



PRIME MINISTER'S VISIT TO MOSCOW FOR PRESIDENT ANDROPOV'S
FUNERAL. [REDACTED]

HONG KONG (for use in bilateral discussion with Chinese
leaders)

POINTS TO MAKE

1. Genuinely determined to cooperate in seeking to build on Chinese proposals. Understand this would involve no authoritative link with UK after 1997.
2. Keen to make progress. (Next talks 22/23 February.)
Proceeding on basis of messages of March and October 1983.
3. We both want early agreement but it must command confidence in Hong Kong for Parliament to endorse it.
4. Agreed basis for present discussions would entirely satisfy Chinese objectives of principle. Points now under discussion do not threaten these principles but vital for future economic success of venture. Opportunity for major international achievement.
5. Much progress in talks already. Agreement on many points. Need for these to be included in BASIC LAW and reflected in our bilateral agreement. If satisfactory agreement reached, Chinese can be sure of full cooperation of British in implementation.

HONG KONG : ESSENTIAL FACTS

1. We do not yet know who will attend from China.* But if an opportunity comes up it would be useful to make some general points.

2. It would be important to counter any Chinese accusations of footdragging and to emphasise that an agreement, and the Chinese Basic Law, must reflect the points agreed in negotiation.

The Chinese points of principle can be met, but they must understand the need to sustain confidence in Hong Kong. The conditional nature of our current approach can be covered by a reference to the Prime Minister's messages of March and October 1983. (These were the themes put by Sir P Cradock during his farewell call on Premier Zhao Ziyang on 20 December: Peking telno 1387 of 1983 at Annex A.)

* We have now heard that the Chinese delegation will be Politburo member and Senior Vice Premier Wan Li and the leader of the Chinese delegation to the Sino/Soviet talks Qian Qizhen, neither of whom has any direct connection with the Hong Kong talks.

FCO

11 February 1984