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SECRET

DESKBY FCO 271300Z

FM PEKING 271045Z MAR 84  
 TO IMMEDIATE FCO  
 TELEGRAM NUMBER 584 OF 27 MARCH  
 INFO IMMEDIATE HONG KONG

IMMEDIATE

ADVANCE COPY

MPT: FUTURE OF HONG KONG: 11TH ROUND: SECOND DAY: COMMENT

1. THIS WAS A SOMEWHAT DISCOURAGING SESSION.

2. AT FIRST SIGHT, ZHOU'S STATEMENT ON THE NATIONALITY WORKING PAPER LOOKED CONSIDERABLY HARDER-LINE THAN WE HAD EXPECTED FROM INFORMAL CONTACTS. HE REJECTED THE CONCEPT OF A SEPARATE CITIZENSHIP WITHIN CHINESE NATIONALITY FOR SAR RESIDENTS.

HE SAID THAT CHINA DID NOT RECOGNISE DUAL NATIONALITY FOR CHINESE NATIONALS. HE ALSO SAID THAT AFTER 1997 NO NEW BRITISH PASSPORTS COULD BE ISSUED TO CHINESE NATIONALS IN THE SAR. HE DID NOT COMMENT DIRECTLY ON THE QUESTION OF BDTCS RETAINING A FORM OF BRITISH NATIONALITY EQUIVALENT TO BDTCS STATUS.

3. HE THEREFORE MADE A FIRM STATEMENT IN RESPONSE, IN WHICH HE URGED THE CHINESE TO LOOK AGAIN AT OUR PROPOSALS FOR RETENTION OF RIGHTS EQUIVALENT TO BDTCS RIGHTS AFTER 1997 AND A SEPARATE CITIZENSHIP WITHIN CHINESE NATIONALITY.

4. IN RESPONDING TO THIS, ZHOU SAID THAT WE HAD NOT STUDIED THEIR FIRST STATEMENT CLOSELY ENOUGH. THE CHINESE HAD MADE CLEAR IN PREVIOUS ROUNDS THAT THE CONCEPT OF BDTCS STATUS WAS CONTRARY TO THE PRINCIPLE OF CHINESE SOVEREIGNTY, AND IT COULD NOT BE ASSUMED THAT AFTER 1997 BDTCS STATUS COULD BE RETAINED AND BDTCS PASSPORTS CONTINUE TO BE USED. ZHOU SAID THAT HE SHOULD PARTICULARLY NOTE THAT HE HAD SAID THAT THE STATUS OF BDTCS COULD NOT BE MAINTAINED (NEXT 3 WORDS UNDERLINED) IN THE SAR.

HE DREW ATTENTION TO THE WORDS 'IN THE SAR', AND ADDED THAT CHINA COULD NOT CONSIDER BDTCS AS OVERSEAS BRITISH WITHIN THE TERRITORY OF THE SAR. THE UNITED KINGDOM COULD THEREFORE NOT

~~CHINA COULD NOT CONSIDER BDTCS AS OVERSEAS BRITISH WITHIN THE TERRITORY OF THE SAR. THE UNITED KINGDOM COULD THEREFORE NOT CONTINUE TO ISSUE BDTG PASSPORTS AFTER 1997 (NB AT THIS POINT HE REFERRED SPECIFICALLY TO BDTG PASSPORTS, AND NOT BRITISH PASSPORTS IN GENERAL). HE WENT ON TO UNDERLINE THAT CHINESE POLICIES INCLUDED THE MAXIMUM FLEXIBILITY PERMITTED BY THE CONCEPT OF CHINESE SOVEREIGNTY, AND URGED THAT WE SHOULD NOT OVERLOOK THIS.~~

5. TAKING ZHOU'S TWO STATEMENTS ON THIS SUBJECT TOGETHER, WE ARE NOT AT ALL CLEAR EXACTLY WHAT HE MEANT. THIS WILL NEED CLARIFICATION: WE MAY OBTAIN SOME AT THIS EVENING'S DINNER.

6. ZHOU'S REPLY TO MY STATEMENT YESTERDAY ON CONSTITUTIONAL MATTERS AND GOVERNMENT STRUCTURES WAS GENERALLY UNHELPFUL. FOR THE MOST PART HE QUOTED CHINESE STATEMENTS FROM PREVIOUS ROUNDS TO PROVE HIS THESIS THAT THE CHINESE POSITION WAS ALREADY ENTIRELY CLEAR. HE SAID THAT IT WAS NOT POSSIBLE AT THIS STAGE TO GO BEYOND THE STATEMENT THAT THE SAR GOVERNMENT WOULD HAVE A GOVERNMENT WITH A CHIEF EXECUTIVE, THE NECESSARY GOVERNMENT ORGANS PERFORMING VARIOUS FUNCTIONS, A LEGISLATURE, AND AN INDEPENDENT JUDICIARY. MATTERS RELATING TO GOVERNMENT STRUCTURES WOULD NEED TIME FOR CONSULTATION AND STUDY BY THE PARTIES CONCERNED BEFORE THE RELEVANT PROVISIONS WERE DRAFTED FOR INCORPORATION INTO THE BASIC LAW. IT WAS NOT REALISTIC TO EXPECT THAT THE BILATERAL AGREEMENT WOULD COVER THE FULL DETAILS OF THE GOVERNMENT STRUCTURE OF THE SAR.

7. ZHOU SIGNALED HIS INTENTION TO PRODUCE IDEAS ABOUT ITEMS TWO AND THREE OF THE AGENDA AT THE 12TH ROUND OF TALKS.

EVANS

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