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DD 190830Z)

FROM PEKING 190500Z SEP 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 2446 OF 19/9/84

INFO IMMEDIATE HONG KONG

YOUR TELNO 1228: FUTURE OF HONG KONG: WHITE PAPER

This is going to be very difficult. We shall probably have to drop the explanatory section & let the agreement speak for itself. The explaining can be done in other ways - speeches, interviews, briefings, etc. C D D

1. I SAW ZHOU NAN THIS MORNING. HE TOLD ME THAT HE HAD REPORTED WHAT I HAD SAID YESTERDAY ON INSTRUCTIONS ABOUT THE WHITE PAPER TO CHINESE LEADERS INVOLVED. THEY FELT VERY CONCERNED ABOUT THE MATTER AND HAD INSTRUCTED HIM TO MAKE THE CHINESE POSITION EMPHATICALLY CLEAR.

2. THIS POSITION WAS THAT THE CHINESE SIDE INTENDED TO PUBLISH THE WHOLE AGREEMENT, BUT WOULD NOT OFFER ANY EXPLANATION OF ITS CONTENT OR PROVISIONS. IN PRINCIPLE, NEITHER SIDE HAD THE RIGHT TO PUBLISH A ONE-SIDED EXPLANATION OF THE AGREEMENT, WHICH HAD BEEN REACHED AFTER MUCH CAREFUL DISCUSSION AND CONSIDERATION, STILL LESS TO DISTORT ITS MEANING.

3. IF THE BRITISH GOVERNMENT WISHED TO PREPARE AN EXPLANATION FOR INTERNAL PURPOSES, BUT NOT FOR PUBLICATION, THEN THAT WAS ENTIRELY THEIR AFFAIR, AND WAS A DIFFERENT MATTER FROM PUBLISHING AN EXPLANATION. EQUALLY, IT WAS A BRITISH AFFAIR IF QUESTIONS OF ONE SORT OR ANOTHER ON THE AGREEMENT WERE RAISED IN PARLIAMENT. BUT IF THE BRITISH SIDE PUBLISHED A WHITE PAPER AS A GOVERNMENT DOCUMENTS WHICH OFFERED A ONE-SIDED EXPLANATION OF THE CONTENT OF THE AGREEMENT, THEN THE CHINESE SIDE WOULD CONSIDER THIS A VERY SERIOUS MATTER. HOW WOULD THE BRITISH SIDE REACT IF THE CHINESE GOVERNMENT OFFERED A ONE-SIDED EXPLANATION IN AN OFFICIAL PAPER? THE CHINESE SIDE THEREFORE HOPED THAT, IF THE BRITISH SIDE WERE TO PUBLISH A WHITE PAPER, IT WOULD CONTAIN ONLY THE AGREEMENT ITSELF AND NOT AN EXPLANATION OF THE AGREEMENT, ESPECIALLY NOT A ONE-SIDED EXPLANATION OF THE AGREEMENT'S MAIN PROVISIONS.

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4. IN THE CHINESE VIEW, THE TWO SIDES HAD MADE TREMENDOUS EFFORTS OVER A LONG PERIOD OF TIME IN ORDER TO REACH AGREEMENT AND THE RESULT WAS SOMETHING THAT HAD BEEN FOUGHT HARD FOR ON BOTH SIDES. THEREFORE THE FIRST AND MOST IMPORTANT THING FOLLOWING ITS INITIALLING WAS TO SAFE-GUARD THE AGREEMENT AND ENSURE ITS SMOOTH IMPLEMENTATION.

BOTH SIDES SHOULD DO THEIR UTMOST TO AVOID A SITUATION IN WHICH THE AGREEMENT WAS DAMAGED THROUGH THE OVER-SIGHT OR IMPRUDENCE OF ONE SIDE. OTHERWISE, THERE WOULD BE A CONSIDERABLE RISK OF OPEN DEBATE IN THE WAKE OF INITIALLING, WITH THE INEVITABLE SERIOUS CONSEQUENCE OF SEVERE DAMAGE TO HONG KONG'S PROSPERITY AND STABILITY.

