

PS  
PS/FUS  
PS/ME LUCE  
ME DONALD  
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COPIE TO:  
MR COLLES, No. 10 DOWNING ST  
Mr Roberts, News D.  
Sir P. Gradock

IMMEDIATE

ADVANCE COPY

GR 1250  
SECRET  
FM PEKING 011000Z MAR 84  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 358 OF 1 MARCH  
INFO IMMEDIATE HONG KONG

CORRECTION REVISED

FUTURE OF HONG KONG: LEGCO DEBATE

1. ZHOU NAN SUMMONED ME TO THE MFA THIS AFTERNOON (1 MARCH).  
 2. ZHOU SAID THAT HE WISHED TO DISCUSS THE WAY AHEAD. HE CONFIRMED 26 AND 27 MARCH AS DATES ACCEPTABLE TO THE CHINESE FOR THE 11TH ROUND. HE PRESSED FOR THE PAPERS ON NATIONALITY AND CIVIL AVIATION TO BE HANDED TO THE CHINESE SIDE AS SOON AS POSSIBLE. I SAID THAT WE HOPED TO TABLE THEM BEFORE THE 10TH ROUND, BUT COULD NOT GIVE ANY FIRMER COMMITMENT. THERE WAS NO DISPOSITION ON OUR PART TO SLACKEN THE TEMPO OF WORK. ZHOU WELCOMED THIS.  
 3. ZHOU THEN SAID THAT HE WISHED TO RAISE ANOTHER QUESTION. SINCE THE 6TH AND THE 7TH ROUNDS, THE TALKS HAD GONE SMOOTHLY AND MADE PROGRESS. THIS WAS RECOGNISED BY BOTH SIDES. BUT NOW A NEW PROBLEM HAD SUDDENLY CROPPED UP. THIS WAS THE MOTION TABLED BY MR LOBO IN THE LEGISLATIVE COUNCIL. IT HAD SURPRISED THE CHINESE GOVERNMENT THAT MR LUCE AND THE HONG KONG GOVERNMENT SPOKESMAN HAD WELCOMED AND SUPPORTED THE MOTION SOON AFTER IT HAD BEEN TABLED. THE MOTION HAD CAUSED NERVOUS TREMORS IN VARIOUS CIRCLES IN HONG KONG. ACCORDING TO SOME PRESS COMMENTARIES, THE MOTION WAS BY NO MEANS A MATTER OF ACCIDENT AND WAS POSSIBLY AN ATTEMPT BY THE BRITISH SIDE TO REPLAY THE PUBLIC OPINION CARD FOR THE PURPOSE OF STALLING THE TALKS AND EXERTING PRESSURE ON THE CHINESE SIDE. THE SITUATION HAD STARTED TO GIVE RISE TO ANXIETY IN ECONOMIC CIRCLES IN HONG KONG. HE WISHED TO MAKE THREE EXPLICIT POINTS:

(1) FROM THE OUTSET THE CHINESE GOVERNMENT HAD MADE CLEAR THAT THE SETTLEMENT OF THE HONG KONG QUESTION WAS A BILATERAL MATTER BETWEEN THE BRITISH AND CHINESE GOVERNMENTS. THE CHINESE GOVERNMENT HAD NEVER ACCEPTED AND COULD NEVER ACCEPT ANY ATTEMPT TO CREATE A THREE-LEGGED STOOL. THE PEOPLE OF HONG KONG WERE CHINESE COMPATRIOTS. THE CHINESE GOVERNMENT KNEW THEIR DESIRES AND ASPIRATIONS VERY WELL. CHINA'S 12 POINT PLAN HAD BEEN DRAWN UP ON THE BASIS OF VIEWS SOLICITED FROM HONG KONG PEOPLE. CHINA WOULD NEVER ACCEPT ATTEMPTS TO HAND-PICK A FEW PEOPLE TO REPRESENT THE POPULATION OF THE TERRITORY. THE QUESTION OF SOVEREIGNTY WAS NON-NEGOTIABLE AND THE REFERENDUM MENTIONED BY MR LUCE IN HONG KONG WAS SIMPLY OUT OF THE QUESTION.



BY MR LUCE IN HONG KONG WAS SIMPLY OUT OF THE QUESTION.

(II) THE BRITISH AND CHINESE SIDES HAD AGREED TO KEEP THE CONTENTS OF THE TALKS CONFIDENTIAL. BY THE TERMS OF MR LOBO'S PROPOSAL, HOWEVER, THE CONTENTS OF THE TALKS WOULD BE DISCUSSED IN LEGCO. WAS THIS NOT A BREACH OF CONFIDENTIALITY?

