



PM/82/17

PRIME MINISTER

SECRET

Prime Minister

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No decision is needed now. If you agree

I shall arrange for :-

- (a) a discussion of the problem with Lord Carrington and officials in the next few weeks ✓
- (b) a further discussion when Sir N. DeLakota and Sir E. Youde are here in May. ✓
- (c) a discussion in OD in due course.

Yes

Agree?

A.J.C. $\frac{12}{3}$

on attached PM Tours Abroad file

Future of Hong Kong

1. When you agreed to the ideas in my minute of 15 December 1981 about your visit to China, Hong Kong and Japan and about Hong Kong's future, you asked for further thoughts after Humphrey Atkins' visit to Peking.
2. One of the purposes of this visit was to establish whether there had been any shifts in Chinese thinking since we last tackled them. From the conversations Humphrey Atkins had with Premier Zhao and Vice Premier Ji, it is clear that while the Chinese have not moved on essentials, they recognise the existence of the problem as well as the need for it to be solved before 1997. They have said they want to see Hong Kong remain a free port and a commercial and financial centre. They have also said that in due course they would discuss with us taking local Hong Kong opinion into account.
3. In many ways the line taken by the Chinese is encouraging. They are clearly thinking about the problem more urgently than before. They have hoisted aboard the need to preserve confidence and the importance of Hong Kong's economic autonomy. However, I do not myself believe that they have yet fully grasped the ways in which confidence could be threatened or maintained. The emphasis by the Chinese Premier, Zhao Ziyang, on the importance of the Taiwan analogy (Peking telno 18) is encouraging in that the Chinese (in their '9-point proposals' issued in the autumn) clearly recognise that Taiwan would need to be accorded a great deal of economic and political independence. However, it is possible that the Chinese have in mind a solution for Hong Kong which excludes continuing British administration.

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4. If this is in the minds of the Chinese, they have clearly misunderstood the basis of Hong Kong's prosperity. Confidence in the Territory, particularly among investors, is likely only to be maintained if autonomy is guaranteed by the administration continuing on the same lines, ie through the British.
5. In my view, our own interests point to the need to keep Hong Kong going on that basis. The option of unilateral withdrawal is not really open to us. From the most negative viewpoint, a British pull-out would create enormous problems for us. Our political and economic interests in the Far East would suffer and we would be faced with demands from Hong Kong people for guarantees of protection and, more than likely, for the right of admission of fairly large numbers to this country.
6. We therefore need to try to bring the Chinese to agree to continuing British administration, not indefinitely but for a sufficient period of time to maintain confidence. They will not of course agree to this without a price; that is likely to focus on the question of sovereignty, on which their recent remarks put much stress. Here I think it would be in our interests to be flexible. We can only maintain sovereign powers in the New Territories up to 1997 in any case and the rest of the Territory is not viable on its own. The fact that we entered into a lease on the New Territories in 1898 was a recognition that ultimate sovereignty in these areas rested with China. If we could come to an arrangement whereby we made some sort of recognition of Chinese sovereignty over the rest of the Territory (ie Hong Kong Island and Kowloon) while still retaining the right to administer



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the Territory beyond 1997, we should get a very good deal and achieve a real foreign policy success. Without it we would have little effective bargaining power beyond China's own perception of its economic interest in the Territory. I therefore think that it would be sensible for us to clear our minds on this issue of sovereignty in order to be ready with a flexible response if the Chinese show themselves ready for realistic negotiations. At the same time we should of course avoid making any premature offers on the subject of which they could take advantage, and we should only agree to consider a transfer of sovereignty in return for a satisfactory undertaking from them on continuing British administration, including the length of time for which this would be guaranteed.

7. There is of course the idea put to you by Sir Y K Pao of a possible linkage between loans to China and a solution on Hong Kong. I do not know whether this represents firm Chinese Government thinking and I am sceptical of our getting a deal on Hong Kong on this basis. But we are looking at the Pao ideas in order to get a clear view of the advantages and disadvantages of a loan to China both from the Hong Kong angle and on its own merits.

