

Prime Minister.

33



This is what Mr. Lee Kuan Yew told me.

10 DOWNING STREET

A.D.C. 207u

From the Private Secretary

29 November 1983

Very hurried

circulation

Dear Brian,

L. Kuan Yew

F.S. only +
PUS
MS
Mandarin
of Peking

HONG KONG

Would you please refer to my letter to you yesterday.

Shortly before he left New Delhi, the Prime Minister of Singapore rang me to say that he had reflected overnight on his talk with the Prime Minister and had realised that they had had a very unsatisfactory discussion in the sense that they had been constantly interrupted. The matter was so important that he wished to make clear to the Prime Minister once again the essence of his message. Since the Prime Minister was detained on other business, Mr. Lee Kuan Yew offered to convey the message through me and called at the High Commissioner's Residence to do so.

Yes. 1.
A.D.C. 12

He told me that he did not wish to leave the Prime Minister with the wrong impression. If in the negotiations with the Chinese we had explained what was necessary to maintain confidence in Hong Kong, and that had failed to convince the Chinese, then perhaps there was no solution. But if he was in that position he would want to bring matters to centre stage quickly, by sending a very high-level Minister or Emissary to make plain our attitude. It was most important that any demarche of this kind be received at the highest possible level in the Chinese Government.

The crucial point was that we should adopt the right attitude. We should be neither defiant nor submissive. We should strike a calm, friendly note. We should acknowledge the immense power of China which gave it the capacity to demolish Hong Kong. We should say that Hong Kong had survived because China had allowed it to do so and because the world had found the existing systems in Hong Kong convenient. If China did not wish Hong Kong to survive, nothing would allow it to do so. China should therefore tell us what they were going to announce in September next year so that we could brace Hong Kong for the event. Our efforts might be inadequate but we should make the attempt.

/ Mr. Lee Kuan Yew

Mr. Lee Kuan Yew thought that this approach just stood a chance of moving the Chinese away from their game of chicken. But, he repeated, our attitude was absolutely crucial. We must avoid defiance or despair. We should talk calmly and coolly and acknowledge that China is a vast powerful country. We should leave the Chinese with the clear impression that it was for them to make or break Hong Kong. The negotiations had gone wrong because we had not acknowledged that. The suggestion that Hong Kong's success was due to a combination of the Chinese character and British (sic) enterprise was unacceptable to them. In this context, preservation of Chinese face meant acknowledging that China had the power to settle the future of Hong Kong.

Mr. Lee Kuan Yew illustrated his thesis by describing his first meeting with Deng Xiaoping. He said that he had spoken as a Chinese peasant to a Mandarin, had acknowledged the superior background of the Peking regime and had apologised in advance if his own statements appeared too crude or strong. With that behind him, he had been able to make his points.

I said that I would convey all that he had said to the Prime Minister, which I have since done. I thanked Mr. Lee Kuan Yew for making this special effort to clarify his message before he left New Delhi for Singapore.

I should be grateful for any comments which you wish to offer on the above.

John

John

Brian Fall, Esq.,
Foreign and Commonwealth Office.

SUBJECT

SECRET

he v 32
cc master



10 DOWNING STREET

From the Private Secretary

28 November 1983

Dear Brian,

HONG KONG

The Prime Minister had a talk in the margins of CHOGM today with the Prime Minister of Singapore who had expressed a wish to talk to her about Hong Kong.

The Prime Minister told me afterwards that Mr. Lee Kuan Yew's advice had been that we should choose our moment in the negotiations and then call the Chinese bluff. We might take the line with the Chinese that we had noted their intention to make a public declaration of their policy in September 1984, that that was a matter for them and that meanwhile we would brace Hong Kong as best we could. He believed that it would be necessary to convey such a message at a high level, i.e. at Ministerial level or by means of a special emissary.

Mr. Lee Kuan Yew further said that he believed that in the end the Chinese would be so preoccupied by the likely effect on their Taiwan policy of failure to agree a sensible solution for Hong Kong that they would come round to our way of thinking. He also believed that the Chinese were concerned to maintain the present economic advantage to them of the Colony.

It would be helpful to have your comments on Mr. Lee Kuan Yew's advice in due course.

