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DD 010100Z HONG KONG

GRS 285

SECRET

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DESKBY 010100Z

FM FCO 291400Z FEB 84

TO IMMEDIATE HONG KONG

TELEGRAM NUMBER 372 OF 29 FEBRUARY

INFO IMMEDIATE PEKING

YOUR TELNO 523: FUTURE OF HONG KONG: STRATEGY AND TIMETABLE

1. MINISTERS MET ON 27 FEBRUARY TO DISCUSS STRATEGY AND TIMETABLE.

2. THEY CONSIDERED MOST SERIOUSLY THE CONCERNS EXPRESSED TO MR LUCE BY EXCO (YOUR TUR). THEY DECIDED HOWEVER THAT BOTH OUR GENERAL NEGOTIATING OBJECTIVE AND IN PARTICULAR HONG KONG'S OWN INTERESTS WOULD BEST BE SERVED BY TAKING SERIOUS ACCOUNT OF THE CHINESE DEADLINE AND THEREFORE AIMING FOR AN AGREEMENT WHICH COULD BE SIGNED THIS YEAR. THEY ACKNOWLEDGED THE NEED TO EXPLAIN THE EMERGING OUTLINE OF AN AGREEMENT TO THE PEOPLE OF HONG KONG AND ALLOW TIME FOR HONG KONG OPINION TO FORM SO AS TO ASSIST IN ESTABLISHING THE ACCEPTABILITY OF WHAT WAS PROPOSED. THEY CONSIDERED THAT THIS PROCESS COULD SATISFACTORILY BE INITIATED BY A MINISTERIAL STATEMENT IN THE LATE SPRING, PERHAPS DURING MY VISIT TO THE FAR EAST IN APRIL.

3. MINISTERS RECOGNISED THE CRUCIAL IMPORTANCE OF EXPLAINING THE REASONING BEHIND THEIR DECISION TO EXCO AND SEEKING EXCO'S COOPERATION IN THE COURSE OF ACTION WHICH THEY INTENDED TO PURSUE. MIFT CONTAINS THE TEXT OF A PAPER WHICH I SHOULD LIKE YOU TO USE IN SEEKING THEIR AGREEMENT. I HOPE YOU WILL BE ABLE TO CONVINCED BOTH OFFICIALS AND UNOFFICIALS THAT HMG ARE ACTING IN THE BEST INTERESTS OF HONG KONG.

4. IF FOLLOWING YOUR DISCUSSION WITH EXCO YOU CONCLUDE THAT YOU CANNOT OBTAIN THEIR SUPPORT WITHOUT BRINGING THE UNOFFICIALS BACK TO LONDON, YOU MAY EXTEND SUCH AN INVITATION. BUT THEY WOULD NEED TO RETURN SOON. IT WOULD BE POSSIBLE FOR ME TO OFFER THEM LUNCH ON 8 MARCH, AND FOR THE PRIME MINISTER TO SEE HIM ON THE MORNING OF 9 MARCH.

HCWE

A. J. C. 1/3
h.a.

FUTURE OF HONG KONG
LIMITED
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ED/FED
ED/PLANNING STAFF
ED/PUSD
D/ED/PUSD (MR FLOWER)
RES.B. (MR WALKER)
LEGAL ADVISER (SIR IAN SINCLAIR)
PS
PS/LADY YOUNG
PS/MR LUCE
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