8. The next step will be to form a clear view of our own aims before your visit in September. I doubt if the Chinese will be prepared for full scale negotiations then but you will not be able to avoid raising the subject. There is a reasonable chance that you would be able to get agreement at least on continuing

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discussions. It would therefore be helpful now to clarify our ideas on our bargaining position, including the question of sovereignty. You may find it useful to see the enclosed paper which discusses a number of possible options. None of these is definitive but the paper gives some idea of the limits within which we might work. You may wish to discuss this further with the experts in due course.

C

(CARRINGTON)

Foreign and Commonwealth Office

9 March 1982

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MR. COLES

Cancelled

Do you wish the Foreign Secretary to attend the meeting to discuss the future of Hong Kong on 12 May? You will remember that we have Sir Edward Youde and Sir Murray Maclehorse coming in.

C.S.

Caroline

We shall certainly want the Foreign Secretary - and others, but perhaps we can leave the others until nearer the time.

29 March 1982

A.F.C. $\frac{16}{4}$

arranged.

C.S. 19/4.

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Many Many

10 DOWNING STREET

From the Private Secretary

15 March 1982

Future of Hong Kong

The Prime Minister read over the weekend the Foreign and Commonwealth Secretary's minute of 9 March.

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She made no comment on the substance of the minute but would like to discuss the problem with Lord Carrington and officials in the next two or three weeks (we shall be in touch separately about a date). She would also like to take advantage of the presence of Sir Murray MacLehose and Sir Edward Youde in London in May for a further discussion with the Foreign and Commonwealth Secretary, which they could attend (we have provisionally earmarked 12 May for this).

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Secretary.

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HONG KONG: OPTIONS FOR ACTION TO DEAL WITH A SLIDE OF
CONFIDENCE OR A CHINESE INITIATIVE ON THE FUTURE OF HONG KONG

Introduction

1. This paper considers possible action by HMG to meet two contingencies:

- a) a collapse of public and business confidence in Hong Kong;
- b) readiness by the Chinese to discuss more concrete ways of bolstering confidence.

It starts by looking at the Chinese attitude to the problem and the actions which they might be prepared to take. It then considers joint actions and unilateral actions on the British side with tacit Chinese concurrence. In each case the likelihood of the action being taken, its effects and residual problems are considered briefly.

2. The Prime Minister's visit to Peking in September 1982 will in itself be an important factor. We can expect confidence in Hong Kong to be maintained until then. There will be strong expectations that Hong Kong's future will be discussed, if not decided. Definite agreement is in fact most unlikely but there might be an undertaking by both sides to start serious discussions. Public knowledge of this would keep confidence up but there would be two problems. Once embarked upon, talks must succeed. A collapse (or public believe that they were failing) would hit confidence badly. On the other hand, the Chinese are unlikely to be ready to hurry; therefore it would be equally risky to set a time limit for conclusion of the talks. Opinion in Hong Kong would need to be prepared for a long haul during which strictly confidential contacts might continue.

The Chinese View

3. The full picture of Chinese attitudes and long-term policy on Hong Kong remains conjectural. There is considerable evidence of ignorance and misunderstanding of the Hong Kong problem among the Chinese, particularly the question of investor confidence, and even among those officials who might be expected to be well informed. Certain elements, however, seem clear. The Chinese see Hong Kong in its present form as useful to them now and in the immediate future. But there are serious political inhibitions on their accepting indefinite continuance of the status quo. They neither accept nor have they abrogated the 19th Century Treaties on Hong Kong. Technically, it is open to them to disregard 1997, but to do so would be politically difficult as it would expose the leaders involved to the accusation of 'selling out' China to foreigners. In practice, and because of the public attention focussed on 1997, they could not risk acquiescing in any formal or legal action that would prolong British administration without a major political concession on our part.

4. Any initiative on Hong Kong might also have consequences for their policy on unification with Taiwan: they will do nothing over Hong Kong that would make this more difficult. Increasingly, the Chinese see a connection between policy towards Taiwan and Hong Kong. When Lord Carrington was in Peking in April 1981, Deng Xiaoping said that we should study Chinese policy towards Taiwan when considering Hong Kong. The essentials of present Chinese policy (see Annex A for details) are that Taiwan must give up its claim to statehood and its flag but will then be allowed a large degree of local autonomy, including its own armed forces. The parallel for Hong Kong would be, as a minimum, the relinquishing of sovereignty in return for a negotiable degree of autonomy.

