

LDW 474/16

LIM 365/16

OO FCO

OO HONG KONG

OO TOKYO

GR 800

DE DIP

SECRET

FM PEKING 160250Z SEP 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 562 OF 16 SEPTEMBER

AND TO IMMEDIATE HONG KONG (PERSONAL FOR GOVERNOR)

INFO IMMEDIATE TOKYO

PERSONAL FOR DONALD, AUS

PRIME MINISTER'S VISIT: FUTURE OF HONG KONG

1. WHEN I CALLED ON ZHANG WENJIN ON 15 SEPTEMBER I ASKED IF HE WAS IN A POSITION TO RESPOND TO THE PROPOSAL WHICH I HAD PUT TO VICE FOREIGN MINISTER QIAN QICHEN ON 2 SEPTEMBER (MY TELNO 486). ZHANG REPLIED THAT THE TWO SIDES WOULD DISCUSS THIS MATTER DURING THE VISIT AND THAT A DECISION WOULD DEPEND ON THE OUTCOME OF THOSE TALKS. IT WAS MORE NATURAL TO DECIDE AFTERWARDS THAN BEFORE.

2. I REPLIED THAT WE HAD HOPED TO BE ABLE TO AGREE IN ADVANCE THAT THERE SHOULD BE SERIOUS OFFICIAL TALKS ON THE HONG KONG QUESTION. THIS WE SAW AS THE MINIMUM OBJECTIVE OF THE VISIT, AND IT DID NOT PRECLUDE US FROM TRYING TO ACHIEVE MORE. IF, HOWEVER, WE FAILED TO ACHIEVE THIS MINIMUM I THOUGHT THE EFFECT ON HONG KONG WOULD BE VERY SERIOUS, WITH CONSEQUENCES FOR CHINESE AS WELL AS BRITISH INTERESTS. I WAS NOT SEEKING TO PREJUDGE THE TALKS, NOR TO TIE OUR LEADERS' HANDS, BUT WE SHOULD BE ABLE TO APPROACH THE TALKS MORE CONFIDENTLY IF WE KNEW THAT THERE WAS A BASIS OF UNDERSTANDING BETWEEN US AND THAT WE SHOULD NOT FACE AN ELEVENTH HOUR SITUATION IN WHICH WE COULD NOT AGREE WHAT TO ANNOUNCE TO THE WORLD. IN PUTTING FORWARD OUR PROPOSAL, WE WERE TRYING TO BUILD A SAFETY NET SUCH AS THAT USED BY TRAPEZE ARTISTS AT THE CIRCUS. THE SAFETY NET DID NOT PREVENT THE PERFORMERS FROM DOING SPECTACULAR THINGS, BUT IT DID PREVENT THEM FROM DOING THEMSELVES SERIOUS INJURY IF SOMETHING WENT WRONG. I HOPED THAT ZHANG WOULD BE ABLE TO TELL ME BEFORE I LEFT FOR TOKYO THAT THIS WAS NOT AN UNREASONABLE REQUEST.

3. ZHANG REPEATED THAT THIS MATTER, AND WHAT WE SHOULD SAY TO THE PUBLIC, WOULD BE BEST LEFT FOR THE PRIME MINISTER'S TALKS.

Mr. Coles ~~rose~~

10
Aug 17/9

SECRET

nr

Prime Minister

read in full.

A.S.C. 12/9

4. I THEN ASKED ZHANG HOW HE ENVISAGED THE BUSINESS BEING CARRIED ON AFTER THE PRIME MINISTER'S VISIT. HE SAID THAT THE QUESTION WOULD PROBABLY NOT BE SETTLED IN ONE ROUND OF TALKS BETWEEN LEADERS. THERE WOULD HAVE TO BE FOLLOW-UP DISCUSSIONS. THESE DISCUSSIONS COULD TAKE VARIOUS FORMS, OFFICIAL TALKS PERHAPS OR TALKS THROUGH DIPLOMATIC CHANNELS. (I INTERJECTED THAT WHAT WE MEANT BY "OFFICIAL" TALKS WAS TALKS BELOW THE LEVEL OF OUR POLITICAL LEADERS, IE INCLUDING TALKS THROUGH THE DIPLOMATIC CHANNEL.) ZHANG COULD NOT SPECULATE WHAT FORM THESE DISCUSSIONS WOULD TAKE. MRS THATCHER WOULD HAVE THE OPPORTUNITY TO EXCHANGE VIEWS WITH THE CHINESE LEADERS AND DISCUSS AND DECIDE WITH THEM HOW TO PROCEED WITH FOLLOW-UP DISCUSSIONS.

