

FUTURE OF HONG KONG ADVANCE COPIES

10 x 8

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

IMMEDIATE

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ADVANCE COPY

TO IMMEDIATE FCG

TELEGRAM NUMBER 1310 OF 7 DECEMBER

INFO IMMEDIATE HONG KONG

MIPT: FUTURE OF HONG KONG: 7TH ROUND, FIRST DAY: COMMENT

1. THIS WAS PERHAPS THE MOST POSITIVE SESSION SO FAR. IT GENERALLY FOLLOWED THE LINES OUTLINED BY YAO GUANG IN HIS INFORMAL CONVERSATION WITH ME ON 1 DECEMBER.
2. IT WOULD SEEM THAT THE FORMULAR PRESENTED TO THE CHINESE SIDE ON 28 NOVEMBER, TAKEN TOGETHER WITH THE PRIME MINISTER'S MESSAGE OF 14 OCTOBER AND SUBSEQUENT EXPLANATIONS OF IT, HAVE FINALLY BROUGHT THE CHINESE TO THE POINT WHERE THEY ARE READY TO DISCUSS PRACTICAL MATTERS. THERE WAS NO FURTHER REQUEST FOR EXPLICIT AFFIRMATION OF THE CHINESE PREMISE. WE SEEM TO BE IN REAL CONTACT FOR THE FIRST TIME. MOREOVER, THEY APPEAR READY TO CONTINUE DISCUSSION OF FURTHER WORKING PAPERS ON THE SAME BASIS. THEIR COMMENTS SHOW THAT THEY HAVE DONE MORE PREPARATORY DETAILED WORK THAN WE HAD THOUGHT.
3. THE FIRST PART OF YAO'S STATEMENT SUMMED UP THE MOST IMPORTANT OF THE ASSURANCES WHICH WE HAVE GIVEN TO THE CHINESE SIDE OVER THE LAST FEW WEEKS. PREDICTABLY IT ATTEMPTED TO APPLY THESE ASSURANCES TO ALL FUTURE TALKS RATHER THAN JUST TO THE DISCUSSIONS PROPOSED IN THE PRIME MINISTER'S LETTER, WHICH WERE OF A MORE LIMITED NATURE. I PROPOSE TO DEAL WITH THIS POINT UNCONTENTIOUSLY IN MY STATEMENT TOMORROW BY CONFIRMING THE POINTS, BUT SPECIFICALLY IN RELATION TO THE DISCUSSIONS PROPOSED IN THE PRIME MINISTER'S MESSAGE, THEREBY PRESERVING THE CONDITIONALITY OF OUR POSITION.
4. FOR THE REST, ON AN INITIAL READING, YAO APPEARS TO HAVE MADE A REPLY OF SOME KIND ON VIRTUALLY ALL THE POINTS RAISED IN OUR FIRST THREE WORKING PAPERS, AND HE HAS PROVIDED SOME ELABORATION OF THE CHINESE PLAN. HE DID NOT REPEAT THE DISTINCTION BETWEEN INTERNAL MATTERS AND THOSE ISSUES THAT CONCERNED BRITISH INTERESTS. NOT ALL THE POINTS HE MADE ARE HELPFUL: THIS WAS SCARCELY TO BE EXPECTED. IN PARTICULAR THE CHINESE SEEM TO WANT TO TINKER UNNECESSARILY WITH THE LEGAL SYSTEM. BUT YAO HAS CONFIRMED A NUMBER OF ELEMENTS IN THE WORKING PAPERS FOR WHICH WE HAD SOUGHT CONFIRMATION. EVEN WHERE HIS REPLIES DO NOT SUIT US, HE HAS OPENED THE WAY FOR FURTHER COMMENT. IT REMAINS TO BE SEEN HOW MUCH GENUINE DISCUSSION THE CHINESE WILL ENGAGE IN AND WHETHER THEY WILL BE PREPARED

~~THIS REFLECTS ON THE WAY THE CHINESE
COMMENT. IT REMAINS TO BE SEEN HOW MUCH GENUINE DISCUSSION
THE CHINESE WILL ENGAGE IN AND WHETHER THEY WILL BE PREPARED
TO MODIFY THEIR POSITION IN RESPONSE TO OUR ARGUMENTS.~~

5. IN MY REPLY TOMORROW, APART FROM REINTRODUCING THE
CONDITIONALITY AS IN PARA 3 ABOVE, I SHALL GIVE A WARM GENERAL
WELCOME TO YAO'S INTERVENTION AND SAY THAT WE SHALL WISH TO
CONTINUE DISCUSSION OF THIS KIND ON THE OTHER WORKING PAPERS.
I SHALL ALSO TAKE UP IN DETAIL SOME OF THE POINTS MADE BY YAO
ON THE LEGAL SYSTEM, EG ON THE ELECTION OF JUDGES.