5. Current pressures on the Chinese leadership are such that they are likely to do the minimum necessary to preserve the advantages they gain from Hong Kong. They will avoid specific agreements if they can. They may even be prepared to suffer severe economic loss rather than take political risks. Moreover, we clearly cannot rely on the leadership in Peking remaining constant. We cannot exclude the emergence of a more ideologically and less pragmatically inclined power group.

6. The Chinese apparently believed in 1979 that Deng's general assurances about the interests of investors being safeguarded would be sufficient to deal with the problem of confidence for some time to come. This formula allowed for what were, to them, significant guarantees about the Hong Kong economic system and its probable continuity (capitalism well into the next century) without giving away anything on political control. They probably still think this type of general assurance should be sufficient, although there are some indications that they are beginning to realise that this is not so. Their initial remedy for a slide in confidence is likely to be to repeat the assurances more forcefully and more directly to leading investors in Hong Kong.

The Chinese View and Problems for HMG

7. Chinese assurances were sufficient to boost confidence when they were first made. But this was only because they were seen as a first step towards more concrete measures. They take no account of the legal problems of a finite and diminishing period in the New Territories as regards the future administration of land leases. Leases of Crown land cannot be granted there for any period terminating beyond 1997 without an unacceptable risk of legal challenge. Measures that would circumvent this problem would need at least tacit approval from the Chinese. A way of dealing with this problem was put to the Chinese in 1979 but rejected.

8. Chinese assurances appear to be based on the assumption that the difficult question of political control after 1997 can be avoided for many years to come. They also imply that continuing prosperity of the economic system can be divorced from the problem of political control. Neither is true; Hong Kong's prosperity, and its value to China, depends on it having:

/a) a

- a) a different currency from China and one that is readily convertible;
- b) a legal system which gives confidence to investors, ie at present, a non-Chinese legal system; and
- c) access to world markets based, at present, on international agreements to which Hong Kong is a party as a British dependency.

The currency and legal points might possibly be covered without British administration but the benefits of British dependency status could not. In any case, until Chinese policy had been seen to be consistent and stable over a considerable period investors would have no faith that any of these conditions would be met under Chinese rule.

9. A solution to the Crown land leases problem might in the short term boost confidence in Hong Kong's future, but it will be insufficient as a confidence-builder. Although business confidence is reasonably high at present, it is brittle, and already under pressure, largely as a result of world economic uncertainty. In addition, there are other, non-commercial political causes of strain (eg worry over nationality status). Without clear evidence of Chinese acquiescence in continuing British administration after 1997, disinvestment will start probably by 1985 and possibly at any time from 1982 onwards.

10. An obvious slide in confidence and in particular a collapse of the Hong Kong dollar, might shock the Chinese leadership sufficiently to make them ready to discuss practical ways of bolstering confidence (although we have to accept the possibility that they might be prepared to lose most or even all of their present economic advantages from the Territory if they found the question politically too hot to handle). An alternative possibility is that the Chinese may be ready to enter a dialogue without such a threatening incentive. There have been some signs of this, ie during the visit of the Lord Privy Seal in January 1982.

Actions to halt a slide in confidence or to respond to a Chinese initiative

11. The following possible actions are graded in a rough order of ascending difficulty for the Chinese. An important feature of most of the proposals is that any action to extend British administration would require amendment or replacement of the 1898 Order in Council providing for and defining the length of jurisdiction in the New Territories (Annex B) (which in turn is directly related to the Convention of Peking 1898 (Annex C)). This would almost certainly need Chinese agreement or at least their readiness not to object to the legislation if challenged. The Attorney-General shares the opinion of our departmental Legal Adviser that any amendment would

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need explicitly to make clear the intention of HMG to administer the New Territories beyond 1997. A number of the proposals also include the notion of a relinquishment of sovereignty by HMG. We do not know that the Chinese would in fact demand this but it is a logical move for which we must be prepared.

