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TO IMMEDIATE FCO SIC

TELEGRAM NUMBER 514 OF 19 MARCH

INFO IMMEDIATE HONG KONG

W. Giles o.r.

A.S.C. 2/3

f.a.

FUTURE OF HONG : DINNER ON 17 MARCH

1. I SPENT AN HOUR TALKING TO ZHOU NAM (ALONE) ABOUT SEVERAL ASPECTS OF THE WAY AHEAD BEFORE AND AFTER HIS DINNER FOR THE TWO DELEGATIONS ON 17 MARCH.
2. ZHOU BEGAN BY SAYING A CERTAIN AMOUNT ABOUT YOUR PROPOSED VISIT TO CHINA AND ABOUT THE DATES OF FUTURE ROUNDS. ALL THIS HAS NOW BEEN OVERTAKEN (SEE MY TELS NO 516 AND 517).
3. ZHOU BROUGHT UP THE TIMETABLE. HE SAID THAT HE HAD ALREADY GIVEN ME THE CHINESE REACTION TO OUR THINKING. IN ANSWER TO MY QUESTION, HE SAID THAT THIS REACTION HAD NOT BEEN A PERSONAL OR A PRELIMINARY ONE. BUT HE AGREED WHEN I SAID THAT THE WHOLE SUBJECT OUGHT TO BE LEFT OPEN FOR DISCUSSION BETWEEN YOU AND THE CHINESE LEADERS. HE COMMENTED 'THAT IS UNDERSTOOD' WHEN I SAID THAT IT WOULD BE BETTER FOR BOTH SIDES TO AVOID SAYING ANYTHING ABOUT THE TIMETABLE IN THE TALKS THEMSELVES BEFORE YOU HAD VISITED CHINA.
4. AGAIN IN ANSWER TO MY QUESTION, ZHOU SAID THAT THE CHINESE ATTACHED EQUAL WEIGHT TO THE VARIOUS DIFFICULTIES WHICH HE HAD PROPOUNDED TO ME ON 13 MARCH (MY TEL NO 427). WHEN I SAID THAT I HAD BEEN INCLINED TO THINK THAT THE CHINESE WOULD REGARD THE SUGGESTED INTERVAL BETWEEN SIGNATURE AND RATIFICATION AS THE MOST DIFFICULT OF OUR IDEAS, HE SAID THAT OUR DESIRE TO OVERRUN THE SEPTEMBER DEADLINE SEMICOLON WE HAD SUGGESTED THE COMPLETION OF WORK ON A DRAFT AGREEMENT, AND THE PUBLICATION OF THAT DRAFT, BEFORE THE END OF SEPTEMBER. ZHOU DID NOT REACT. BUT HE DID ASK FOR EARLY ANSWERS TO THE QUESTIONS HE HAD PUT TO ME. WE ARE UNCLEAR WHAT QUESTIONS HE MEANT BY THIS, AND ARE ASKING THE MFA. HE ALSO SAID THAT THE CHINESE COULD ACCEPT RATIFICATION AFTER, BUT NOT TOO LONG AFTER, SIGNATURE BY THE END OF SEPTEMBER.
5. SAYING THAT HE WAS SPEAKING PURELY PERSONALLY, ZHOU SAID THAT HE WANTED TO TRY TWO SCENARIOS ON ME. THE FIRST SCENARIO WAS THAT SIGNATURE SHOULD TAKE PLACE BEFORE THE END OF SEPTEMBER, THOUGH A PRO-FORMA DEBATE IN PARLIAMENT COULD FOLLOW LATER. THE SECOND WAS THAT SIGNATURE AND A DEBATE IN PARLIAMENT SHOULD BOTH TAKE PLACE BEFORE THE END OF SEPTEMBER. HAVING GOT HIS CONFIRMATION THAT WHAT HE MEANT BY A PRO-FORMA DEBATE WAS A DEBATE WHICH COULD NOT LEAD TO A DEMAND BY THE BRITISH GOVERNMENT THAT THE TERMS OF THE DRAFT AGREEMENT SHOULD BE VARIED, I SAID THAT NEITHER SCENARIO WAS ACCEPTABLE. IN GIVING THE REASONS, I QUOTED THE CASE OF A DOUBLE DEBATE IN PARLIAMENT BEFORE THE SIGNATURE OF OUR TREATY OF ACCESSION TO THE EC SEMICOLON SAID THAT I HOPED THE CHINESE WOULD NOT SPEAK ABOUT BRITISH GOVERNMENT PLAYING 'THE PARLIAMENTARY CARD' SEMICOLON AND EMPHASISED THAT THE HOUSE OF COMMONS WAS TO BE THOUGHT OF AS AN ENTITY WITH A COLLECTIVE WILL.

