



Foreign and Commonwealth Office

London SW1A 2AH

23 January 1984

Dear John,

with AJC

When the Prime Minister met the Governor and EXCO on 16 January there was some discussion of HMG's public position on the future of Hong Kong. The Prime Minister said a paper would be prepared as a matter of urgency on this subject which would be sent to Hong Kong for the Governor to discuss with EXCO. The appearance of articles in the "Sunday Times" of 22 January, alleging that HMG are negotiating "on the conditional level" on the hypothesis that sovereignty and administration over Hong Kong will pass to China in 1997, has of course fuelled speculation, especially in Hong Kong. This makes consideration of our public position all the more urgent.

The paper is now attached. It is intended as a basis for discussion of policy with EXCO rather than a precise guide for points which should be made in briefing. As the paper makes clear, the content of briefings would need to be carefully considered and, in the case of those in Hong Kong, discussed with the Governor.

The paper takes account of the discussions which EXCO had during their visit, not only with the Prime Minister but also with the Foreign Secretary and Mr Luce.

Reference is made in paragraph 7(i) to the explanation of HMG's commitment to Hong Kong which was discussed by Mr Luce with the Unofficials on 17 January. The text which was agreed was as follows:

" Hong Kong's status as a British Dependent Territory commits HMG to provide for its good Government in the best interests of its people and to make provision for Hong Kong's security and public order. HMG are also committed to seek a solution on the future of Hong Kong after 1997 acceptable to the British Parliament, the Government of China and the people of Hong Kong."

A J Coles Esq
10 Downing Street

S E C R E T



The Governor of Hong Kong would like to discuss the paper with the Ambassador while they are together in Peking for the next round of talks on 25/26 January. The Governor then proposes to discuss it with EXCO on 31 January.

I should be grateful to know very soon therefore whether the Prime Minister is content with the paper, so that we may telegraph it to Hong Kong and Peking.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

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FUTURE OF HONG KONG: HMG'S PUBLIC POSITION

1. So far HMG (and the Hong Kong Government) have adhered to the principle of confidentiality in the talks. We have not responded publicly to declarations by Chinese spokesmen of their aims. This has been necessary to facilitate confidential negotiation, to avoid provoking the Chinese into unnecessarily hard attitudes, and to make easier the evolution in our negotiating position. It is, however, a stance likely to become increasingly untenable, and possibly dangerous, as the time approaches for an announcement on the talks, whether that takes the form of an interim statement or a fuller agreement. That could well come by September 1984 at the latest, when it will probably be necessary to pre-empt a unilateral Chinese statement by proposing a bilateral announcement.

2. We must avoid resentment in Hong Kong resulting from disappointed expectations that an agreement would include a British link of authority. Conversely we must counter impressions that HMG has been eased out of any significant role in the negotiations and that a statement or announcement is likely to include nothing more promising than the Chinese 12 points.

3. There is already concern in Hong Kong about the lack of any clear statement of HMG's aims in the negotiations. We need to consider whether we should find some way of indicating at least the outline of our redefined objective to the Hong Kong people as a whole. This will become particularly necessary if, as seems likely, there is increased public speculation that HMG may be discussing, albeit on the basis of conditionality, the possible reversion of sovereignty and administration to China in 1997.

4. There are problems. We are operating within the limits of 'conditionality'. We reserve the right to reject any final package as unacceptable. We must not make public statements which undermine that position. We also have to be careful not to make statements which either weaken our position in negotiation, or appear provocative to the Chinese and lead to a hardening of their line and even confrontation. This could sour the atmosphere of the talks and

reduce their chance of success.

5. These difficulties suggest that it may not be appropriate at this stage to try to put over a new public line by means of eg a Ministerial statement or a statement by the Governor. We must gauge the tone and content of any statements in Parliament, and elsewhere, very carefully. But they should in principle continue to be brief and restrained, maintaining a strict line on confidentiality.

