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PM/84/32

PRIME MINISTER

MEETING OF OD(K), 27 FEBRUARY 1984

FUTURE OF HONG KONG: STRATEGY AND TIMETABLE

1. At the meeting of OD(K) on Monday I suggest we look ahead at the future course of negotiations with the Chinese and consider the important question of our strategy over the next few months. I shall be sending you and colleagues separately a short commentary on the latest round of talks which has just finished in Peking.
2. In general the negotiations are going quite well, although there are some outstanding difficult issues, including the question of the stationing of Chinese troops in Hong Kong. With the prospect that we may complete discussion of Agenda Item 1 (arrangements after 1997) by early April, we need to consider how we can best achieve a satisfactory package which will be acceptable in Hong Kong. In this a decisive factor is the Chinese intention to issue a statement in September either together with us or unilaterally.
3. I have been discussing the question with the Governor of Hong Kong and the Ambassador in Peking. We agree on the essential objectives but the Governor differs from the Ambassador and myself on the type of understanding at which we should aim this year. The Governor would like us to seek no more than an interim statement in September, with the possibility of continuing negotiations and arriving at an agreement some

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time in 1985. He argues that this would give the best opportunity for Hong Kong opinion to accept the agreement and that there should be a long period of reflection in Hong Kong. He feels that without this, acceptability in Hong Kong will not be attained and the agreement will founder.

4. My own view, shared by the Ambassador, is that we must take the Chinese deadline very seriously. They are determined to issue a statement either jointly or unilaterally in September. It must be our primary objective to see that this statement is as joint, palatable and binding as possible. If we were to tell the Chinese that we were not even going to try for an agreement this year, we would do ourselves much harm and reduce our chances of gaining the assurance we need. If we continue to work with the Chinese for an agreement by the date on which they are set, we will maintain a degree of leverage with them and stand a better chance of gaining the necessary assurances. Per contra a unilateral Chinese announcement of the decisions in respect of the future of Hong Kong in September would be disastrous for confidence there.

5. I therefore believe that we should try for a bilateral agreement with the Chinese by September with the knowledge that if we cannot complete our work in the time we might have to fall back on something less, such as a Heads of Agreement. I am, however, alive to the Governor's problem and the need to allow Hong Kong opinion to form when some indication of the likely agreement is revealed. This could be achieved by a

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Ministerial statement or a White Paper, issued in the late spring or early summer, which would give some of the background to the issue and would indicate the sort of conclusions we might reach in the negotiations if we continue on the present lines. Obviously this would need to be carefully worded to avoid any breach of conditionality but it should describe the assurances that might be attainable from the Chinese. It should also do something to reduce the pressure under which the Governor and EXCO find themselves as a result of our total silence on the course of the negotiations.

6. One possibility would be for me to issue a statement on these lines if, as I have in mind, I visit Hong Kong during my Far East tour this April. I suggest that I should also keep open the possibility of a visit to Peking at that time which I could use to press on the Chinese any important points outstanding in the negotiation, to tell them that we were aiming at a definitive agreement this year and to explain the need for an early statement in Hong Kong which would show how we expected the shape of an eventual package to look.

7. I think it important that you and colleagues should see all the arguments that have been put forward in this debate. I therefore attach the telegrams which I have exchanged with the Governor and the Ambassador. I also attach a draft of a telegram which I propose, subject to the views of colleagues, to send to the Governor. As you know, Richard Luce will be visiting Hong Kong this weekend and will be taking stock of the negotiations with the Executive Council. I have asked him to take a

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reading of their views and I hope that we shall have a report from him in time for our meeting on Monday.

8. I am copying this minute to OD(K) colleagues and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to be 'G. Howe', is written above the printed name.

GEOFFREY HOWE

Foreign and Commonwealth Office

24 February, 1984

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Drafted by .....  
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TO IMMEDIATE HONG KONG (precedence) (post) Tel. No. .... of

AND TO (precedence/post) IMMEDIATE PEKING AND BRUNEI (PS/MR LUCE

AND TO SAVING .....

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INFO SAVING .....

Distribution:—

[TEXT]

)Your Tel No 458 and Peking Tel No 297:

FUTURE OF HONG KONG: STRATEGY AND TIMETABLE.

