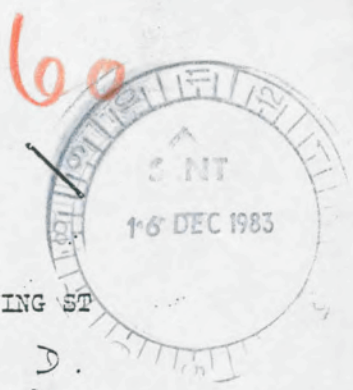


FUTURE OF HONG KONG ADVANCE COPIES 10



PS  
PS/FUS  
PS/MR LUCE  
MR DONALD  
HD/HKD  
HD/FED

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

~~RESIDENT CLERK~~

SECRET  
FM HONG KONG 160540Z DEC 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 1959 OF 16 DECEMBER  
INFO PRIORITY PEKING

ADVANCE COPY  
IMMEDIATE

*Read in full.*

MY TELNO 1914 AND YOUR 1322: FUTURE OF HONG KONG: "UMELCO".

1. I SPOKE ACCORDINGLY TO UMELCO IN STRICT CONFIDENCE THIS MORNING AND ALSO TOLD THEM, IN ADVANCE OF THE ANNOUNCEMENT, OF THE CONSULTATIONS WHICH EXCO UNOFFICIALS WOULD HAVE WITH MINISTERS IN LONDON IN JANUARY.

2. IT WAS A TENSE AND IN SOME PARTS EMOTIONAL MEETING. SOME OF THEM TOOK MUCH HARDER THAN I EXPECTED THE CONFIRMATION THAT THE CHINESE ARE NOT PREPARED TO ACCEPT THE CONTINUATION OF BRITISH ADMINISTRATION AFTER 1997.

3. ALL WERE CONCERNED TO KNOW, IF THE OBJECTIVE OF CONTINUING BRITISH ADMINISTRATION WERE NOT ACHIEVABLE, WHAT THE OBJECTIVES WOULD THEN BE. THEY URGED STRONGLY THAT THERE SHOULD BE AN AGREED LINE FOR THEM TO TAKE SO THAT THEY DID NOT PUT THEMSELVES IN A FALSE POSITION IN RELATION TO THE PEOPLE OF HONG KONG. I TOLD THEM THAT THE QUESTION OF OUR PUBLIC STANCE WOULD BE ONE OF THE ISSUES WHICH WOULD NEED TO BE CONSIDERED IN LONDON. THEY ACCEPTED THAT IT WOULD NOT BE PRUDENT TO COME TO ANY CONCLUSIONS ON THIS ISSUE BEFORE THEN.

4. TO ENCOURAGE THEM A LITTLE I EMPHASISED THAT SOVEREIGNTY HAD NOT BEEN CONCEDED AND THAT IT REMAINED THE OBJECTIVE TO SEEK A SETTLEMENT WHICH WOULD BE ACCEPTABLE TO THE PEOPLE OF HONG KONG. THERE WAS STILL A LOT TO PLAY FOR.

5. THE MEETING AT LEAST REMOVED THE CREDIBILITY GAP BUT IT ALSO CONFIRMED THE STRONG ATTACHMENT OF ALL MEMBERS PRESENT TO THE BRITISH CONNECTION. THE THOUGHT THAT THE SEARCH FOR AN ACCEPTABLE SOLUTION WOULD GO ON CHEERED THEM A LITTLE, BUT NOT MUCH.

YOUDE

NNNN