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6. ZHOU WOUND UP THIS PART OF OUR CONVERSATION BY SAYING THAT HE AND I WOULD NEED TO KEEP IN CLOSE TOUCH BEFORE YOUR VISIT. THE VISIT WOULD NEED VERY CAREFUL PREPARATION SEMICOLON AND IT WAS MOST IMPORTANT FOR BOTH SIDES THAT IT SHOULD NOT BE A FAILURE.

7. SAYING THAT HE WAS STILL SPEAKING STRICTLY PERSONALLY, ZHOU ASKED ME WHETHER WE WOULD SOON BE IN A POSITION TO GIVE THE CHINESE OUR IDEAS ABOUT THE FORM AND CONTENT OF AN AGREEMENT. I SAID THAT WE WOULD. HE THEN ASKED WHETHER WE HAD THOUGHT ABOUT AN AGREEMENT IN THE FORM OF THE SHANGHAI COMMUNIQUE OF 1972 BETWEEN CHINA AND THE UNITED STATES. I ASKED HIM PRECISELY WHAT HE MEANT. HE SAID THAT THE SHANGHAI COMMUNIQUE, IN WHICH EACH SIDE HAD STATED ITS POSITION ABOUT TAIWAN WITHOUT SEEKING TO COMMENT THE OTHER, COULD PROVIDE A USEFUL MODEL FOR AN AGREEMENT ABOUT HONG KONG. THE CHINESE WOULD REQUIRE A COMMITMENT FROM US ABOUT THE RELINQUISHMENT OF SOVEREIGNTY. BUT THERE WAS NO REASON WHY THE TWO SIDES SHOULD NOT OTHERWISE STATE THEIR POSITIONS SEPARATELY. INDEED, SUCH A PROCEDURE COULD BE POSITIVELY HELPFUL. THE CHINESE SIDE WOULD WANT ANY AGREEMENT TO INCORPORATE THE 12-POINT PLAN SEMICOLON AND THEY WOULD NOT WANT THE AGREEMENT TO STATE THAT THE BRITISH SIDE ACCEPTED OR ENDORSED THE PLAN. HE PRESSED ME HARD TO GIVE MY PERSONAL REACTION. I DECLINED.

8. ZHOU WENT ON TO SAY THAT THE AGREEMENT MUST NOT GO INTO TOO MUCH DETAIL. IT MUST NOT, FOR EXAMPLE, DEAL WITH DETAILED ISSUES LIKE THE DISMISSAL OF JUDGES. IN ANSWER TO MY QUESTION, HE SAID THAT THE CHINESE WERE THINKING IN TERMS OF A DECLARATION OR COMMUNIQUE SEMICOLON THEY WERE CERTAINLY NOT THINKING IN TERMS OF A TREATY.

9. ZHOU DID NOT REFER IN SUBSTANCE TO THE LOBO MOTION. WHEN EXPATIATING ABOUT THE PARTICULAR NEED TO PRESERVE CONFIDENTIALITY DURING THE NEXT FEW WEEKS, HE SAID THAT THE CHINESE HAD DISLIKED THE MOTION BECAUSE IT COULD LEAD TO LEAKS.

EVANS

FUTURE OF HONG KONG

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ED/HKD

ED/FED

ED/PLANNING STAFF

ED/FUSD

D/ED/FUSD

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