

SECRET

PRIME MINISTER'S ^{RM}

PERSONAL MESSAGE

SERIAL No. T28/83



10 DOWNING STREET

22

THE PRIME MINISTER

10 March 1983

My dear Prime Minister,

I recall the far ranging and important talks I held with you and with Chairman Deng Xiaoping on the subject of Hong Kong during my visit to Peking in September of last year. As you know, at the conclusion of the meeting with Chairman Deng he and I agreed on a joint statement. In this statement we recognised that there were differences between us but we agreed that talks should take place through diplomatic channels with the common aim of maintaining the future stability and prosperity of Hong Kong.

Since then various meetings have taken place in Peking between the British Ambassador and senior representatives of the Chinese Ministry of Foreign Affairs. It is a great disappointment to me that although six months have elapsed since my visit no real progress has been made through these contacts and we have not yet been able to begin substantive talks on this vital issue.

I fully understand the importance the Chinese Government attach to the matter of sovereignty. But as I explained to you and Chairman Deng it is not constitutionally in my power as Prime Minister acting alone to agree to the transfer of sovereignty; that is a matter which I have to refer to Parliament which alone has the power to decide. If Parliament is to agree to such a transfer of sovereignty, it will need to be part of an overall package of measures guaranteeing the future stability and prosperity of Hong Kong.

/I understand

I understand your difficulties, but I hope that you will understand mine. In my meeting with you I said that I would be prepared to consider making recommendations on sovereignty to Parliament in certain circumstances. Perhaps it would be helpful if I strengthened that assurance. Provided that agreement could be reached between the British and Chinese Government on administrative arrangements for Hong Kong which would guarantee the future prosperity and stability of Hong Kong, and would be acceptable to the British Parliament and to the people of Hong Kong as well as to the Chinese Government, I would be prepared to recommend to Parliament that sovereignty over the whole of Hong Kong should revert to China.

I profoundly believe that both our governments have a responsibility to achieve an early negotiated solution to this problem and I very much hope that we can co-operate to exercise that joint responsibility. I am confident that if we do so it will be possible to reach a solution consonant with Chinese and British interests and those of the people of Hong Kong. This will be a great contribution to the development of friendly relations between Britain and China to which we attach the highest importance. It would point the way to even closer co-operation between our two governments and peoples.

I have explained my position to you in as frank and as positive way as I can in this message. I hope that in the light of it you and Chairman Deng will agree that the Chinese Government are prepared to enter into substantive talks. I hope that in your reply you will be able to tell me that we can hold the first of such discussions within the next month.

Yours sincerely

Margaret Thatcher

His Excellency Mr. Zhao Ziyang

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10 DOWNING STREET

From the Private Secretary

10 March 1983

Hong Kong

The Prime Minister has seen the minute of 8 March by the Foreign and Commonwealth Secretary recommending that she should send a message to Prime Minister Zhao Ziyang on the future of Hong Kong.

This matter was raised on a very confidential basis in Cabinet this morning. Ministers endorsed the Prime Minister's proposal that a message should be sent.

I now enclose the message which the Prime Minister has signed. I should be grateful if you could arrange for it to be delivered to Mr. Zhao Ziyang.

As you know from my record of yesterday's discussion of this question, the Prime Minister wishes the Governor of Hong Kong to inform EXCO about the message before it is delivered in Peking.

Following a brief word which I had with Sir Percy Cradock here yesterday, the Prime Minister would be content for him to say, when delivering the message, if this is judged helpful, that she has made strenuous efforts to go as far as she can to get talks going and that this message represents the limit of what she can agree to.

A. J. CONES

John Holmes, Esq.,
Foreign and Commonwealth Office.

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PP PEKING
GRS 557
SECRET
FM FCO 111300Z MAR 83
TO PRIORITY PEKING
TELEGRAM NUMBER 143 OF 11 MARCH
INFO PRIORITY HONG KONG.
PERSONAL FOR CHARGE.
MIPT : FUTURE OF HONG KONG.

1. PRIME MINISTER'S MESSAGE TO PREMIER ZHAO READS AS FOLLOWS:
'MY DEAR PRIME MINISTER,

I RECALL THE FAR RANGING AND IMPORTANT TALKS I HELD WITH YOU AND WITH CHAIRMAN DENG XIAOPING ON THE SUBJECT OF HONG KONG DURING MY VISIT TO PEKING IN SEPTEMBER OF LAST YEAR. AS YOU KNOW, AT THE CONCLUSION OF THE MEETING WITH CHAIRMAN DENG HE AND I AGREED ON A JOINT STATEMENT. IN THIS STATEMENT WE RECOGNISED THAT THERE WERE DIFFERENCES BETWEEN US BUT WE AGREED THAT TALKS SHOULD TAKE PLACE THROUGH DIPLOMATIC CHANNELS WITH THE COMMON AIM OF MAINTAINING THE FUTURE STABILITY AND PROSPERITY OF HONG KONG.

