPTING TO SUM UP THE PROGRESS ACHIEVED IN PREVIOUS ROUNDS.
- THE DATE OF THE NEXT ROUND IN LIKELY TO BE A PROBLEM.
  ZHOU AGAIN ENDECATED CHINESE ANXHETY TO SPEED UP THE TALKS.
  WE SUSPECT THAT THE CHINESE WOULD LIKE TO SEE A ROUND RATHER EARLIER IN FEBRUARY THAN WE HAD ENVISAGED. THEY HAVE,
  HOWEVER, SAND INFORMALLY THAT THERE WILL BE LIMITLE TO
  DISCUSS UNLESS WE HAVE BY THEN GOT IN AT LEAST SOME OF THE
  REMAINING WORKING PAPERS. THIS IS IN FACT TRUE: WE HAVE ONLY
  JUST ENOUGH MATERIAL TO KEEP US GOING FOR THE REST OF THIS
  ROUND. GIVEN THAT THE NEXT WORKING PAPERS ARE UNLIKELY TO
  BE AVAILABLE BEFORE AT BEST ABOUT 20 FEBRUARY, THE GOVERNOR
  AND IN THINK WE MAY HAVE TO GGO FOR A SLIGHTLY
  LATER DATE, PERHAPS IN THE WEEK BEGINNING MARCH 5, WHICH
  WOULD GIVE THE CHINESE THME TO CONSIDER THEM.

  SECRET

SECRET 4. WE SHALL TRY TO HAVE AN INFORMAL WORD WINTH THE CHINESE SHIDE ABOUT THIS THIS EVENING. UNLESS THEY ARE PREPARED TO GO AHEAD WITH THE MEETING ON 22 AND 23 FEBRUARY IN THE KNOWLEDGE THAT THE WORKING PAPERS WILL AT BEST REACH THEM ONLY SHORTLY BEFORE THIS, WE SHALL NEED TO GO FOR THE LATER DATE. AND TO EXPLAIN THE RATHER LONG INTERVAL AS BEST WE CAN PUBLICLY IN TERMS OF MCHINESE NEW YEAR, THE PRESENTATION OF THE BUDGET TO LEGCO ON 29 FEBRUARY, AND MINHSTERMAL VISHTS BOTH HERE AND TO HONG KONG AT THE END OF FEBRUARY. EVANS FUTURE OF HONG KONG COPIES TO: LIMITED BUCKINGHAM PALACE PS/LORD PRESIDENT OF THE COUNCIL HD/HKD PS/HOME SECRETARY HD/FED PS/CHANCELLOR OF THE EXCHEQUER HD/PLANNING STAFF PS/LORD PRIVY SEAL HD/PUSD PS/SECRETARY FOR TRADE & INDUSTRY D/HD/PUSD (MR FLOWER) RES.B. (MR WALKER) COPIES TO: (VIA ADR) LEGAL ADVISER (SIR IAN SINCLAIR MR ROBERTS N'EWS D PS MR BURROWS LEGAL ADVS PS/LADY YOUNG MR COLES NO 10 DOWNING ST PS/MR LUCE PS/PUS MR MARTIN ASSESSMENT STAFF CABINET OFFICE SIR J BULLARD MR GOODALL CABINET OFFICE MR BRENNAN CABINET OFFICE MR DONALD PS/S OF S FOR DEFENCE D MR WRIGHT PS/ATTORNEY GENERAL SIR C TICKELL SIR P CRADOCK RM K195 2 SECRET

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DESKBY FCO 260900Z
HONG KONG 260615Z
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TO IMMEDIATE FCO
TELEGRAM NUMBER 134 OF 26 JANUARY
INFO IMMEDIATE HONG KONG

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HONG KONG TALKS: PRESS STATEMENT

1. THE FOLLOWING IS THE TEXT OF THE DECINT STATEMENT ON THE EIGHTH ROUND OF TALKS, EMBARGOED FOR RELEASE AT 1500 HOURS LOCAL TIME.

QUOTE THE CHINESE AND BRITISH SIDES CONTINUED THEIR USEFUL AND CONSTRUCTIVE TALKS ON THE HONG KONG QUESTION ON 25 AND 26 JANUARY IN PEKING. IT WAS AGREED THAT THE NINTH ROUND OF TALKS WOULD TAKE PLACE ON 22 AND 23 FEBRUARY IN PEKING END QUOTE.

EVANS

HKD FED NEWS D. HR. DONALD

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