1. I have looked at this again very carefully, taking account of your views and those of the Ambassador in Peking TUR. I feel there may have been some misunderstanding about the proposition in my tel No 310. I do not believe, however, that there is much difference between us on essentials. Indeed, I attach the greatest importance to meeting your concerns and avoiding the problems which could arise if we present Hong Kong with a fait accompli. But I start from the basis that the September deadline is a real one and that the /Chinese

Copies to:—



Chinese will not shift on it. I realise that this view has not been subjected to every possible test. It does, however, represent a serious and in my view accurate judgment of the Chinese attitude based on Chinese statements at the highest level. I believe that if we were to try to embark on the only final test possible, ie telling the Chinese that we did not want an agreement this year but sought an interim announcement only, we should risk doing unacceptable damage to Hong Kong's interests.

2. The other key points are that while agreement with the Chinese and acceptability in Hong Kong are both essential, we cannot tackle the second objective without confidence that we can obtain the first; and that we need an approach in our dealings with the Chinese which will stand the best chance of getting a comprehensive and convincing agreement for Hong Kong. This has got to be an approach of cooperation rather than confrontation.

3. Having said that I accept that we must provide a proper opportunity to sound opinion in Hng Kong before publication of the text of an agreement. It is in order to ensure this that I envisage a statement or White Paper in the spring or early summer, while negotiations are still in progress. In para 4 of your TUR you question whether this would meet our purposes. But while it is true that Hong Kong people already have a broad picture of what may be in store, they have not so far had an official statement of the British Government's objectives or a picture of how the eventual final package might emerge if we pursue our present course. To provide that would in itself **be a significant first step.**



The content of an early statement need not be uninformative. While it would probably not be possible, as the Ambassador has pointed out, to issue anything as full as the draft interim statement in your Tel No 434, we should be able to include a considerable amount of detail indicating at least the way in which we aimed to preserve Hong Kong's systems and freedoms through a binding agreement.

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4. In your para 5 you rightly draw attention to the concept of the public service. I agree that we must take these seriously. However, I see major problems in our issuing undertakings to the public service in advance of, or simultaneously with, the announcement of an agreement which carried the implication that we were preparing for failure of the agreement. I think we should stick firmly to the line that we are negotiating seriously for an agreement which will work for all Hong Kong people. Otherwise we should prejudice our negotiations with the Chinese and hit confidence among the bulk of the Hong Kong population. I agree that we shall probably have to take the civil service more in to our confidence and if necessary undertake to examine individual problems on a case by case basis, but we cannot give open ended undertakings.

5. As I have said above, to help Hong Kong we need the co-operation of the Chinese. We have to explain to them the need to prepare Hong Kong opinion in advance before binding commitments are made. I could well use a visit to Peking in April to put over Hong Kong's case strongly and to get Chinese acquiescence in a fairly full statement of the position reached by then. It might help if I made such a statement when I arrived in Hong Kong at the end of April. Whether we adopt this tactic or a White Paper, I am sure that we should be more likely to get what we want out of the Chinese if we were willing to work within their timetable.

6. My conclusion therefore is that our interests and those of Hong Kong make it essential to aim for a final agreement with the Chinese this year, if we cannot achieve that we might have to fall back on a Heads of Agreement. But we shall also

/need



need to test Hong Kong opinion before a final commitment  
made by a statement or White Paper in the spring or early  
Summer.







CONCERN IS WITH WHAT HMG HAS BEEN SEEKING TO NEGOTIATE WITH THE CHINESE WHICH WILL GIVE THEM SOMETHING MORE THAN JUST A DECLARATION OF CHINESE INTENTIONS. WITHOUT A REASONABLE INDICATION OF HOW FAR HMG HAS GOT ON ASSURANCES WITH THE CHINESE A WHITE PAPER WOULD BE DAMAGING RATHER THAN REASSURING.