(III) DURING THE 13 YEARS BETWEEN NOW AND 1997 THE UNITED KINGDOM WOULD BE RESPONSIBLE FOR THE ADMINISTRATION OF HONG KONG AND SO FOR THE MAINTENANCE OF THE TERRITORY'S PROSPERITY AND STABILITY. CHINESE LEADERS HAD SAID ON A NUMBER OF OCCASIONS THAT THEY DID NOT WISH TO SEE ANY DISTURBANCES IN THIS PERIOD. CHINA HAD NOT TAKEN, AND WOULD NOT TAKE, ANY ACTIONS TO UNDERMINE PROSPERITY AND STABILITY. DURING THE RECENT RIOTS IN HONG KONG THE CHINESE GOVERNMENT HAD ADOPTED A SERIOUS AND RESPONSIBLE APPROACH. INDEED, ON ALL MATTERS UP TO NOW CHINA'S ATTITUDE HAD BEEN ONE OF RESTRAINT. IF MR LOBO'S MOTION WERE NOW TO 'MATERIALISE', HOWEVER, THIS WOULD BE UNFOVOURABLE TO THE SMOOTH PROGRESS OF THE TALKS AND TO THE MAINTENANCE OF THE PROSPERITY AND STABILITY OF HONG KONG. RESPONSIBILITY FOR THIS WOULD CERTAINLY NOT REST WITH THE CHINESE SIDE.

ZHOU CONCLUDED BY STATING THAT HE HOPED THE BRITISH SIDE WOULD BE PRUDENT AND CIRCUMSPECT IN HANDLING THIS QUESTION.

4. I SAID THAT I HAD LISTENED CAREFULLY TO ZHOU'S STATEMENT AND WOULD REPORT IT FULLY AT ONCE. THE BRITISH GOVERNMENT SHARED THE VIEW OF THE CHINESE GOVERNMENT THAT PROGRESS HAD BEEN MADE IN RECENT ROUNDS. ALTHOUGH WITHOUT INSTRUCTIONS I WOULD MAKE FOUR PERSONAL COMMENTS IN RESPONSE TO ZHOU'S STATEMENT:

(I) CONSTITUTIONALLY, ANY MEMBER OF LEGCO WAS FREE TO TABLE A MOTION ON ANY SUBJECT.

(II) IT WAS NOT A QUESTION OF THE BRITISH GOVERNMENT PLAYING THE PUBLIC OPINION CARD OR ANY OTHER CARD.

(III) THE BRITISH SIDE HAD SCRUPULOUSLY OBSERVED CONFIDENTIALITY. ZHOU WOULD HAVE NOTICED THAT MR LUCE HAD SEVERAL TIMES DECLINED TO ANSWER QUESTIONS AT HIS RECENT PRESS CONFERENCE ON THE GROUNDS THAT HE COULD NOT BREACH CONFIDENTIALITY. MR LOBO'S MOTION WAS A PROCEDURAL ONE. THE CONTENTS OF THE TALKS WERE NOT WITHIN THE AMBIT OF THE MOTION AND WOULD NOT BE MADE AVAILABLE TO LEGCO ON 14 MARCH. YET THERE WOULD BE A MOMENT IN THE FUTURE WHEN THE OUTCOME OF THE NEGOTIATIONS WOULD BE MADE PUBLIC. THERE WOULD ALSO AT SOME POINT HAVE TO BE A DEBATE IN PARLIAMENT, TO TAKE PLACE ON THE BASIS OF THE FRUITS OF NEGOTIATION.

(IV) IN HONG KONG ITSELF, WE HAD NOTED THE WAY IN WHICH THE CHINESE GOVERNMENT HAD REACTED TO THE DISTURBANCES OF MID-JANUARY. THE BRITISH GOVERNMENT WERE ENTIRELY MINDFUL OF THEIR RESPONSIBILITIES AND IT WAS INCONCEIVABLE THAT THEY WOULD EVER DO ANYTHING TO DAMAGE THE STABILITY OR PROSPERITY OF HONG KONG. WE HAD MADE A VERY CAREFUL ASSESSMENT OF THE JANUARY DISTURBANCES AND WERE CERTAIN THAT THERE HAD BEEN NO POLITICAL MOTIVE BEHIND THE TAXI STRIKE OR THE SUBSEQUENT EXPLOITATION OF IT BEXYXIWPSM6 <sup>MR LUCE'S</sup> STATEMENT THAT 'IT IS PARLIAMENT THAT FINALLY HAS THE SAY YES OR NO'.



