

FUTURE OF HONG KONG

ADVANCE COPIES

13

PS
PS/PUS
PS/MR LUCE
~~MR BOYD~~
D/D 3
D/D
PS (LADY YOUNG)
SIR WEDDING
~~BASED ON CLIP~~

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

FLASH

ZZ HONG KONG

GRS 1200
SECRET
FROM PEKING 111511Z SEP 84
TO F L A S H FCO
TELEGRAM NUMBER 2256 OF 11 SEP
INFO F L A S H HONG KONG

SECRET



38

FUTURE OF HONG KONG: REPLY TO YOUR MESSAGE.

1. I CALLED ON WU XUEQIAN AT 8.30 LOCAL TIME THIS EVENING TO RECEIVE HIS REPLY TO YOUR MESSAGE OF 8 SEPTEMBER. I WAS ACCOMPANIED BY THOMSON AND Y P CHENG.
2. WU SAID HE HAD STUDIED YOUR MESSAGE WITH CARE, AND REPORTED TO ZHAO ZIYANG AND OTHER LEADERS. BECAUSE HE WAS PRESSED FOR TIME HE WAS NOT MAKING A WRITTEN REPLY, BUT WOULD LIKE ME TO CONVEY THE FOLLOWING TO YOU.
3. DURING YOUR WORKING VISIT IN JULY, SUBSTANTIAL PROGRESS HAD BEEN MADE IN THE TALKS ON THE FUTURE OF HONG KONG. LIKE YOU, HE WAS PLEASED AND ENCOURAGED WITH THE RESULT. FURTHERMORE, THANKS TO THE HARD WORK OF THE NEGOTIATORS, FURTHER PROGRESS HAD BEEN MADE SINCE THEN. SOME QUESTIONS REMAINED UNRESOLVED, WHICH CAUSED HIM AND HIS COLLEAGUES CONCERN.
3. NATIONALITY.

TO ACCOMMODATE BRITISH DIFFICULTIES, THE CHINESE HAD AGREED THAT BEFORE 30 JUNE, 1997, THE BRITISH GOVERNMENT COULD ISSUE SOME FORM OF BRITISH TRAVEL DOCUMENT TO THOSE WHO WERE NOW CALLED BDTCS. THE CHINESE HAD ALSO AGREED THAT HOLDERS OF THESE NEW DOCUMENTS COULD TRAVEL ABROAD ON THEM AFTER 1997. HE NOTED FROM YOUR MESSAGE THAT YOU RECOGNISED THE EFFORTS MADE BY THE CHINESE SIDE TO FIND A PRACTICAL SOLUTION TO THE PROBLEM OF TRAVEL DOCUMENTATION AND THAT YOU ALSO RECOGNISED WHY THE CHINESE COULD NOT AGREE TO ANY EXPLICIT REFERENCE TO PASSPORTS IN THEIR MEMORANDUM. YOU INDICATED IN YOUR MESSAGE THAT YOU WOULD BE PREPARED TO LOOK AGAIN AT THE QUESTION OF TRANSMISSIBILITY. BUT

Print Minister

This is another big step forward. They have accepted our points on the constitutional arrangements; accept the 30 June date for ratification; and offer me concession on nationality (the point in dispute is a misunderstanding).

Civil aviation is the main difficulty & there is some movement in the Working Group on that. Percy is pleased! C.D.P.

MEMORANDUM. YOU INDICATED IN YOUR MESSAGE THAT YOU WOULD BE PREPARED TO LOOK AGAIN AT THE QUESTION OF TRANSMISSIBILITY. BUT YOU HOPED THAT THE CHINESE COULD AGREE NOT TO IMPOSE A DEADLINE OF 30 JUNE 1997 FOR ISSUE OF BRITISH TRAVEL DOCUMENTS, AND THAT THEY COULD ACCEPT USE OF THE WORD 'PASSPORTS' IN REFERENCE TO THESE DOCUMENTS IN THE MEMORANDUM.

