SECRET 10 DOWNING STREET THE PRIME MINISTER 1 November 1983 Man Preine I was grateful for your message passed to me by your High Commissioner on 21 October. And thank you for your kind words about my visit to Canada. I greatly enjoyed my stay and found our discussions most valuable. I was interested by Chinese Foreign Minister Wu Xueqian's recent comments to you about Hong Kong. As you suggest, they broadly reflect what we know already of China's plan for Hong Kong as a Special Administrative Region of China. There are, however, one or two interesting differences of emphasis which further underline our belief that the Chinese have not fully thought through their plan. The latest round of Sino-British talks on Hong Kong, which took place on 19/20 October, was an encouraging one. Confidence in Hong Kong was strengthened by the joint statement which described the round as useful and constructive. The next session will be held on 14 and 15 November, again in Peking. /I believe SECRET

I believe that we have made progress in persuading the. Chinese to get down to more practical discussions of concrete questions. We shall keep you in the picture as the talks proceed, in particular with a view to Premier Zhao Ziyang's visit to Canada in January.

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The Right Honourable Pierre Elliott Trudeau, P.C., M.P.

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