5. FOR THIS REASON, THE CHINESE LEADERS CONCERNED WERE GREATLY CONCERNED ABOUT THE MATTER. THE CHINESE SIDE HOPED THAT THE BRITISH SIDE WOULD PROVIDE THE FULL TEXT OF THE WHITE PAPER AS EARLY AS POSSIBLE. IN THESE CIRCUMSTANCES, THE CHINESE GOVERNMENT WOULD CONSIDER AND DECIDE, AFTER A CAREFUL STUDY OF THE WHITE PAPER, HOW TO REACT. ZHOU CONCLUDED BY EMPHASISING THAT HE HAD BEEN SPEAKING ON THE INSTRUCTIONS OF HIS SUPERIORS.

6. I SAID THAT WHAT HE HAD CONVEYED TO ME WOULD CAUSE SOME CONSTERNATION IN LONDON (SEMI COLN) THE CHINESE SIDE HAD KNOWN FOR SOME TIME THAT WE INTENDED TO PUBLISH A WHITE PAPER WHICH INCLUDED EXPLANATORY MATERIAL. SAYING THAT I WAS SPEAKING ON INSTRUCTIONS, I SAID THAT, FOR PRACTICAL REASONS, IT SIMPLY WOULD NOT BE POSSIBLE TO PROVIDE A COPY OF THE WHITE PAPER MORE THAN A SHORT TIME IN ADVANCE OF ITS PUBLICATION.

I RECALLED THAT I HAD TOLD ZHOU THAT I WOULD GIVE HIM TOWARDS THE END OF THIS WEEK A GENERAL ACCOUNT OF THE CONTENTS OF THE WHITE PAPER. THIS WOULD BE AS FULL AS POSSIBLE, IN THE LIGHT OF THE STATE OF PREPARATION OF THE PAPER AT THAT TIME.

7. ZHOU CONCEDED THAT THE CHINESE SIDE HAD KNOWN ABOUT THE WHITE PAPER FOR SOME TIME. THIS WAS WHY HE HAD MADE THE CONCERNS OF THE CHINESE SIDE KNOWN AT AN EARLY STAGE AND HAD EXPRESSED THE HOPE THAT WE WOULD TELL THEM OF THE EXACT CONTENT OF THE WHITE PAPER. HE RECALLED FIRST DISCUSSING THE SUBJECT ABOUT A FORTNIGHT AGO AND SUBSEQUENTLY ON A NUMBER OF OCCASIONS. HE HAD FAILED SO FAR TO GET A SATISFACTORY RESPONSE. THE FACT THAT HE HAD YESTERDAY REPORTED IMMEDIATELY TO HIS SUPERIORS DEMONSTRATED THE CONCERN THAT THE CHINESE SIDE HAD ALL ALONG FELT ABOUT THE MATTER, AND TALK OF CONSTERNATION AT WHAT HE HAD JUST SAID WAS THEREFORE UNJUSTIFIED. HE HAD NOT BEEN TALKING ABOUT ANYTHING NEW. WHAT I HAD JUST SAID ON INSTRUCTIONS IN RESPONSE TO HIS REMARKS WOULD NOT SATISFY HIS LEADERS. THE CHINESE SIDE BELIEVED THAT THE BRITISH SIDE INTENDED TO PUBLISH AND DISTRIBUTE IN HONG KONG AS MANY AS

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ONE MILLION COPIES OF THE WHITE PAPER ON THE DAY OF INITAILLING. IF COMPLETION OF THE PAPER TOOK SO LONG, HOW COULD A MILLION COPIES BE PUBLISHED ON THE VERY DAY OF INITAILLING? THE GENERAL ACCOUNT OF THE WHITE PAPER WHICH I HAD PROMISED WOULD NOT HELP MUCH. THE CHINESE SIDE COULD NOT MAKE A JUDGMENT ON THE BASIS OF SUCH AN ACCOUNT OF WHAT SPECIFIC EXPLANATORY REMARKS WOULD BE IN THE WHITE PAPER. NOR COULD THEY DECIDE ON THAT BASIS WHERE IT WOULD BE NECESSARY TO MAKE A GOVERNMENT STATEMENT AT THE TIME OF OR SHORTLY AFTER THE PUBLICATION OF THE WHITE PAPER.