4. HE FELT BOUND TO SAY THAT THE FIRST OF THESE TWO REQUESTS WOULD BE UNACCEPTABLE TO THE CHINESE ON POLITICAL GROUNDS. THE CHINESE WOULD RESUME SOVEREIGNTY OVER HONG KONG IN 1997. IF BRITAIN COULD NOT COMPLETE THE ISSUE OF THE NEW TRAVEL DOCUMENTS BEFORE THEN, WITH THE RESULT THAT SOME CHINESE NATIONALS MIGHT CONTINUE TO USE BDTG PASSPORTS AFTERWARDS, THE PRINCIPLE OF CHINESE SOVEREIGNTY WOULD BE CONTRADICTED. HE WAS SURE THAT WE FULLY UNDERSTOOD THE CHINESE POSITION. MOREOVER, HE BELIEVED THAT THE BUREAUCRATIC DIFFICULTY WE HAD MENTIONED AS ARISING FROM THE ISSUE OF NEW TRAVEL DOCUMENTS BEFORE 1997 WAS ONLY A TECHNICAL PROBLEM. HOWEVER, HE WISHED TO SAY THAT IF WE NO LONGER CONTINUED TO PURSUE THE QUESTION OF TRANSMISSIBILITY OF NATIONALITY, AND IF WE WITHDREW THE REQUEST TO BE ABLE TO ISSUE NEW BRITISH TRAVEL DOCUMENTS AFTER 1997 (AND THE SUGGESTION THAT CHINESE NATIONALS MIGHT CONTINUE TO TRAVEL ON DOCUMENTS DESCRIBING THEM AS BDTGS AFTER THAT DATE), THEN THE CHINESE SIDE WERE PREPARED TO AGREE THAT WE MIGHT REFER IN OUR MEMORANDUM TO THE NEW DOCUMENTS AS PASSPORTS.

5. CONSTITUTIONAL ARRANGEMENTS.

WU NOTED FROM YOUR MESSAGE THAT WE WERE PREPARED TO ACCEPT THE CHINESE POSITION THAT THE CHIEF EXECUTIVE OF THE SAR SHOULD BE SELECTED BY ELECTION OR CONSULTATION. AFTER CAREFUL CONSIDERATION, THE CHINESE SIDE WERE PREPARED IN RETURN TO AGREE TO THE TWO REQUESTS IN YOUR MESSAGE, I.E.:

(A) THAT THE TEXT OF ANNEX 1 SHOULD STATE THAT THE LEGISLATURE SHOULD BE SELECTED BY AN ELECTIVE PROCESS (SEMICOLON) AND

(B) THAT THE EXECUTIVE AUTHORITY SHOULD BE ACCOUNTABLE TO THE LEGISLATURE.

6. RATIFICATION.

R WU NOTED THAT WE WERE NO LONGER INSISTING ON OUR EARLIER DEMAND FOR THE ADDITIONAL WORDS IN ARTICLE 8 OF THE JOINT DECLARATION. WE WOULD AGREE THAT AN EARLY EXCHANGE OF INSTRUMENTS OF RATIFICATION WAS IMPORTANT FOR THE STABILITY AND PROSPERITY OF HONG KONG AND ACCORDED WITH THE COMMON INTERESTS OF BOTH SIDES. OUT OF CONSIDERATION FOR YOUR WISHES, AND OUT OF RESPECT FOR OUR LEGISLATIVE PROCEDURES, THE CHINESE SIDE WERE PREPARED TO AGREE THAT THE JOINT DECLARATION SHOULD STATE THAT THE EXCHANGE OF INSTRUMENTS OF RATIFICATION SHOULD TAKE PLACE IN PEKING BEFORE 30 JUNE 1985.

7. HE BELIEVED THAT THE BRITISH SIDE WOULD UNDERSTAND THE SPIRIT OF FRIENDLY COOPERATION AND UNDERSTANDING IN WHICH THE CHINESE SIDE HAD GIVEN SYMPATHETIC CONSIDERATION TO OUR DIFFICULTIES, AND THAT THE CHINESE HAD MADE

IN WHICH THE CHINESE SIDE HAD GIVEN SYMPATHETIC CONSIDERATION TO OUR DIFFICULTIES, AND THAT THE CHINESE HAD MADE SUBSTANTIAL CONCESSIONS TO ACCOMMODATE THEM.

8. CIVIL AVIATION

HE WOULD LIKE TO POINT OUT THAT A NEW DRAFT HAD BEEN TABLED BY THE CHINESE SIDE ON 8 SEPTEMBER. THIS CONTAINED THE MAXIMUM COMPROMISE THAT COULD BE MADE CONSISTENT WITH CHINESE SOVEREIGNTY. IT WAS NOT REALISTIC TO ASK THE CHINESE TO GO BEYOND THAT LIMIT. HE HOPED THE BRITISH SIDE WOULD CONSIDER REALISTICALLY AND EARNESTLY THE NEW CHINESE DRAFT.

9. THE CHINESE SIDE WERE WILLING TO MAKE THESE ABOVE CONCESSIONS AND COMPROMISES. HE WISHED TO REITERATE THAT WHAT HE HAD SAID HAD BEEN SERIOUSLY CONSIDERED BY THE CHINESE AND APPROVED BY PREMIER ZHAO AND OTHER LEADERS. WE MUST NOT LET SPECIFIC ISSUES POSTPONE CONCLUSION OF THE TALKS. YOU HAD SAID WE HAD COME A LONG WAY TOGETHER AND WERE CLOSE TO AGREEMENT. HE SHARED THIS VIEW. OUR TALKS HAD REACHED THE FINAL STAGE. THERE WERE NOT MANY DAYS LEFT BEFORE INITIALLING.