5. I REPLIED THAT AS I PERSONALLY SAW IT, TALKS WOULD PROBABLY BE NECESSARY WHATEVER HAPPENED DURING THE PRIME MINISTER'S VISIT. IF, FOR EXAMPLE, THE TWO SIDES REACHED COMPLETE AGREEMENT ON THE HONG KONG QUESTION, OFFICIAL LEVEL TALKS WOULD STILL BE NEEDED TO WORK OUT DETAILS. IF, ON THE OTHER HAND, WE FAILED TO REACH AGREEMENT IN PRINCIPLE, WE SHOULD NO DOUBT THEN NEED TO HAVE TALKS IN AN ATTEMPT TO DISCOVER COMMON GROUND BETWEEN US. SUCH TALKS SHOULD BE DISCREET, CONFIDENTIAL AND FLEXIBLE. THE LESS PUBLIC ATTENTION THE BETTER. I ASKED ZHANG TO CONSIDER THE MATTER AGAIN AND SAID THAT I WOULD BE AT HIS DISPOSAL IF HE WISHED TO SEE ME BEFORE MY DEPARTURE FOR TOKYO. ZHANG REPEATED THAT THE MATTER WOULD BE DEALT WITH DURING THE PRIME MINISTER'S TALKS.

COMMENT

6. THIS IS LESS THAN WE WANTED. ZHANG WAS CLEARLY UNDER VERY TIGHT INSTRUCTIONS. THE CHINESE ARE APPARENTLY NOT PREPARED TO TIE THEIR OWN HANDS IN ANY WAY BEFORE THE VISIT AND BEFORE THEY KNOW THE SCOPE OF THE FOLLOW-UP TALKS. THEY MAY HAVE CONSIDERED IT TO THEIR ADVANTAGE THAT THE PRIME MINISTER SHOULD NOT COME TO CHINA WITH THE COMFORT OF AN AGREED MINIMUM OBJECTIVE AND THE CONFIDENCE WHICH THAT MIGHT GIVE HER. IN PARTICULAR, THEY MAY HAVE JIBBED AT COMMITTING THEMSELVES IN ADVANCE TO TALKS WHICH WOULD BE PUBLICLY ANNOUNCED AND PERHAPS THEREAFTER CONDUCTED UNDER A GLARE OF PUBLICITY. I HOPE I MAY HAVE ALLAYED THESE FEARS TO SOME EXTENT. HOWEVER, I SEE NO CHANCE OF THEIR CHANGING THEIR MIND BEFORE 22 SEPTEMBER.

7. DISAPPOINTING THOUGH THIS RESPONSE IS, WE SHOULD NOT CONCLUDE FROM IT THAT OUR MINIMUM OBJECTIVE IS OUT OF REACH. ZHANG DID SAY THAT THERE WOULD HAVE TO BE FOLLOW-UP DISCUSSIONS AND THAT THESE COULD BE AT OFFICIAL LEVEL. HE SEEMED TO BE THINKING MAINLY OF DIPLOMATIC CONTACTS. HOWEVER, THE CHINESE MAY SEEK TO FORCE A SHIFT IN OUR POSITION BEFORE THEY AGREE TO SUCH TALKS. THEY MAY, FOR EXAMPLE, PRESS US TO AGREE THAT THE TALKS SHOULD BE SUBJECT TO CHINESE GUIDELINES OR HELD ONLY TO DISCUSS MEANS OF CARRYING OUT THE CHINESE PLAN FOR HONG KONG. THE PRIME MINISTER COULD, THEREFORE, HAVE A ROUGH RIDE, BUT I BELIEVE SHE SHOULD STICK TO THE LINE THAT IT IS ESSENTIAL IN ORDER TO AVERT COLLAPSE OF CONFIDENCE IN HONG KONG THAT WE REACH AGREEMENT ON TALKS DURING THE VISIT, THAT BOTH SIDES SHOULD GO INTO THOSE TALKS WITHOUT PREJUDICE TO THEIR POSITIONS AND WITHOUT PRE-CONDITIONS, AND THAT THOSE TALKS SHOULD BE BOTH DISCREET AND COMPLETELY CONFIDENTIAL.

CRADOCK

NNNN