5. WITH THE QUESTION OF ACCEPTABILITY TO THE POPULATION IN GENERAL IS BOUND UP THE PROBLEM OF MAINTAINING THE CONFIDENCE OF THE PUBLIC SERVICE, THE POLICE AND THE JUDICIARY WITHOUT WHOSE SUPPORT THIS TERRITORY WILL BECOME UNGOVERNABLE EVEN BEFORE 1997. THE COURSE WHICH WE SHALL BE URGING ON THEM - TO CONTINUE IN THE SERVICE OF A GOVERNMENT UNDER THE SOVEREIGNTY OF A COMMUNIST STATE IS UNPRECEDENTED IN THE HISTORY OF OUR DISMANTLING OF THE EMPIRE. BEFORE WE FINALLY COMMIT OURSELVES ON THE TERMS OF AN AGREEMENT WITH THE CHINESE HMG WILL NEED TO HAVE DECIDED, IN CONSULTATION WITH THEM, WHAT UNDERTAKINGS IT IS PREPARED TO GIVE THEM AS REGARDS IMMIGRATION, PENSIONS, AND CONTINUITY OF SERVICE. WE CANNOT JUST SIGN AND TELL THEM THAT THEIR FUTURES ARE DETAILS TO BE WORKED OUT LATER. IF THEIR SUPPORT CANNOT BE OBTAINED THERE IS LITTLE PROSPECT OF MORE GENERAL ENDORSEMENT.

5. I RECOGNISE THAT THESE ISSUES AND ISSUES SUCH AS CONSTITUTIONAL DEVELOPMENT BETWEEN NOW AND 1997 WILL FACE HMG WITH DIFFICULT DECISIONS. IN CONSEQUENCE I HAVE GREAT DOUBTS ABOUT OUR ABILITY TO COMPLETE THE BULK OF THE WORK BY SEPTEMBER.

6. I DO NOT UNDERESTIMATE THE IMPORTANCE OF THE CHINESE STATEMENT OF THEIR DEADLINE. BUT THAT THEY CANNOT BE PERSUADED TO NEGOTIATE ON ITS TIMING AND CONTENT IS AN UNTESTED ASSUMPTION. IT HAS NOT YET BEEN ARGUED WITH THEM IN THE TALKS, STILL LESS AT MINISTERIAL LEVEL. MOREOVER THE COURSE OF ACTION SET OUT IN THE TELEGRAM IS BASED ON AN ASSUMPTION OF WHAT THEY WILL WANT. THERE HAS BEEN NO DISCUSSION WITH THEM YET ON EITHER THE FORM OR CONTENT OF AN AGREEMENT.

7. I HAVE TRIED TO RECONCILE ALL THESE FACTORS IN MY PROPOSAL FOR MINISTERIAL DISCUSSIONS IN PEKING AND IN THE INTERIM STATEMENT OF INTENT OF WHICH I SENT A FIRST DRAFT (PREPARED AT SHORT NOTICE) IN MY TELNO 434. THIS STATEMENT PERMITS THE CHINESE TO ANNOUNCE THEIR PLAN. IT SETS OUT OUR INTERPRETATION OF IT. IT MAINTAINS CONDITIONALITY. IT MAKES CLEAR THAT DISCUSSIONS ARE TO CONTINUE. HMG ARE NOT COMMITTED TO PUTTING ANYTHING FORMALLY TO PARLIAMENT UNTIL THEY ARE SATISFIED WITH THE ARRANGEMENTS. BUT SUBJECT TO THAT IT DECLARES THEIR WILLINGNESS TO RELINQUISH ALL CLAIMS TO SOVEREIGNTY OVER THE WHOLE OF HONG KONG.

9. A STATEMENT OF THIS KIND IF PRECEDED BY A PROGRAMME OF EDUCATING THE POPULATION ON WHAT WE ARE SEEKING TO DO COULD SERVE THE PURPOSE OF PROVIDING THE INITIAL TEST OF ACCEPTABILITY. IT COULD BE MADE IN THE LATE SUMMER.

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10. I WOULD URGE THAT WE SHOULD NOT ASSUME THAT SUCH A STATEMENT COULD NOT BE NEGOTIATED WITH THE CHINESE BEFORE A SERIOUS ATTEMPT TO DO SO HAS BEEN MADE AT MINISTERIAL LEVEL IN PEKING. THE CHINESE NOW KNOW THAT THE ESSENTIALS OF THEIR POSITION ON SOVEREIGNTY AND ADMINISTRATION WILL BE MET. WE HAVE REACHED THE POINT AT WHICH THEY NEED OUR COOPERATION TO ACHIEVE THEIR NEXT OBJECTIVE - THE CONTINUING STABILITY OF HONG KONG. IN THE LAST RESORT THEIR INTERESTS WILL SUFFER AS MUCH AS HMG'S IF THEY AND WE DO NOT FIND A BASIS ON WHICH WE CAN COOPERATE, I STRONGLY RECOMMEND THAT WE SHOULD NOT CONCLUDE THAT THEY CANNOT BE BROUGHT TO RECOGNISE THIS UNTIL WE HAVE TRIED.

