

ADVANCE COPY

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FUTURE OF HONG KONG

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RESIDENT CLERK

SECRET
DESKBY FCO 061130Z
FM PEKING 060910Z
TO IMMEDIATE FCO
TELEGRAM NUMBER 669 OF 6 APRIL
INFO IMMEDIATE HONG KONG

FUTURE OF HONG KONG: DINNER WITH ZHOU NAN: 5 APRIL

1. I GAVE ZHOU NAN DINNER ON 5 APRIL. GALSORTHY AND ZHANG YOUYUN, ZHOU'S INTERPRETER, WERE ALSO PRESENT. THE CONVERSATION ABOUT HONG KONG LASTED FOR OVER THREE HOURS. WHAT FOLLOWS IS A COLLATED ACCOUNT OF A DISCUSSION WHICH FREQUENTLY DOUBLED BACK ON ITSELF.

YOUR VISIT

2. ZHOU SAID THE CHINESE SIDE HAD NOTED THAT YOU WISHED THE FOCUS TO BE ON HONG KONG. THEY DID NOT THINK THAT THERE WOULD BE MANY PROBLEMS OVER BILATERAL MATTERS OR GENERAL INTERNATIONAL ISSUES. ON HONG KONG, THEY WOULD LIKE TO KNOW SPECIFICALLY WHAT YOU WISHED TO RAISE. YOUR VISIT WOULD BOTH BE AN OPPORTUNITY AND A CRUCIAL MOMENT IN THE TALKS. THE QUESTION WAS, WHAT WOULD THE NEXT PHASE BE?

3. I SAID ON A PERSONAL BASIS THAT I THOUGHT YOU WOULD WISH TO DISCUSS THE TIMETABLE, THE FORM AND CONTENT OF AN AGREEMENT, AND SOME ISSUES ALREADY DISCUSSED IN THE TALKS ON WHICH WE WERE NOT AGREED, SUCH AS NATIONALITY AND CONSTITUTIONAL STRUCTURES. YOU MIGHT ALSO HAVE SOMETHING TO SAY ON YOUR WISH TO MAKE A STATEMENT ON THE PROGRESS OF THE TALKS IN THE SPRING.

4. I ASKED ZHOU WHAT HIS OWN LEADERS' PREOCCUPATIONS WOULD BE. HE REPLIED THAT HE COULD NOT SAY AS HE HAD NOT SEEN THEM LATELY. HOWEVER, HE KNEW THAT THEY WERE ANXIOUS THAT THE VISIT SHOULD BE SUCCESSFUL. THIS WOULD REQUIRE IN TURN THAT IT PRODUCED RESULTS. IT WOULD NOT BE A SUCCESSFUL VISIT IF IT RESULTED IN NOTHING MORE THAN THE SIGNATURE OF A CONSULAR

~~RESULTED IN NOTHING MORE THAN THE SIGNATURE OF A CONSULAR AGREEMENT (SEE MY TELNO 653).~~ TO FACILITATE DISCUSSIONS DURING THE VISIT IT WOULD BE NECESSARY FOR EACH SIDE TO HAVE A CLEAR UNDERSTANDING OF THE OTHER'S POSITION. THERE SHOULD BE FURTHER DISCUSSIONS BETWEEN HIM AND ME BEFORE THE VISIT ON THE TIMETABLE, ON HOW TO PUBLISH THE RESULTS OF THE NEGOTIATIONS, ON RATIFICATION, AND ON THE FORM AND CONTENT OF THE AGREEMENT—UNLESS THE BRITISH SIDE WISHED TO WAIT UNTIL YOU CAME IN ORDER TO CLARIFY THEIR POSITION ON THESE MATTERS. THE CHINESE SIDE, HOWEVER, THOUGHT THAT IT WOULD BE BETTER TO HAVE FURTHER TALKS BEFORE THE VISIT, SINCE THERE WOULD NOT BE TIME FOR CHINESE LEADERS TO DISCUSS DETAILS WITH YOU. IF HE AND I COULD REACH AN UNDERSTANDING ON MATTERS OF DETAIL BEFOREHAND, THE VISIT WOULD BE FACILITATED. THE LEADERS COULD THEN CONCENTRATE ON IMPORTANT ISSUES WHICH WERE OUTSTANDING. I SAID THAT THE PURPOSE OF OUR LEADERS MEETING WAS PRECISELY TO DISCUSS OUTSTANDING ISSUES.