Yours ever
John G. ...

Brian Fall, Esq.,
Foreign and Commonwealth Office.

SECRET

LUK 879/29
FDW G 153/28

IMMEDIATE

Prime Minister 31

dead in file.

A & C. 29/u.

OO NEW DELHI
GRS 560
SECRET
FM FCO 282211Z NOV 83
TO IMMEDIATE NEW DELHI
TELEGRAM NUMBER 931 OF 28 NOVEMBER

SECRET

RECEIVED
BRITISH HIGH COMMISSION
NEW DELHI
CHANCERY STREET
29 NOV 1983
DUPLICATES
CLASSIFICATION:
OF ENCLOSURES:
LOCATION:

MS

FOR COLES

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF RESIDENT CLERK WAS RECEIVED FROM PEKING TELEGRAM NO 1257 OF 28 NOVEMBER

INFO IMMEDIATE HONG KONG

FUTURE OF HONG KONG: CALL ON YAO GUANG.

1. I CALLED ON VICE FOREIGN MINISTER YAO GUANG THIS AFTERNOON AND REFERRED TO STATEMENTS I HAD MADE IN THE PAST ON THE NATURE OF THE BRITISH ROLE. I SAID THAT DESPITE THESE EXPLANATIONS IT SEEMED THERE WAS STILL A CERTAIN DEGREE OF MISTRUST ABOUT OUR OBJECTIVES. I THEN SPOKE AS INSTRUCTED IN YOUR TEL NOS 815 AND 826 AND LEFT A COPY OF THE SPEAKING NOTE.
2. I CONCLUDED BY SAYING THAT I TRUSTED THAT THIS COMMUNICATION, COUPLED WITH THE PRIME MINISTER'S MESSAGE OF 14 OCTOBER, WOULD HAVE REMOVED ANY REMAINING DOUBTS ABOUT BRITISH INTENTIONS AND THAT WE GREATLY HOPED IT WOULD BE POSSIBLE TO PROCEED TO DETAILED DISCUSSIONS OF THE CHINESE PROPOSALS. I HANDED HIM THE PAPERS ON THE ECONOMIC AND MONETARY SYSTEMS, TOGETHER WITH CHINESE TRANSLATIONS.
3. YAO GUANG THANKED ME FOR MY COMMUNICATION AND UNDERTOOK TO REPORT TO HIS GOVERNMENT. SPEAKING PERSONALLY, HE THOUGHT WHAT I HAD SAID DESERVED FULL ATTENTION AND WAS TO BE WELCOMED. HE THOUGHT THE EXPLANATION WAS NEEDED BECAUSE THE QUESTION OF THE FUTURE LINK WAS A SENSITIVE ISSUE AND ONE OF MAJOR CONCERN TO THE CHINESE GOVERNMENT.
4. HE THEN OFFERED, ON A PERSONAL BASIS, SOME COMMENTS ON WHY THE ISSUE WAS SO IMPORTANT. THESE COMMENTS CONSISTED OF A LENGTHY REVIEW OF THE TALKS TO DATE AND THE INCOMPLETENESS OF THE VARIOUS BRITISH MESSAGES AND ASSURANCES SO FAR RECEIVED. HE SAID THAT ON THE BASIS OF THE PRIME MINISTER'S MESSAGE OF 14 OCTOBER THE CHINESE SIDE HAD REACHED THE UNDERSTANDING -
