

Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

You were worried about the idea  
of the Governor making a speech  
which could be regarded as a sell-out.  
This idea has now been dropped (see  
para 9 of enclosure)

15 February 1984

Dear John,

Agree with the attached paper?

A.S.C. 15/2

Yes  
NTHong Kong: Public Presentation of HMG's Position

In your letter of 9 February you asked us to look again at the draft official statement in paragraph 9 of the paper enclosed with my letter of 8 February, in the light of the Prime Minister's views.

I enclose a revised copy of the paper, taking into account the Prime Minister's comments. (There are new paragraphs 9 and 10.) Amendments have also been made to paragraph 12 to update it and to reflect the fact that the question of the future is likely to be raised in the Legislative Council within a few weeks.

The key point in the passage in paragraph 9 of the original draft was the sentence referring to the possibility of an end to an authoritative British link. The rest covered material which we have already used in one form or another. In the light of the Prime Minister's comments we do not believe that it would be worth trying to make this point in another way. Instead we should aim to educate opinion in Hong Kong through the Governor's briefing of EXCO and LEGCO, indirectly through public remarks by Unofficials and through unattributable press briefing. This would help to discourage unrealistic expectations while at the same time maintaining HMG's position on the confidentiality of the talks. Our briefing would of course put emphasis on the conditionality of the negotiations.

This procedure should relieve some of the pressure in Hong Kong for more information on the negotiations but demands may still grow for the Governor to give a more authoritative view. If that happens it may be necessary to weigh again the problem of preserving the credibility of the Governor against the risks of adopting a franker line in public. We might wish to make further recommendations to the Prime Minister at that stage.

A J Coles Esq  
10 Downing Street

S E C R E T



I should be grateful to know whether the Prime Minister agrees with the revised paper.

Yours,

*Peter Ricketts*

(P F Ricketts)  
Private Secretary

S E C R E T

## FUTURE OF HONG KONG: PUBLIC PRESENTATION OF HMG'S POSITION

The Problems

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 preserve conditionality as our negotiating position evolved.
2. However this stance is likely to become increasingly untenable, for two main reasons. In the first place we shall need to anticipate an announcement, whether in September 1984 or before, showing that British Administration after 1997 cannot be negotiated. Opinion in Hong Kong and in the UK needs to be carefully prepared for an arrangement which would be based on assurances of a different type.
3. The other problem relates to HMG's credibility. As more information and speculation appears in the media, opinion in Hong Kong is likely to get a distorted view of the handling of the negotiations, and to believe that HMG have effectively already conceded sovereignty and administration to the Chinese. It becomes increasingly unrealistic to decline to comment. Recently the problem has become more pressing, partly because of Chinese statements suggesting an imminent agreement on the basis of their proposals, and partly because of a number of articles in the press which have been interpreted in Hong Kong as indicating a British 'sell out'. Some Hong Kong newspapers have picked up this line. One at least has cast doubts on HMG's good faith, suggesting that while EXCO have been told about the formal talks, they have not been fully informed of our informal contacts with the Chinese, and that that Britain's pledges to EXCO have been broken. Misunderstanding has been increased by statements by some British MPs. For instance Dr David Owen, after a meeting with the Chinese Foreign Minister in Peking on 1 February told the press that the question of sovereignty and administration was no longer at issue, that HMG was right not to pursue an attempt to separate the two, and that Britain would come under increasing pressure to reach an agreement in some detail by September.

4. There is also the problem of the line which members of LEGCO should take on the future. It is hard for Hong Kong people to understand why LEGCO members, appointed to represent them, should remain silent on the future when speculation is increasing in the press and elsewhere. There is a strong view that LEGCO members should be free to express their views about the future.

5. Pressure is also likely to grow for a more open line by the Governor and other senior officials in Hong Kong, and by UK Ministers. Parliamentary interest will grow as press and other coverage increases.