8. I POINTED OUT THAT OUR INTENTION TO PUBLISH A WHITE PAPER HAD BEEN MADE KNOWN BY YOU AS LONG AGO AS JULY, IN AN ANSWER TO A WRITTEN PQ. I REJECTED HIS ARGUMENT THAT OUR PLAN TO PUBLISH A LARGE NUMBER OF COPIES OF THE WHITE PAPER IN HONG KONG INDICATED THAT WORK ON IT WOULD BE COMPLETED WELL IN ADVANCE. MODERN METHODS OF COMMUNICATION AND PRINTING MADE SUCH THINGS POSSIBLE AT VERY HIGH SPEED. I EMPHASISED THAT THE ACCOUNT I WOULD BE AUTHORISED TO GIVE HIM WOULD BE AS FULL AS POSSIBLE. IT WOULD NOT BE A MATTER OF A TWO OR THREE LINE EXPLANATION

9. I STRESSED THAT AN IMPORTANT PURPOSE IN PUBLISHING THE WHITE PAPER WAS TO ENSURE THAT THE AGREEMENT HAD AS GOOD A LAUNCH AS POSSIBLE IN HONG KONG AND GOT A FAVOURABLE RECEPTION. BOTH SIDES SHARED AN INTEREST IN THAT. WE DID NOT WANT TO MAKE WAVES (SEMICOLON) WE WANTED TO PREVENT WAVES BEING MADE. ZHOU REPLIED THAT HE DID NOT DOUBT OUR INTENTIONS. BUT GOOD INTENTIONS COULD VERY EASILY LEAD TO BAD RESULTS IF THE APPROACH ADOPTED WAS INAPPROPRIATE. MANY PROVISIONS IN THE AGREEMENT HAD BEEN AGREED ONLY AFTER LENGTHY DISCUSSIONS AND THROUGH COMPROMISE. THEY WERE DELICATELY BALANCED AND IF ONE SIDE WERE TO MAKE A ONE SIDED EXPLANATION IT WOULD BE SURE TO LEAD TO CONFUSION. IN THE CHINESE VIEW, THE PROVISIONS OF THE AGREEMENT WERE SELF-EXPLANATORY. WHY WAS IT NECESSARY TO RUN THE CONSIDERABLE RISK OF TOUCHING OFF AN OPEN DEBATE? I REPEATED THAT WE WISHED TO SEE THE AGREEMENT RECEIVED AS WELL AS POSSIBLE IN HONG KONG. ZHOU ARGUED THAT PEOPLE IN HONG KONG WERE NOT FOOLS AND THAT THEY WOULD BE ABLE TO SEE FOR THEMSELVES WHAT WAS CONTAINED IN THE AGREEMENT WITHOUT THE NEED FOR ONE SIDE OR THE OTHER TO EXPLAIN IT. CHINESE LEADERS DID NOT WANT TO SEE THE HARD-WON AGREEMENT DAMAGED. I SAID THAT THE BRITISH SIDE CERTAINLY SHARED THAT VIEW.