(A) THAT ALTHOUGH WE WOULD NO LONGER INSIST ON BRITISH ADMINISTRATION, IT DID NOT FOLLOW THAT WE HAD ENTIRELY ABANDONED OUR AMBITIONS,
(B) THAT ALTHOUGH WE SAID WE UNDERSTOOD THE LINK BETWEEN THE CHINESE PROPOSALS AND THE CHINESE PREMISE, WE WERE NOT WILLING TO AFFIRM THE PREMISE EXPLICITLY,
(C) THAT IN ANSWER TO REPEATED CHINESE QUESTIONS OF THE NATURE OF THE LINK OR ROLE, WE HAD NOT GIVEN A SATISFACTORY ANSWER.
5. YAO GUANG CONTINUED THAT IN THESE CIRCUMSTANCES ALTHOUGH THE CHINESE SIDE DID NOT OPPOSE OUR PRESENTATION OF WORKING PAPERS AND WERE READY TO HOLD SOME DISCUSSION ON THEM, THIS DISCUSSION WOULD ONLY TREAT MAJOR QUESTIONS OF PRINCIPLE. THE SIXTH ROUND HAD, IN HIS VIEW, REVOLVED AROUND ONE QUESTION, NAMELY HOW WERE WE TO PROCEED WITH OUR WORK: WERE WE TO CONCENTRATE ON PRINCIPLE OR ON "EXCESSIVE DETAIL"? FRANKLY SPEAKING, THE CHINESE SIDE COULD NOT ENTER INTO EXCESSIVE DETAIL. THAT DID NOT MEAN THE CHINESE SIDE WERE UNWILLING, BUT IT WAS A MATTER FOR SPECIALISTS AND MUCH OF IT WAS FOR THE FUTURE SAR TO DECIDE. HOWEVER, THE CHINESE SIDE WOULD CERTAINLY COMMENT ON THE BRITISH WORKING PAPERS AND HE WOULD GIVE HIS VIEWS ON HOW OUR FUTURE WORKING PAPERS SHOULD BE DRAFTED. THE CHINESE SIDE WELCOMED OUR SUBMISSION OF THE WORKING PAPERS BUT WE SHOULD FIRST MAKE CLEAR THE QUESTION OF PRINCIPLE BEFORE ENTERING DETAILED DISCUSSION OF THEM.
6. I THANKED HIM FOR HIS COMMENTS AND, WITH REFERENCE TO THE POINTS IN PARA 4 ABOVE, SAID THAT I TRUSTED THAT MY COMMUNICATION WOULD HELP TO REMOVE MISUNDERSTANDINGS AT LEAST ON POINTS (A) AND (C). YAO SAID AGAIN HE WOULD REPORT AND HIS GOVERNMENT WOULD CAREFULLY ANALYSE OUR COMMUNICATION. HE REPEATED HIS INVITATION TO A PRIVATE DINNER ON 1 DECEMBER.