CRADOCK

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~~RESIDENT CLERK~~

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TO IMMEDIATE FCO

TELEGRAM NUMBER 1309 OF 7 DECEMBER

INFO IMMEDIATE HONG KONG

IMMEDIATE

FUTURE OF HONG KONG: SEVENTH ROUND OF TALKS: FIRST DAY

1. HE SPOKE FIRST. HE REPEATED FOR THE RECORD THE FORMULA HE HAD DELIVERED ON INSTRUCTIONS TO YAO GUANG ON 28 NOVEMBER.

HE GAVE THREE REASONS WHY IT WAS NECESSARY TO HAVE FURTHER CLARIFICATION OF THE CHINESE PLAN. FIRSTLY, THE GENERAL ASSURANCES GIVEN IN THE PLAN ABOUT NO CHANGES, ALTHOUGH IN THEMSELVES VERY WELCOME, WERE NOT SUFFICIENTLY SPECIFIC TO MAINTAIN DOMESTIC AND INTERNATIONAL CONFIDENCE IN HONG KONG. SECONDLY, TO AVOID ANY FAILURE OF CONTINUITY AT THE TRANSITIONAL MOMENT IN 1997 IT WAS NECESSARY TO KNOW IN FULL THE PRINCIPLES ON WHICH THE SAR GOVERNMENT WOULD FUNCTION. THIRDLY, FURTHER CLARIFICATION WAS NECESSARY IF THERE WAS TO BE ANY EXPECTATION OF OBTAINING PARLIAMENTARY APPROVAL FOR AN AGREEMENT WITH THE CHINESE.

2. HE SAID THAT WE WELCOMED THE ELABORATION OF THE 12 POINT PLAN AT THE 6TH ROUND. THERE WAS MUCH WITH WHICH WE COULD AGREE, BUT IN THE INTERESTS OF FUTURE PRACTICAL CO-OPERATION IT WAS ESSENTIAL FOR FURTHER CLARIFICATION ON MANY POINTS:

(A) POINT 2, WE AGREED ON THE CONCEPT OF AUTONOMY FOR THE SAR. BUT EXACTLY WHAT POWERS WOULD THE SAR GOVERNMENT HAVE AFTER 1997?
(B) POINT 3, ON THE LEGAL SYSTEM OF THE SAR. WHAT POWER OF DISALLOWANCE WAS ENVISAGED OVER HONG KONG LAWS? WOULD THERE BE FULL SEPARATION BETWEEN THE EXECUTIVE AND THE JUDICIARY?

HE REFERRED TO THE CHINESE INTENTION TO ABOLISH THE ROYAL INSTRUCTIONS, THE LETTERS PATENT AND THE COLONIAL REGULATIONS, AND EXPLAINED THAT WE HAD NOT REFERRED TO THOSE LAWS IN OUR LEGAL WORKING PAPER BECAUSE WE INTENDED TO DEAL WITH THEM IN A SEPARATE PAPER ON THE MAIN CONSTITUTIONAL ARRANGEMENTS FOR HONG KONG WHICH WOULD BE PRESENTED AT A LATER STAGE. HE REPEATED THAT WE UNDERSTOOD THAT IF THERE WAS NO LINK OF AUTHORITY BETWEEN THE UK AND HONG KONG IT WOULD NOT BE POSSIBLE FOR THERE TO BE ANY "ROYAL INSTRUCTIONS" ETC. BUT APART FROM THE MECHANISMS FOR THE RULE OF HONG KONG FROM LONDON, THESE LAWS CONTAINED A CONSIDERABLE AMOUNT OF PRACTICAL DETAIL ABOUT HOW THE VARIOUS ORGANS IN HONG KONG FUNCTIONED. ONCE THEY WERE ABOLISHED THIS DETAIL WOULD NEED TO BE LAID DOWN IN SOME OTHER FORM.

