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FM HONG KONG 301052Z NOV 82
TO PRIORITY F C O
TELEGRAM NUMBER 1409 OF 30 NOVEMBER
INFO PRIORITY PEKING (PERSONAL FOR AMBASSADOR)

MY TELNO 1373: FUTURE OF HONG KONG

AT THE MEETING OF THE EXECUTIVE COUNCIL THIS MORNING THERE WERE FURTHER EXPRESSIONS OF STRONG CONCERN ON THE PART OF THE UNOFFICIALS ABOUT THE IMPACT OF THE CHINESE PROPAGANDA CAMPAIGN TO GET THEIR PLAN ACCEPTED. UNOFFICIALS BELIEVED THAT THERE WAS ACCUMULATING EVIDENCE OF THE IMPACT OF THIS CAMPAIGN AND OF PEOPLE CONVINCING THEMSELVES, IN THE ABSENCE OF ANY COUNTER-STATEMENT, EITHER THAT THE PLAN MIGHT WORK OR WOULD HAVE TO BE ACCEPTED. IT WAS ARGUED THAT SOME FORM OF COUNTER-PROPAGANDA TO COMBAT IT SHOULD BE CONSIDERED.

2. UNOFFICIALS ALSO EXPRESSED THEMSELVES UNCERTAIN ABOUT HMG'S STRATEGY TO COPE WITH THIS SITUATION AND RAISED A NUMBER OF QUESTIONS ON THE MACHINERY WHICH HAD BEEN ESTABLISHED HERE AND IN LONDON TO DEAL WITH THE ISSUES NOW ARISING.

3. I TOLD EXCO THAT IT WAS ESSENTIAL TO KEEP OUR EYES ON THE PRIME OBJECTIVE WHICH WAS A FAVOURABLE OUTCOME TO THE TALKS WITH THE CHINESE. IT WAS TEMPTING TO SEEK TO COUNTER CHINESE PROPAGANDA BY POINTING OUT THAT THE CHINESE PLAN WOULD NOT WORK. BUT TO DO SO COULD LEAD US INTO A PUBLIC ARGUMENT. THIS WOULD RUN THE DUAL RISK OF HARDENING POSITIONS ON BOTH SIDES AND OF DISTURBING INTERNATIONAL CONFIDENCE WHICH MIGHT TAKE FRIGHT AT A PUBLIC CONTROVERSY BETWEEN HMG AND THE CHINESE OVER THE FUTURE. WE DID NEVERTHELESS RECOGNISE THE IMPACT WHICH THE CHINESE CAMPAIGN WAS MAKING AND WERE WORKING QUIETLY AND UNATTRIBUTIVELY TO STEADY OPINION HERE, AS FAR AS THIS WAS POSSIBLE: AND WOULD KEEP THE SITUATION AND THE BALANCE OF RISK UNDER CAREFUL REVIEW.

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4. UNOFFICIALS WERE PREPARED TO ACCEPT THIS JUDGEMENT OF THE BALANCE OF RISK AT LEAST FOR THE PRESENT. BUT THEY SUSPECT THAT IT IS THE CHINESE INTENTION TO PLAY THE TALKS VERY LONG WHILE THEY UNDERMINE OUR POSITION IN THE TERRITORY TO A POINT WHERE THEY CAN CLAIM THAT THEIR PLAN IS ACCEPTABLE TO THE GREAT MAJORITY OF HONG KONG PEOPLE. IF THAT POINT IS APPROACHED THEN THE UNOFFICIALS THOUGHT THE BALANCE OF RISK MIGHT BEGIN TO SWING THE OTHER WAY.

5. THEY ARE LOOKING FORWARD TO THEIR TALK WITH LORD BELSTEAD NEXT WEEK AND TO AN ASSESSMENT FROM THE AMBASSADOR ON WHAT CHINESE INTENTIONS MIGHT BE.

YOUDE

THIS TELEGRAM
WAS NOT
ADVANCED

FUTURE OF HONG KONG

LIMITED

HD/HK & GD

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