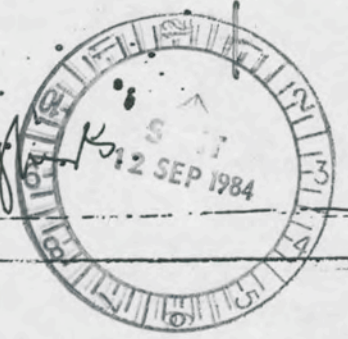


PS  
 PS/PDS  
 PS/MR LUCE  
 MR BOYD  
 D/D 3  
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 PS LADY YOUNG  
 STR WEDDING  
 RESIDENT CLERK

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

FLASH



SECRET

FM HONG KONG 121045Z

TO FLASH FCO

TELEGRAM NUMBER 2781 OF 12 SEPTEMBER

INFO FLASH PEKING

FUTURE OF HONG KONG : YOUR TELNO 1160 TO PEKING :  
 MESSAGE FROM FOREIGN MINISTER WU

1. I TOLD THE EXECUTIVE COUNCIL THIS MORNING OF THE REPLY WHICH HAD BEEN RECEIVED LAST NIGHT TO THE SECRETARY OF STATE'S MESSAGE AND OF THE INSTRUCTIONS SENT TO PEKING WHICH HAD BEEN AGREED DURING THE COURSE OF THE NIGHT ON CONSTITUTIONAL ISSUES, PASSPORTS AND CIVIL AVIATION. MEMBERS WERE ENCOURAGED BY THE RESPONSE ON CONSTITUTIONAL MATTERS AND ENDORSED THE DECISION TO PRESS AHEAD WITH THE COMPLETION OF THE ANNEX ON THIS SUBJECT. THEY ALSO ENDORSED THE TACTIC OF SEEKING FURTHER CONFIRMATION THAT THE CHINESE HAD NOT MISUNDERSTOOD WHAT WE WERE PROPOSING ON THE ISSUE OF PASSPORTS AFTER 1997 IN ORDER TO GIVE TIME TO CONSIDER WHETHER THEY SHOULD ADVISE THE SECRETARY OF STATE TO RETURN TO THE CHARGE ON THIS POINT.
2. MEMBERS WERE GREATLY DISAPPOINTED BY WU'S REJECTION OF THE PROPOSAL CONCERNING THE ISSUE OF NEW STYLE PASSPORTS AFTER 1997. THEY AGREED NEVERTHELESS THAT THEY SHOULD NOT ADVISE THE SECRETARY OF STATE TO RETURN TO THE CHARGE ON OUR ORIGINAL PROPOSITION. GIVEN THE LEVEL AT WHICH DECISIONS HAD BEEN TAKEN THIS WILL ALMOST CERTAINLY NOT BE PRODUCTIVE, AND COULD PUT AT RISK OTHER ELEMENTS WHICH THEY SAW AS ESSENTIAL. THESE ESSENTIAL ELEMENTS WERE IN PARTICULAR THAT THE RIGHTS OF USE, RENEWAL, REPLACEMENT, ETC. SHOULD BE EXPLICITLY RECORDED.
3. BUT THEY ALSO CONSIDERED WHETHER THERE WAS IN ADDITION SOME HALF-WAY HOUSE WHICH WE COULD PUT TO THE CHINESE WHICH WOULD NOT AFFECT THE BASIC PRINCIPLE TO WHICH THE CHINESE ATTACH IMPORTANCE, OR THE ACHIEVEMENT OF OUR ESSENTIAL REQUIREMENTS, BUT WHICH COULD ALLEVIATE WHAT COULD BECOME A VERY SERIOUS ADMINISTRATIVE PROBLEM TOWARDS THE END OF THE PERIOD.
4. THIS PROBLEM COULD ARISE BECAUSE IT IS EXTREMELY LIKELY THAT AS 1997 APPROACHES THERE WILL BE THOSE, RANGING FROM YOUNG CHILDREN

4. THIS PROBLEM COULD ARISE BECAUSE IT IS EXTREMELY LIKELY THAT AS 1997 APPROACHES THERE WILL BE THOSE, RANGING FROM YOUNG CHILDREN BORN IN THE LATTER MONTHS, TO THOSE WHOSE APPLICATIONS CANNOT BE PROCESSED IN TIME, WHO WOULD BE ENTITLED TO THE NEW PASSPORTS (OR TO BE ENTERED ON PARENTS' PASSPORTS) BUT WILL NOT BE ABLE PHYSICALLY TO GET THEM (OR BE SO ENTERED). IN THE NATURE OF THINGS THERE WILL ALMOST CERTAINLY BE A LARGE SCALE LAST MINUTE RUSH WHICH COULD LEAD TO ENORMOUS QUEUES; AND GREAT RESENTMENT IF APPLICANTS FAILED TO OBTAIN PASSPORTS SIMPLY BECAUSE APPROVING THEIR APPLICATIONS WILL BE A LENGTHY PROCESS AND THE ADMINISTRATIVE MACHINE WILL JUST NOT BE ABLE TO COPE BY THE DEADLINE. TO AVOID THESE PROBLEMS THEY AGREED THAT THE SECRETARY OF STATE SHOULD BE ASKED TO SEEK CHINESE AGREEMENT THAT FOLLOWING WORD UNDERLINED APPLICATIONS FROM THOSE SO ENTITLED SHOULD BE ACCEPTED UP TO 30 JUNE 1997 WITH PROVISION FOR A PERIOD THEREAFTER DURING WHICH OUTSTANDING APPLICATIONS COULD BE DEALT WITH AND PASSPORTS ISSUED IN AN ORDERLY FASHION.

5. THIS WOULD GO A VERY SHORT STEP BEYOND FOREIGN MINISTER WU'S PROPOSAL THAT ALL THOSE WHO WISHED TO USE THE NEW-STYLE PASSPORTS AFTER 1997 SHOULD ACTUALLY FOLLOWING WORD UNDERLINED HOLD THEM BEFORE THAT DATE; BUT NOT SUBSTANTIALLY SO.

6. THEY THEREFORE THOUGHT THAT IN RESPONDING TO WU'S MESSAGE THE SECRETARY OF STATE MIGHT BE ADVISED TO SAY THAT WHILE DISAPPOINTED WITH WU'S RESPONSE ON THIS POINT HE WOULD NOT CONTEST THE PRINCIPLE; BUT HE WOULD SEEK WU'S ASSISTANCE IN ENSURING THAT CERTAIN ESSENTIAL ELEMENTS CONCERNING RENEWAL, REPLACEMENT, ETC. WERE PROPERLY RECORDED; AND IN RESOLVING WHAT COULD BE A MAJOR AND HIGHLY UNSETTLING ADMINISTRATIVE PROBLEM JUST AT THE TIME OF TRANSITION. HE COULD SAY THAT OUR NEGOTIATORS WOULD EXPLAIN IN MORE DETAIL WHAT WE HAD IN MIND.

7. MY I.P. T. CONTAINS A MORE DETAILED ACCOUNT OF THE DISCUSSION OF THIS POINT.

YOUDE

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