#### EVOLUTION OF HMG'S LINE

6. We are thus unlikely to be able to continue to avoid taking a more forthcoming line. Indeed it will be to our advantage to adopt a selective but more informative position. How this is done will vary according to whether Ministers, officials or Unofficials are involved, and whether the information is provided on the record, unattributably, or as background only. The themes which we should aim to put over are:

- (a) The close cooperation and consultation between HMG and EXCO throughout the negotiation;
- (b) Our determination to assure the maximum continuity of systems in Hong Kong;
- (c) Our careful examination from the beginning of the talks of a variety of ways of assuring this, including British administration;
- (d) The likelihood that an authoritative link with London will not be attainable but that other effective assurances should be negotiated;
- (e) Our conditional approach to the negotiations, ie the package must be judged as a whole and no 'concessions' could have been made beforehand;
- (f) HMG have thus neither 'sold out' Hong Kong or been eased out of a significant role in deciding Hong Kong's future.
- (g) HMG cannot on their own take a final decision, which must be for Parliament.

7. The most difficult problem is to preserve conditionality and to make this explicit without provoking the Chinese or damaging our negotiating position. In general that problem will be exacerbated

if statements are made at a high level and for the record.

#### OFFICIAL STATEMENTS

8. These include:

- (a) Ministerial statements;
- (b) Statements by the Governor;
- (c) On the record statements or briefing by the FCO.

9. There is strong pressure for greater information in Hong Kong. If the Governor does not make a statement there may be a decline in confidence and in his and HMG's credibility in the face of well-informed, if distorted, press reports. However any official statement covering new ground would breach our line that the talks are confidential. Such a statement would either be seen as a sell out, or would need to emphasise conditionality, which in turn could well provoke the Chinese to react. Furthermore any official statement would almost certainly lead to further questions in Parliament and to pressure on Ministers to go further. For the present at least we should therefore avoid making official statements which go beyond our present line.

#### UNOFFICIAL STATEMENTS

10. It is necessary to accustom opinion in Hong Kong to the likely outcome of the talks before the September 1984 deadline. The best way to do this is to break the news gradually that there is little chance of negotiating a settlement with the Chinese based on a continuation of British administration beyond 1997 through responsible discussion in Hong Kong generated by EXCO and LEGCO.

#### EXCO Unofficials

11. EXCO Unofficials will have a vital role in correcting impressions of a sell-out and in making it clear that they have been closely consulted about the negotiations at every stage. They could also, in consultation with the Governor, draw publicly on the themes in para 6 above. To carry conviction, they could also expand on the sort of assurances which Hong Kong people would like to see included in a final package, while making clear that none would necessarily be an absolute requirement.

**LEGCO Unofficials**

12. LEGCO members were brought up to date by the Governor on 10 February on our revised objective in the talks. Like EXCO, they should be encouraged to conduct commonsense discussion among Hong Kong people, including consideration of the most realistic outcome, the unlikelihood of achieving continued British administration and Chinese interest in achieving a lasting negotiated settlement. They too might discuss the sort of assurances which should be sought. A sudden flurry of statements by LEGCO members would probably be counter-productive, so members should be asked where practicable to consult with the Governor. LEGCO members should be encouraged to adopt individual lines of discussion, but to assist in countering impressions of a disagreement between HMG and Hong Kong, they should be asked to keep these points in mind particularly in any discussion in the Legislative Council itself.

**BRIEFING OF DISTRICT BOARD MEMBERS AND OF THE HONG KONG CIVIL SERVICE**

13. Selective briefing of District Board Members could be useful in tackling some of the main opinion formers in Hong Kong. The same applies to the Civil Service, where more information could help to keep up morale.

**BRIEFING OF RESPONSIBLE UK AND HONG KONG MEDIA:**

14. This would involve unattributable briefing explaining how HMG's objective of the talks has evolved on the lines of the passage proposed in paragraph 6, keeping in mind conditionality and confidentiality, while encouraging the press to speculate along these lines. There should be particular stress in Hong Kong on the cooperation between HMG and EXCO and in both cases some expansion on the various ways in which assurances could be provided.

HONG KONG DEPARTMENT  
FEBRUARY 1984



15 FEB 1984

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WASHINGTON, D.C. 20530

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10 DOWNING STREET

*From the Private Secretary*

16 February 1984

Hong Kong:  
Public Presentation of HMG's Position

Thank you for your letter of 15 February enclosing a revised copy of the paper on the above subject.

The Prime Minister has noted the new wording of paragraph 9 and is content with the revised paper.

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office

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