(C) POINT 6, ON THE SAR'S STATUS AS A FREE PORT AND A SEPARATE

~~(C) POINT 6, ON THE SAR'S STATUS AS A FREE PORT AND A SEPARATE TARIFF AREA. COULD THE CHINESE CONFIRM THAT WHAT WE HAD SAID IN THE FINANCIAL SYSTEM WORKING PAPER WAS IN ACCORDANCE WITH CHINESE INTENTIONS?~~

(D) POINT 8, ON INDEPENDENT FINANCES. WE SHOULD LIKE TO BE CLEARER WHAT THAT INDEPENDENCE WOULD MEAN, AND WHETHER THERE WOULD NEED TO BE ANY APPROVAL FROM THE CENTRAL GOVERNMENT.

(E) POINT 10, ON EXTERNAL ECONOMIC AND CULTURAL RELATIONS. WOULD THE SAR BE ABLE TO ENTER INTO TRADE AND OTHER ECONOMIC AGREEMENTS ON ITS OWN AUTHORITY OR WOULD IT NEED THE APPROVAL OF THE CENTRAL GOVERNMENT TO DO SO? SIMILARLY, WOULD IT BE ABLE ON ITS OWN TO DECLARE THE APPLICATION TO HONG KONG OF MULTILATERAL AGREEMENTS?

HE STRESSED THAT THIS WAS NOT AN EXHAUSTIVE COMMENT ON THE 12 POINT PLAN AND THAT THERE WERE MANY OTHER THINGS TO WHICH WE WOULD RETURN AT A LATER STAGE.

3. YAO THANKED ME FOR THE CLARIFICATION OF OUR POSITION WHICH HE HAD GIVEN TO HIM WHEN DELIVERING THE FORMULA ON 28 NOVEMBER. THE CHINESE GOVERNMENT APPRECIATED AND WELCOMED IT, AND BELIEVED IT WOULD FACILITATE THE TALKS. THROUGH JOINT EFFORTS, PARTICULARLY SINCE THE 5TH ROUND, THE COMMON GROUND AND MUTUAL UNDERSTANDING BETWEEN THE TWO SIDES HAD BEEN INCREASED ON THE FOLLOWING POINTS:

(A) WE HAD AGREED THAT FUTURE TALKS SHOULD PROCEED ON THE BASIS OF CHINA'S GUIDELINES FOR HONG KONG:

(B) WE NO LONGER INSISTED ON CONTINUED BRITISH ADMINISTRATION AS A PRECONDITION AND UNDERSTOOD THAT THE CHINESE PLAN WAS BASED ON THE PREMISE THAT SOVEREIGNTY AND THE RIGHT OF ADMINISTRATION OVER HONG KONG WOULD RETURN TO CHINA IN 1997:

(C) WE HAD STATED THAT WE DID NOT INTEND TO PROPOSE ANY LINKS BETWEEN BRITAIN AND HONG KONG WHICH CONFLICTED WITH THE CHINESE PREMISE, AND IN PARTICULAR ANY LINKS OF AUTHORITY OR ACCOUNTABILITY, AND HAD STATED THAT ANY OVERSEAS OFFICIALS REMAINING IN HONG KONG AFTER 1997 WOULD NOT BE APPOINTED BY AND RESPONSIBLE TO LONDON.

(D) WE HAD INDICATED THAT WE SAW OUR ROLE AS ONE OF ASSISTANCE TO THE SAR AND NOT AUTHORITY:

(E) WE HAD STATED THAT WE DID NOT SEEK CO-ADMINISTRATION IN ANY FORM.

CONFIRMATION BY BOTH SIDES OF AGREEMENT ON THESE POINTS WOULD BE IMPORTANT AND USEFUL FOR PROMOTING THE SMOOTH PROGRESS OF THE TALKS.

4. YAO THEN SUGGESTED THAT THE TWO SIDES SHOULD DISCUSS THE 12 POINT PLAN POINT BY POINT, PREFERABLY IN THEIR ORIGINAL ORDER.

BUT AS WE HAD NOT PRESENTED ALL OUR WORKING PAPERS WE COULD BEGIN BY DISCUSSING THOSE POINTS WHICH CORRESPONDED TO THE WORKING PAPERS ALREADY SUBMITTED. HE HOPED THAT WE WOULD PRODUCE ALL OUR WORKING PAPERS AS SOON AS POSSIBLE AND WOULD ENDEAVOUR TO MATCH THEM TO THE 12 POINTS, AND THIS WOULD MAKE FOR MORE EFFECTIVE DISCUSSION. HE THEN COMMENTED ON POINTS 3, 6, 8 AND 10 OF THE 12 POINT PLAN, RELATING HIS COMMENTS TO OUR WORKING PAPERS, AS FOLLOWS.