5. ZHOU SAID THAT HE HAD READ YOUR STATEMENT IN PARLIAMENT ON 22 MARCH. WHAT DID YOU INTEND TO SAY IN YOUR STATEMENT IN THE SPRING? AS HE HAD SAID BEFORE, IN THE CHINESE VIEW THE ONLY THING WHICH COULD BE SAID IN SUCH A STATEMENT WAS THAT THE UNITED KINGDOM WOULD TRANSFER SOVEREIGNTY OVER HONG KONG TO CHINA. CHINA COULD NOT ALLOW THE BRITISH SIDE TO PUBLISH DETAILS OF THE TALKS WHERE THE TWO SIDES WERE NOT YET AGREED. IT WAS CHINA'S BUSINESS TO PUBLISH THE DETAILS OF THE CHINESE PROPOSALS FOR HONG KONG. CHINA DID NOT WANT A SITUATION IN WHICH THE CHINESE SIDE WAS FORCED TO SAY PUBLICLY THAT THEY DID NOT AGREE WITH YOUR STATEMENT AFTER THE CONCLUSION OF YOUR VISIT TO CHINA.

I SAID THAT I COULD NOT YET SAY WHAT YOU WOULD WISH TO SAY IN YOUR STATEMENT. I DID NOT THINK THAT YOU WOULD SEEK TO INTERPRET THE POLICIES OF ANOTHER GOVERNMENT SEMICOLON I CERTAINLY SHARED ZHOU'S HOPE THAT THERE WOULD BE NO NEED FOR THE CHINESE SIDE TO CONTRADICT WHAT YOU SAID.

TIMETABLE.

6. ZHOU REPEATED THAT THE CHINESE POSITION REMAINED THAT A FORMAL AGREEMENT MUST BE SIGNED BY SEPTEMBER. PARLIAMENTARY PROBLEMS WERE AN INTERNAL BRITISH AFFAIR, THOUGH THE CHINESE SIDE UNDERSTOOD THEM. HE SAID THAT HE HAD IN THE PAST SPOKEN OF TWO POSSIBILITIES. ONE WAS SIGNATURE OF AN AGREEMENT IN SEPTEMBER, FOLLOWED BY A DEBATE ON THAT AGREEMENT WHEN PARLIAMENT RE-ASSEMBLED AFTER THE RECESS. THE OTHER WAS THE CONCLUSION OF A DRAFT AGREEMENT AT THE END OF MAY OR IN EARLY JUNE, WHICH WOULD LEAVE PARLIAMENT ADEQUATE TIME TO DEBATE IT BEFORE THE RECESS.

7. IN THE VIEW OF THE CHINESE SIDE NO CHANGES COULD BE MADE TO

7. ~~IN THE VIEW OF THE CHINESE SIDE NO CHANGES COULD BE MADE TO~~
AN AGREEMENT WHICH HAD BEEN SIGNED. THEY HAD BEEN TAKING ADVICE
FROM "EMINENT STATESMEN" IN LONDON THROUGH THEIR EMBASSY.
THEIR ADVICE WAS THAT THERE WAS NO CONSTITUTIONAL REASON WHY
THE BRITISH GOVERNMENT SHOULD NEED TO HAVE AN INTERNATIONAL
AGREEMENT DEBATED IN PARLIAMENT BEFORE SIGNATURE. HOWEVER
IF THE BRITISH GOVERNMENT STILL SAW DIFFICULTIES, THE SECOND
SCENARIO WAS ALSO POSSIBLE. THE CHINESE THOUGHT THAT " WITH
SINCERITY AND THE WILL ON BOTH SIDES" AN AGREEMENT COULD BE
CONCLUDED BY THE END OF MAY OR IN EARLY JUNE. PARLIAMENT COULD
COMPLETE WHATEVER CONSTITUTIONAL PROCEDURES WERE NECESSARY
BEFORE IT WENT INTO RECESS.

