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FM CANBERRA 140840Z JUL 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 356 OF 14 JULY

AND TO IMMEDIATE HONG KONG (PERSONAL FOR GOVERNOR), PEKING

MT

YOUR TELNO 225: FUTURE OF HONG KONG.

FOLLOWING PERSONAL FOR DONALD.

1. SUMMARY

I SPOKE AS INSTRUCTED TO MR HAYDEN ON 14 JULY. HE SAID THAT HE ACCEPTED MY REBUKE AND EXPRESSED HIS CONTRITION.

2. DETAIL

AFTER SOME FALSE STARTS, NOT HIS FAULT, I FINALLY CAUGHT UP WITH MR HAYDEN AT HIS HOME BASE IN BRISBANE, AT 0030 YOUR TIME ON 14 JULY. I KNEW, FROM A CHANCE REMARK TO MY DEPUTY AT A COCKTAIL PARTY IN CANBERRA ON 13 JULY, THAT YOU HAD REMONSTRATED WITH AN UNNAMED AUSTRALIAN INTERLOCUTOR, BUT OF COURSE DID NOT KNOW WHAT YOU HAD SAID. IT WOULD HAVE BEEN HELPFUL IF I HAD.

3. I TOLD MR HAYDEN THAT I WAS INSTRUCTED TO EXPRESS MINISTERS' CONCERN LEST OUR VIEWS ON THE FUTURE OF HONG KONG MIGHT BE MOVING APART, AND IN PARTICULAR THEIR 'GRAVE DISAPPOINTMENT' AT SOME OF HIS REMARKS AT HIS HONG KONG PRESS CONFERENCE. I ADDED THAT I PERSONALLY COULD UNDERSTAND THAT HE MIGHT HAVE BEEN DISAPPOINTED HIMSELF AT THE QUALITY AND EXTENT OF THE BRIEFING WHICH I HAD BEEN AUTHORISED TO PROVIDE, BUT THAT I WAS ALSO TAKEN ABACK TO HAVE BEEN APPARENTLY MISLED BY HIS OFFICIALS OVER THE NATURE OF HIS TALKS WITH THE CHINESE FOREIGN MINISTER IN CANBERRA (PARA 5 OF MY TEL 344).

4. TURNING TO THE PRESS CONFERENCE, I SPOKE AS SUGGESTED IN PARA 1 OF TUR. MR HAYDEN IMMEDIATELY REPLIED THAT HE ACCEPTED MY REBUKE. HE REGRETTED HIS USE OF THE WORD TRANSITION. HE WAS DISCOMFITED AND CONTRITE. HE ASKED ME TO CONVEY HIS PERSONAL APOLOGY TO SIR P HADDON-CAVE FOR ANY EMBARRASSMENT HE MIGHT HAVE CAUSED HIM. HE WAS ABOVE ALL ANXIOUS NOT TO BE THE CAUSE OF ANY PROBLEMS IN RESPECT OF THIS DIFFICULT AND IMPORTANT ISSUE.

5. AS TO HIS CONVERSATION WITH THE CHINESE FOREIGN MINISTER, HE SAID THAT, AS I SUSPECTED, HIS DEPARTMENT WERE 'MIFFED' AT WHAT THEY SAW AS MY INADEQUATE BRIEFING OF THEM. THEY HAD THEREFORE NOT TOLD ME OF HIS CONVERSATION, BUT HE THOUGHT THAT THEIR CLAIM THAT HONG KONG HAD ONLY BEEN BRIEFLY MENTIONED DURING THE OFFICIAL TALKS WAS NOT TOO WIDE OF THE MARK. HE HAD RAISED THE SUBJECT AT THE END OF AN HOUR-LONG MONOLOGUE BY WU, AND WU HAD SPOKEN AS REPORTED IN PARA 4 OF HONG KONG TELEGRAM 953. IN ADDITION WU HAD TOLD HIM PRIVATELY, WITH NO OFFICIALS PRESENT, THAT THE CHINESE HAD RECENTLY RECEIVED A 'POTENTIALLY FRUITFUL' MESSAGE FROM MRS THATCHER. THEY WOULD BE PATIENT AND UNDERSTANDING IN THE RUN-UP TO THE BRITISH ELECTIONS, AFTER WHICH THEY EXPECTED PROGRESS. MR HAYDEN WOULD NOT WISH WU TO KNOW THAT HE HAD TOLD ME THIS.