A) Reinforcement of existing assurances

The Chinese would talk at a high level to major local investors in Hong Kong to encourage them to retain and increase their investments. They would do the same with selected foreign investors, banks, industrialists and developers. They would reinforce assurances about capitalism continuing in Hong Kong well into the next century and imply that a change of status in 1997 was unlikely.

- i) Likelihood. Easiest option for Chinese. Harder as the assurances about no change become firmer.
- ii) Problems for HMG. None, except:
- iii) Effect. At best temporary. Such encouragement and assurances would cause some local Chinese investors to maintain investments. Little effect on foreign investors unless coupled with action on land leases. Not sufficient to halt a serious slide of confidence for long, if at all, because unsupported by either firm and 'bankable' description of conditions under Chinese law, or assurance of continuance of British jurisdiction.

B) Declaration by the Chinese that, because Treaties unequal 1997 irrelevant; Hong Kong would revert to China when the time was ripe, with the clear understanding that British administration would continue beyond 1997

- i) Likelihood. If as a formal statement a slight but significant change in present Chinese position. More difficult than (A) for Chinese, however, as it implies continuing British administration beyond 1997. Becomes progressively more difficult for them the more that is said about time not being ripe for many years to come.
- ii) Problems for HMG. None: the Chinese already claim sovereignty. A statement from them that the lease should be ignored would, however, open the way for us to take legal measures that would align the practical reality in Hong Kong with Chinese stated views.
- iii) Effect. Would be too vague to have significant effect, even if coupled with (A) above, unless coupled with agreement to action by HMG to take continuing powers of administration beyond 1997.

/ C) Joint

- C) Joint or parallel statements by Chinese and HMG that Treaties no longer applicable; Hong Kong Chinese territory temporarily under British administration but this would continue beyond 1997
- i) Likelihood. Not easy, as it requires public approval by the Chinese of British administration. Nevertheless, generally accords with their present tacit position, and involves significant public renunciation by HMG.
 - ii) Problems for HMG. Recognition of Chinese sovereignty over Hong Kong requires an Act of Parliament divesting the United Kingdom of sovereignty. Implications of abrogation. Legal status of Hong Kong, particularly in international agreements, would need to be clarified. Need for legislation on land leases and continuing powers of administration which would have to be of indeterminate length. (Automatically renewable periodic leases possible.) Might be coupled with demand for use of Chinese flag (cf stated policy towards Taiwan).
 - iii) Effect. Impact would depend on assumptions about how long the arrangement was expected to last. Initial effect might be to produce uncertainty, unless Chinese made it clear that they expected the arrangement to last at least 15 years. But confidence would grow over time as it would be up to the Chinese to foster it if they wished their benefits from Hong Kong to continue. It should eventually produce a Macao-like reliance on traditional tenure.
- D) Declaration by the Chinese that change would only occur with adequate warning; a possible minimum period would be 15 years
- i) Likelihood. Slightly more difficult than (C), as Chinese would be tying themselves to a specific period. Becomes harder if selected period stretches beyond 1997. But Zhou Enlai did say to Sir Alec Douglas-Home in 1972 that Chinese would take no surprise action over Hong Kong. Might be possible to build on this. Private hints on length of warning easier for the Chinese than public statements.
 - ii) Problems for HMG. Almost certainly would be combined with Chinese demand that HMG concede Chinese sovereignty. Still, better than (C), as it guarantees length of tenure. Powers of continuing administration could be tied to Chinese declaration. So could land leases. Both require Chinese assurances about the period of warning to be made public in some form. Base for continued British administration would have to be negotiated with Chinese. Chief drawback lies in the fact that the assurance is only effective so long as the Chinese do not institute a period of warning. As soon as that happened we would face weakening confidence in Hong Kong, although certainly firms and others would have as much time as they have now to make their plans.