HOWE

SECRET

NNNN

FUTURE OF HONG KONG ADVANCE COPIES 10

Repeated to Delhi DMS 28/11 30

PS
PS/PUS
PS/MR LUCE
MR DONALD
ED/HKD
ED/FED

COPY TO:
MR COLES, No. 10 DOWNING ST
Mr Roberts, News D

SECRET

ADVANCE COPY.

FM PEKING 260935Z NOV 83

IMMEDIATE

TO IMMEDIATE FCO

TELEGRAM NUMBER 1257 OF 28TH NOV 83

INFO IMMEDIATE HONG KONG

FUTURE OF HONG KONG: CALL ON YAO GUANG.

1. I CALLED ON VICE FOREIGN MINISTER YAO GUANG THIS AFTERNOON AND REFERRED TO STATEMENTS I HAD MADE IN THE PAST ON THE NATURE OF THE BRITISH ROLE. I SAID THAT DESPITE THESE EXPLANATIONS IT SEEMED THERE WAS STILL A CERTAIN DEGREE OF MISTRUST ABOUT OUR OBJECTIVES. I THEN SPOKE AS INSTRUCTED IN YOUR TEL NOS 815 AND 826 AND LEFT A COPY OF THE SPEAKING NOTE.
2. I CONCLUDED BY SAYING THAT I TRUSTED THAT THIS COMMUNICATION, COUPLED WITH THE PRIME MINISTER'S MESSAGE OF 14 OCTOBER, WOULD HAVE REMOVED ANY REMAINING DOUBTS ABOUT BRITISH INTENTIONS AND THAT WE GREATLY HOPED IT WOULD BE POSSIBLE TO PROCEED TO DETAILED DISCUSSIONS OF THE CHINESE PROPOSALS. I HANDED HIM THE PAPERS ON THE ECONOMIC AND MONETARY SYSTEMS, TOGETHER WITH CHINESE TRANSLATIONS.
3. YAO GUANG THANKED ME FOR MY COMMUNICATION AND UNDERTOOK TO REPORT TO HIS GOVERNMENT. SPEAKING PERSONALLY, HE THOUGHT WHAT I HAD SAID DESERVED FULL ATTENTION AND WAS TO BE WELCOMED. HE THOUGHT THE EXPLANATION WAS NEEDED BECAUSE THE QUESTION OF THE FUTURE LINK WAS A SENSITIVE ISSUE AND ONE OF MAJOR CONCERN TO THE CHINESE GOVERNMENT.
4. HE THEN OFFERED, ON A PERSONAL BASIS, SOME COMMENTS ON WHY THE ISSUE WAS SO IMPORTANT. THESE COMMENTS CONSISTED OF A LENGTHY REVIEW OF THE TALKS TO DATE AND THE INCOMPLETENESS OF THE VARIOUS BRITISH MESSAGES AND ASSURANCES SO FAR RECEIVED. HE SAID THAT ON THE BASIS OF THE PRIME MINISTER'S MESSAGE OF 14 OCTOBER THE CHINESE SIDE HAD REACHED THE UNDERSTANDING -
(A) THAT ALTHOUGH WE WOULD NO LONGER INSIST ON BRITISH ADMINISTRATION, IT DID NOT FOLLOW THAT WE HAD ENTIRELY ABANDONED OUR AMBITIONS,
(B) THAT ALTHOUGH WE SAID WE UNDERSTOOD THE LINK BETWEEN THE CHINESE PROPOSALS AND THE CHINESE PREMISE, WE WERE NOT WILLING TO AFFIRM THE PREMISE EXPLICITLY,
(C) THAT IN ANSWER TO REPEATED CHINESE QUESTIONS OF THE NATURE OF THE LINK OR ROLE, WE HAD NOT GIVEN A SATISFACTORY ANSWER.
5. YAO GUANG CONTINUED THAT IN THESE CIRCUMSTANCES ALTHOUGH THE CHINESE SIDE DID NOT OPPOSE OUR PRESENTATION OF WORKING PAPERS AND WERE READY TO HOLD SOME DISCUSSION ON THEM, THIS DISCUSSION WOULD ONLY TREAT MAJOR QUESTIONS OF PRINCIPLE. THE SIXTH ROUND HAD, IN HIS VIEW, REVOLVED AROUND ONE QUESTION, NAMELY HOW WERE WE TO PROCEED WITH OUR WORK: WERE WE TO CONCENTRATE ON PRINCIPLE OR ON "EXCESSIVE DETAIL"? FRANKLY

CONCENTRATE ON PRINCIPLE OR ON "EXCESSIVE DETAIL"? FRANKLY SPEAKING, THE CHINESE SIDE COULD NOT ENTER INTO EXCESSIVE DETAIL. THAT DID NOT MEAN THE CHINESE SIDE WERE UNWILLING, BUT IT WAS A MATTER FOR SPECIALISTS AND MUCH OF IT WAS FOR THE FUTURE SAR TO DECIDE. HOWEVER, THE CHINESE SIDE WOULD CERTAINLY COMMENT ON THE BRITISH WORKING PAPERS AND HE WOULD GIVE HIS VIEWS ON HOW OUR FUTURE WORKING PAPERS SHOULD BE DRAFTED. THE CHINESE SIDE WELCOMED OUR SUBMISSION OF THE WORKING PAPERS BUT WE SHOULD FIRST MAKE CLEAR THE QUESTION OF PRINCIPLE BEFORE ENTERING DETAILED DISCUSSION OF THEM.

6. I THANKED HIM FOR HIS COMMENTS AND, WITH REFERENCE TO THE POINTS IN PARA 4 ABOVE, SAID THAT I TRUSTED THAT MY COMMUNICATION WOULD HELP TO REMOVE MISUNDERSTANDINGS AT LEAST ON POINTS (A) AND (C). YAO SAID AGAIN HE WOULD REPORT AND HIS GOVERNMENT WOULD CAREFULLY ANALYSE OUR COMMUNICATION. HE REPEATED HIS INVITATION TO A PRIVATE DINNER ON 1 DECEMBER.

CLARK

NNNN

IMMEDIATE

ADVANCE COPY

L
XX

XX