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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister
useful background
for meeting of OD(K)

27 June 1984

C.D.P. 27/6.

Dear Charles,

Future of Hong Kong: Visit of UMELCO Delegation to Peking

You may find it useful before the OD(K) meeting on Thursday 28 June to have a brief account of the visit of three members of UMELCO to Peking.

Sir S Y Chung, Lydia Dunn and Q W Lee, Unofficial members of EXCO, visited Peking from 21-25 June at the invitation of the Hong Kong branch of the NCNA. They had meetings with Deng Xiaoping, Ji Pengfei (State Councillor and Head of the Hong Kong and Macau Office) and Lu Ping (number two on the Chinese negotiating team). Sir S Y Chung had ascertained that we had no objections to the visit before making arrangements through the NCNA after the visit of the UMELCO delegation to London.

The delegation's meeting with Deng Xiaoping was the key point of the visit. Deng's cold and abrupt tone in greeting the delegation was shown by Hong Kong television and led newspapers in Hong Kong to report that the delegation had been snubbed and humiliated. Deng made it clear in front of the cameras that the Chinese did not recognise the delegation as representative, and emphasised that Chinese policy towards Hong Kong was unchangeable. Deng's tone has done nothing to increase confidence in Hong Kong. Following his earlier outburst about the stationing of PLA troops in the territory also carried on Hong Kong television, Deng is seen as a cantankerous old man impatient of other people's opinion. The Governor has responded to Deng's treatment of the Unofficials by restating our confidence in the group.

Sir S Y Chung has told us that the Unofficials found Deng reasonably friendly but stern and inflexible. Deng lectured the Unofficials about China's policies for Hong Kong on standard lines and spent a good deal of time extolling the virtues of the one country/two systems formula. He denied that there was a crisis of confidence in Hong Kong and suggested that there were those in the territory determined to make trouble for China. He said that there would be no change in Hong Kong whether or not he was in charge in China. He

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said that if there were any disturbances before 1997 which Britain could not handle the Chinese would be obliged to move in. China had proposed the joint group in order to help Britain avoid such disturbances. Deng did not raise the question of the Green Paper on constitutional development in Hong Kong, although he had suggested to a delegation of Hong Kong businessmen also in Peking that he did not approve of greater democratisation for the territory.

The meeting came to an end before the Unofficials were able to put the details of their proposals to Deng but they discussed them further with Ji Pengfei and Lu Ping, and have made them public at a press conference. The Unofficials stated in their speaking note that they supported China's recovery of sovereignty over Hong Kong in 1997 but expressed concern about the crisis of confidence in the territory and explained the anxieties of the people of Hong Kong about the future. They made three main recommendations based on suggestions in the UMELCO manifesto of 9 May:

- (a) that the agreement should be detailed and binding and should contain a provision stipulating that the Basic Law would be based on the terms of the agreement;
- (b) that the Basic Law should be drafted in Hong Kong by representatives of the Hong Kong people and Chinese representatives; and
- (c) that a committee consisting of Chinese people of international standing and reputation should be appointed by China with the responsibility of monitoring or advising on the drafting and implementation of any subsequent amendments to the Basic Law.

Ji Pengfei accepted that the agreement would be as detailed as possible, although in certain areas it would not be possible to be too specific. He said that the Basic Law would reflect the terms of the agreement. Ji Pengfei said that they could be considered at the appropriate time, although Lu Ping suggested that these two further proposals infringed China's sovereignty and would not be acceptable.

In sum, the atmosphere of the opening of the meeting with Deng has created a bad impression and, as the Governor has pointed out (Hong Kong telnos 1692 and 1693), will have made harder our task of retaining the confidence and services of the public service and other key people in Hong Kong. The substance of the discussions could, however, have been worse.

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Chinese officials may be relieved that Deng was not provoked into any more outbursts which would tie China's negotiating hand. It is possible that a further delegation of LEGCO Unofficials will visit Peking in the near future.

I am copying this letter to the Private Secretaries of OD(K) colleagues and to Sir Robert Armstrong.

Your ever,

Len Appleyard

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Private Secretary

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