

S E C R E T

PRIME MINISTER'S VISIT TO CHINA : FUTURE OF HONG KONG

Introduction and Tactics

Objectives

1. (a) to secure Chinese agreement that negotiations about the future should begin very soon on a basis acceptable to both sides, and that this agreement be registered in a joint statement in terms which will strengthen confidence in Hong Kong;
- (b) failing this, to ensure as far as possible that any public statements made from the Chinese side during or after the visit represent a sufficient step forward to maintain confidence in Hong Kong;
- (c) to avoid a damaging confrontation with the Chinese.

2. At present the programme only allows for one meeting with Deng Xiaoping although a second meeting may be arranged at short notice. It would, therefore, be right to make the most of the meetings with Premier Zhao Ziyang to get basic points on Hong Kong over. (Zhao is well versed in the subject and takes a personal interest.) At the first meeting with Zhao, or during the welcoming banquet, the Prime Minister could mention that she was looking forward to a substantive

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discussion on Hong Kong on the following day. At the second session she could use the opening statement and hope to carry on the discussion with Deng.

Opening Statement

3. This assumes that the Prime Minister will be invited to put her point of view first. The presentation would need alteration if the Chinese opened with a statement of their position.

Discussion of future talks

4. There could be difficulty if both sides agreed that talks should be set up but had different views on their basis. It is very important for confidence in Hong Kong for an announcement to be made that talks should start soon if possible giving a date for commencement. However if the Chinese argue that any announcement should state that the talks would be concerned with the restoration of sovereignty to China this should be resisted. The best compromise might be simply to agree on talks without pre-conditions. If agreement on this question still cannot be reached by the end of the visit a fall-back might be to announce that the Ambassador would be in touch with the Foreign Ministry to follow up the Ministerial discussions. But since no
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indication could be given that any substantive talks would be held, this would be much less satisfactory.

Supporting material

5. Attached to the Points to Make are:

- (a) Opening statement;
- (b) Further Points to Make (Defensive);
- (c) A draft Press Release/Joint Communiqué;
- (d) A note on possible concessions which might be made during negotiations on continuing British administration; only if the Chinese prove very forthcoming in the Ministerial talks should this subject be discussed and then only in broad outline, leaving the details for the talks.

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PRIME MINISTER
FIRST LORD OF THE TREASURY

FUTURE OF HONG KONG

SPECIAL BRIEFING

To Be Retained

Do Not Destroy

FUTURE OF HONG KONG

LIST OF BRIEFS

1. Introduction. Tactics
2. Labour Government Statements on HMG Commitment
3. Draft Press Statement on Hong Kong
4. Draft Aide Memoire
5. Chronology of Major Events and Statement
6. Draft Opening Statement
7. Form and Structure of Negotiation
8. Further Defensive Points
9. Possible Acceptable Package
10. Possible Concession which might be made during negotiation
11. Possible Chinese objections and suggested responses
- 11a. Answers to Criticisms Chinese Leaders may make
12. FCO Special Study
 - (a) Treaty of Nanking 1842
 - (b) Text of Second Convention of 1898
 - (c) Map of New Territories
 - (d) Chinese Proposals on Taiwan
 - (e) Consultation on Hong Kong
 - (f) Options and Solution and Legislative Requirements
 - (g) Constitutional Position of Hong Kong
 - (h) External Relations
 - (i) Currency and Finance
 - (j) Defence and Internal Security
 - (k) Citizenship, Nationality, Immigration
 - (l) Legal System on Hong Kong
 - (m) External Trade
 - (n) Civil Aviation and Shipping
 - (o) Crown Land Leases in New Territories
 - (p) Illustrative Questions and Answers Following Prime Minister's Visit to China.