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IN THE NATURE OF THINGS, ONE CANNOT TEST THOSE PREMISES. ONE CAN ONLY JUDGE THEM. ON THE FIRST, I DO NOT THINK, GIVEN SUFFICIENT COMMITMENT, THAT IT NEED BE IMPOSSIBLE TO COMPLETE THE NECESSARY WORK IN TIME. I CERTAINLY THINK THAT WE SHOULD NOT ASSUME AT THIS STAGE THAT IT WILL BE IMPOSSIBLE. ON THE SECOND, IT IS SURELY GOING TO BE NO EASIER TO ACHIEVE A POSITIVE RESULT FROM ANY CONSULTATION IN HONG KONG BY DELAYING IT UNTIL LATER. THERE IS ALREADY WIDESPREAD KNOWLEDGE IN HONG KONG OF WHAT THE CHINESE PROPOSE SEMICOLON AND, IF PRESS COMMENT IS ANY GUIDE, A CONSIDERABLE DEGREE OF REALISM ABOUT THE EXTENT TO WHICH HMG IS LIKELY TO BE ABLE TO MODIFY THE CHINESE PLAN. THE MORE EXPOSED PUBLICITY PROFILE NOW BEING SUGGESTED SHOULD HELP TO EDUCATE PUBLIC OPINION. A WHITE PAPER WHICH WOULD BROADLY CONFIRM WHAT PEOPLE ALREADY KNEW OR SURMISED OUGHT TO LEAVE LITTLE DOUBT ABOUT THE SORT OF AGREEMENT WHICH WAS LIKELY TO BE NEGOTIATED.

4. IF, HOWEVER, WE WERE NOW TO TELL THE CHINESE THAT WE HAVE CONCLUDED THAT IT WILL NOT BE POSSIBLE TO NEGOTIATE AN AGREEMENT IN THE SEVEN MONTHS REMAINING UNTIL THE END OF SEPTEMBER, I THINK THEY MIGHT WELL CONCLUDE THAT THERE WAS NOT MUCH ADVANTAGE TO THEM IN CONTINUING TO DISCUSS DETAILS OF THEIR PLANS WITH US. I DO NOT SEE THAT A JOINT INTERIM STATEMENT OF THE KIND PROPOSED BY THE GOVERNOR (HONG KONG TEL NO 434) (60) HAS ANYTHING TO RECOMMEND IT TO THE CHINESE. IT WOULD COMMIT THEM WITHOUT COMMITTING US.

5. IF WE WERE TO PUT A PROPOSAL OF THE KIND FAVOURED BY THE GOVERNOR TO THE CHINESE, I WOULD EXPECT THEM TO REJECT IT AND TO TELL US THAT THE CHOICE FOR US LAY BETWEEN AN AGREEMENT BY SEPTEMBER AND A UNILATERAL STATEMENT. WE WOULD THEN FACE THE CHOICE BETWEEN CONFRONTATION AND REVERTING TO AN ATTEMPT TO REACH AN AGREEMENT BY SEPTEMBER. EVEN IF WE CHOSE THE SECOND COURSE (AS I ASSUME WE WOULD), OUR CHANCES OF GETTING THE BEST AVAILABLE AGREEMENT WOULD HAVE BEEN PREJUDICED. THE CHINESE ALREADY HAVE A TENDENCY TO BELIEVE THAT WE ARE TRYING TO SPIN THINGS OUT FOR SOME ULTERIOR PURPOSE. THEY WOULD HAVE BEEN REINFORCED IN THIS BELIEF. THEY WOULD TEND TO SEE POSITIONS ADOPTED BY US IN THE TALKS AS DELAYING TACTICS, AND NOT AS POSITIONS ADOPTED ON THEIR MERITS. IT WAS WITH THE GREATEST DIFFICULTY THAT WE GOT INTO THESE DISCUSSIONS AT ALL. IF WE

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WERE TO ACT AS PROPOSED, I FEAR THAT EVEN IN THE BEST CASE (IE A RETURN TO THE RAILS ON WHICH THE CHINESE ASSUME US TO BE) CHINESE RECEPTIVENESS TO OUR IDEAS WOULD HAVE BEEN GREATLY DIMINISHED.

