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香港總督府

GOVERNMENT HOUSE  
HONG KONG

28 March 1983

Dear Dick,

VISIT OF THE SINGAPORE PRIME MINISTER:  
FUTURE OF HONG KONG

In my Telegram 415 of 25 March, I promised to send a fuller account of my talk with the Prime Minister of Singapore on the future of Hong Kong. Our talk took place in private over dinner at Fanling.

2. During the evening, Lee Kuan Yew told me a lot about his experiences with the Chinese on his visits to China and during the visit of Deng Xiaoping to Singapore. From these experiences he had concluded that Hua Guofeng was a bureaucratic secret policeman fixed in his ideology. Deng, on the other hand, was a man of authority who could take difficult decisions but even he was constrained by the system, especially in matters of domestic policy. He thought it would take a long time to bring about change on the Mainland, given the vested interests which had grown up during the Cultural Revolution. The Chinese would need to open their doors even wider to the outside world and this would have risks for the system. For example, if Taiwan rejoined the Mainland the Chinese would benefit from the experience of large numbers of people who understood the industrial and financial operations of the outside world; but if that experience were spread over the Mainland

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it would have incalculable consequences for the domestic political scene.

3. But whatever the constraints, Deng now had authority and was probably the only one who could, if he chose to do so, take difficult decisions in foreign policy matters. His chosen heirs, Hu Yaobang and Chao Ziyang, were unlikely to have had time to establish a national political base and would therefore not have his stature in the Chinese political scene.

4. During our discussion on Hong Kong, he was most concerned about the future of the professional, industrial and technically-minded younger and middle generations who are now essential to Hong Kong's modernised economy. Given their qualifications, they are internationally mobile; if the future became too uncertain they would move and there are many places which would welcome them. He had been impressed by the number of applications which Singapore had received from engineers and others experienced in the construction of the Mass Transit Railway who were ready to work on the Singapore Mass Transit system. He drew a comparison with Jamaica. On his visit there he had been impressed by the departure of the professional classes, with the result that the Jamaican economy had gone into decline.

5. In Hong Kong there were many industrialists who had started life in Shanghai and had personal experience of what had happened to their assets in that city. They, and many others in Hong Kong, had seen the changes and campaigns on the other side of the border and were aware of the humiliation and sufferings of intellectuals during the Revolution. It was one thing to tell them that it would not happen again and another to convince them of it. They had settled in Hong Kong because there was an insulator (at one stage he also referred to a "fuse") between them

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and the Mainland which ensured that the great political campaigns did not wash over into Hong Kong. If that insulator were removed they would want to go, and once gone they would not come back. He thought, therefore, that any settlement would have to contain a guarantee to them that if there were to be any change they would get 3 to 5 years notice of it. I told him that I believed they would want a lot more than that. Proposals put forward from people in Hong Kong, such as the Reform Club and the Chairman of the Urban Council, had spoken of the need for decades - 20 to 30 years.

6. He thought this unrealistic; it would be impossible for the Chinese to commit themselves specifically for such long periods. It would be exceedingly difficult for the Chinese to accept the need for an insulator and a period of notice in its removal. They could not possibly do so without something substantial to show to their own people in return. This would have to be British acceptance that Hong Kong is Chinese territory which they are in a position to recover at any time. The reunification issue is deep in the Chinese national consciousness whether the Chinese be Nationalist or Communist.

7. On the question of notice, I said that there was a school of thought in Hong Kong which believed that confidence now rested on a belief that however things turned out there would be no change until 1997, because the Chinese had said so. If we moved to something indefinite, even in order to remove the date of 1997, that belief might no longer be valid. He said people had to look at the realities. The hand had been dealt and it was no longer possible to reshuffle the pack. The Chinese could recover Hong Kong at any time they wished and there was no evidence that they could compromise on the proposition that Hong Kong was Chinese territory.

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There would be risks in whatever settlement was reached but the need for one was obvious. The professional and industrial classes were looking for an answer and if they did not get it in the next 2 or 3 years they would leave anyway.

8. Although I talked to Lee Kuan Yee about my own experiences in China and how I saw the prospects for the future there, I did not seek to prompt him in any way on the issue of Hong Kong except to question him at one or two points on the validity of his propositions. The above, therefore, could I think be taken as an unvarnished expression of his views.

*James ever*

*Teddy*

c.c. Sir P Cradock KCMG, Peking  
Sir Peter Moon KCVO, CMG, Singapore

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Prime Minister

Foreign and Commonwealth Office

This full amount is  
worth reading.

London SW1A 2AH

12 April 1983

A.J.C. 13/4.

John John.

Future of Hong Kong: Views of the Singapore  
Prime Minister

In his letter of 31 March<sup>30/3</sup>, John Holmes reported the main points made by Mr Lee Kuan Yew about Hong Kong over a dinner with the Governor on 23 March. I now enclose a copy of a letter from the Governor reporting on this conversation in more detail. It illustrates the basis of Lee's views very well and gives a helpful summary of his ideas on how the minds of the Chinese leadership may be working.

*[Handwritten signature]*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

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14 April 1983

Future of Hong Kong: Views of the Singapore  
Prime Minister

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The Prime Minister has read with interest your letter of 12 April and the enclosed letter from the Governor of Hong Kong about his talks with the Prime Minister of Singapore.

JOHN COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.

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