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TO IMMEDIATE FCO

TELEGRAM NUMBER 321 OF 24 FEBRUARY

INFO IMMEDIATE HONG KONG

FUTURE OF HONG KONG: ROUND NINE: DINNER

1. THE FOLLOWING POINTS EMERGED FROM THE DINNER WHICH I GAVE FOR THE TWO DELEGATIONS ON 23 FEBRUARY:

DEFENCE

2. ZHOU NAN SAID THE DEFENCE WORKING PAPER WAS THE WORST WE HAD YET TABLED BECAUSE IT INFRINGED THE CHINESE PREMISE. I DENIED THIS TO BE THE CASE AND SAID THAT WE WERE BOUND TO OFFER OUR HONEST VIEWS ABOUT THE DAMAGE TO CONFIDENCE WHICH WOULD ARISE FROM THE BELIEF THAT PLA FORCES WERE TO BE STATIONED IN HONG KONG. ZHOU SAID THAT I SHOULD READ HIS STATEMENT CAREFULLY, PARTICULARLY THE SECTION WHERE HE SAID THAT THE CHINESE SIDE WOULD BE PRUDENT AND CIRCUMSPECT ABOUT EXERCISING THEIR RIGHT TO STATION FORCES IN HONG KONG. HE SAID THAT THIS ISSUE WAS ONE OF CONSIDERABLE SENSITIVITY. IT WAS CLOSELY BOUND UP WITH THE EXERCISE OF SOVEREIGNTY AND DENG XIAOPING HAD SAID ON MANY OCCASIONS THAT HE WOULD NOT BE ANOTHER LI HONGZHANG.

3. LU PING SAID THAT HE WAS PERSONALLY CONVINCED OF THE NEED FOR AN INTERNAL SECURITY FORCE OF THE SORT WE HAD PROPOSED. THE PLA WOULD NOT KNOW HONG KONG AND WOULD BE UNABLE SATISFACTORILY TO PERFORM THE NECESSARY FUNCTIONS. THE CHINESE SIDE WERE STILL EXAMINING THIS QUESTION. LUO JIAHUAN SEPARATELY SAID THAT THERE WERE MANY RELATED QUESTIONS TO CLARIFY SUCH AS THE STRENGTH OF SUCH A FORCE AND WHAT SORT OF PEOPLE WOULD COMPOSE IT. WE SUGGESTED THAT THE CHINESE SHOULD PUT THESE QUESTIONS TO US INSTEAD OF SAYING NOTHING.

NATIONALITY

4. LU PING SAID THAT THE NAME BDTC WOULD BE UNACCEPTABLE; IT WAS INCOMPATIBLE WITH CHINESE SOVEREIGNTY. HOWEVER IT WAS THE TITLE OF THIS CATEGORY OF CITIZENSHIP AND NOT THE RIGHTS IT CONFERRED TO WHICH THE CHINESE OBJECTED. BRITISH OVERSEAS CITIZENSHIP OR ANOTHER NAME FOR BDTC WOULD NOT BE A PROBLEM. LUO **THOUGHT** THAT DUAL NATIONALITY WOULD BE POSSIBLE (BUT SEE BELOW). HE AND LU PING BOTH COMMENTED THAT THE CHINESE WOULD CONSIDER ALL HONG KONG CHINESE WHILST IN HONG KONG TO BE CHINESE CITIZENS. HOWEVER THEY WOULD NOT OBJECT TO SUCH PEOPLE HOLDING A SEPARATE PASSPORT OR USING IT FOR TRAVEL PURPOSES IN THIRD COUNTRIES. KE ZAISHUO SAID THAT THE CHINESE SIDE'S REFERENCES TO NATIONALITY AND CITIZENSHIP WERE TO THE SAME THING. THOSE HOLDING BDTC PASSPORTS AS A RESULT OF THEIR CONNECTION WITH HONG KONG WOULD BE CONSIDERED CHINESE CITIZENS BUT THOSE PEOPLE HOLDING A FULL BRITISH PASSPORT (OR A FULL PASSPORT OF ANY OTHER COUNTRY) WOULD BE CONSIDERED ALIENS. HE NEVERTHELESS CONFIRMED THAT ALIENS WOULD BE ELIGIBLE FOR CHINESE CITIZENSHIP AFTER 7 YEARS RESIDENCE IN HONG KONG. THEY COULD ALSO KEEP THEIR FORMER PASSPORTS IF THE COUNTRIES WHICH HAD ISSUED THEM DID NOT OBJECT. NEVERTHELESS CHINA, NOT RECOGNISING DUAL NATIONALITY, WOULD REGARD THEM WHILE IN HONG KONG AS CHINESE CITIZENS ALONE.

BORDER CONTROL

5. LU PING SAID THAT IMMIGRATION CHECKS ON THE BORDER WOULD CONTINUE AS AT PRESENT, AND THAT CONTROL OF IMMIGRATION FROM CHINA WOULD BE EVEN TIGHTER THAN NOW.