~~WHAT IT IS PARLIAMENT THAT FINALLY HAS THE SAY YES OR NO.~~

6. ZHOU REPEATED THAT THE CHINESE GOVERNMENT WERE VERY CONCERNED THAT THIS ISSUE COULD AFFECT THE FUTURE OF THE TALKS AND THE PROSPERITY AND STABILITY OF HONG KONG. TO SAY THAT ANY MEMBER OF LEGCO WAS FREE TO TABLE A MOTION ON ANY SUBJECT WAS NOT THE POINT. THE POINT WAS THE ATTITUDE OF THE BRITISH AUTHORITIES. DESPITE LOCAL REGULATIONS, CERTAIN THINGS HAD TO BE APPROVED BY THE GOVERNOR. ON THE QUESTION OF CONFIDENTIALITY, THE CHINESE GOVERNMENT HAD NOTICED THAT MR LUCE HAD BEEN PRUDENT AND HAD NOT LEAKED THE CONTENTS OF THE TALKS IN HIS PRESS CONFERENCE. BUT IF MR LOBO'S MOTION WERE "CARRIED OUT", THIS WOULD LEAD TO SERIOUS LEAKAGE IN HONG KONG. AS FOR MR LUCE'S STATEMENT THAT IT WAS THE BRITISH PARLIAMENT THAT WOULD FINALLY HAVE TO SAY YES OR NO, ANY AGREEMENT WOULD BE BILATERAL. MR LUCE'S STATEMENT IGNORED CHINESE CONSENT. IT WOULD NOT BE POSSIBLE FOR CHINA TO PUT HER SIGNATURE ON ANY AGREEMENT WHICH COULD BE OVERTURNED BY THE BRITISH PARLIAMENT LATER ON. ALL THE SAME, THE QUESTION OF DEBATE IN PARLIAMENT WAS A LEGITIMATE ONE. WHAT HE REALLY WANTED TO EMPHASISE WAS THAT CHINA COULD IN NO WAY ACCEPT THE CONCEPT OF THE THREE LEGGED STOOL. HE ENDED BY STATING THAT THIS EXCHANGE OF VIEWS HAD BEEN USEFUL.

7. I SAID THAT I HAD NOTED ZHOU'S FURTHER REMARKS. I WOULD RECOMMEND THAT HE READ AGAIN CAREFULLY WHAT MR LUCE HAD SAID. THE CENTRAL IMPORTANCE OF PARLIAMENT, IN GENERAL AND IN RELATION TO THE NEGOTIATING PROCESS, HAD BEEN MADE CLEAR BY THE PRIME MINISTER TO THE CHINESE LEADERS WHEN SHE VISITED CHINA IN 1982 AND IN HER SUBSEQUENT LETTER AND MESSAGE TO PREMIER ZHAO.

8. FOR COMMENT SEE MIFT.

EVANS

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MIPT: FUTURE OF HONG KONG: LEGCO DEBATE

1. I HAD EXPECTED ZHOU TO BE ROUGHER THAN HE WAS.
2. ZHOU OPENED WITH TWO BALLS OF EASY PACE AND HE ENDED PRETTY MILDLY. HE DID NOT AT ANY STAGE USE WORDS LIKE PROTEST OR CONDEMN SEMICOLON AND HE DID NOT EXPLICITLY ASK THAT THE BRITISH GOVERNMENT OR THE HONG HONG GOVERNMENT SHOULD WORK FOR THE WITHDRAWAL OF THE MOTION.
3. AN IMPORTANT POINT MADE BY ZHOU WAS THAT IT WOULD NOT BE POSSIBLE FOR CHINA TO PUT HER SIGNATURE TO ANY AGREEMENT WHICH WOULD BE OVERTURNED BY THE BRITISH PARLIAMENT. I DELIBERATELY ADSTAINED FROM RESPONDING TO HIM ON THIS. BUT THERE ARE OF COURSE IMPLICATIONS WHICH WE SHALL NEED TO EXPLORE.
4. ANOTHER IMPORTANT POINT WAS THAT ZHOU SPECIFICALLY RULED OUT A REFERENDUM IN HONG KONG.

EVANS



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