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FM HONG KONG 250450Z JAN 84
TO PRIORITY FCO
TELEGRAM NUMBER 231 OF 28 JANUARY
INFO PRIORITY PEKING

FUTURE OF HONG KONG: DISCUSSION WITH EXCO.

1. I GAVE EXCO AN ACCOUNT OF THE 8TH ROUND AT A PART II MEETING ON THE EVENING OF 27 JANUARY.

2. DISCUSSION CONCENTRATED ON THE NEW CHINESE TIMETABLE AS SET OUT BY ZHOU NAN (PARA 3 OF PEKING TELNO 144) AND ITS IMPLICATIONS FOR OUR STRATEGY IN THE TALKS. MOST MEMBERS SAW NO (NO) POSSIBILITY OF REACHING A FINAL AGREEMENT BY THE SUMMER, NOR DID THEY SEE WHY THE BRITISH SIDE SHOULD BE RUSHED INTO INADEQUATE CONSIDERATION OF IMPORTANT ISSUES JUST BECAUSE ZHOU NAN HAD BEEN GIVEN ORDERS BY HIS MASTERS TO GET ON FASTER.

3. SIR S.Y. CHUNG RECALLED THE POSSIBLE ADVANTAGES OF AIMING FOR A JOINT STATEMENT OF PRINCIPLES WHICH ONCE ISSUED COULD LEAVE DETAILED MATTERS TO BE DISCUSSED AND AGREED IN SLOWER TIME. I SAID THAT WE WOULD NEED TO CONSIDER CAREFULLY WHAT WOULD BE INCLUDED IN A JOINT STATEMENT: ONE OF THE DIFFICULTIES WAS THE CHINESE VIEW, NOW INCREASINGLY EVIDENT, THAT ANY AGREEMENT CONCLUDED IN THE SUMMER SHOULD BE THE SUBSTANTIVE AGREEMENT.

4. THE DISCUSSION BROUGHT OUT ONCE MORE MEMBERS' CONCERN THAT THE PEOPLE OF HONG KONG WERE STILL IN THE DARK ABOUT THE NEGOTIATIONS AND THAT TIME WOULD BE NEEDED TO PREPARE THEM FOR AN OUTCOME WHICH DID NOT PROVIDE FOR CONTINUING BRITISH ADMINISTRATION. THEY WERE ALSO VERY CONSCIOUS OF THE GROWING FRUSTRATION OF THE LEGCO MEMBERS OF UMELCO AT THE POSITION IN WHICH THE MAINTENANCE OF CONFIDENTIALITY, COMBINED WITH THEIR BEING GIVEN LITTLE GUIDANCE ON WHAT IS HAPPENING, IS PLACING THEM. THIS FRUSTRATION IS BECOMING PARTICULARLY INTENSE IN THE FACE OF CONTINUING AND

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APPARENTLY CREDIBLE PRESS REPORTS ON HMG'S POSITION APPEARING
IN SERIOUS BRITISH NEWSPAPERS.

5. I CIRCULATED THE PAPER ON PUBLIC PRESENTATION IN YOUR TELNO 74
TO PEKING AND SAID THAT I WOULD DISCUSS IT WITH THE COUNCIL NEXT
WEEK.

YOUDE

THIS TELEGRAM
WAS NOT
ADVANCED

FUTURE OF HONG KONG
LIMITED
HD/HKD
HD/FED
HD/PLANNING STAFF
HD/PUSD
D/HD/PUSD (MR FLOWER)
RES.B. (MR WALKER)
LEGAL ADVISER (SIR IAN SINCLAIR)
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PS/LADY YOUNG
PS/MR LUCE
PS/PUS
SIR J BULLARD
SIR W HARDING
MR DONALD
MR WRIGHT
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