AS FOLLOWS.

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5. POINT 3 (THE LEGAL SYSTEM)

HE OFFERED THE FOLLOWING COMMENTS IN RELATION TO PARAGRAPH 2 OF THE IMPLICATIONS SECTION OF THE WORKING PAPER:

- A) THE SAR COULD MAKE ITS OWN LAWS WHICH IT WOULD REPORT TO THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS (NPC) FOR THE RECORD.
- B) CENTRAL GOVERNMENT WOULD NOT INTERVENE SO LONG AS THE SAR MADE LAWS WITHIN THE LIMITS OF AUTHORITY PRESCRIBED IN THE NPC BASIC LAW (UNDER ARTICLE 31 OF THE CONSTITUTION) AND IN ACCORDANCE WITH LEGAL PROCEDURES.
- C) THE CENTRAL GOVERNMENT WOULD HAVE THE POWER TO ANNUL SAR LAWS ONLY WHEN THEY WERE IN CONTRADICTION OF THE BASIC LAW OR WHEN THEY OVERSTEPPED THE LIMITS OF AUTHORITY IN THE BASIC LAW. THESE POINTS WERE CONSISTENT WITH THE PRACTICE OF AUTONOMY IN ALL PARTS OF THE WORLD.
- D) WHETHER THE EXISTING ARRANGEMENTS FOR THE DELEGATION OF POWER TO MAKE SUBORDINATE LEGISLATION WOULD BE RETAINED AND WHETHER AN INDEPENDENT LAW COMMISSION WOULD BE ESTABLISHED WERE MATTERS ON WHICH THE SAR COULD MAKE ITS OWN DECISION.
- E) IT WAS INCONSISTENT WITH THE CHINESE PLAN THAT LAWS WOULD BE BASICALLY UNCHANGED THAT THE WORKING PAPER CONTAINED NO MENTION OF THE TERMINATION OF THE ROYAL INSTRUCTIONS ETC.

6. ON PARAGRAPHS 3, 4 AND 6 OF THE IMPLICATIONS HE MADE THE FOLLOWING COMMENTS, WHICH HE BELIEVED LARGELY ACCORDED WITH THOSE PARAGRAPHS.

- A) THE POWER OF FINAL JUDGEMENT WOULD BE EXERCISED BY A COURT OF THE SAR AND NOT THE PRIVY COUNCIL.
- B) EXISTING SYSTEMS COULD IN PRINCIPLE BE RETAINED EXCEPT FOR INSTITUTIONAL CHANGES CONSEQUENT UPON THE ACQUISITION OF THE POWER OF FINAL JUDGEMENT.
- C) SENIOR JUDGES WOULD BE ELECTED BY THE LEGISLATURE.
- D) APPOINTMENT OF OTHER JUDICIAL PERSONNEL (AND THEIR QUALIFICATION) WOULD BE PRESCRIBED BY LAWS OF THE SAR. THE QUESTION OF A JUDICIAL SERVICE COMMISSION WOULD BE DECIDED BY THE SAR ITSELF.
- E) COURTS WOULD RELY ON JUDICIAL PRECEDENTS FROM HONG KONG. PRECEDENTS FROM OTHER COMMON LAW JURISDICTIONS COULD BE USED FOR REFERENCE.
- F) THE RIGHT OF CITIZENS TO REPRESENTATION IN THE COURTS BY LAWYERS OF THEIR CHOICE WOULD BE PRESERVED AS WOULD THE RIGHT TO CHALLENGE THE EXECUTIVE BY CERTAIN PROCEDURES.
- G) THE COURTS OF THE SAR AT ALL LEVELS WOULD EXERCISE JUDICIAL POWER INDEPENDENTLY AND WOULD NOT BE SUBJECT TO INTERFERENCE BY ADMINISTRATIVE ORGANS, PUBLIC BODIES AND INDIVIDUALS.
- H) ADMINISTRATIVE ORGANS MUST ABIDE BY THE LAWS OF THE SAR.
- I) PROCURATORIAL ORGANS WOULD EXERCISE CONTROL OVER CRIMINAL PROSECUTIONS WITH NO INTERFERENCE BY ADMINISTRATIVE ORGANS.
- J) ANY REGULATIONS OF ADMINISTRATIVE ORGANS IN CONTRAVENTION OF THE SAR LAWS SHOULD BE ALTERED.
- K) JUDICIAL PERSONNEL FROM OTHER COMMON LAW JURISDICTIONS COULD BE EMPLOYED IN THE SAR. (YAO SAID HE WOULD DISCUSS THE SPECIFICS OF THIS UNDER POINT 4 OF THE CHINESE PLAN DEALING