AGENDA ITEM TWO

6. ZHOU ASKED IF WE COULD COMPLETE DISCUSSION OF AGENDA ITEM TWO BY THE SECOND QUARTER (IE 1 JUNE). I GAVE NO PROMISES. LUO SAID THAT THE CHINESE WOULD BE WANTING TO TALK ABOUT LAND, THE GOVERNMENTAL STRUCTURE, AND THE MECHANICS OF CONSULTATION IN THE TRANSITIONAL PERIOD. ON THE LAST LU PING COMMENTED THAT THE TWO SIDES WOULD HAVE ALL SORTS OF THINGS TO DISCUSS.

PUBLIC SERVICE

7. LUO SAID THAT THERE WOULD BE CERTAIN KEY DEPARTMENTS IN WHICH OVERSEAS OFFICIALS COULD NOT SERVE AS DEPUTY SECRETARIES. HE APPEARED CONFUSED AS TO WHICH ONES THEY MIGHT BE.

CONSTITUTIONAL DEVELOPMENT

8. LU PING ASKED WHAT WAS MEANT IN OUR CONSTITUTIONAL ARRANGEMENTS PAPER BY AN **ELECTIVE PROCESS**. HE SAID THAT IN HIS OPINION ONLY INDIRECT ELECTIONS WOULD BE LIKELY TO BE POSSIBLE. WE SAID THAT WE HAD NOT OURSELVES REACHED FIRM CONCLUSIONS.

BASIC LAW

9. ZHOU SAID THAT IT WOULD TAKE AT LEAST TWO TO THREE YEARS TO DRAFT. THE CHINESE WOULD CONSULT WITH THE PEOPLE OF HONG KONG AND CHINA BUT WOULD TAKE VERY MUCH INTO ACCOUNT WHATEVER MIGHT HAVE BEEN AGREED BETWEEN THE TWO SIDES. MME ZHANG SUGGESTED THAT THERE WOULD BE SOME WAY FOR US TO OFFER ADVICE ON THE DRAFTING OF THE BASIC LAW AND THAT THIS NIGHT PERHAPS BE DISCUSSED

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SHIPPING AND CIVIL AVIATION

10. SEVERAL OF THE CHINESE COMMENTED THAT THE SHIPPING PAPER WAS TECHNICAL SEMICOLON THEY EXPECTED THE CIVIL AVIATION PAPER WOULD BE SIMILARLY SO. THEY ENQUIRED ABOUT RELEVANT CONVENTIONS (SEE MY TEL NO 322).

DELEGATION COMPOSITION

11. WE TOLD LUO THAT THE AG OR S(GD) MIGHT JOIN THE DELEGATION FOR FUTURE ROUNDS. HE SAID THAT HE THOUGHT PERSONALLY IT WOULD NOT CAUSE PROBLEMS, BUT HE WOULD OF COURSE REPORT. WE SHALL FOLLOW THIS UP NEXT WEEK.

WORKING PAPERS

12. ZHOU ASKED IF I COULD PROMISE TO SUBMIT OUTSTANDING WORKING PAPERS BEFORE THE NEXT ROUND. I REPLIED THAT I COULD NOT, BUT THAT WE WERE WORKING AS FAST AS WE COULD.

13. TIMING OF ROUND 11

I TOLD ZHOU THAT 26 AND 27 MARCH WERE THE ONLY POSSIBLE DATES IN THAT WEEK FOR ROUND 11. WE COULD OF COURSE MANAGE DATES IN EARLY APRIL. ZHOU SAID THAT IN THAT CASE HE SUPPOSED THE CHINESE SIDE WOULD HAVE TO ACCEPT 26 AND 27 MARCH.

14. ROUND 12

LUO SAID THAT THE CHINESE SIDE WERE THINKING IN TERMS OF ABOUT 11 APRIL FOR ROUND 12.

PARLIAMENTARY TIMETABLE

15. ZHOU QUESTIONED ME ABOUT THIS. I EXPLAINED THE SITUATION FACTUALLY. HE ASKED IF THERE WOULD HAVE TO BE A PARLIAMENTARY DEBATE BEFORE I WOULD BE AUTHORISED TO SIGN AN AGREEMENT AND WHAT SORT OF LENGTH SUCH A DEBATE MIGHT BE. I REPLIED THAT I THOUGHT THAT THERE WOULD HAVE TO BE SUCH A DEBATE BEFORE AUTHORITY FOR SIGNATURE COULD BE GIVEN. ZHOU ALSO ASKED WHETHER WE ACCEPTED THAT THE THREE TREATIES WERE UNEQUAL. I SAID THAT WE DID NOT ACCEPT THE DOCTRINE OF UNEQUAL TREATIES.

16. ZHOU SAID THAT WU XUEQIAN WOULD BE GOING TO PARIS (FOR TWO OR THREE DAYS) AND VIENNA IN APRIL, BUT NOT ELSEWHERE IN EUROPE. ZHOU HIMSELF WOULD NOT ACCOMPANY HIM.

EVANS

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