

Prime Minister

17.3.84



Foreign and Commonwealth Office

London SW1A 2AH

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16 March 1984

Dear John,

MS

In your letter of 14 March you asked for advice on our recent contacts with the Chinese on our timetable. We have not yet seen any reports of the Round of talks in progress at present in Peking. But you might find a preliminary comment useful. This letter and its enclosure have been drafted following a discussion with the Foreign Secretary, who may wish to mention this subject when he sees the Prime Minister on Sunday. He has not, however, seen the final version of these papers; I shall be showing him a copy in parallel.

The Chinese have reacted badly to the proposals which the Ambassador put to them last week and repeated and expounded more fully on 13 March. We still do not know their final position. It is clear that they are in an intransigent and highly suspicious mood. This has been heightened by their view of the LEGCO debate on 14 March. They are far too prone to believe that we are conspiring to use Hong Kong opinion as an excuse to frustrate their own design to reassert sovereignty over Hong Kong and they have now linked this with their accusations of "foot-dragging" with regard to our attitude over the progress of the negotiations. They appear so far unable to appreciate that it is as much in our interests as in theirs to get an agreement as quickly as possible and as much in their interests as ours to secure acceptance of that agreement. We therefore all need to take seriously the preparation of opinion in Hong Kong, and for our part we have no intention of manipulating it. Three specific difficulties have emerged:

- (a) The Chinese are insisting on a signed agreement by September, and continue to believe that a Parliamentary debate could take place before the summer recess;
- (b) They refuse to accept a connection between the emergence of the Basic Law and ratification of the agreement. They argue that the drafting of the Basic Law is an internal Chinese matter. Zhou Nan did offer an undertaking that the agreement would be reflected in the Basic Law and that the Basic Law would not contravene the agreement, but ended by threatening that if the British side continued to stick to its line on ratification there was no reason to be optimistic about the prospects for the talks;

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(c) On the idea of a Ministerial statement in April which would lift the veil on the likely form of an agreement, they have objected to our publicising "Chinese policies" towards Hong Kong. Zhou Nan was discouraging on the whole concept of an unveiling.

It does not necessarily follow from this that the Chinese do not want an agreement with us or that they are not prepared to make such an agreement reassuring to Hong Kong. The Ambassador's view is that they still do want such an agreement. Indeed, among the relatively few comforting remarks which Zhou Nan has made has been an assurance that the Basic Law would not contravene any points agreed with us. But we do have to take their reaction seriously. Although there is no doubt an element of tactical pressure in their line, it probably goes further than this. The Chinese reaction underlines what we always knew, that we should have to take the September deadline seriously and that we should face rough water when we came to the point of explaining to the Chinese that, to attract confidence in Hong Kong, an agreement would have to be seen and commented on by the people in Hong Kong before it was sewn up. This problem has now been exacerbated to the point where it could threaten the talks themselves. By their rigidity and inability to understand our motives, the Chinese are threatening to undo the progress we have both achieved and to engineer a situation in which they may find no alternative but to issue a unilateral statement. It is clearly not going to be easy to move them from their present position.

It is not possible to reach final conclusions as to the Chinese attitude on the basis of the present incomplete evidence. But it seems clear that we shall need to give priority in the coming weeks to preventing the Chinese ideas on the timetable becoming set in concrete before there has been a chance to discuss the issues directly with the Chinese leaders. The Foreign Secretary's visit to Peking in April will provide an opportunity for such a discussion. In anticipation of that, he has in mind the possibility that the Prime Minister might consider sending a message to the Chinese Premier. I enclose a preliminary draft which gives an idea of the ground which such a message might cover.

If the Prime Minister is to send a message, we believe that the right time for it could be in the course of next week. We shall, however, offer further advice on whether to send it and on its exact terms when we see how the present round of talks turns out.

/The Foreign

SECRET



The Foreign Secretary agrees that it would be helpful for OD(K) to meet soon to discuss the general situation and to consider a number of documents including the text of a draft agreement, which he will be submitting separately.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

SECRET

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

PRIME MINISTER

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

PREMIER ZHAO ZIYANG

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

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PRIVACY MARKING

SUBJECT:

.....In Confidence

I was very grateful for the warm greetings you conveyed to me through Sir Richard Evans at your recent meeting, and send you my own best wishes.

CAVEAT.....

