

HD/HKGD

HD/FED

MR DONALD

RESIDENT CLERK

B

16A

J64AA/B

SUBJECT

ccops
minter

SECRET

DESKBY 121000Z

FROM PEKING 120238Z MAY 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 439 OF 12/5/83

AND TO IMMEDIATE HONG KONG

IMMEDIATE
ADVANCE COPY

MIPT: FUTURE OF HONG KONG: REPLY TO THE PRIME MINISTER'S LETTER

TEXT READS AS FOLLOWS:

TO HER EXCELLENCY MRS MARGARET THATCHER.
RESPECTED PRIME MINISTER:

THANK YOU FOR YOUR LETTER OF 10 MARCH 1983. IT REMINDED ME OF THE MEMORABLE DAYS WHEN YOU VISITED CHINA IN SEPTEMBER 1982, AT WHICH TIME CHAIRMAN DENG XIAOPING AND I SEPARATELY HELD PLEASANT MEETINGS WITH YOU IN PEKING. APART FROM OTHER QUESTIONS, WE CONCENTRATED ON AN IN-DEPTH DISCUSSION OF THE QUESTION OF HONG KONG IN A FRIENDLY AND FRANK ATMOSPHERE.

2. YOU WILL RECALL THAT AT THAT TIME CHAIRMAN DENG XIAOPING AND I SET OUT IN DETAIL THE CONSISTENT STAND OF OUR GOVERNMENT NAMELY THAT THE ENTIRE HONG KONG AREA (INCLUDING HONG KONG ISLAND, KOWLOON AND THE NEW TERRITORIES) HAS ALWAYS BEEN CHINESE TERRITORY. IT IS INDUBITABLE THAT CHINA HAS INHERENT SOVEREIGNTY OVER THE ENTIRE HONG KONG AREA. DURING OUR TALCS, WE ALSO TOLD YOU FORMALLY THAT THE TIME WAS NOW RIPE TO SOLVE THE HONG KONG QUESTION, THAT CHINA WOULD RECOVER SOVEREIGNTY OVER THE ENTIRE HONG KONG AREA NO LATER THAN 1997 AND THAT THIS WOULD MEAN THE RESTORATION OF THE EXERCISE OF THAT SOVEREIGNTY OVER THE ENTIRE HONG KONG AREA. I ALSO MADE CLEAR TO YOU THAT THE FUNDAMENTAL PRINCIPLE OF THE CHINESE GOVERNMENT FOR THE SETTLEMENT OF THE HONG KONG QUESTION WAS TO RECOVER SOVEREIGNTY WHILE MAINTAINING PROSPERITY AND THAT THE TWO WERE INDIVISIBLE. ONCE THE PREMISE OF THE RECOVERY OF SOVEREIGNTY WAS SETTLED, CHINA AND BRITAIN COULD THEN CONTINUE TO EXPLORE THE QUESTION OF HOW TO

THE PREMISE OF THE RECOVERY OF SOVEREIGNTY WAS SETTLED, CHINA AND BRITAIN COULD THEN CONTINUE TO EXPLORE THE QUESTION OF HOW TO MAINTAIN THE PROSPERITY AND STABILITY OF HONG KONG. BASED ON THE ABOVE STAND, WE AGREED THAT BOTH SIDES SHOULD CONDUCT TALKS THROUGH DIPLOMATIC CHANNELS WITH THE COMMON AIM OF MAINTAINING THE PROSPERITY AND STABILITY OF HONG KONG.

3. REGRETTABLY, AFTER MORE THAN SIX MONTHS AND SEVERAL CONTACTS BETWEEN THE CHINESE AND BRITISH REPRESENTATIVES NO REAL PROGRESS HAS BEEN ACHIEVED. YOUR EXCELLENCY KNOWS VERY WELL WHERE LIES THE NUB OF THE PROBLEM. MAKING CLEAR CHINESE SOVEREIGNTY OVER THE ENTIRE HONG KONG AREA IS THE PREMISE AND BASIS FOR FURTHER TALKS.

4. I HAVE CAREFULLY READ AND STUDIED YOUR LETTER. IN IT YOU SAY THAT YOU ATTACH THE HIGHEST IMPORTANCE TO THE DEVELOPMENT OF SINO-BRITISH RELATIONS AND YOU EXPRESS THE HOPE THAT THROUGH SINO-BRITISH COOPERATION THE HONG KONG QUESTION MAY BE SETTLED AT AN EARLY DATE. I AGREE WITH THAT. I ALSO NOTE THAT IN YOUR LETTER YOU HAVE GIVEN AN ASSURANCE THAT YOU ARE PREPARED AT A CERTAIN STAGE TO RECOMMEND TO PARLIAMENT THAT SOVEREIGNTY OVER THE ENTIRE HONG KONG AREA SHOULD REVERT TO CHINA. THE CHINESE GOVERNMENT AGREES TO HOLD FORMAL TALKS AS SOON AS POSSIBLE, WITH THE COMMON AIM OF MAINTAINING THE PROSPERITY AND STABILITY OF HONG KONG, AND THAT WE SHOULD START SUBSTANTIVE DISCUSSIONS ON THE FORM OF TRANSFERENCE OF SOVEREIGNTH AS WELL AS ON THE RELATED QUESTIONS OF HOW CHINA AND BRITAIN CAN COOPERATE DURING THE TRANSITIONAL PERIOD BETWEEN NOW AND 1997 AND AFTER 1997.

5. CHINA AND BRITAIN ARE FRIENDLY COUNTRIES WHICH ENJOY GOOD RELATIONS. THE HONG KONG QUESTION IS AN ISSUE BETWEEN CHINA AND BRITAIN LEFT OVER BY HISTORY AND I BELIEVE THAT IT MUST AND CAN BE RESOLVED THROUGH BILATERAL DISCUSSION BETWEEN THE CHINESE AND BRITISH GOVERNMENTS. SETTLEMENT OF THE HONG KONG QUESTION COULD NOT ONLY ERASE THE HISTORICAL TRAUMA BUT COULD ALSO GIVE A TREMENDOUS IMPETUS TO THE DEVELOPMENT OF OUR TWO COUNTRIES' EXISTING GOOD RELATIONS. THIS WOULD NOT ONLY BE IN CHINA'S INTEREST BUT ALSO IN BRITAIN'S INTEREST. OF COURSE THERE STILL EXIST DIFFERENCES BETWEEN CHINA AND BRITAIN ON CERTAIN ISSUES OF PRINCIPLE. BUT SPEAKING FOR THE CHINESE GOVERNMENT, I ARDENTLY HOPE THAT THROUGH THE COMMON EFFORTS OF BOTH SIDES THESE DIFFERENCES MAY IN THE END BE GRADUALLY NARROWED, LEADING TO SMOOTH PROGRESS IN THE TALKS AND A SATISFACTORY SETTLEMENT OF THE HONG KONG QUESTION.

6. IN THIS SPIRIT I PROPOSE THAT CHINESE AND BRITISH REPRESENTATIVES SHOULD CONTINUE TO MEET IN PEKING TO DISCUSS THE AGENDA FOR THE TALKS, THE COMPOSITION OF DELEGATIONS AND OTHER RELATED QUESTIONS IN PREPARATION FOR AN EARLY START OF SUBSTANTIVE NEGOTIATIONS.

PREMIER OF THE STATE COUNCIL OF THE PEOPLE'S
REPUBLIC OF CHINA ZHAO ZIYANG
28 APRIL 1983 PEKING