8. TURNING TO THE LONGER TERM, THE CHINESE SIDE COULD NOT
UNDERSTAND THE BRITISH SIDE'S CONTENTION THAT FURTHER LEGISLATION
WOULD BE NECESSARY ON BOTH SIDES AFTER THE SIGNATURE OF THE
AGREEMENT. THE AGREEMENT ITSELF MUST TACKLE THE CENTRAL PROBLEM
OF SOVEREIGNTY, WHICH WAS THE CORE OF THE AGREEMENT. I HAD
TOLD HIM THAT THE AGREEMENT WOULD DEAL SQUARELY WITH THE ISSUE OF
SOVEREIGNTY. IN THE VIEW OF THE CHINESE SIDE ONCE THE AGREEMENT
HAD BEEN SIGNED THERE SHOULD BE NO QUESTION OF A BRITISH LEGISLATIVE
BODY MAKING LEGISLATION ON THE TRANSFER OF SOVEREIGNTY. THE
BRITISH SIDE HAD ALSO SPOKEN OF THE NEED FOR THE CHINESE SIDE
TO COMPLETE ITS LEGISLATION ON THE BASIC LAW BEFORE RATIFICATION.
THE CHINESE REACTION TO THIS HAD BEEN STRONG. THE BASIC LAW
WAS AN INTERNAL CHINESE AFFAIR WHICH DID NOT NEED THE APPROVAL
OF OTHER COUNTRIES. IT WAS TOTALLY UNACCEPTABLE TO CHINA THAT
THERE SHOULD BE ANY LINK BETWEEN RATIFICATION AND THE BASIC LAW.
THESE WERE IMPORTANT QUESTIONS WHICH HAD A BEARING ON THE SUCCESS
OR FAILURE OF YOUR VISIT.

9. I SAID THAT WE RECOGNISED THAT THE AGREEMENT ONCE SIGNED
COULD NOT BE VARIED. IT WAS FOR THIS REASON THAT PARLIAMENTARY
DEBATE WAS NECESSARY BEFORE SIGNATURE SEMICOLON OTHERWISE
SUCH DEBATE WOULD BE MERELY PROFORMA. IT WAS THE JUDGEMENT
OF BRITISH MINISTERS THAT ON AN AGREEMENT OF THIS IMPORTANCE
IT WAS POLITICALLY ESSENTIAL THAT THERE SHOULD BE A DEBATE
BEFORE SIGNATURE. IN ANSWER TO ZHOU, I SAID THAT THIS WAS A
POLITICAL, AND NOT A LEGAL REQUIREMENT. I CITED THE EC ACCESSION
TREATY PRECEDENT. THE FIRST CHINESE SCENARIO WAS THEREFORE IMPOSSIBLE
FOR US. PARLIAMENT COULD NOT BE TAKEN FOR GRANTED ON SUCH A MAJOR
ISSUE.

10. ON THE SECOND SCENARIO, WE WERE SCEPTICAL ABOUT THE
POSSIBILITY OF COMPLETING A DRAFT AGREEMENT BY THE END OF MAY
OR IN EARLY JUNE. THERE WAS TOO MUCH STILL TO BE DONE. WE HAD
NOT AGREED ON MANY ISSUES UNDER ITEM ONE AND WE DID
NOT YET KNOW WHAT WOULD COME UP UNDER ITEMS TWO AND THREE

~~NOT YET KNOW WHAT WOULD COME UP UNDER ITEMS TWO AND THREE~~
OF THE AGENDA. EVEN IF WORK ON AN AGREEMENT COULD BE COMPLETED
BY THE END OF JUNE, THERE WOULD BE ONLY A FEW WEEKS FOR PARLIAMENT
TO CONSIDER IT BEFORE THE RECESS. THIS WAS NOT ENOUGH.