6. I AM THEREFORE STRONGLY OF THE VIEW THAT WE SHOULD ADOPT THE STRATEGY OUTLINED IN YOUR TEL NO 310. (6) IF WE FIND THAT BY THE EARLY SUMMER WE HAVE MADE SUBSTANTIAL PROGRESS, BUT THAT THE AMOUNT OF WORK REMAINING CLEARLY MAKES AN AGREEMENT BY SEPTEMBER IMPOSSIBLE, I WOULD NOT RULE OUT THE IDEA OF TRYING A JOINT INTERIM STATEMENT ON THE CHINESE AT THAT STAGE. THEY WOULD BY THEN BE MORE CERTAIN THAN THEY ARE NOW THAT WE WANT TO CONCLUDE AN AGREEMENT WITH THEM, AND WE COULD MAKE MUCH MORE OF THE ARGUMENT ABOUT SHORTAGE OF TIME THAN WE COULD HOPE TO DO NOW. BUT EVEN THEN IT WOULD BE A RISKY BUSINESS.

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FM FCO 172100Z FEB 84

TO IMMEDIATE HONG KONG (PERSONAL FOR GOVERNOR)

TELEGRAM NUMBER 310 OF 17 FEBRUARY

INFO IMMEDIATE PEKING (FOR AMBASSADOR)

FUTURE OF HONG KONG: STRATEGY AND TIMETABLE

1. I DISCUSSED THIS ISSUE WITH OFFICIALS THIS AFTERNOON, GIVING FULL WEIGHT TO THE CONCERNS EXPRESSED BY YOU AND BY THE AMBASSADOR IN CORRESPONDENCE OVER THE LAST WEEK.
2. MY STARTING POINT IS THAT WE MUST EXPECT A CHINESE STATEMENT IN SEPTEMBER AND OUR OBJECTIVE MUST BE TO MAKE THIS AS JOINT, PALATABLE AND BINDING AS POSSIBLE AND TO ATTACH TO IT AS MUCH AS WE CAN OF THE DETAIL WE HAVE BEEN ABLE TO WORK OUT WITH THE CHINESE. IT IS CLEAR THAT WE SHALL DO OURSELVES CONSIDERABLE DAMAGE IF WE TELL THE CHINESE WE ARE NOT EVEN GOING TO SEEK AN AGREEMENT THIS YEAR. I THINK WE MUST ALSO RECOGNISE THAT WE SHALL HAVE DONE THE BULK OF THE WORK BY SEPTEMBER AND SHALL HAVE LITTLE CHANCE OF EXTRACTING SIGNIFICANT FURTHER CONCESSIONS FROM THE CHINESE AFTER THAT DATE. ALL THIS POINTS TO OUR GOING FOR A FORMAL BILATERAL AGREEMENT, THOUGH IN THE UNDERSTANDING THAT IF WE COULD NOT MANAGE IT WE MIGHT HAVE TO FALL BACK ON A HEADS OF AGREEMENT.
3. THE CHINESE PRESSURE TO REACH AGREEMENT BY JULY REPRESENTS A MISUNDERSTANDING OF THE REQUIREMENTS OF THE PARLIAMENTARY TIMETABLE. I BELIEVE THAT WE SHOULD AIM FOR SOME DISCUSSION IN PARLIAMENT IN SPRING OR EARLY SUMMER (SEE BELOW) AND THEN USE THE TIME AVAILABLE IF NECESSARY UNTIL SEPTEMBER TO GET AS FAR AS WE CAN IN THE NEGOTIATIONS.
4. I AM ALSO VERY MUCH ALIVE TO YOUR CONCERN THAT WE MAY SEEM TO BE TRYING TO RUSH HONG KONG IF WE PRESENT THEM WITH AN INITIALLED AGREEMENT WITHOUT PREVIOUS WARNING OF THE GENERAL SHAPE OF THINGS TO COME. WITH BOTH THESE POINTS IN MIND, I AM CONSIDERING THE POSSIBILITY OF SOME ACTION ON OUR PART,