COULD BE EMPLOYED IN THE SAR. (YAO SAID HE WOULD DISCUSS THE SPECIFICS OF THIS UNDER POINT 4 OF THE CHINESE PLAN, DEALING WITH FOREIGN PERSONNEL.)

7. AS REGARDS PARAGRAPH 5 OF THE LEGAL WORKING PAPER HE SAID THAT THE SAR WOULD HAVE LEGISLATIVE POWER TO APPLY MULTILATERAL AGREEMENTS TO HONG KONG AS NECESSARY PROVIDED THIS WAS IN ACCORD WITH THE BASIC LAW OF THE SAR.

8. POINT 8 (THE FINANCIAL SYSTEM)

- A) THE SAR WOULD HAVE THE RIGHT TO MAKE LAWS IN THE FINANCIAL FIELD.
- B) IT COULD USE ITS OWN RESOURCES EXCLUSIVELY FOR LOCAL PURPOSES WITHOUT HANDING ANYTHING TO THE CENTRAL GOVERNMENT.
- C) IT COULD DRAW UP ITS BUDGET AND SUBMIT A REPORT OF FINAL ACCOUNTS INDEPENDENTLY.
- D) IN ACCORDANCE WITH THE BASIC LAW OF THE SAR FINANCIAL LEGISLATION, THE BUDGET AND THE FINAL ACCOUNTS OF THE SAR WOULD BE SUBMITTED TO THE CENTRAL GOVERNMENT FOR THE RECORD.

HE BELIEVED THESE POINTS COVERED THE MAIN ISSUES IN THE FINANCIAL SYSTEM WORKING PAPER. HE REFERRED TO THE POINT IN PARAGRAPH 4 OF THE PAPERS IMPLICATIONS THAT THERE WOULD BE NO EXTERNAL SUPERVISION OR APPROVAL REQUIRED. THE MEANING OF EXTERNAL WAS NOT CLEAR, IF IT MEANT THE CENTRAL GOVERNMENT IT WAS OBVIOUSLY INAPPROPRIATE. HE ADDED THAT IN ACCORDANCE WITH THE SPIRIT OF THE CHINESE PLAN NO MAJOR CHANGES WOULD BE CALLED FOR IN THE CURRENT AUDITING SYSTEMS AND IN THE RELATIONSHIP BETWEEN FINANCIAL ORGANS AND THE LEGISLATURE.

9. POINTS 6 AND 10 (FREE PORT, SEPARATE TARIFF AREA AND EXTERNAL ECONOMIC RELATIONS)

THESE TWO POINTS CARRIED THE FOLLOWING MAIN IMPLICATIONS.

- A) IN RETAINING ITS STATUS AS A FREE PORT AND CONTINUING THE POLICY OF FREE TRADE THE SAR'S EXISTING SYSTEMS AND METHODS OF MANAGEMENT WOULD REMAIN UNCHANGED.
- B) AS 'HONG KONG, CHINA' THE SAR COULD CONCLUDE APPROPRIATE AGREEMENTS.
- C) THE SAR COULD BE A MEMBER OF THE CHINESE DELEGATION AT INTERNATIONAL ORGANISATIONS AND CONFERENCES WHOSE PARTICIPANTS WERE LIMITED TO STATES, BUT COULD EXPRESS ITS VIEWS UNDER THE NAME HONG KONG, CHINA. IT COULD ON ITS OWN JOIN INTERNATIONAL ORGANISATIONS AND CONFERENCES (NEXT WORD UNDERLINED) NOT LIMITED TO STATES, EG IT COULD REMAIN A MEMBER OF THE ASIAN DEVELOPMENT BANK, THE ASIAN PRODUCTIVITY ORGANISATION AND AN ASSOCIATE MEMBER OF THE ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC.
- D) THE SAR COULD ESTABLISH OFFICIAL OR SEMI-OFFICIAL TRADE MISSIONS IN FOREIGN COUNTRIES, BUT WOULD HAVE TO REPORT THE ESTABLISHMENT OF THESE MISSIONS TO THE CENTRAL GOVERNMENT FOR THE RECORD.
- E) THE SAR COULD MAINTAIN AND DEVELOP ITS ECONOMIC RELATIONS WITH BRITAIN AND TRADITIONAL TRADE PARTNERS.
- F) THE SAR COULD REMAIN IN THE GATT AND THE MFA IN THE CAPACITY OF A SEPARATE TARIFF AREA, SO AS TO ENJOY SEPARATE PREFERENTIAL