I have been following the course of the talks on Hong Kong very closely and have noted with pleasure the progress we have been able to make since my last message to you of October 1983. On the basis of that message our delegations have covered much detailed ground on important issues affecting the arrangements for Hong Kong after 1997. As a result I believe that an agreement assuring the future prosperity and stability of Hong Kong and acceptable to both sides is within our grasp. I am sure that you would agree with me on the outstanding significance of such an achievement, in terms not only of Sino-British relations but also in the wider international context.

Enclosures—flag(s).....

I am, however, concerned to see from the latest reports that differences of view have arisen between our two sides on the timing of an agreement. In order to meet the Chinese timetable we have planned for joint publication of the text of an agreement by September of this year, with the aim of signing the agreement before the

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end of the year. On the other hand, I understand that your negotiators are pressing for a signed agreement by September.

I fully appreciate your anxiety to reach an agreement as soon as possible. We share this anxiety. We appreciate the constraints on your side. I hope you will allow me to explain the equivalent constraints on our own. We are dealing here with an important international agreement. Because of our agreement that the content of the talks should be confidential, Parliament is inevitably uninformed at present of the detail of our discussions. For Parliament to approve an agreement they will need time to reflect after publication of a text; they will also need to be assured that there has been proper time for public opinion in Hong Kong to form on this issue. It would in my judgement be unwise to try to rush Parliament into approval of an agreement without allowing due time for consideration and debate.

~~I hope you will find helpful~~

~~I think it is important to explain to you the procedural constraints on our side and my judgement on how best to work within them. I should like to assure~~

to give you

~~you that the British Government remain sincerely devoted to the achievement of such an agreement.~~ But we have to find the timetable that will lead most smoothly and expeditiously to ~~the objective.~~

such an agreement acceptable to both sides

it

When I discussed the question with Chairman Deng in September 1982 he explained to me the Chinese wish to make clear by September 1984 ~~at the latest~~ what the future arrangements for Hong Kong would be. The timetable which we have suggested would allow for our two governments to make a joint announcement by that date.

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But this work is towards our common objective

The British Government

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DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Enclosures—flag(s).....

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I fully appreciate your anxiety to reach an agreement as soon as possible. We share this anxiety. We ~~appreciate~~^{understand} the constraints on your side. I hope you will allow me to explain the equivalent constraints on our own. We are dealing here with an important international agreement. Because of our agreement that the content of the talks should be confidential, Parliament is inevitably uninformed at present of the detail of our discussions. For Parliament to approve an agreement they will need time to reflect after publication of a text; they will also need to be assured that there has been proper time for public opinion in Hong Kong to form on this issue. It would in my judgement be unwise to try to rush Parliament into approval of an agreement without allowing due time for consideration and debate.

I have tried above to describe to you the procedural constraints on our side and to give you my judgement on how best to work within them. But this work is towards our common objective of an agreement satisfactory to both sides. The British Government remain sincerely devoted to the achievement of such an agreement. But we have to find the timetable that will lead most smoothly and expeditiously to it.

When I discussed the question with Chairman Deng in September 1982 he explained to me the Chinese wish to make clear by September 1984 what the future arrangements for Hong Kong would be. The timetable which we have suggested would allow for our two governments to make a joint announcement by that date. It would provide for a signed agreement / by

by the end of the year. It would be tragic if we allowed the short period of 2/3 months which would elapse between the announcement of a text and its signature to jeopardise the whole undertaking.

I have asked my Foreign and Commonwealth Secretary, Sir Geoffrey Howe, to visit Peking in April for talks with you and your colleagues. I understand that the precise timing is under discussion. I am sure that his visit will give new momentum to our joint enterprise, and will provide an excellent opportunity for him to explain further the British side's view on the timetable.

I am confident that in the spirit of goodwill which has marked our discussion, we can agree on a course of action which will lead to a satisfactory outcome in both our interests.

With all my personal good wishes,

Yours sincerely,

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10 DOWNING STREET

From the Private Secretary

18 March 1984

Dear Peter,

FUTURE OF HONG KONG: TIMETABLE

The Prime Minister has noted the contents of your letter of 16 March in which you set out your advice on the present disagreement with the Chinese with regard to the timetable for the negotiations and propose the preliminary draft of a message from Mrs. Thatcher to the Chinese Premier. The Prime Minister has made no comment at this stage. You will doubtless let me have further advice in due course.

Yours ever

John Major

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.