

ADVANCE COPY

FUTURE OF HONG KONG - ADVANCE COPIES

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SIR W HARDING

COPIES TO:

MR COLES, NO. 10 DOWNING ST

MR ROBERTS, NEWS DEPT

SIR PERCY CRADOCK

IMMEDIATE

Ly Puts

SECRET

DESBKY 111000Z BOTH

FROM PEKING 110920Z MAY 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 907 OF 11/5/84

INFO IMMEDIATE HONG KONG

YOUR TEL NO 501: FUTURE OF HONG KONG: UMELCO STATEMENT

WHEN I ASKED FOR AN APPOINTMENT TO DELIVER YOUR MESSAGE, THE MFA SAID THAT WU XUEQIAN WAS IN MEETINGS ALL TODAY AND VERY BUSY TOMORROW. SINCE SPEED WAS OF THE ESSENCE, I THEREFORE AGREED TO CALL ON ZHOU NAN.

2. I SPOKE AS INSTRUCTED. I DID NOT RECEIVE YOUR TEL NO 502 BEFORE I CALLED.

3. ZHOU THANKED ME FOR DELIVERING YOUR MESSAGE WHICH HE HAD NOTED CAREFULLY AND WHICH HE WOULD CONVEY TO WU. HE WENT ON TO REPEAT ONCE AGAIN THE CHINESE POINT OF VIEW.

CHINA CONSIDERED THAT THE UMELCO STATEMENT DID NOT EXPRESS THE DESIRES OF THE PEOPLE OF HONG KONG. ITS PUBLICATION CONSTITUTED DISRUPTION OF THE TALKS AND WAS DETRIMENTAL TO THE STABILITY AND PROSPERITY OF HONG KONG. AS HE HAD PREVIOUSLY POINTED OUT, THE BRITISH GOVERNMENT HAD GREAT INFLUENCE WITH THE UNOFFICIAL MEMBERS OF THE TWO COUNCILS AND KNEW OF THEIR

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OUT, THE BRITISH GOVERNMENT HAD GREAT INFLUENCE WITH THE UNOFFICIAL MEMBERS OF THE TWO COUNCILS AND KNEW OF THEIR STATEMENT BEFOREHAND. THE CHINESE GOVERNMENT COULD NOT HELP THINKING THAT THE BRITISH GOVERNMENT HAD RESPONSIBILITY IN THIS MATTER. AS TO HOW THE CHINESE SIDE WOULD DEAL WITH IT, THAT WAS A MATTER WHICH THEY THEMSELVES WOULD DECIDE.

IT WAS OBVIOUS THAT THE CHINESE SIDE HAD NEVER PLAYED TRICKS AND HAD NOT PROVOKED THIS INCIDENT. AS THE CHINESE PROVERB WENT: "TREES PREFER TO REMAIN CALM BUT THE WIND KEEPS BLOWING". THIS INCIDENT HAD REALLY SURPRISED THE CHINESE SIDE AND THEY HAD ALREADY EXPRESSED THEIR REGRET. THE BRITISH SIDE MUST BEAR RESPONSIBILITY FOR THE CONSEQUENCES.

4. ZHOU SAID THAT HE HAD NOTED THAT THE FINAL POINT IN YOUR MESSAGE TO WU WAS THAT WE WISHED TO MOVE FORWARD AS FAST AS POSSIBLE TO THE CONCLUSION OF AN AGREEMENT.

THE CHINESE SIDE WOULD WAIT AND OBSERVE BRITISH ACTIONS. THE BRITISH SIDE BORE RESPONSIBILITY FOR THE DISRUPTION CAUSED BY THESE REPEATED INCIDENTS. ZHOU CONCLUDED BY REPEATING THAT HE WOULD REPORT YOUR MESSAGE TO WU AS SOON AS POSSIBLE.

5. I SAID THAT YOU WOULD BE INTERESTED IN WU'S REACTION. I DID NOT WISH TO EMBROIDER YOUR MESSAGE. ZHOU SAID THAT HE WOULD LET ME KNOW IF THE CHINESE GOVERNMENT HAD ANYTHING NEW TO SAY.

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