

PS
PS/FCS
PS/MR LUCE
MR DONALD
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COPY TO:
MR COLES, No. 10 DOWNING ST
Mr Roberts, News/D.
Sir P. Craddock

GR 503

SECRET

DESKBY FCO 021200Z
DESKBY PEKING 030100Z
FM HONG KONG 021110Z MAR 84
TO IMMEDIATE FCO
TELEGRAM NUMBER 567 OF 2 MARCH
INFO IMMEDIATE PEKING

IMMEDIATE

ADVANCE COPY

YOUR TELNOS 393 AND 384: FUTURE OF HONG KONG: STRATEGY AND TIMETABLE.

1. I HAD A LONG TALK WITH SIR S.Y. CHUNG THIS EVENING.

2. HE COULD STILL NOT UNDERSTAND WHY HMG WOULD NOT, AT LEAST INFORMALLY, TRY OUT ON THE CHINESE THE IDEA OF A JOINT INTERIM STATEMENT: BUT AFTER SOME DISCUSSION HE PROVED READY TO CONSIDER YOUR PLAN AGAINST THE ESSENTIAL REQUIREMENTS AS EXCO SAW THEM. THESE WERE STILL THAT THE HONG KONG PEOPLE SHOULD BE TOLD WHAT WAS PROPOSED BEFORE COMMITMENTS WERE MADE ABOUT THEIR FUTURE: THAT ANY AGREEMENT SHOULD BE PROPERLY PREPARED; THAT THE ACCEPTABILITY OF ANY AGREEMENT TO HONG KONG WAS TESTED BEFORE SIGNATURE: AND THAT IF IT WERE NOT ACCEPTABLE HMG WOULD BE READY TO GO BACK TO THE CHINESE BEFORE DECIDING TO GO TO PARLIAMENT.

3. ON THIS BASIS AND SUBJECT TO THE VIEWS OF OTHER EXCO MEMBERS, HE WAS READY TO CONSIDER NOT RAISING OBJECTION TO THE ORDER OF THE STEPS PROPOSED: OR TO THE TIME FRAME, ASSUMING THAT ALL WENT WELL. BUT HE HAD A NUMBER OF RESERVATIONS:

(A) THE TIMETABLE SHOULD NOT BE ABSOLUTE E.G. IF THE INFORMAL CONSULTATION IN THE SUMMER SHOWED HOSTILITY ON THE PART OF THE HONG KONG PEOPLE TO THE PROPOSED COURSE OF ACTION, THEN HMG WOULD RECONSIDER THE POSITION BEFORE DECIDING TO MOVE ON TO THE PUBLICATION OF A DRAFT AGREEMENT: WITH SIMILAR RECONSIDERATION IF THE 'AUTUMN' TEST OF ACCEPTABILITY SHOWED THAT HONG KONG WANTED CHANGES BEFORE A DRAFT AGREEMENT WAS SUBMITTED TO PARLIAMENT.

(B)(1) HE WOULD LIKE TO SEE THE FIRST MINISTERIAL STATEMENT IN MARCH: AND (II) HE ASSUMED THAT IT WOULD INDICATE THAT

(B)(1) HE WOULD LIKE TO SEE THE FIRST MINISTERIAL STATEMENT IN MARCH: AND (II) HE ASSUMED THAT IT WOULD INDICATE THAT CONTINUING BRITISH ADMINISTRATION WAS NOT ACHIEVABLE.

(C) HE ASSUMED THAT THE WORDS "WHEN WE WERE CLEAR ON THE BASIC LAW" MEANT "WHEN HMG WERE SATISFIED ON THE BASIC LAW".

4. ON (A) IT SEEMS TO ME SELF-EVIDENT THAT IF DURING ANY PHASE THERE WERE SNAGS, HMG WOULD HAVE TO CONSIDER WHETHER AND WHEN TO MOVE ON TO THE NEXT PHASE.

I ASSUME THAT I MAY REASSURE THE COUNCIL ON THIS POINT, AND ON THE INTERPRETATION IN PARA 2 (C) ABOVE: AND CONFIRM THE ASSUMPTION IN (B) (II).

5. ON THE TIMING OF THE STATEMENT (PARA 3(B) 8(1)) AS I UNDERSTAND IT THE IDEA OF AN APRIL STATEMENT IS TIED TO THE POSSIBILITY OF YOU VISITING PEKING THAT MONTH. I AM SURE THAT IT WOULD HELP THINGS HERE IF I COULD MENTION THE POSSIBILITY OF THAT VISIT TO THE COUNCIL.

6. JUDGING BY THE INITIAL REACTION OF OTHER UNOFFICIAL MEMBERS WHEN THEY READ THE PAPER TODAY IT WILL STILL BE A DIFFICULT MEETING TOMORROW. BUT CONFIRMATION THAT I MAY SPEAK AS PROPOSED ABOVE MAY HELP TO ALLAY THEIR CONCERNS.

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