SINCE THEN VARIOUS MEETINGS HAVE TAKEN PLACE IN PEKING BETWEEN THE BRITISH AMBASSADOR AND SENIOR REPRESENTATIVES OF THE CHINESE MINISTRY OF FOREIGN AFFAIRS. IT IS A GREAT DISAPPOINTMENT TO ME THAT ALTHOUGH SIX MONTHS HAVE ELAPSED SINCE MY VISIT NO REAL PROGRESS HAS BEEN MADE THROUGH THESE CONTACTS AND WE HAVE NOT YET BEEN ABLE TO BEGIN SUBSTANTIVE TALKS ON THIS VITAL ISSUE.

I FULLY UNDERSTAND THE IMPORTANCE THE CHINESE GOVERNMENT ATTACH TO THE MATTER OF SOVEREIGNTY. BUT AS I EXPLAINED TO YOU AND CHAIRMAN DENG IT IS NOT CONSTITUTIONALLY IN MY POWER AS PRIME MINISTER ACTING ALONE TO AGREE TO THE TRANSFER OF SOVEREIGNTY SEMI COLON THAT IS A MATTER WHICH I HAVE TO REFER TO PARLIAMENT WHICH ALONE HAS THE POWER TO DECIDE. IF PARLIAMENT IS TO AGREE TO SUCH A TRANSFER OF SOVEREIGNTY, IT WILL NEED TO BE PART OF AN OVERALL PACKAGE OF MEASURES GUARANTEEING THE FUTURE STABILITY AND PROSPERITY OF HONG KONG. I UNDERSTAND YOUR DIFFICULTIES, BUT I HOPE THAT YOU WILL UNDERSTAND MINE. IN MY MEETING WITH YOU I SAID THAT I WOULD BE PREPARED TO CONSIDER

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MAKING RECOMMENDATIONS ON SOVEREIGNTY TO PARLIAMENT IN CERTAIN CIRCUMSTANCES. PERHAPS IT WOULD BE HELPFUL IF I STRENGTHENED THAT ASSURANCE. PROVIDED THAT AGREEMENT COULD BE REACHED BETWEEN THE BRITISH AND CHINESE GOVERNMENT ON ADMINISTRATIVE ARRANGEMENTS FOR HONG KONG WHICH WOULD GUARANTEE THE FUTURE PROSPERITY AND STABILITY OF HONG KONG, AND WOULD BE ACCEPTABLE TO THE BRITISH PARLIAMENT AND TO THE PEOPLE OF HONG KONG AS WELL AS TO THE CHINESE GOVERNMENT, I WOULD BE PREPARED TO RECOMMEND TO PARLIAMENT THAT SOVEREIGNTY OVER THE WHOLE OF HONG KONG SHOULD REVERT TO CHINA.

I PROFOUNDLY BELIEVE THAT BOTH OUR GOVERNMENTS HAVE A RESPONSIBILITY TO ACHIEVE AN EARLY NEGOTIATED SOLUTION TO THIS PROBLEM AND I VERY MUCH HOPE THAT WE CAN CO-OPERATE TO EXERCISE THAT JOINT RESPONSIBILITY. I AM CONFIDENT THAT IF WE DO SO IT WILL BE POSSIBLE TO REACH A SOLUTION CONSOMANT WITH CHINESE AND BRITISH INTERESTS AND THOSE OF THE PEOPLE OF HONG KONG. THIS WILL BE A GREAT CONTRIBUTION TO THE DEVELOPMENT OF FRIENDLY RELATIONS BETWEEN BRITAIN AND CHINA TO WHICH WE ATTACH THE HIGHEST IMPORTANCE IT WOULD POINT THE WAY TO EVEN CLOSER CO-OPERATION BETWEEN OUR TWO GOVERNMENTS AND PEOPLES.

I HAVE EXPLAINED MY POSITION TO YOU IN AS FRANK AND AS POSITIVE WAY AS I CAN IN THIS MESSAGE. I HOPE THAT IN THE LIGHT OF IT YOU AND CHAIRMAN DENG WILL AGREE THAT THE CHINESE GOVERNMENT ARE PREPARED TO ENTER INTO SUBSTANTIVE TALKS. I HOPE THAT IN YOUR REPLY YOU WILL BE ABLE TO TELL ME THAT WE CAN HOLD THE FIRST OF SUCH DISCUSSIONS WITHIN THE NEXT MONTH.

YOURS SINCERELY,
MARGARET THATCHER'

PYM

FUTURE OF HONG KONG

LIMITED

HD/HKGD

HD/FED

HD/PLANNING STAFF

HD/FUSD

PS

PS/MR HURD

PS/LORD BELSTEAD

PS/FUS

SIR J BULLIARD

MR GIFFARD

MR DONALD

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MR MARTIN ASSESSMENTS STAFF
CABINET OFFICE

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PP PEKING
GRS 182
SECRET
FM FCO 111656Z MAR 83
TO PRIORITY PEKING
TELEGRAM NUMBER 142 OF 11 MARCH
INFO PRIORITY HONG KONG
PERSONAL FOR CHARGE
FUTURE OF HONG KONG