10. HE HOPED THAT THE TWO SIDES WOULD CONTINUE TO WORK IN THE SPIRIT OF FRIENDLY COOPERATION TO RESOLVE THE ISSUES UNDER DISCUSSION RAPIDLY, WITHOUT LETTING DETAILED POINTS OR POINTS OF LANGUAGE GET IN THE WAY OF THE CONCLUSION OF THE AGREEMENT ON TIME. PROVIDED AGREEMENT COULD BE REACHED ON THE SUBSTANTIVE ISSUES HE HAD MENTIONED, HE BELIEVED THAT ZHOU NAI AND I WOULD BE ABLE TO REACH AGREEMENT ON THE WHOLE TEXT IN THE NEXT FEW DAYS, SO THAT IT COULD THEN BE SUBMITTED TO LEADERS FOR APPROVAL.

11. IN CONCLUSION, WU SAID HE LOOKED FORWARD TO MEETING YOU IN NEW YORK, WHERE HE HOPED TO BE ABLE TO REVIEW WHAT WE HAD ACHIEVED IN SOLVING THE HONG KONG QUESTION, AND TO DISCUSS HOW TO DEVELOP THE RELATIONSHIP BETWEEN OUR TWO COUNTRIES.

12. SEE MIFT (ALSO FLASH)

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SECRET

PS
 PS/PUS
 PS/CE
 MR BOYD
 D/D 3
 D/D
 PS LADY YOUNG
 SIR WARDING
 PRESIDENT CLERK

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

39

FLASH

SECRET

FROM PEKING 111545Z SEP 84

TO FLASH FCO

TELEGRAM NUMBER 2257 OF 11/9/84

INFO FLASH HONG KONG

MIPT: FUTURE OF HONG KONG: REPLY TO YOUR MESSAGE

1. I THANKED WU FOR RECEIVING ME AND UNDERTOOK TO REPORT FULLY AND RAPIDLY WHAT HE HAD SAID. I AGREED THAT THE CHINESE GOVERNMENT HAD GIVEN SYMPATHETIC CONSIDERATION TO YOUR PROPOSALS. I WANTED HOWEVER, TO CLARIFY ONE ASPECT OF THE NATIONALITY QUESTION.

2. THE BRITISH GOVERNMENT ACCEPTED THAT HONG KONG BDTCS AS THEY NOW WERE WOULD NOT BE ABLE TO TRAVEL ON PASSPORTS DESCRIBING THEM AS BDTCS AFTER 1997. THE COROLLARY WAS THE BRITISH SIDE ACCEPTED THAT ALL BDTC HOLDERS OF PASSPORTS WOULD HAVE TO EXCHANGE THOSE DOCUMENTS FOR NEW PASSPORTS BEFORE 1997. THERE WAS NO QUESTION OF PEOPLE NOW HOLDING BDTC PASSP45' 54-VELLING AFTER 1997 ON PASSPORTS WHICH DESCRIBED THEM AS BDTCS. BUT THE FIRST POINT IN YOUR MESSAGE HAD ADDRESSED A DIFFERENT QUESTION. YOU HAD BEEN SPEAKING OF BDTCS WHO DID NOT NOW HOLD BDTC PASSPORTS AND WOULD NOT ACQUIRE THEM BEFORE 1997. IT WAS THESE PEOPLE WHOM YOU SUGGESTED SHOULD HAVE THE RIGHT TO DRAW THE NEW DOCUMENTS (WHICH WOULD NOT DESCRIBE THE HOLDERS AS BDTCS) AFTER 1997.

3. I EXPLAINED THAT OUR APPREHENSION WAS THAT IF THE 2 MILLION PEOPLE OR SO WHO WERE ELIGIBLE FOR, BUT DID NOT HOLD, BDTC PASSPORTS WERE REQUIRED TO DRAW THE NEW STYLE PASSPORTS BEFORE 1 JULY 1997, WE WOULD BE SADDLED WITH AN INTOLERABLE BUREAUCRATIC BURDEN. I REPEATED THAT I WAS NOT SPEAKING OF THE 1 MILLION PEOPLE OR SO WHO DID HOLD BDTC PASSPORTS, BUT OF THE 2 MILLION WHO DID NOT (SEMI-COLON) AND THAT THE BRITISH SIDE ACCEPTED THAT HOLDERS OF BDTC PASSPORTS MUST REPLACE THEM BEFORE 1 JULY 1997. YOUR POINT WAS THAT THOSE WHO DID NOT HOLD THESE PASSPORTS SHOULD BE ABLE TO OBTAIN THE NEW PASSPORTS AFTER THAT DATE. IT WAS POSSIBLE THAT IT MAY HAVE BEEN MISUNDERSTOOD.