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6. I THEN SPOKE AS IN PARA 2 OF TUR, RECALLING THAT WE HAD RECENTLY PASSED ON ANOTHER INTELLIGENCE ASSESSMENT THROUGH THE NORMAL CHANNELS

I ENQUIRED WHAT LINE MR HAYDEN HAD IT IN MIND TO TAKE IN PEKING, AND EXPRESSED THE PERSONAL HOPE THAT BEFORE HE WENT THERE WE WOULD BRING HIM UP TO DATE ON OUR OWN TALKS IN PEKING. I THOUGHT THAT THIS COULD POSSIBLY BE DONE DURING HIS STOPOVER IN HONG KONG BEFORE LEAVING FOR PEKING. MR HAYDEN SAID THAT HE WOULD WELCOME SUCH BRIEFING. FOR HIS PART, HE INTENDED MERELY TO ENQUIRE IN PEKING HOW THINGS WERE GOING.

7. COMMENT

FIRST, MR HAYDEN SAW ME ALONE. I SUGGEST THAT HIS FRANK EXPRESSION OF REGRET AND ADMISSION OF HIS ERROR IS A MEASURE OF THE QUALITY OF THE MAN, AND OF HIS WISH TO BE HELPFUL.

8. SECOND, PARA 3 OF TUR. I AM SEEING PARSONS ON 15 JULY TO GO OVER THE GROUND, AND BELIEVE THIS WILL BE MORE USEFUL THAN AN APPROACH TO YEEND. PERHAPS MR HAYDEN'S EXPERIENCE WILL ANYHOW MAKE HIM AND HIS COLLEAGUES MORE CAUTIOUS ABOUT WHAT THEY SAY IN PUBLIC IN FUTURE.

9. THIRD, I VERY STRONGLY RECOMMEND THAT IF WE ARE TO KEEP THE AUSTRALIANS ON OUR SIDE, AND ALSO BENEFIT FROM THEIR APPARENTLY IMPROVING RELATIONSHIP WITH THE CHINESE, WE SHOULD BRIEF THEM MORE FULLY IN THE FUTURE THAN WE HAVE DONE IN THE PAST. IF IT IS DECIDED THAT THIS IS INADVISABLE, THEN WE SHOULD SAY NOTHING TO THEM RATHER THAN CONTINUE TO FOB THEM OFF WITH SCRAPS (CF IN THIS CONTEXT MY LETTER TO YOU OF 17 JUNE ABOUT WILLIAMSBURG).

MASON

FUTURE OF HONG KONG

LIMITED  
ED/HKD  
ED/FED  
ED/PLANNING STAFF  
ED/PUSD  
PS  
PS/LADY YOUNG  
PS/MR LUCE  
PS/PUS  
SIR J BULLARD  
MR GIFFARD  
MR DONALD  
MR WRIGHT

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MR WALKER, RESEARCH DEPT(90995)  
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TO IMMEDIATE CANBERRA  
TELEGRAM NUMBER 225

REPEATED FOR INFORMATION IMMEDIATE HONG KONG, PEKING  
FOLLOWING PERSONAL FOR HIGH COMMISSIONER FROM DONALD  
YOUR TELNO 344 AND HONG KONG TELNOS 953, 954, 960 AND 961 AND  
PEKING TELNO 636

