

PS  
PS/PUS  
PS/MR LUCE  
MR WILSON  
HD/HKD  
HD/FED  
PS | LADY YOUNG  
SIR W HARDING  
RESIDENT CLERK

COPIES TO:  
MR COLES, NO.10 DOWNING ST  
MR ROBERTS, NEWS DEPT  
SIR PERCY CRADOCK

13

MB

GR 170

SECRET

DESKBY FCO 110600Z

DESKBY HONG KONG 110430Z

FM PEKING 110410Z MAY 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 901 OF 11 MAY

INFO IMMEDIATE HONG KONG

IMMEDIATE

ADVANCE COPY

MIPT AND MY TELNO 899: FUTURE OF HONG KONG: UMELCO STATEMENT

1. THE CHINESE MADE THREE FURTHER POINTS WHICH ARE WORTH REPORTING DURING THE DINNER FOR DELEGATIONS.

(A) ZHOU NAN SAID THAT WE WOULD HAVE NOTED THAT DENG XIAOPING TOLD BOTH THE PRIME MINISTER AND YOU THAT, IN THE CASE OF DISTURBANCES WHICH GOT OUT OF CONTROL IN HONG KONG, CHINA WOULD HAVE TO RECONSIDER THE TIMING AND MANNER OF HER RECOVERY OF HONG KONG.

(B) ZHOU SAID THAT THE CHINESE SIDE KNEW WHO WAS WHO IN UMELCO. DID THE OPPONENTS OF AN AGREEMENT THERE NOT REALISE THAT THEIR OWN FATE WAS IN THE BALANCE? THEY HAD LONG LIVES TO LIVE.

(C) LU PING SAID THAT THE UMELCO STATEMENT WAS EXACTLY THE SORT OF EVENT WHICH MADE NECESSARY SINO-BRITISH LIAISON IN HONG KONG DURING THE TRANSITIONAL PERIOD.

EVANS

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IMMEDIATE

12

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GR 350  
SECRET  
DESKBY FCO 101700Z  
DESKBY HONG KONG 110300Z  
FM PEKING 101545Z MAY 84  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 899 OF 10 MAY  
INFO IMMEDIATE HONG KONG

FUTURE OF HONG KONG: UMEICO STATEMENT

1. FROM CONVERSATIONS AT THIS EVENINGS DINNER FOR THE TWO DELEGATIONS IT IS CLEAR THAT WE CAN EXPECT A STRONG PUBLIC REACTION TO THE UMEICO STATEMENT.
2. THE TERMS OF THE STATEMENT WERE DESCRIBED BY SEVERAL MEMBERS OF THE CHINESE DELEGATION AS BEING "HOSTILE" AND "ANTI-CHINESE". WE WERE REMINDED THAT THE CHINESE HAD NOT REACTED OFFICIALLY TO THE LOBO MOTION. BUT THIS TIME, ZHOU NAN SAID, THE UNOFFICIALS HAD "GONE TOO FAR". THE CHINESE COULD NOT KEEP QUIET AND THE UNOFFICIALS WOULD HAVE TO BEAR THE CONSEQUENCES.
3. ZHOU NAN REFUSED TO ACCEPT THAT HMG AND THE HKG HAD PLAYED NO PART. PING ASSERTED THAT WE MUST HAVE KNOWN WHAT WOULD BE IN THE STATEMENT; THAT THE UNOFFICIALS MUST HAVE SOUGHT PERMISSION; AND THAT WE COULD HAVE STOPPED IT IF WE HAD WANTED TO.
4. WE VERY FIRMLY REJECTED ALL THESE ALLEGATIONS. I REMINDED ZHOU OF WHAT I HAD SAID ON YOUR INSTRUCTIONS BOTH AT MY MEETING WITH HIM ON 9 MAY AND TODAY IN THE TALKS. ZHOU WAS CLEARLY UNWILLING TO ACCEPT WHAT I SAID. HE CLAIMED THAT THE CHINESE SIDE HAD BEEN DEEPLY SHOCKED AND SURPRISED BY THIS DEVELOPMENT, THAT CHINESE LEADERS WERE EXTREMELY DISTRESSED AND THAT THE CREDIBILITY OF THE BRITISH SIDE WAS NOW AT STAKE.
5. ZHOU LINKED THE TIMING OF THE UMEICO STATEMENT TO HIS TABLING OF THE FULL CHINESE DRAFT AGREEMENT, ABOUT WHICH HE CLAIMED THE EXCO MEMBERS MUST HAVE KNOWN. THE WAY IN WHICH THE BRITISH SIDE REACTED TO THESE DOCUMENTS WOULD BE VERY IMPORTANT TO CHINESE LEADERS IN JUDGING WHETHER WE WERE PARTNERS OR ADVERSARIES IN THE NEGOTIATIONS.

EVANS

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