

Prime Minister

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interesting - but Macao is notHong Kong.

A.F.C. 6/10

Mr Clift

cc: Mr Elliott  
 Mr Giffard  
 PS/Lord Belstead  
 PS/PUS  
 PS  
 Mr Coles, No 10 ✓

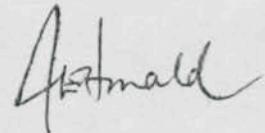
Chanceries: Lisbon  
 Peking  
 Governor, Hong Kong

FUTURE OF HONG KONG: RELEVANCE OF THE STATUS OF MACAO

1. The Portuguese Ambassador, Senhor de Freitas-Cruz, called on me today to enquire about Mrs Thatcher's talks on Hong Kong with Chinese leaders. I told him about the agreement to enter into talks through diplomatic channels with the common aim of maintaining the stability and prosperity of Hong Kong and that contacts were just beginning in Peking. I stuck closely to the terms of the agreed joint statement and to the points made by the Prime Minister at her press conferences in Peking and Hong Kong.
2. I then asked Senhor de Freitas-Cruz about Macao. He was in a good position to speak because he was Foreign Minister of Portugal between autumn 1978 and the beginning of 1980 when he was posted as Ambassador to London.
3. He asked me to respect his confidence since he knew that we had tried several times in Lisbon to discover what had passed between the Portuguese and Chinese Governments without much success. He said that in 1974 after the revolution of 25 April, the military régime had tried to hand over Macao to China. With their Stalinist views, they had felt that they must get rid of their colonial possessions including Macao, but the Chinese had refused to accept back Macao.
4. The Ambassador said that in early 1976, under the leadership of Mario Soares, the Portuguese Government had begun negotiations to enter into diplomatic relations with China. The contacts had taken place between the Portuguese and Chinese Embassies in Paris. By 1977 the talks had become formalised and texts were exchanged between the two sides. But the negotiations went on until mid-1978 without any concrete results. When Senhor de Freitas-Cruz became Foreign Minister he revived the discussions and an agreement

between China and Portugal was signed about February 1979 under which diplomatic relations between Portugal and China were established. However, the text of the agreement included a secret clause which was carefully drafted to avoid any outright admission by Portugal of Chinese sovereignty over Macao but which enabled the Chinese to claim sovereignty which they chose not to exercise: if they did wish to exercise sovereignty they would give notice and enter into negotiations with the Portuguese. The Ambassador said that in no part of the document was it stated flatly that sovereignty over Macao was Chinese. He promised that he would let me have for my private information a copy of the text on condition that we protected the source and did not let it be known in Lisbon that we had it.

5. The Ambassador added that the Constitution of Portugal which was promulgated in 1976 described Macao as 'a territory under Portuguese administration'. This was a significant change from the previous designation which made clear that Macao was an overseas territory closely linked to metropolitan Portugal.



5 October 1982

A E Donald

