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DD 210100Z PEKING  
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SECRET  
DESKBY 210100Z

FM FCO 201900Z SEP 83  
TO IMMEDIATE PEKING  
TELEGRAM NUMBER 620 OF 30 SEPTEMBER  
INFO IMMEDIATE HONG KONG AND BRUNEI (PERSONAL FOR PS/MR LUCE)

FUTURE OF HONG KONG: MIPTS: PASSAGES FOR POSSIBLE USE ON SECOND  
DAY OF TALKS  
TACTICAL MOVE

1. TEXT IS AS IN HONG KONG TELNO 1377, WITH THE FOLLOWING  
AMENDMENTS:

A) PARA 2. LAST SENTENCE. DELETE 'NOT FOR EVER BUT FOR A LONG TIME'  
B) AMEND PARA 4 TO READ:

'IF NEVERTHELESS IT REMAINS YOUR VIEW THAT YOU ARE RIGHT, YOU  
WILL NO DOUBT BE READY TO TELL US SOME OF YOUR PLANS. WE ON OUR  
SIDE HAVE SET OUT OUR CASE IN DETAIL: AND HAVE PROVIDED A  
SUBSTANTIAL AMOUNT OF MATERIAL TO SUPPORT IT. YOU HAVE SO FAR  
ONLY GIVEN US THE BAREST OUTLINE OF THE ARRANGEMENT YOU ENVISAGE  
FOR 1997. IN EFFECT, YOU HAVE SIMPLY SAID THAT BOTH SOVEREIGNTY  
AND ADMINISTRATION SHOULD REVERT TO CHINA, THAT HONG KONG WOULD  
BECOME A SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF  
CHINA, BUT THAT NOTHING ELSE WOULD CHANGE. WE THEREFORE SUGGEST  
THAT AT OUR NEXT MEETING THE CHINESE SIDE SHOULD EXPLAIN IN MUCH  
GREATER DETAIL THEIR PLAN FOR HONG KONG.

THIS WOULD BE WITHOUT PREJUDICE

EITHER TO THE PRINCIPLES OF EITHER SIDE OR TO THE FINAL  
OUTCOME. IN PARTICULAR, WE LOOK FORWARD TO HEARING WHAT  
GUARANTEES YOU BELIEVE THE CHINESE PLAN WOULD PROVIDE FOR THE  
CONTINUITY OF THE PRESENT ECONOMIC, LEGAL AND FINANCIAL SYSTEMS  
IN HONG KONG, AND THE PRESERVATION OF PRESENT FREEDOMS AND  
LIFESTYLE OF HONG KONG PEOPLE. FOR WITHOUT CREDIBLE GUARANTEES  
THERE WILL BE NO CONFIDENCE, AND WITHOUT CONFIDENCE THERE WILL BE

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NEITHER STABILITY NOR PROSPERITY IN HONG KONG'.

2. CONTINUATION OF TALKS (FOR USE AT DISCRETION)

'FAILURE TO ANNOUNCE PUBLICLY AT THE END OF THIS SESSION THE DATE FOR THE NEXT ROUND OF TALKS WOULD BE INTERPRETED IN THE WORST POSSIBLE LIGHT IN HONG KONG AND WOULD HIT CONFIDENCE THERE VERY HARD. WE MUST MAINTAIN THAT CONFIDENCE BY KEEPING UP THE MOMENTUM. THERE IS STILL MUCH TO DISCUSS BETWEEN US. I KNOW THE BRITISH GOVERNMENT ATTACHES GREAT IMPORTANCE TO THIS AND I AM SURE IT IS RIGHT IN VIEW OF OUR COMMON AIM.'

3. COMMON ACTION TO HELP CONFIDENCE (FOR USE IN ANY CASE)

NOT SURPRISINGLY CONFIDENCE IN HONG KONG HAS RECENTLY BEEN HIT BADLY BY UNCERTAINTY AND APPREHENSION ABOUT THE PROGRESS OF THE TALKS. (EXAMPLES: DOLLAR, PRESS COMMENT). ((THIS IS NOT BY ANY MEANS PURELY DUE TO ECONOMIC CAUSES. WORRIES ABOUT THE FUTURE ARE THE MOST IMPORTANT FACTOR)). IT IS IN THE INTERESTS OF BOTH THE CHINESE AND BRITISH GOVERNMENTS TO MAINTAIN CONFIDENCE SO FAR MUCH HAS DEPENDED ON THE PUBLIC ATMOSPHERE FOLLOWING EACH SESSION OF TALKS. I STRONGLY URGE THAT WE SHOULD MAKE A PARTICULAR EFFORT ON THIS OCCASION. I SUGGEST THAT WE ISSUE A JOINT STATEMENT ON THE FOLLOWING LINE:

'THE TWO SIDES HAVE HAD FURTHER USEFUL AND CONSTRUCTIVE TALKS IN A FRIENDLY ATMOSPHERE. THEY REAFFIRM THEIR COMMON AIM WHICH IS TO MAINTAIN HONG KONG'S STABILITY AND PROSPERITY AND THEIR DETERMINATION TO PURSUE THEIR DISCUSSIONS TO THIS END. THEY TAKE THE OPPORTUNITY TO CONFIRM THEIR CONFIDENCE IN HONG KONG NOW AND IN THE FUTURE. ((THEY WILL MEET AGAIN FOR FURTHER TALKS ON.... ..)).'

HOWE

FUTURE OF HONG KONG

LIMITED

HD/HKD

HD/FED

HD/PLANNING STAFF

HD/PUSD

PS

PS/LADY YOUNG

PS/MR LUCE

PS/PUS

SIR J BULLARD

MR GIFFARD

MR DONALD

MR WRIGHT

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CABINET OFFICE

MR FLOWER PUSD

MR COLES NO 10 DOWNING STREET

SIR A PARSONS NO 10 DOWNING STREET

MR WALKER RESEARCH D GOGGS

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