

Hong Kong 41



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Would you like Lord
Belstead to be present?

17 December 1982

A.F.C. 20/12

Dear John,

Future of Hong Kong: Call on the Prime Minister by
Sir S Y Chung CBE, Senior Unofficial Member of the Executive
Council of Hong Kong: 20 December

Sir S Y Chung is in London to interview candidates for the post of Director of Hong Kong's new second Polytechnic. He will be staying in the UK on holiday until the end of the month.

Lord Belstead's visit went very well, although he was left in no doubt about the strength of feeling and concern on the future. Press reactions in Hong Kong have, on the whole, been favourable. Lord Belstead came under much pressure at his press conference to reveal the form and content of the talks in Peking, but maintained the line that the talks were confidential. He was able to take the opportunity to stress that it was the talks themselves which mattered and that no-one should regard statements made outside as prejudicing the outcome of the discussions.

Lord Belstead had meetings on 7 December with the Executive Council (EXCO) and the Unofficial Members of the Executive and Legislative Councils (UMELCO). He was able to have a very full discussion with them in confidence, which they clearly appreciated. But they nevertheless expressed concern that they had not been given sufficient briefing earlier.

They remained worried about the Chinese campaign of statements on the future and at the apparent inaction on the part of HMG, although they accepted that it would be wrong for the Government to engage in public polemics.

/At the end



/ At the end of the visit Sir S Y Chung sent Lord Belstead a letter dated 10 December (I enclose a copy). This reflects the concern of the Unofficials about EXCO being fully involved in the formulation of HMG's position and the conduct of the negotiations. It makes the specific suggestion that Unofficial Members of EXCO should be present, though not taking part, in Peking during the negotiations.

During his call on the Prime Minister, Sir S Y is likely to take the same line. Both the Governor and the Ambassador in Peking have reservations about his specific proposal. The Ambassador does not believe it would be possible to involve them fully in discussions on the British side on strategy and tactics and doubts whether the Chinese would accept them as part of the UK team. The Governor, while stressing the importance of being as forthcoming as possible to the Unofficials on their general involvement, also does not see their presence in Peking during negotiations as practicable at this stage. He points out that the Unofficials probably had in mind the procedure by which Unofficial Members of the Hong Kong Textile Advisory Board have been present in Brussels to support Hong Kong's negotiators during discussions with the Community on textiles imports to Europe. He has already explained to Sir S Y that the pattern of the Peking talks is different from those in Brussels, the former being confined to individual meetings at intervals while the latter are intensive negotiations in a series of daily meetings over a period of up to a week.

/ We share these reservations. The Prime Minister may wish to welcome the involvement of EXCO and express satisfaction that they had a full discussion with Lord Belstead. But she could suggest that the time was not ripe for their going to Peking and that this should be kept under consideration as the talks develop. I enclose a speaking note on these lines.

Yours ever
J E Holmes

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Private Secretary

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