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MOST CONFIDENTIAL RECORD TO CC(83) 18th Conclusions Thursday 12 May 1983

FOREIGN ,

Hong Kong

Previous Reference: CC(83) 8th Conclusions, Minute 2 THE PRIME MINISTER reported that a reply had now been received from the People's Republic of China. The general tone of the Chinese letter was friendly. They proposed an early meeting in Peking to agree on the agenda for preparing discussions. These talks might start in May or June. In the discussions the United Kingdom and Chinese letters would both be on the table. Our position on a transfer of sovereignty was fully protected by the conditions which we had laid down, including the agreement of the British Parliament and the people of Hong Kong. The Chinese now seemed to recognise how complex this question was. In discussion it was pointed out that informal contacts with the Liberal and Social Democratic Parties (Mr Healey had not responded to the offer) had indicated that they expected the Government's position to be fully acceptable to the House of Commons.

The Cabinet -

Took note.