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10. I ASKED ZHOU ABOUT INTENTIONS OF THE CHINESE SIDE IMMEDIATELY AFTER THE INITIALLING. HE HAD MENTIONED THE POSSIBILITY OF EDITORIALS. WOULD THESE CONTAIN ANYTHING BY WAY OF EXPLANATION OF THE AGREEMENT? ZHOU HAD NO CLAR IDEA WHAT EDITORIALS WOULD APPEAR, BUT THEY WOULD PROBABLY OFFER CONGRATULATIONS ON THE CONCLUSION OF AN AGREEMENT AND EXPLAIN THE HISTORICAL SIGNIFICANCE OF THE EVENT

11. I WILL COMMENT AS SOON AS POSSIBLE

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LIMITED

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HD/FED
HD/PLANNING STAFF
HD/PUSD
DEP HD/PUSD
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LEGAL ADVISERS(SIR J FREELAND)
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FUTURE OF HONG KONG

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~~MR BOYD~~ BOYD

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DESKBY 191130Z SEP 84

FROM PEKING 191005Z SEP 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 2451 OF 19 SEPTEMBER

INFO IMMEDIATE HONG KONG



MY TELNO 2446: FUTURE OF HONG KONG: WHITE PAPER.

1. ZHOU NAN MADE OUR MEETING THIS MORNING AS FORMAL AS HE COULD. HE SPOKE IN CHINESE THROUGHOUT (SEMI-COLON) AND HE INSISTED ON THE INTERPRETATIONS INTO CHINESE OF WHAT I SAID TO HIM. HE PUT A LOT OF STRESS ON THE FACT THAT HE WAS SPEAKING ON INSTRUCTIONS FROM HIS LEADERS (SEMI-COLON) AND IT IS MY JUDGEMENT THAT HE BUILT NOTHING OF HIS OWN INTO HIS FORMAL MESSAGE FROM THEM (PARAGRAPHS 2 - 5 OF MY TUR).

2. IT IS CLEAR FROM THIS FORMAL MESSAGE THAT THE CHINESE LEADERS ARE SERIOUSLY CONCERNED ABOUT WHAT THE WHITE PAPER MAY SAY IN EXPLANATION OF THE TERMS OF THE AGREEMENT. THE CHINESE THEMSELVES WILL DOUBTLESS PUBLISH EXPLANATORY EDITORIALS GIVING SOME OF THE HISTORICAL BACKGROUND TO THE HONG KONG PROBLEM AND URGING THE CONCEPT OF "ONE COUNTRY TWO SYSTEMS" AS THE WAY OF RESOLVING THIS AND VIRTUALLY ALL OTHER WORLD PROBLEMS. IT WOULD NOT, HOWEVER, ACCORD WITH THEIR NORMAL PRACTICE TO PUBLISH EXPLANATORY NOTES. NOR DO THEY HAVE A NEED TO DO THIS. ANY EXPLANATIONS ABOUT THE SIGNIFICANCE OR MEANING OF DIFFERENT PARTS OF THE AGREEMENT CAN BE MADE IN PRIVATE (EG TO THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS AND SENIOR PARTY OFFICIALS).

3. THE STRONG STAND WHICH THE CHINESE HAVE TAKEN CREATES A MAJOR DILEMMA. I BELIEVE THEY NOW ACCEPT THAT A WHITE PAPER OF SOME SORT WILL BE PUBLISHED AND THAT IT WILL INCLUDE MORE THAN SIMPLY THE TEXT OF THE AGREEMENT. THEY CANNOT TAKE EXCEPTION TO COMMENDATION OF THE AGREEMENT TO THE PEOPLE OF HONG KONG AND TO PARLIAMENT. NOR DO I THINK THEY WILL MAKE A GREAT FUSS ABOUT OUR EXPLANATION OF SOME OF THE BACKGROUND TO THE NEGOTIATION. THEIR OWN EXPLANATION OF THE HISTORICAL BACKGROUND WILL OF COURSE BE TOTALLY DIFFERENT AND THEY COULD EVEN CONTEST PUBLICLY WHAT WE

BE TOTALLY DIFFERENT AND THEY COULD EVEN CONTEST PUBLICLY WHAT WE SAY ABOUT THE NINETEENTH CENTURY TREATIES. IT WOULD NOT MATTER GREATLY IF THEY DID. BUT I JUDGE THAT THERE WOULD BE VERY SIGNIFICANT AND DAMAGING CONSEQUENCES IF THE CHINESE TOOK PUBLIC ISSUE WITH OUR EXPLANATION OF THE CONTENTS OF THE AGREEMENT ITSELF, OR WITH OUR RIGHT TO SAY ANYTHING ON THE SUBJECT AT ALL.