4. I WOULD OF COURSE REPORT WHAT WU HAD SAID, BUT I MIGHT WELL RECEIVE INSTRUCTIONS TO PURSUE THE POINT WITH ZHOU NAN. IN THE MEANTIME I WOULD WELCOME ANY OBSERVATIONS WU MIGHT HAVE.

IN THE MEANTIME I WOULD WELCOME ANY OBSERVATIONS WU MIGHT HAVE.

5. WU SAID THIS WAS A VERY SPECIFIC QUESTION. THE POINT IN HIS STATEMENT WAS THAT ALL THOSE WHO HAD BDTG PASSPORTS, OR WISHED TO APPLY FOR BRITISH TRAVEL DOCUMENTS, MUST EXCHANGE THEIR PASSPORTS FOR THE NEW DOCUMENTS OR OBTAIN THOSE DOCUMENTS BY 1997. OTHERWISE, THE POLITICAL DIFFICULTIES WHICH HE HAD DESCRIBED WOULD ARISE.

6. I SAID THAT WE AGREED THAT ANY HOLDER OF A BDTG PASSPORT MUST EXCHANGE IT FOR ONE OF THE NEW DOCUMENTS BEFORE 1997, AND THAT HE WOULD NOT BE ABLE TO TRAVEL ON A BDTG PASSPORT AFTER 1997. THE POINT WE HAD BEEN TRYING TO MAKE WAS THAT PEOPLE WHO DID NOT HAVE BDTG PASSPORTS SHOULD BE ABLE TO OBTAIN THE NEW PASSPORTS AFTER 1997.

7. WU REPLIED THAT IT WOULD NOT BE APPROPRIATE POLITICALLY FOR THE BRITISH GOVERNMENT TO ISSUE BRITISH TRAVEL DOCUMENTS TO CHINESE NATIONALS AFTER 1997. HIS UNDERSTANDING OF YOUR MESSAGE WAS THAT A DEADLINE WOULD CREATE A BUREAUCRATIC BURDEN. BUT THAT WAS A TECHNICAL DIFFICULTY. I REPEATED THAT I WAS NOT ONLY SPEAKING OF THE 1 MILLION PEOPLE WHO HELD BDTG PASSPORTS, BUT ALSO OF THE 2 MILLION WHO WERE ELIGIBLE FOR BUT DID NOT HOLD THEM. THESE PEOPLE WOULD PROBABLY APPLY FOR THE NEW PASSPORTS IF TOLD THAT THEY MUST DO SO BY 1997.

8. WU SAID THAT HE UNDERSTOOD THAT THERE WERE TWO CATEGORIES OF PEOPLE: HOLDERS AND NON-HOLDERS. ALL THOSE WHO WISHED TO SHOULD APPLY FOR THE NEW BRITISH TRAVEL DOCUMENTS BEFORE 1997. IN OTHER WORDS, ALL WORK FOR BOTH CATEGORIES MUST BE COMPLETED BY THAT DATE. IT WAS UNTHINKABLE FOR CHINESE NATIONALS TO APPLY FOR BRITISH TRAVEL DOCUMENTS FROM THE BRITISH GOVERNMENT AFTER 1997. BUT THIS WAS A CONCRETE MATTER WHICH I COULD PURSUE WITH ZHOU NAN (WHO, HE WOULD LIKE TO TAKE THE OPPORTUNITY TO TELL ME, HAD JUST BEEN APPOINTED AS A VICE-MINISTER)

9. I ASKED WU TO CONFIRM MY UNDERSTANDING THAT THE CHINESE POSITION WAS THAT BDTG PASSPORT HOLDERS MUST EXCHANGE THEIR PASSPORTS FOR NEW PASSPORTS BEFORE 1 JULY

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1997 AND THAT THOSE WHO WERE ELIGIBLE FOR, BUT DID NOT HOLD THESE PASSPORTS, MUST APPLY FOR NEW PASSPORTS BEFORE THEN. WU CONFIRMED THAT THIS WAS CORRECT. I SAID THAT YOU WOULD BE DISSAPPOINTED.

10. I THEN SPOKE VERY BRIEFLY ON CIVIL AVIATION.

I SAID THAT WE HAD MADE A CONSIDERABLE MOVE TODAY TOWARDS THE CHINESE POSITION. THE CHINESE SIDE IN THE AD HOC GROUP HAD RECOGNISED THAT THERE WAS NOW A BASIS FOR AGREEMENT. WE HAD ONLY ONE OBJECTIVE: TO DISCOURAGE CPA FROM LEAVING HONG KONG AND TO ACHIEVE BETWEEN US A TEXT WHICH WOULD MAKE THEM NOT WISH TO LEAVE. WU SAID THAT THIS WAS A JOINT OBJECTIVE.

11. SEE MIFT (ALSO FLASH)