1. THE PRIME MINISTER HAS DECIDED TO SEND A PERSONAL MESSAGE TO PREMIER ZHAO. THE AMBASSADOR WILL BRING THE SIGNED ORIGINAL WITH HIM. THE TEXT IS IN MIFT.
 2. BEFORE THE AMBASSADOR DELIVERS THE MESSAGE THE PRIME MINISTER WISHES THE GOVERNOR TO TELL EXCO OF ITS CONTENT AND WHY IT IS BEING SENT. ONCE THE GOVERNOR HAS CONFIRMED THAT THIS HAS BEEN DONE THE AMBASSADOR SHOULD DELIVER THE MESSAGE AS SOON AS POSSIBLE. IF THIS CANNOT BE DONE WITH ZHAO PERSONALLY IT SHOULD BE DELIVERED AT THE HIGHEST POSSIBLE APPROPRIATE LEVEL.
 3. THE AMBASSADOR SHOULD STRESS THE CONFIDENTIAL NATURE OF THE MESSAGE. HE MAY ALSO SAY, IF HE JUDGES IT HELPFUL, THAT THE PRIME MINISTER HAS MADE STRENUOUS EFFORTS TO GO AS FAR AS SHE CAN TO GET THE TALKS, AGREED IN SEPTEMBER AT THE HIGHEST LEVEL, GOING. SHE HAS GIVEN A GREAT DEAL OF THOUGHT TO THE SITUATION AND WOULD BE GRATEFUL IF THE CHINESE WOULD CONSIDER HER MESSAGE VERY CAREFULLY. IT REPRESENTS THE LIMIT OF WHAT SHE CAN AGREE TO.
- PYM

FUTURE OF HONG KONG

LIMITED

HD/HKGD
HD/FED
HD/PLANNING STAFF
HD/FUSD
PS
PS/MR HURD
PS/LORD BELSTEAD
PS/FUS
SIR J BULLARD
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FM HONG KONG 151047Z MAR 83
 TO PRIORITY F C O
 TELEGRAM NUMBER 352 OF 15 MARCH
 INFO PRIORITY PEKING (PERSONAL FOR AMBASSADOR)

Read in file.

MY TELNO 347 : FUTURE OF HONG KONG

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AS I HAVE REPORTED IN MY TUR I INFORMED EXCO THIS MORNING OF THE MESSAGE FROM THE PRIME MINISTER TO PREMIER ZHAO AND OF THE REASONS FOR IT. THEY EXPRESSED THEIR SUPPORT FOR THE ACTION BEING TAKEN.

2. THE SENIOR UNOFFICIAL SAID THAT THE MESSAGE MIGHT BE INTERPRETED BY THE CHINESE AS A SIGN OF BRITISH IMPATIENCE OR POSSIBLY AS A STEP BACK ON THE SOVEREIGNTY ISSUE. IT COULD PROMPT A REPLY WHICH COULD WRITE IN THE CHINESE PRECONDITION FOR TALKS. ON THE OTHER HAND ARGUMENTS IN FAVOUR OF IT WERE THAT IT WOULD OFFER THE CHINESE A WAY OUT AND THUS ENABLE THE TALKS TO START AND AVOID CONFRONTATION. IT COULD ALSO DETER THEM FROM AN ANNOUNCEMENT OF THEIR PLANS IF THEY WERE THINKING OF MAKING ONE SEMI-COLON AND IN THE FINAL RECKONING IT WOULD SHOW THAT WE HAD DONE OUR VERY BEST TO GET THE TALKS GOING. ON BALANCE HE WAS PREPARED TO EXPRESS SUPPORT FOR THE MESSAGE.

3. MOST OF THE MEMBERS WERE MORE WHOLEHEARTEDLY IN FAVOUR OF IT AND THOUGHT IT WELL DRAFTED. ALL WERE READY TO BE ASSOCIATED WITH AN EXPRESSION OF SUPPORT.

4. IN CONSIDERING THE NEW FORMULA THEY NOTED IN PARTICULAR THE REFERENCE IN THE MESSAGE TO THE NEED FOR ARRANGEMENTS TO BE ACCEPTABLE TO THE PEOPLE OF HONG KONG BEFORE ANY RECOMMENDATION ON SOVEREIGNTY WAS MADE TO PARLIAMENT.

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FUTURE OF HONG KONG

LIMITED

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HD/FED

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PS/MR HURD

PS/LORD BELSTEAD

PS/FUS

SIR J BULLARD

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MR ROBERTS NEWS D

MR COLES NO 10 DOWNING STREET

MR MARTIN ASSESSMENTS STAFF
CABINET OFFICE

THIS TELEGRAM
 WAS NOT
 ADVANCED

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SECRET
DESKBY FCO 150930Z
DESKBY PEKING 150600Z
FM HONG KONG 150355Z MAR 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 347 OF 15 MARCH
INFO IMMEDIATE PEKING

YOUR TELNO 142 AND MY TELNO 341.
FUTURE OF HONG KONG.
WHEN I INFORMED EXCO THIS MORNING THEY EXPRESSED SUPPORT FOR
THE ACTION BEING TAKEN.

YOUDE

FUTURE OF HONG KONG

LIMITED
HD/HKGD
HD/FED
HD/PLANNING STAFF
HD/PUSD
PS
PS/MR HURD
PS/LORD BELSTEAD
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