~~OF A SEPARATE TARIFF AREA, SO AS TO ENJOY SEPARATE PREFERENTIAL TREATMENT AND SEPARATE QUOTAS.~~

G) THE SAR COULD SEEK TO MAINTAIN ITS STATUS UNDER OTHER GENERAL PREFERENCE SCHEMES.

REFERRING TO THESE POINTS, YAO SAID THAT WITH THE EXCEPTION OF SOME WORDING, MUCH OF OUR WORKING PAPER ON EXTERNAL ECONOMIC RELATIONS WAS IN ACCORD WITH WHAT THE CHINESE ENVISAGED.

10. HE ADDED THAT ACCORDING TO THE RELEVANT PROVISIONS OF THE GATT AND MFA, THE CHINESE BELIEVED THERE WAS A LEGAL BASIS FOR HONG KONG TO RETAIN ITS POSITION IN THEM AFTER 1997. HE CLAIMED THAT CHINA HAD BEEN A FOUNDER MEMBER OF GATT AND HAD DECIDED TO RESUME ITS ACTIVITIES IN GATT AND ALSO TO SIGN THE MFA. THIS WOULD CREATE FAVOURABLE CONDITIONS FOR THE SAR TO RETAIN ITS POSITION. HONG KONG WOULD NATURALLY CONTINUE TO BENEFIT UNDER EXISTING PREFERENCE SCHEMES BECAUSE THE SAR WAS TO BE MAINTAINED AS A SEPARATE TARIFF AREA OF CHINA, A DEVELOPING COUNTRY. FOR ITS PART HONG KONG WOULD CONTINUE TO FULFIL ITS OBLIGATIONS UNDER THE VARIOUS SCHEMES. CHINA AND THE SAR WOULD CONDUCT THEIR EXTERNAL TRADE SEPARATELY AND INDEPENDENTLY OF EACH OTHER. PREFERENTIAL QUOTAS AND ARRANGEMENTS FOR HONG KONG WOULD BE ENJOYED ONLY BY HONG KONG. ONLY HONG KONG PRODUCTS WOULD BE ENTITLED TO A HONG KONG CERTIFICATE OF ORIGIN. HONG KONG'S TRADE RELATIONS WITH THE MAINLAND WOULD CONTINUE AS AT PRESENT. HE WOULD WELCOME OUR CONSTRUCTIVE SUGGESTIONS AND CONCRETE IDEAS ON HOW TO ENSURE HONG KONG'S CONTINUED PARTICIPATION IN GATT AND MFA. YAO CONCLUDED THAT HIS FURTHER ELABORATION ON THESE 4 POINTS IN THE CHINESE PLAN AND HIS STATEMENT OF CHINA'S VIEWS ON THE RELEVANT WORKING PAPERS DEMONSTRATED THE CHINESE WISH TO DO THEIR UTMOST TO BE POSITIVE AND CONSTRUCTIVE AND HELP US UNDERSTAND THE SUBSTANCE OF THE CHINESE PLAN. HE LOOKED FORWARD TO A POSITIVE RESPONSE FROM US.

11. HE SAID YAO HAD MADE A VERY IMPORTANT STATEMENT WHICH REQUIRED CAREFUL STUDY. HE WELCOMED THE SPIRIT IN WHICH IT HAD BEEN MADE. HE HANDED OVER TWO FURTHER WORKING PAPERS, THOSE ON THE RIGHTS OF INDIVIDUALS AND CULTURE AND EDUCATION, TOGETHER WITH CHINESE TRANSLATIONS.

GRADOCK

CCN PARA 4 LINE 4 WHICH CORRESPONDED ETC
PARA 9 SUB PARA F LINE 1 COULD REMAIN ETC

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