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TELNO 747 OF 15 NOVEMBER
RPTD INFO IMMEDIATE HONG KONG.

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HONG KONG TELNO 1312: FUTURE OF HONG KONG

1. I HAVE SERIOUS RESERVATIONS ABOUT TUR. FIRST, IT IS A DANGEROUS GAME TO TRY AND CREATE A FALSE IMPRESSION OF PROGRESS IN OUR TALKS. WE RUN THE RISK THAT THE CHINESE MIGHT AT ANY TIME EXPOSE THE BLUFF. IF, CONTRARY TO MY EXPECTATIONS, THEY DO NOT AGREE TO TALKS AT ALL ON AN ACCEPTABLE BASIS, WE SHOULD LATER BE ACCUSED (REASONABLY) OF DUPLICITY. FURTHERMORE, A PRETENCE OF PROGRESS WHEN THERE WAS NONE WOULD BE HARD TO RECONCILE WITH THE GOVERNOR'S ARGUMENT THAT UNOFFICIALS SHOULD NOT BE KEPT IN THE DARK ABOUT WHAT IS HAPPENING.

2. SECONDLY, WHILE I SEE THE VALUE OF "EVENTS" FROM TIME TO TIME DURING THE NEXT YEAR OR MORE OF OUR NEGOTIATIONS, THE FACT IS WE HAVE SUCH AN "EVENT" ALREADY IN THE FORTHCOMING VISIT OF THE MINISTER OF STATE TO HONG KONG. AS I SEE IT, IT WOULD BE ILL-ADVISED, INDEED A WASTE OF A POTENTIAL "EVENT" IF WE WERE TO STAGE ANOTHER "EVENT" IMMEDIATELY BEFORE LORD BELSTEAD'S VISIT. AKEM THIRDLY, SINCE IT IS WIDELY KNOWN OR ASSUMED THAT THE TALKS TO DATE HAVE BEEN CONDUCTED HERE AND BY ME, IT WOULD BE DIFFICULT TO ARGUE THAT SERIOUS DISCUSSIONS ABOUT THE TALKS WERE BEING HELD IN LONDON WITH THE GOVERNOR BUT NOT WITH THE PERSON WHO HAD BEEN DOING THE TALKING SO FAR. I HOPE IT IS NOT NECESSARY TO ARGUE THAT IF CONSULTATIONS ARE HELD IN LONDON ON THE FUTURE OF HONG KONG I SHOULD BE ASKED TO ATTEND. THE RISK THAT CONSULTATIONS WOULD BE INTERPRETED BY THE PRESS ETC AS A SIGN OF CRISIS IS INHERENT IN THE GOVERNOR'S SUGGESTION. WHETHER THERE WERE ONE OR BOTH OF US IN LONDON WOULD MAKE LITTLE DIFFERENCE TO THIS RISK. BUT IT WOULD SUGGEST, AFFECT THE VALUE OF ANY CONSULTATIONS.

4. LASTLY, THE PUBLIC LINE PROPOSED IN PARA 5 OF TUR COULD, I FEAR, HAVE DAMAGING CONSEQUENCES. TO BILL A VISIT BY THE GOVERNOR AS A PREPARATION FOR LORD BELSMEAD'S VISIT, COULD RAISE THE EXPECTATIONS FOR THE LATTER UNJUSTIFIABLY. LORD BELSTEAD'S VISIT AS IT IS SHOULD BE OF USE IN HELPING CONFIDENCE IN HONG KONG. IF, HOWEVER, THE BUILD-UP TO IT WERE OVERDONE, THE LACK OF ANY SUBSTANTIVE PROGRESS TO REPORT COULD RENDER THE VISIT COUNTER-PRODUCTIVE AS FAR AS THE ISSUE OF THE FUTURE IS CONCERNED. WE SHOULD NOT FORGET THAT THE PURPOSE OF LORD BELSTEAD'S VISIT IS NOT, IN FACT, DIRECTLY CONNECTED WITH THE FUTURE. ALSO, THE POINT IN PARA 5(C) OF TUR IS VERY RISKY. IF WE SAY THIS BEFORE THE CHINESE HAVE AGREED TO TALKS, THEY COULD WELL LET IT BE KNOWN THAT TALKS HAD NOT BEGUN, AND WE HAD NOT EVEN REACHED AN AGREEMENT TO TALK. I NEED HARDLY SAY WHAT THE CONSEQUENCES OF SUCH AN EXPOSURE MIGHT BE.

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5. I CAN UNDERSTAND THAT EXCO AND OTHERS IN HONG KONG ARE BECOMING RESTIVE AND HUNGRY FOR NEWS. MY RECOMMENDATION IS THAT THEY (IE EXCO, AND UMELCO TOO IF THE GOVERNOR JUDGES IT APPROPRIATE) SHOULD BE TOLD THAT THERE IS ABOUT TO BE A MAJOR RESHUFFLE OF PERSONALITIES IN THE MFA AND THAT THIS HAS CAUSED A TEMPORARY SUSPENSION OF MEETINGS ABOUT HONG KONG. THE ADVANTAGE OF THIS EXPLANATION IS THAT IT IS NO MORE THAN WHAT WE BELIEVE TO BE THE TRUTH.

CRADOCK

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