11. I PRESSED ZHOU ON WHETHER THE CHINESE SAW THE PROBLEMS
OF TIMING THIS YEAR OR THE LONGER TERM PROBLEM ON RATIFICATION
AS MORE DIFFICULT. HE SAID THAT THERE WERE THREE QUESTIONS
WHICH THE CHINESE REGARDED AS EQUALLY IMPORTANT. THE FIRST
WAS THE NEED FOR A FORMAL AGREEMENT TO BE COMPLETED BY SEPTEMBER.
THE SECOND WAS THE NEED FOR THAT AGREEMENT TO DEAL SQUARELY WITH
THE QUESTION OF SOVEREIGNTY. THE THIRD WAS THE QUESTION OF
RATIFICATION PROCEDURES.

12. I SAID THAT, ALTHOUGH THE AGREEMENT WOULD DEAL SQUARELY
WITH THE ISSUE OF SOVEREIGNTY, DOMESTIC LEGISLATION WOULD
STILL BE NECESSARY. ZHOU REPLIED THAT, IF A DEBATE WAS TO
TAKE PLACE BEFORE SIGNATURE OF THE AGREEMENT, THE CHINESE
SIDE DID NOT SEE WHY THAT DEBATE COULD NOT TAKE CARE OF ANY
DOMESTIC LEGISLATION WHICH MIGHT BE NECESSARY ON SOVEREIGNTY.
IF PARLIAMENT APPROVED AN AGREEMENT WHOSE CENTRAL ISSUE WAS
SOVEREIGNTY, HOW COULD FURTHER LEGISLATION BE NECESSARY? I
EXPLAINED THE DIFFERENCE BETWEEN A PARLIAMENTARY DEBATE AND
LEGISLATION. INTERNATIONAL AGREEMENTS FREQUENTLY GAVE RISE
TO THE NEED FOR LEGISLATION. IN THIS CASE IT WOULD BE
NECESSARY TO LEGISLATE ON SOVEREIGNTY IN ORDER TO BRING BRITISH
DOMESTIC LAW INTO LINE WITH ANY OBLIGATIONS WHICH MIGHT BE
ASSUMED UNDER AN AGREEMENT WITH CHINA. THIS WAS A LEGAL FACT,
NOT A POLITICAL DECISION. IT MIGHT ALSO BE NECESSARY TO
LEGISLATE ON OTHER ASPECTS, SUCH AS NATIONALITY, AIR SERVICES
AND PENSIONS. SUCH LEGISLATION WAS CONSEQUENTIAL ON THE AGREEMENT
AND COULD NOT PRECEDE IT, IN PRECISELY THE SAME WAY THAT THE
DRAFTING OF THE BASIC LAW WAS CONSEQUENTIAL ON THE AGREEMENT
AND COULD NOT PRECEDE IT. I QUOTED THE CASE OF MR HEATH'S
GOVERNMENT INTRODUCING LEGISLATION AFTER THE SIGNATURE OF OUR
TREATY OF ACCESSION TO THE EC. ZHOU NAN SAID THAT MY
ARGUMENTS WERE NOT CONVINCING. BESIDES, THE BASIC LAW WAS A
PURELY INTERNAL AFFAIR. IT MIGHT TAKE 5 TO 6 YEARS TO DRAFT IT.
THE AGREEMENT COULD NOT REMAIN UNRATIFIED FOR SUCH A PERIOD OF
TIME OR IT WOULD BECOME A LAUGHING STOCK. THIS WOULD ALSO BE BAD
FOR STABILITY AND PROSPERITY IN HONG KONG.

13. ZHOU ASKED IF WE WERE AFRAID THAT THE BASIC LAW WOULD
CONTRADICT THE AGREEMENT. IF SO, THERE WAS NO MINIMUM TRUST.
WHAT WOULD BE THE POINT OF THE TALKS? ASKED HOW HE COULD BE
SURE THAT THE NATIONAL PEOPLE'S CONGRESS, A SOVEREIGN BODY,
WOULD ENACT A BASIC LAW IN ACCORDANCE WITH THE AGREEMENT, HE
REPLIED THAT IT WAS UNTHINKABLE THAT THE NPC WOULD FAIL TO DO