6. Other ways in which opinion might be influenced are:

- (a) Statements by EXCO members. These would need to take account of fact that EXCO are publicly known to be consulted about the negotiations, but it would be possible to air a number of ideas without going into detail and without running the same risks as we would meet if we used Ministerial statements.
- (b) Statements by LEGCO members. UMELCO have been given a very general picture of our objectives in the talks. They could be briefed or encouraged to air a number of ideas quite widely.
- (c) Briefing of District Board members and the Hong Kong Civil Service. This could be considered but would have to be approached very carefully. If the Hong Kong Government undertook such briefing there would be a risk of leaks and prejudice to our position on conditionality. Nevertheless selective briefing of this sort could be helpful in tackling some of the main opinion formers in Hong Kong.
- (d) Briefing of responsible UK media. This would involve unattributable briefing suggesting how HMG's objective in the talks has evolved and encouraging the press to speculate along these lines.
- (e) More limited briefing of responsible Hong Kong media. As with (d) this would be unattributable.

7. Helpful elements in any such briefing might be:

- (i) Stress on the continuing negotiations and the need to judge any eventual package as a whole, as necessary explaining HMG's commitment to Hong Kong as agreed in discussion at Mr Luce's meeting with EXCO Unofficials on 17 January;

- (ii) a shifting of emphasis away from the British link as the guarantee of continuity towards the concept of continuity itself in life-style and social and economic systems, stressing the concept of autonomy;
- (iii) the idea that stability and prosperity can be assured by means other than a continuation of British administration;
- (iv) Discussion of various forms of devices in different areas of administration and legal, social and economic systems which collectively would be a powerful reinforcement of Hong Kong's autonomy.

8. The exact content of any briefings would need to be carefully geared to the audience and circumstances at the time. It would be helpful if Unofficials could consult the Governor about the points which they might use.

9. Naturally any press briefings would have to take account of possible Parliamentary sensitivity. Methods would have to be found, through background briefings, of ensuring that any inspired evolution of public opinion proceeded in step with Parliamentary opinion.

Foreign and Commonwealth Office
23 January 1984

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PRIME MINISTER

HONG KONG

The attached Foreign Office letter covers a paper for discussion with EXCO about unattributable briefing designed to make clear to Hong Kong public opinion and opinion in this country our present objectives in the negotiations with the Chinese.

As you know, I have always been rather nervous about this exercise, believing that it could provoke Parliamentary difficulties before it is necessary to do so - and also that the conditionality of our present position will get lost in media presentation. I am by no means convinced that it is necessary to embark on this exercise so early in 1984.

But on the other hand, there was a substantial leak of our position in the Sunday Times this Sunday and it may be that other such articles will appear.

Do you agree that the paper should be discussed with EXCO but that I should make it clear that, following that discussion, you will wish to consider the outcome and take a view on the extent to which there should be unattributable briefing on our approach to the negotiations?

Y
hs
mt

A.J.C.

24 January 1984

S E C R E T



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10 DOWNING STREET

From the Private Secretary

25 January, 1984

HONG KONG: HMG'S PUBLIC POSITION

The Prime Minister has seen your letter of 23 January and the accompanying paper.

The Prime Minister is content that the paper should be discussed with EXCO on 31 January but, following that discussion, she will wish to consider the outcome and take a view on the extent to which there should be unattributable briefing about our approach to the negotiations.

A. J. DOLES

P. Ricketts, Esq.,
Foreign and Commonwealth Office

S E C R E T

PRIME MINISTER

HONG KONG: VISIT BY UNOFFICIAL MEMBERS OF EXCO

There is a lot of paper here but you have seen most of it before.

The main new document is a suggested line to take with EXCO. We have a one hour preparatory meeting on Monday morning when you will be able to go through this with the Foreign Secretary and others.

I am still concerned about the point in paragraph 11 of the line to take which was discussed at OD(K). If we now undertake non attributable briefing designed to educate opinion to the fact that we have changed our objective, the conclusion will be drawn that we have abandoned all thought of British administration after 1997 (I do not believe that the subtleties about conditionality will get through to public opinion). We shall then face the possibility of a premature row in Parliament. My own feeling is that it is far too early to start briefing of this kind. ✓

There is then an FCO letter suggesting that, following your meeting with EXCO, a set of conclusions is drafted and agreed with them. The letter does not set out the arguments for this new departure. I understand that the Governor would find it helpful so that EXCO are in no doubt afterwards what has been agreed. The disadvantage is that we shall then be committed to a piece of paper - and it may leak. You may wish to consider this also at the preparatory meeting on Monday.

We shall have to agree a press release with EXCO. A draft is annexed to this minute.

A. J. C.

13 January, 1984