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- iii) Effect. Major boost to confidence. Sufficient to halt slide of confidence. But only provided it was quickly followed by UK legislation to bring British jurisdiction and powers of administration into line with new concept of validity of 15 years constantly rolled forward until notice given by the Chinese People's Government (CPG). The legal mechanics would need to be worked out.
- E) Unilateral action by HMG to take powers to issue land leases beyond 1997; assurance of tacit Chinese approval
- i) Likelihood. Possible, particularly if done in form of automatically renewable periodic leases and with no mention of 1997. Chinese might see it as a necessary way of preserving investor confidence. Has advantage requiring little action on their part.
- ii) Problems for HMG. Only a temporary palliative unless coupled with power of continuing administration.
- iii) Effect. If done now, a short-term beneficial effect. But lacks long-term credibility unless coupled with arrangements for administration after 1997. Not sufficient to halt slide of confidence.
- F) Unilateral action by HMG to remove the limit in the 1898 Order in Council on powers of administration in the New Territories; Chinese acquiescence
- i) Likelihood. Part of the rejected 1979 proposals. Chinese acquiescence would need to be obvious. They are not likely to acquiesce if (as seems possible) they think that any such change should be coupled with concessions on sovereignty. Would therefore lead to solution similar to (C).
- ii) Problems for HMG. As in (C)(ii) above.
- iii) Effect. As in (C) (iii) above.

CONCLUSION

12. Stronger verbal assurances from the Chinese (option A) would not by themselves have a significant effect on confidence in Hong Kong; and neither would a statement that 1997 had no relevance (B), unless it opened the way to action by HMG on the continuation of administrative powers. Measures to solve the land lease problem with Chinese consent (E), would be only of short-term effect. Option (D), providing a period of warning before any change were made in the status of Hong Kong, is marginally the most attractive from the UK point of view.

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A public agreement that the Treaties on Hong Kong were not applicable but that British administration could continue beyond 1997 (C) would be satisfactory. A third possibility is (F) removal, with Chinese agreement, of the limit in the 1898 Order in Council to our administration in the New Territories beyond 1997. These three would almost certainly involve the concession of recognition of Chinese sovereignty over Hong Kong and thus a major change in its status that would have to be reflected in UK law.

13. Both in monitoring Hong Kong and Chinese opinion, and even, in certain circumstances, in discussing solutions, the option of using non-official intermediaries with Peking needs to be borne in mind. There are a number of potential 'messengers', mainly senior Hong Kong Chinese businessmen with close contacts in Peking, who might be used. But in so delicate a matter the question of control is very important. A message loosely delivered could give a totally false impression and defeat its own object. Probably therefore, such intermediaries should only be used, and that very sparingly, as one means of keeping our lines open to Peking and estimating the direction of movement of thinking there.

Hong Kong and General Department
Foreign and Commonwealth Office

1 March 1982

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IMPLICATIONS FOR HONG KONG OF CHINA'S POLICY ON TAIWAN

1. The leaders of the People's Republic of China have set their sights on achieving the take-over of Taiwan in such a way as to ensure the maximum benefit and the least possible damage to China's interests. While they do not rule out the use of force as a last resort they express hope that reunification can be achieved peacefully through negotiations between themselves and the leaders of ruling Kuomintang (Nationalist) Party on Taiwan.
2. The essence of China's proposals on Taiwan (put forward on several occasions in the last 3 years) is that in return for acceptance by the Taiwan authorities of unification, China would 'respect the status quo' on Taiwan ... and adopt reasonable policies and measures so as not to cause any losses to the people on Taiwan'. China says that it would allow Taiwan to retain its own armed forces, would abstain from interference in the local affairs of the island, would leave Taiwan's 'socio-economic system' unchanged, with 'no encroachment' on the investments and rights of inheritance enjoyed by the inhabitants, and would permit Taiwan businessmen to invest on the mainland. These points were reaffirmed in a 9-Point Proposal on 30 September 1981 by Ye Jianying (China's equivalent to Head of State), who added that under the arrangements envisaged by Peking 'people in authority' from Taiwan could assume national leadership posts and 'participate in running the state'.
3. On some previous occasions, Chinese officials had said that authorities on Taiwan would have to give up the use of such attributes of national status as the 'Republic of China' flag, but China has not explicitly repeated this in its latest statements. On the question of further arms supplies for Taiwan after a settlement there have been conflicting reports on China's attitudes. Some officials have suggested that these would be 'negotiable' but others have said that they would not be permitted. In any case the issue has been recently subsumed in China's strong opposition to continued US arms sales to Taiwan.
4. The comparison between China's position on Taiwan and that on Hong Kong was originally drawn by Deng Xiaoping in conversation with the Governor in March 1979. He said that the UK would be aware of China's policy on Taiwan; that on its return to China there would be 'no change in the social system, nor would living standards be affected. Taiwan could still enjoy a special status and local autonomy and even her own armed forces, even though she would be part of China. There could never be two Chinas or one and a half Chinas. This was the Chinese position on Hong Kong and Macao as well as on Taiwan. This was a long-standing policy. They had adopted it because they needed Hong Kong'.