CONTRADICT THE AGREEMENT. IF SO, THERE WAS NO MINIMUM TRUST. WHAT WOULD BE THE POINT OF THE TALKS? ASKED HOW HE COULD BE SURE THAT THE NATIONAL PEOPLE'S CONGRESS, A SOVEREIGN BODY, WOULD ENACT A BASIC LAW IN ACCORDANCE WITH THE AGREEMENT, HE REPLIED THAT IT WAS UNTHINKABLE THAT THE NPC WOULD FAIL TO DO THIS. THE AGREEMENT WOULD BE PUT TO THE NPC IMMEDIATELY AFTER SIGNATURE FOR RATIFICATION. THIS WOULD NOT TAKE LONG. AT THIS POINT, THE NPC WOULD AGREE TO THE TERMS OF THE AGREEMENT AND THERE WAS NO POSSIBILITY OF THEIR THEREAFTER PASSING A BASIC LAW WHICH WAS NOT IN CONFORMITY WITH IT. A PERIOD COULD BE SET ASIDE FOR RATIFICATION AFTER SIGNATURE, BUT IT MUST BE SHORT. THE AGREEMENT MUST BE FULLY IN FORCE BY THE END OF THE YEAR. HE MENTIONED THE POSITIVE AND NEGATIVE RESOLUTION PROCEDURES IN THE BRITISH PARLIAMENT.

14. ZHOU AGAIN STRESSED THAT RATIFICATION COULD NOT BE LINKED IN ANY WAY TO THE BASIC LAW. HE PRESSED ME TO SAY WHETHER THE BRITISH SIDE WERE INSISTING ON SUCH A LINK OR NOT. HE HAD HEARD "FROM OTHER SOURCES" THAT WE WERE NOT. I SAID THAT I COULD ADD NOTHING TO WHAT I HAD SAID TO HIM ON THE SUBJECT ON 9 MARCH. ZHOU SAID THAT IF WE WERE TRYING TO PUT OFF RATIFICATION, THE ONLY CONCLUSION HE COULD DRAW WAS THAT WE WERE TRYING TO DRAG THINGS OUT, AND THAT WE MUST WISH TO SEE THE STABILITY AND PROSPERITY OF HONG KONG DESTROYED. I SAID THAT HE MUST KNOW PERFECTLY WELL THAT THAT WAS NOT OUR MOTIVE. APART FROM ANYTHING ELSE, THE COLLAPSE OF STABILITY AND PROSPERITY IN HONG KONG WOULD CAUSE US SEVERE DIFFICULTIES SO LONG AS WE WERE STILL ADMINISTERING HONG KONG. ZHOU REPLIED THAT, IN THAT CASE, WE SHOULD NOT ADOPT POLICIES WHICH WOULD DAMAGE STABILITY AND PROSPERITY.

15. ZHOU ASKED HOW WE THOUGHT IT WOULD BE POSSIBLE TO PUBLISH A DRAFT AGREEMENT AT THE END OF MAY OR EARLY JUNE. WOULD IT BE INITIALLED? I SAID THAT I HAD NO FIRM INSTRUCTIONS ON THIS POINT. ZHOU SAID THAT THE DOCUMENT WOULD HAVE NO STATUS IF IT WERE NOT INITIALLED SEMICOLON IT COULD NOT EVEN BE CALLED AN AGREEMENT. HOW COULD WE PUBLISH SUCH A "PECULIAR" DOCUMENT, AND HOW COULD PARLIAMENT DISCUSS IT? HE CONFIRMED THAT THE CHINESE SIDE COULD NOT AGREE TO ANY CHANGES TO SUCH A DOCUMENT ONCE IT HAD BEEN PUBLISHED.

16. I ASKED ZHOU WHAT LINK THE CHINESE SAW BETWEEN THE AGREEMENT AND THE BASIC LAW. ZHOU SAID THAT DRAFTING WORK ON THE BASIC LAW WOULD START AS SOON AS THE AGREEMENT HAD BEEN CONCLUDED. THE LAW WOULD BE DRAFTED ON THE BASIS OF THE AGREEMENT AND WOULD REFLECT IT.