4. THE PROBLEM THEREFORE LIES WITH THE EXPLANATORY NOTES IN THE WHITE PAPER. I HAVE DISCUSSED HOW WE SHOULD HANDLE THIS WITH WILSON AND MCLAREN. WE ALL TAKE THE VIEW THAT THERE IS NOW A SERIOUS RISK THAT THE CHINESE WILL CHALLENGE US PUBLICLY IF WE ATTEMPT TO EXPLAIN THE CONTENTS OF ANNEX I, LET ALONE EXPAND ON IT. THESE, THEY WILL SAY, ARE CHINA'S POLICIES. THEY ARE NOT FOR BRITAIN TO EXPLAIN OR INTERPRET.

5. IF OUR ASSESSMENT OF THE RISK IS CORRECT, WE NEED TO DECIDE WHETHER THE BENEFITS TO BE DERIVED FROM PUBLISHING THE EXPLANATORY NOTES OUTWEIGH THE DISADVANTAGES. AS SEEN FROM HERE, THE EXPLANATORY NOTES ARE ESSENTIALLY A PRECIS OF WHAT APPEARS IN THE AGREEMENT ITSELF. THE CLOSER THE NOTES CONFORM TO THE LANGUAGE OF THE AGREEMENT, THE LESS RISK OF AN ADVERSE CHINESE REACTION. AT THE SAME TIME, HOWEVER, THE LESS VALUE THEY WILL HAVE AS AN EXPLANATION. ALL THOSE REALLY INTERESTED WILL READ THE FULL TEXT OF THE AGREEMENT. DO WE THEREFORE NEED TO DUPLICATE BY PROVIDING A PRECIS WITHIN THE WHITE PAPER? WOULD IT NOT BE BETTER TO USE THE EXPLANATORY NOTES FOR THE BRIEFING OF EG MEMBERS OF PARLIAMENT, JOURNALISTS AND FOREIGN GOVERNMENTS, IN CONFIDENCE AND OTHERWISE? THE INTRODUCTION AND THE TEXTS CAN STAND ON THEIR OWN. THE ONLY STRUCTURAL CHANGE REQUIRED TO THE INTRODUCTION WOULD BE TO DELETE PARAGRAPH 26. IN THE INTRODUCTION, WE STILL NEED TO TAKE CAREFUL ACCOUNT OF CHINESE SENSIBILITIES IN ORDER TO AVOID A DAMAGING REACTION. BUT THE PROBLEMS ARE MUCH LESS SERIOUS THAN THEY ARE WITH THE EXPLANATORY NOTES. RECOMMENDATIONS FOR MINOR APPROPRIATE CHANGES TO THE INTRODUCTION ARE IN MIFT.

6. TAKING ACCOUNT OF ALL THESE FACTORS, IT IS OUR STRONG RECOMMENDATIONS THAT WE SHOULD NOW DECIDE TO DELETE THE EXPLANATORY NOTES. IT COULD BE ARGUED THAT THE SAME OBJECTION DOES NOT APPLY TO THE NOTES ON ANNEXES II AND III AS TO THE NOTES ON ANNEX I SINCE THE TEXTS OF THESE ARE DESCRIBED AS AGREED. BUT WE JUDGE THAT NOTES TO EXPLAIN THESE DOCUMENTS STILL RUN THE RISK OF PROVOKING A PUBLIC REACTION AND THAT THEIR INCLUSION COULD HIGHLIGHT THE ABSENCE OF NOTES ABOUT ANNEX I.

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