FUTURE OF HONG KONG: AUSTRALIAN FOREIGN MINISTER

1. PLEASE SEEK AN EARLY CALL ON MR HAYDEN AND CONVEY TO HIM  
MINISTERS' GRAVE DISAPPOINTMENT AND CONCERN OVER SOME OF HIS  
REMARKS DURING HIS PRESS CONFERENCE IN HONG KONG ON 4 JULY. YOU  
COULD POINT OUT THAT WE ARE AWARE THAT HE WAS MIS-REPORTED IN THE  
'AUSTRALIAN' NEWSPAPER, BUT THAT WE HAVE SINCE SEEN THE OFFICIAL  
TRANSCRIPT AND THAT OUR CONCERN IS BASED ON HIS ACTUAL WORDS  
RATHER THAN ANY MEDIA GLOSSES. YOU COULD DRAW ON PARAGRAPH 5 OF  
HONG KONG TELNO 953 AND PARAGRAPH 1 OF PEKING TELNO 636 IN  
EXPLAINING OUR FEELING. YOU COULD ADD THAT NOT ONLY ARE SUCH  
REMARKS DAMAGING TO CONFIDENCE IN HONG KONG BUT THEY CUT DIRECTLY  
ACROSS OUR EFFORTS TO IMPRESS UPON THE CHINESE LEADERSHIP THAT  
THERE IS A DEEP-ROOTED CONVICTION IN HONG KONG THAT CHINESE  
CONTROL OF THE TERRITORY WOULD BE INCOMPATIBLE WITH ITS CONTINUING  
PROSPERITY AND STABILITY.
2. YOU SHOULD MAKE IT CLEAR THAT WE DO NOT AT ALL DISPUTE  
HAYDEN'S POINT THAT AUSTRALIA HAS A LEGITIMATE INTEREST IN THE  
SATISFACTORY SETTLEMENT OF THIS PROBLEM. FOR THIS REASON WE HAVE  
BEEN BRINGING THEM INTO OUR CONFIDENCE ON DEVELOPMENTS. WE  
SHOULD LIKE TO CONTINUE TO DO SO. WE ARE SURE THAT THE AUSTRALIAN  
GOVERNMENT SHARES OUR OBJECTIVES IN THE MATTER. BUT WE SHOULD  
BE GRATEFUL NOW TO HAVE BOTH (ALBEIT MONTHS AFTER THE EVENT) AN  
ACCOUNT OF HAYDEN'S TALKS WITH THE CHINESE FOREIGN MINISTER, AND  
AN INDICATION OF THE LINE HE PROPOSES TO TAKE IN PEKING NEXT  
MONTH. WE WILL SUPPLY FURTHER BRIEFING ON THIS IF REQUIRED.
3. I SHOULD BE GRATEFUL FOR AN URGENT ACCOUNT OF YOUR CALL, IF

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AGREED, AND ANY PROPOSALS FOR FURTHER ACTION TO PREVENT ANY MORE UNHELPPFUL AUSTRALIAN COMMENTARY ON HONG KONG. AFTER A PRIVATE CALL ON THE PRIME MINISTER ON 4 JULY (BEFORE REPORTS OF HAYDEN'S REMARKS REACHED LONDON) MR MALCOLM FRASER WARNED OF THE DANGERS OF AUSTRALIAN MINISTERS MAKING UNHELPPFUL REMARKS IN SUPPORT OF CHINA'S CLAIM OF SOVEREIGNTY OVER HONG KONG. IF THEY DID SO, HE THOUGHT THEY WOULD BE ACTING MORE OUT OF IGNORANCE THAN WITH ANY DESIRE TO MAKE OUR TASK MORE DIFFICULT. HE BELIEVED IT WOULD BE WORTHWHILE TO EXPRESS TO SIR G YEEND OUR HOPE THAT AUSTRALIAN MINISTERS SHOULD BE VERY CAREFUL IN ANYTHING THEY SAID PUBLICLY ABOUT CHINA AND HONG KONG. YOU HAVE DISCRETION TO TAKE ADDITIONAL ACTION WITH YEEND ON THESE LINES IF YOU SEE MERIT IN MR FRASER'S SUGGESTIONS.

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