FORM AND CONTENT OF AGREEMENT

17. ZHOU ASKED WHEN WE WOULD BE ABLE TO TABLE A DRAFT

~~AND WOULD REFLECT IT.~~

~~FORM AND CONTENT OF AGREEMENT~~

17. ZHOU ASKED WHEN WE WOULD BE ABLE TO TABLE A DRAFT AGREEMENT, OR TO PUT ONE FORWARD INFORMALLY. FOR US TO COME FORWARD WITH A DRAFT WOULD BE BENEFICIAL TO THE TALKS AND TO THE SUCCESS OF YOUR VISIT. I SAID THAT IT WAS POSSIBLE I WOULD HAVE SOME IDEAS TO PUT TO HIM BEFORE YOU CAME. HE SAID THAT THE CHINESE SIDE WAS ALSO WORKING ON ITS IDEAS, BUT THAT THEY HAD NOT YET FULLY MATURED.

18. ZHOU SAID THAT HE HAD NEVERTHELESS ALREADY GIVEN ME SOME INITIAL CHINESE VIEWS ON THE FORM AND CONTENT OF AN AGREEMENT. I ASKED HIM WHAT THE CHINESE HAD MEANT BY SUGGESTING THAT THE AGREEMENT SHOULD USE THE FORMULA THAT THE BRITISH SIDE "APPRECIATED" THE CHINESE POSITION. HE SAID THIS MEANT THAT THE BRITISH SIDE HAD A POSITIVE APPRAISAL OF, OR "LIKED", CHINESE POLICIES. THE PROBLEM WAS THAT THE 12 POINTS WERE ABOUT CHINESE INTERNAL POLICIES AND DID NOT NEED APPROVAL BY ANY OTHER COUNTRY. THE CHINESE THEREFORE PREFERRED THE FORM OF A JOINT DECLARATION OR STATEMENT RATHER THAN A FORMAL AGREEMENT. IN A FORMAL AGREEMENT EVERY POINT WOULD HAVE TO BE APPROVED BY BOTH SIDES. THE 12 POINTS WOULD HAVE TO BE IN UNILATERAL FORM. THE LINK WOULD BE MADE BY A STATEMENT THEREAFTER THAT THE BRITISH GOVERNMENT "APPRECIATED" THEM. BUT THIS WAS JUST ONE IDEA FOR DEALING WITH THE PROBLEM. THE MOST IMPORTANT PROBLEM, HOWEVER, WAS HOW TO ADDRESS THE QUESTION OF SOVEREIGNTY, WHICH WAS THE CENTRAL ISSUE OF THE AGREEMENT. NATURALLY, THERE WOULD HAVE TO BE DISCUSSIONS ON THE WORKING OF PROVISIONS ON THIS.

19. I ASKED ZHOU HOW HE THOUGHT THAT THE IMPORTANT MATTERS DISCUSSED IN THE TALKS COULD BE REFLECTED IN THE AGREEMENT. THE MAINTENANCE OF PROSPERITY AND STABILITY IN HONG KONG WOULD REQUIRE FAR MORE THAN THE 12 POINTS. HE REPLIED THAT THE AGREEMENT ITSELF, LIKE OTHER AGREEMENTS, SHOULD DEAL WITH THE MATTER IN TERMS OF BROAD PRINCIPLES. HOWEVER, IT WAS POSSIBLE THAT SOME OF THE MORE IMPORTANT DETAILS COULD BE INCLUDED IN ANNEXES (FUJIAN). I POINTED OUT THAT MANY INTERNATIONAL AGREEMENTS WENT INTO A GREAT DEAL OF DETAIL.

20. ZHOU WENT ON TO SAY THAT IN ADDITION TO POINTS ALREADY MENTIONED THE AGREEMENT SHOULD INCLUDE SOME BASIC POLICIES TO BE ADOPTED IN THE TRANSITION PERIOD.

ROUND 12

21. ZHOU SAID THAT THE CHINESE SIDE WOULD GIVE THEIR IDEAS ON THE TRANSITION PERIOD DURING ROUND 12. HE WOULD MAKE A STATEMENT WHICH WOULD COVER THE SUBSTANCE OF ITEM TWO, AND PERHAPS OF ITEM THREE AS WELL. I SAID THAT WE WOULD RESPOND

~~PENALTY OF ITEM THREE AS WELL. I SAID THAT WE WOULD RESPOND~~
TO THIS STATEMENT, WHICH WE AWAITED WITH INTEREST. WE MIGHT
ALSO WISH TO REVERT TO SOME ITEMS WHICH HAD ALREADY BEEN
DISCUSSED, BUT ON WHICH AGREEMENT HAD NOT YET BEEN REACHED,
FOR INSTANCE NATIONALITY AND AIR SERVICES.

