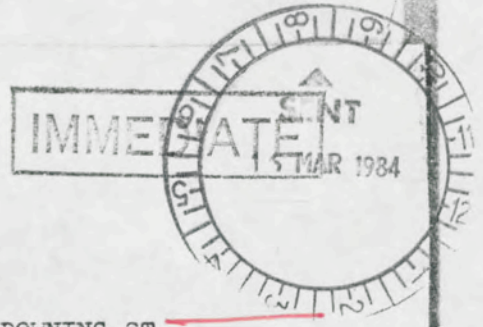


47



FUTURE OF HONG KONG - ADVANCE COPIES

17  
4T

PS (6)  
PS/PUS  
PS/MR LUCE  
MR WILSON  
HD/HKD  
HD/FED

COPIES TO:  
MR COLES, NO.10 DOWNING ST  
MR ROBERTS, NEWS DEPT  
SIR PERCY CRADOCK

RESIDENT CLERK

SECRET

FROM PEKING 161130Z MAR 8416

TO IMMEDIATE FCO

TELEGRAM NUMBER 501 OF 16/3/84

INFO IMMEDIATE HONG KONG

MIPT: FUTURE OF HONG KONG; TENTH ROUND; FIRST DAY; COMMENT:

1. THE CHINESE COMMENTS ON THE PAPER ON GOVERNEMTN STRUCTURE AND CONSTITUTIONAL ARRANGEMENTS WERE IN NO WAY HOSTILE, BUT NEITHER WERE THEY VERY FORTHCOMING. ON THE ONE HAND, ZHOU NAN SAID THAT DETAILS OF THE SAR GOVERNEMT ORGANS AND THEIR FUNCTIONS WOULD BE LAID DOWN IN THE BASIC LAW, AND THAT AS THE BASIC LAW HAD NOT YET BEEN ENACTED THERE COULD, AS YET, BE NO DECISION ON THESE AND RELATED DETAILS. ON THE OTHER, HE SAID THAT DETAILS OF THE INSTITUTUONS IN HONG KONG COULD NOT BE FIXED IMMOVABLY IN 1997 BECAUSE IT WOULD BE NATURAL FOR THE FUTURE SAR GOVERNMENT TO WISH TO MAKE CHANGES TO MEET "OBJECTIVE CHANGING NEEDS". WHEN ASKED WHETHER THIS MEANT THAT ANY CHANGES IN THE FUTURE STRUCTURE OF THE SAR GOVERNMENT WOULD BE FOR THAT GOVERNMENT ITSELF TO DECIDE HE APPEARED TO BE SAYING THAT THIS WOULD BE SO PROVIDED THAT THE PROVISIONS OF THE BASIC LAW WERE NOT INFRINGED.

2. IT REMAINS UNCLEAR IN HOW MUCH DETAIL THE CHINESE ENVISAGE THE BASIC LAW WILL LAY DOWN THE STRUCTURE AND FUNCTIONS OF THE SAR GOVERNMENT'S ORGANS, AND HOW MUCH THEY INTEND TO LEAVE WITHIN <sup>THE DISCRETION OF THE SAR GOVERNMENT</sup> ~~13 81:43589, 9% 583 1-4 09-34, 3, 5~~. IT IS PROBABLE THAT THE CHINESE HAVE THEMSELVES REACHED NO CONCLUSIONS ON THIS. THE EXTENT TO WHICH THEY WILL BE WILLING TO DISCUSS THIS WITH US AND INCORPORATE DETAILS IN THE AGREEMENT WILL PROBABLY NOT BE CLEAR UNTIL WE DISCUSS CONSTITUATIONAL DEVELOPMENTS UNDER ITEM 2 OF THE AGENDA (SEE PARAGRAPH 4 BELOW).

OF THE AGENDA (SEE PARAGRAPH 4 BELOW).

3. ZHOU AGAIN REJECTED THE IDEA THAT THERE SHOULD BE A COMMITMENT TO CONSULTATION BETWEEN THE CENTRAL GOVERNMENT AND THE SAR GOVERNMENT ON FOREIGN AFFAIRS AND DEFENCE. HOWEVER HE ALSO SAID THAT CONSULTATIONS BETWEEN CENTRAL AND REGIONAL GOVERNMENTS WOULD BE NORMAL ON MANY QUESTIONS.

4. AS EXPECTED, THE CHINESE ALSO DECLINED TO SIGN A BLANK CHEQUE ON ACCEPTING AND INCORPORATING INTO POST-1997 ARRANGEMENTS CONSTITUTIONAL DEVELOPMENTS BEFORE 1997. THEY STATED THAT WHILE IT WAS NATURAL THAT THERE SHOULD BE SUCH DEVELOPMENTS, THEY SHOULD SERVE THE AIM OF MAINTAINING PROSPERITY AND STABILITY, FACILITATE THE TRANSFER OF ADMINISTRATIVE POWER AND SHOULD NOT GO AGAINST THE RELEVANT PROVISIONS OF THE BASIC LAW. DISCUSSION BETWEEN THE CHINESE AND BRITISH SIDES WOULD BE NECESSARY TO PREVENT THIS HAPPENING. THE SUBJECT COULD BE DISCUSSED UNDER ITEM 2 OF THE AGENDA. IT BEGINS TO LOOK AS THOUGH THIS MAY PROVIDE SOME OPENING FOR US TO GET AT THE DRAFTING OF THE BASIC LAW.

5. ON THE LEGCO DEBATE, THE CHINESE STATEMENT WAS CONSIDERABLY LESS STRONG THAN IT COULD HAVE BEEN. IN FACT, ZHOU SPECIFICALLY SAID THAT THE CHINESE SIDE HAD ADOPTED A RESTRAINED AND RESPONSIBLE STANCE. HE ESSENTIALLY CONFINED HIMSELF TO RESTATING CHINESE OBJECTIONS IN FAMILIAR TERMS, AND TO RESERVING THE RIGHT TO REACT OR TAKE ACTION IF THERE WERE FURTHER DEVELOPMENTS. IN HIS SECOND INTERVENTION, ZHOU STATED RATHER MORE SHARPLY THAT HE WAS WARNING THE BRITISH GOVERNMENT NOT TO GO ANY FURTHER IN THIS DIRECTION.

6. THERE HAS SO FAR BEEN NO COMMENT WHATEVER IN THE CENTRAL CHINESE MEDIA ON THE LOBO MOTION.

EVANS

NWNN