5. In his talk with Lord Carrington in April 1981, Deng repeated these observations on Taiwan, adding that 'it would be necessary for Taiwan to abandon the name by which it called itself (ie 'Republic of China') as well as its flag. This was a long-term policy and not a matter of expediency. It also reflected China's policy towards problems of a similar nature'. In his talk with the Lord Privy Seal in January 1982 Premier Zhao Ziyang recalled China's 9-Point Proposal for Taiwan; 'from this, circles in Hong Kong and the British Government could get some idea of China's thinking'. In an interview with Reuters in mid-January the MFA Vice-Minister Zhong Xidong was asked to compare the Hong Kong and Taiwan problems. He replied: 'The Taiwan problem has already been solved legally. It is internationally agreed that it is a Chinese province. But the Hong Kong question has not been legally solved. China is ready to negotiate with Britain at an appropriate time to resolve this question'.

6. The Chinese are probably not drawing a precise analogy between Taiwan and Hong Kong. The circumstances are different, particularly over nomenclature. In Taiwan's case the Chinese require the renunciation of the title 'Republic of China' to remove the claim by the KMT to be the alternative government to China. Hong Kong presents no similar threat to the Chinese Government's legitimacy. Moreover, HMG have been careful to avoid moves which might be construed as steps towards independence for the territory. On the other hand, Hong Kong presents a problem for Peking of a different sort. While the Taiwan government is an indigenous Chinese body, Hong Kong is governed by an outside power. There are thus issues affecting sovereignty in both territories. Moreover, the question of the flag (and other symbols of authority) which would be used in Taiwan is clearly of great importance to Peking. The Chinese are likely also to set store on this in discussing Hong Kong.

Oct. 20, 1898.]

GREAT BRITAIN.

[No. 141.]

[Jurisdiction. Hong Kong Extension.]

(No. 141.) *ORDER IN COUNCIL* providing for the Government of the Territories adjacent to Hong Kong leased under the Convention of June 9, 1898. Balmoral, October 20, 1898.

At the Court at Balmoral, the 20th day of October, 1898.

PRESENT: THE QUEEN'S MOST EXCELLENT MAJESTY IN COUNCIL.

WHEREAS by a Convention dated the 9th day of June, 1898 (No. 24), between Her Majesty and His Imperial Majesty the Emperor of China, it is provided that the limits of British territory in the regions adjacent to the Colony of Hong Kong shall be enlarged under lease to Her Majesty in the manner described in the said Convention;

And whereas it is expedient to make provision for the government of the territories acquired by Her Majesty under the said Convention, during the continuance of the said lease:

It is hereby ordered by the Queen's Most Excellent Majesty, by and with the advice of Her Majesty's Privy Council, as follows:—

1. The territories within the limits and for the term described in the said Convention shall be, and the same are hereby declared to be, part and parcel of Her Majesty's Colony of Hong Kong in like manner and for all intents and purposes as if they had originally formed part of the said Colony.

2. It shall be competent for the Governor of Hong Kong, by and with the advice and consent of the Legislative Council of the said Colony, to make laws for the peace, order, and good government of said territories as part of the Colony.

3. From a date to be fixed by Proclamation of the Governor of Hong Kong, all laws and ordinances which shall at such date be in force in the Colony of Hong Kong shall take effect in the said territories and shall remain in force therein until the same shall have been altered or repealed by Her Majesty or by the Governor of Hong Kong, by and with the advice and consent of the Legislative Council.

4.* Notwithstanding anything herein contained, the Chinese officials now stationed within the city of Kowloon shall continue to exercise jurisdiction therein except in so far as may be inconsistent with the military requirements for the defence of Hong Kong.

