

FUTURE OF HONG KONG

ADVANCE COPIES

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PS  
~~PS/PUS~~  
~~PS/MR LUCE~~  
~~MR WILSON~~  
ED/ED  
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PS | LADY YOUNG  
SIR W HARDING  
~~RESIDENT OFFICE~~

COPIES TO:  
MR <sup>POWELL</sup> COLES, NO. 10 DOWNING ST  
MR ROBERTS, NEWS DEPT  
SIR PERCY CRADOCK

IMMEDIATE  
ADVANCE COPY

SECRET

DESKBY 161000Z

FROM PEKING 160935Z JUL 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 1439 OF 16/7/84

INFO IMMEDIATE HONG KONG



MY TELNO 1396: FUTURE OF HONG KONG: YOUR VISIT

1. ZHOU NAN TOOK ME ASIDE AT THE FRENCH AMBASSADOR'S NATIONAL DAY PARTY ON 14 JULY. WE HAD A CONVERSATION OF ABOUT 20 MINUTES, OUT OF EARSHOT OF ANYONE ELSE.

2. ZHOU SAID THAT HE WANTED TO UNDERLINE WHAT HE HAD SAID TO ME AT THE DINNER TWO DAYS BEFORE ABOUT THE DANGER OF CONFRONTATION. GIVEN THE PRESENT MOOD OF HIS LEADERS, HE FORESAW CONFRONTATION IF YOU WERE TO URGE ON THEM THE ACCEPTANCE OF OUR PROPOSAS ABOUT A JOING LIAISON GROUP. CONFRONTATION COULD LEAD TO DEADLOCK (SEMI-COLON) DEADLOCK TO BREAKDOWN (SEMI-COLN) AND BREAKDOWN TO A VERY UNPLEASANT SITUATION. HE THOUGH THAT IT WOULD BE USEFUL FOR HIM AND ME TO MEET INFORMALLY IN ADVANCE OF YOUR VIST, TO WORK OUT A WAY OF RECONCILING THE POSITIONS OF THE TWO SIDES ABOUT A JOINT GROU. WHAT DID I THINK OF THIS IDEA?

3. I TOLD ZHOU THAT I HAD ALREADY CONVEYED TO HIM (AND, THROUGH HIM, TO HIS LEADERS) THE PURPOSES OF YOUR VISIT. I WAS NOT PREPARED TO ELABORATE. NOR DID I THINK IT ALL LIKELY THAT I WOULD BE AUTHORISED TO WORK OUT A WAY OF RECONCILING THE POSTITIONS OF THE TWO SIDES ABOUT A JOINT GROUP, EVEN ON A PERSONAL AN/OR HYPOTHETICAL BASIS. IT WAS FOR OUR PRINCIPALS TO DISCUSS, AND ATTEMPT TO RESOLVE, DIFFICULT PROBLEMS WE COULD NOT RESOLVE OURSELVES.

4. ZHOU TRIED VERY HARD TO GET ME TO SAY SOMETHING ABOUT THE CONSULTATIONS IN LONDON, CONCENTRATING ON THE SUBJECTS DISCUSSED AND THE VIEWS OF THE PRIME MINISTER AND YOURSELF. I ASKED ZHOU WHETHER HE WOULD EXPECT ME TO ASK HIM ABOUT THE CONSULTATIONS WHICH HE MUST HAVE WITH HIS LEADERS (SEMI-COLN) AND, IF I WERE TO DO THIS, WHETHER HE WOULD TELL ME ANYTHING



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5. ZHOU THEN ABANDONED THIS LINE OF ATTACK. BUT HE RETURNED TO HIS SUGGESTION ABOUT AN ATTEMPT BY HIM AND ME TO RECONCILE THE POSITIONS OF THE TWO SIDES OVER THE JOINT GROUP. WE WENT ROUND IN THE SAME CIRCLE. WHILE WE WERE DOING THIS, HOWEVER, HE DID SAY THREE EXPLICIT THINGS:

(A) THE CHINESE LEADERS ATTACHED MORE IMPORTANCE TO THE LOCATION OF A JOINT GROUP IN HONG KONG THAT TO ANYTHING OTHER THAN SOVEREIGNTY AND ADMINISTRATION (SEMI-COLN)

(B) THE CHINESE SIDE MIGHT BE ABLE TO GIVE US WHAT WE WANTED OVER THE TASKS OF A GROUP IF WE COULD GIVE THEM WHAT THEY WANTED OVER LOCATION AND MACHINERY (SEMI-COLN)

AND

(C) THE CHINESE SIDE HAD NO WISH TO SHARE RESPONSIBILITY WITH US FOR THE ADMINISTRATION OF HONG KONG BEFORE 1997 (SEMI-COLN) IF WE DID WELL, THEY WOULD REJOICE (SEMI-COLN) IF WE DID BADLY, THEY WOULD BE GLAD TO BE OUT OF IT.

6. ZHOU ENDED BY SAYING THAT HE WOULD BE AVAILABLE AT ANY TIME IF I WANTED TO SEE HIM.

EVANS

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