See (71)  
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PARTIALLY TO LIFT THE VEIL IN THE LATE SPRING OR EARLY SUMMER (THOUGH THE PRECISE TIMETABLE WOULD OF COURSE DEPEND ON THE COURSE OF NEGOTIATIONS). WHAT I HAVE IN MIND IS A WHITE PAPER WHICH WOULD GIVE SOME OF THE BACKGROUND AND DESCRIBE IN GENERAL TERMS THE LIKELY OUTCOME OF NEGOTIATIONS ON HONG KONG POST 1997, IE A SAR WITH A HIGH DEGREE OF AUTONOMY IN A FRAMEWORK GUARANTEED FOR AT LEAST FIFTY YEARS. IT WOULD BE POSSIBLE TO ISSUE SUCH A WHITE PAPER SIMULTANEOUSLY IN HONG KONG. THIS WOULD GIVE THE HONG KONG PUBLIC SOME MATERIAL ON WHICH THEY MIGHT FORM A VIEW AND WOULD PERMIT THE PERIOD OF EXTENDED REFLECTION WHICH YOU HAVE BEEN ADVOCATING. IT SHOULD ALSO HELP EXCO UNOFFICIALS WHO FEEL THAT THEY ARE BEING EXPECTED TO TAKE DECISIONS IN CAMERA WITHOUT BEING ABLE TO GAUGE THE VIEWS OF THE PEOPLE OF HONG KONG IN GENERAL.

5. THE WHITE PAPER WOULD BE VERY GENERALISED. ALTHOUGH WE MAY HAVE ALMOST EXHAUSTED ITEM 1 BY THEN, WE WOULD STILL BE IN THE COURSE OF NEGOTIATION ON THE REMAINING AGENDA ITEMS AND OF THE AGREEMENT ITSELF. IT SHOULD THEREFORE, BE POSSIBLE TO SHOW, WHEN THE EVENTUAL FORMAL AGREEMENT IS PRODUCED, THAT WE HAD ACHIEVED CONSIDERABLY MORE SINCE THE WHITE PAPER.

6. THERE WOULD PROBABLY NEED TO BE A PARLIAMENTARY DEBATE TAKING ACCOUNT OF REACTIONS IN HONG KONG. THE WHITE PAPER WOULD ALSO HAVE TO BE CAREFULLY DRAFTED IN ORDER TO PRESERVE CONDITIONALITY AND TO AVOID CHINESE CHARGES THAT WE WERE BREACHING THE SECRECY RULE GOVERNING THE CONTENT OF THE NEGOTIATIONS. AS I SEE IT, WE SHOULD PROBABLY HAVE TO APPROACH THE CHINESE IN ADVANCE AND INDICATE WHAT WE WERE PLANNING, EXPLAINING THAT THIS WAS A NECESSARY STEP IN ORDER TO ENCOURAGE PARLIAMENTARY APPROVAL AND TO MEET PARLIAMENTARY CONCERNS ABOUT ACCEPTABILITY IN HONG KONG.

7. AS YOU KNOW, I AM THINKING OF VISITING PEKING IN THE SPRING, AND I SEE ADVANTAGE IN KEEPING OPEN THE POSSIBILITY OF AN ADDITIONAL LATER VISIT. DURING THE FIRST VISIT TO PEKING, I WOULD AMPLIFY AT MY LEVEL THE REQUIREMENTS OF OUR PARLIAMENTARY

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TIMETABLE, INCLUDING THE NEED FOR DISCUSSION IN THE SPRING/  
SUMMER, AND THE POINT THAT WE COULD NOT RATIFY ANY AGREEMENT  
UNTIL WE KNEW THE CONTENT OF THE BASIC LAW.

8. DEPENDING UPON THE STATE OF NEGOTIATIONS, I COULD TAKE  
THE OPPORTUNITY TO RAISE WITH THE CHINESE ANY OUTSTANDING  
POINTS OF PARTICULAR IMPORTANCE TO HONG KONG AND TO IMPRESS  
ON THEM THE NEED TO INCLUDE DETAIL IN AN EVENTUAL AGREEMENT.  
BUT ALL THIS OF COURSE WOULD HAVE TO BE WITHIN THE FRAMEWORK  
OF AGREEMENT TO TRY TO MEET THE CHINESE TIMETABLE.

9. I HOPE VERY MUCH THAT THIS WILL SERVE OUR GENERAL  
OBJECTIVES WHILE MEETING YOUR AND THE AMBASSADOR'S CONCERNS.  
IF YOU COULD CONFIRM THIS I SHALL PUT IT TO MY COLLEAGUES,  
AND RICHARD LUCE WILL BE BRIEFED TO EXPLAIN OUR THINKING TO  
EXCO DURING HIS COMING VISIT TO HONG KONG.

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