And the Right Honourable Joseph Chamberlain, one of Her Majesty's Principal Secretaries of State, is to give the necessary directions herein accordingly.

A. W. FITZROY.

* This Article revoked by Order in Council of 27th December, 1899 (No. 144).

CONVENTION FOR THE EXTENSION OF HONGKONG, 1898.

(Signed at Peking, 9th June 1898.)

changed under the
 長拓香港界址專條

Whereas it has for many years past been recognised that the extension of Hongkong territory is necessary for the proper defence and protection of the Colony:

It has now been agreed between the Governments of Great Britain and China that the limits of British territory shall be enlarged under lease to the extent indicated generally on the annexed map. The exact boundaries shall be hereafter fixed when proper surveys have been made by officials appointed by the two Governments. The term of this lease shall be ninety-nine years. It is at the same time agreed that within the city of Kowloon the Chinese officials now stationed there shall continue to exercise jurisdiction except so far as may be inconsistent with the military requirements for the defence of Hongkong. Within the remainder of the newly-leased territory Great Britain shall have sole jurisdiction. Chinese officials and people shall be allowed as heretofore to use the road from Kowloon to Hsianan.

It is further agreed that the existing landing place near Kowloon city shall be reserved for the convenience of Chinese men-of-war, merchant and passenger vessels, which may come and go and lie there at their pleasure and for the convenience of movement of the officials and people within the city.

When hereafter China constructs a railway to the boundary of the Kowloon territory under British control, arrangements shall be discussed.

It is further understood that there will be no appropriation or expulsion of the inhabitants of the district included within the extension, and that if land is required for public offices, fortification, or the like official purposes, it shall be bought at a fair price.

If cases of extradition of criminals occur, they shall be dealt with in accordance with the existing Treaties between Great Britain and China and the Hongkong Regulations.

長拓香港界址專條
 溯查多年以來素悉香港一處非展拓界址不足以資保衛今中英兩國政府議定大畧
 按照精附地圖展擴英界作為新租之地其所定詳細界線俟兩國派員勘明後再行
 畫定以九十九年為限期又議定所有現在九龍城內駐紮之中國官員仍可在城內各
 司其事惟不得與保衛香港之武備有所妨碍其餘新租之地專歸英國管轄至九龍向
 通新安陸路中國官民照常行走又議定仍留附近九龍城原舊馬頭一區以便中國兵
 商各船渡艇任便往來停泊且便城內官民任便行走將來中國建造鐵路至九龍英國
 管轄之界臨時商辦又議定在所展界內不可將居民迫令遷移產業入官若因修建衙
 署築造礮台等官工需用地段皆應從公給價自開辦後遇有兩國交犯之事仍照中英

The area leased to Great Britain as shown on the annexed map includes the waters of Mirs Bay and Deep Bay, but it is agreed that Chinese vessels of war, whether neutral or otherwise, shall retain the right to use those waters.

This Convention shall come into force on the first day of July, eighteen hundred and ninety-eight, being the thirteenth day of the fifth moon of the twenty-fourth year of Kwang Hsi. It shall be ratified by the Sovereigns of the two countries, and the ratifications shall be exchanged in London as soon as possible.

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed the present Agreement.

Done at Peking in quadruplicate (two copies in English and two in Chinese) the ninth day of June in the year of Our Lord eighteen hundred and ninety-eight, being the twenty-first day of the fourth moon of the twenty-fourth year of Kwang Hsi.

(Signed)

CLAUDE M. MACDONALD.

LI HUNG-CHANG.

HSE TING-K'UEI.

L.S.

L.S.

大英國欽差駐劄中使宜行事大臣寶

大清國太子太傅文華殿大學士一等肅毅伯李

光緒二十四年四月二十一日
西歷一千八百九十八年六月初九日

四分英文四分共八分

書押蓋印以昭信守此專條在中國京城繕立漢文

批准文據應在英國京城速行互換為此兩國大臣將此專條

三日即西歷七月初一號開辦施行其

在局內局外仍可享用此約應於書押後自中國五月十

原約香港章程辦理查接照結附地圖所租與英國之地

內有大觀灣深州灣水面惟議定該兩灣中國兵船無論

-9 MAR 1982