22. SEE MIFT FOR COMMENT.

EVANS

GRS 2800

WIKI

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SECRET

FM PEKING 060915Z APR 84
TO IMMEDIATE FCO
TELEGRAM NUMBER 670 OF 6 APRIL
INFO IMMEDIATE HONG KONG

A. J. C. 6/4.

f.a.

MIPT: FUTURE OF HONG KONG: DINNER WITH ZHOU NAN: COMMENT

1. THIS WAS NOT AN ENCOURAGING CONVERSATION. ZHOU TOOK A HARD LINE AND SHOWED NO SIGNS OF FLEXIBILITY ON MOST OF THE ISSUES DISCUSSED. HE LECTURED RATHER THAN ARGUED FOR MUCH OF THE TIME. HE WAS CATEGORICAL THAT THERE COULD BE NO QUESTION OF LINKAGE BETWEEN RATIFICATION AND THE BASIC LAW AND ON THE CHINESE REQUIREMENT THAT AN AGREEMENT SHOULD BE SIGNED BY SEPTEMBER.

2. I AM WORRIED BY WHAT ZHOU SAID ABOUT BRITISH DOMESTIC LEGISLATION. AT ONE POINT IN THE EVENING, HE SEEMED TO BE ARGUING THAT CHINA COULD NOT ACCEPT THE PASSAGE OF LEGISLATION TO TRANSFER SOVEREIGNTY AFTER THE SIGNATURE OF AN AGREEMENT. AT ANOTHER POINT, WHEN ARGUING THAT A LONG INTERVAL BETWEEN SIGNATURE AND RATIFICATION WAS NOT NECESSARY, HE GAVE US A GARBLED ACCOUNT OF THE PONSONBY RULE. GALSWORDY AND I EXPLAINED WHY LEGISLATION WOULD BE NEEDED. I ALSO EXPLAINED THAT AN INTERNATIONAL AGREEMENT WHICH REQUIRES LEGISLATION MUST BE LAID BEFORE PARLIAMENT FOR MORE THAN 25 WORKING DAYS.

WE SHALL HAVE TO EDUCATE THE CHINESE ON AT LEAST THREE POINTS:

- (A) THE NEED FOR LEGISLATION TO GIVE EFFECT TO ANY COMMITMENT IN AN AGREEMENT TO TRANSFER SOVEIGHTY SEMICOLON
- (B) THE NEED FOR LEGISLATION ON OTHER MATTERS (EG NATIONALITY) SEMICOLON AND
- (C) THE REASONS WHY NO LEGISLATION CAN PRECEDE THE SIGNATURE OF AN AGREEMENT.

(C) THE REASONS WHY NO LEGISLATION CAN PRECEDE THE SIGNATURE OF AN AGREEMENT.

IT WOULD BE MOST HELPFUL IF BURROWS COULD COME TO PEKING EQUIPPED TO TALK TO CHINESE LEGAL EXPERTS ON THIS COMPLEX OF ISSUES.

3. ON THE AGREEMENT ITSELF, THIS CONVERSATION HAS STRONGLY REINFORCED ME IN MY VIEW THAT WE WOULD DO BETTER TO PRESENT AN INITIAL DRAFT WHICH TAKES INTO ACCOUNT THE CHINESE UNWILLINGNESS TO HAVE FORMAL AGREEMENT BETWEEN THE TWO PARTIES ON MATTERS WHICH THEY REGARD AS CHINA'S INTERNAL AFFAIRS (MY TELNO 606). THERE WAS PERHAPS ONE SLIGHT CHINK OF LIGHT IN ZHOU'S SUGGESTION THAT SOME OF THE MORE IMPORTANT MATTERS OF DETAIL MIGHT APPEAR IN ANNEXES. WE COULD CERTAINLY REFER BACK TO THIS REMARK WHEN WE FINALLY GIVE OUR DRAFT TO THE CHINESE.

EVANS

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