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SECRET
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TO IMMEDIATE FCO
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INFO IMMEDIATE HONG KONG

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FROM WILSON
FUTURE OF HONG KONG : ASSESSMENT OF PROGRESS IN THE WORKING
GROUP.

1. WE HAVE NOW HAD A FULL WEEK OF NEGOTIATIONS IN THE WORKING GROUP SINCE WE RESUMED WORK ON 17 AUGUST. TEXTS HAVE BEEN AGREED ON THE LEGAL SYSTEM, ON RIGHTS AND FREEDOMS AND ON PROPERTY. AN ADDITIONAL GROUP (KNOWN AS THE AD HOC GROUP) HAS BEEN SET UP, LED ON OUR SIDE BY ROBIN MCLAREN AND ON THE CHINESE SIDE BY LU PING, SECRETARY GENERAL OF THE HONG KONG AND MACAO OFFICE, AND A MEMBER OF THE CHINESE NEGOTIATING TEAM FROM THE OUTSET. IN THE FIRST TWO DAYS OF ACTIVITY THEY HAVE STARTED TO GET TO GRIPS WITH THE DETAILS OF NATIONALITY AND LAND.

2. WE HAVE BEEN DISCUSSING A TEXT ON THE LEGAL SYSTEM WITH THE CHINESE OFF AND ON SINCE THE WORKING GROUP STARTED IN LATE JUNE. IT IS CLEARLY ONE OF THE KEY ITEMS. I BELIEVE THAT WE HAVE NOW ACHIEVED AS GOOD A TEXT AS WAS POSSIBLE. ON RIGHTS AND FREEDOMS WE HAVE ACHIEVED ALL THE SUBSTANCE OF WHAT WE REQUIRE BY REFERENCES TO CONTINUATION OF RIGHTS UNDER THE LAWS OF HONG KONG AND TO THE TWO RELEVANT INTERNATIONAL COVENANTS. BUT, WE HAVE NOT BEEN ABLE TO GET IN SPECIFIC REFERENCES TO ALL THE RIGHTS WHICH WOULD HAVE BEEN DESIRABLE PRESENTATIONALLY IN HONG KONG. ON PROPERTY (PROTECTION OF INVESTMENTS) WE HAVE GOT ALL WE WANTED DESPITE STARTING FROM THE TACTICALLY DIFFICULT POSITION OF HAVING TO ARGUE THAT A TEXT AGREED EARLIER WAS INADEQUATE. ACHIEVEMENTS ON THIS LAST POINT WERE IN PART ATTRIBUTABLE TO WITHDRAWING INSISTENCE ON A SPECIFIC REFERENCE TO CERTAIN RIGHTS IN THE TEXT ON RIGHTS AND FREEDOMS.

3. THE BEGINNING OF THE WEEK WAS SLOW GOING AND THERE HAVE BEEN SOME DIFFICULT MOMENTS. THE CHINESE ARE CLEARLY ANXIOUS TO FINISH DRAFTING AS SOON AS POSSIBLE AND, IF THEY CAN, BY 10 SEPTEMBER. BUT THIS DOES NOT (NOT) MEAN THAT THEY ARE MORE DISPOSED ON THIS ACCOUNT TO ACCEPT OUR POINTS. INDEED THEY STARTED BY SHOWING CONSIDERABLE RESISTANCE EVEN ON MATTERS WHICH MIGHT NOT HAVE SEEMED TOO DIFFICULT FOR THEM TO ACCEPT. EXPERIENCE AS THE WEEK HAS PROGRESSED SUGGESTS THAT THEY ARE HOWEVER PREPARED TO GO A GOOD WAY TO MEET US WHEN OUR APPROACH CONVINCES THEM THAT WE ARE PREPARED TO BE REASONABLY FLEXIBLE ON POINTS OF IMPORTANCE TO THEM AND NOT TO INSIST ABSOLUTELY ON POINTS WHERE THEY HAVE MADE IT CLEAR THAT THEY SEE INSUPERABLE DIFFICULTIES.

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4. IN THE AD HOC GROUP WE HAVE BEEN ABLE TO GET A CLEARER PICTURE THAN PREVIOUSLY OF A NUMBER OF IMPORTANT POINTS IN THE CHINESE POSITION ON NATIONALITY. LU PING'S APPROACH HAS BEEN A GOOD DEAL MORE CONSTRUCTIVE THAN THAT OF ZHOU NAN. BUT THERE IS MUCH DIFFICULT WORK STILL TO BE DONE ON THIS SUBJECT, AS WELL AS ON LAND, WHERE THE INITIAL MEETING WAS LESS ENCOURAGING. SIMILARLY, IN THE WORKING GROUP, THERE WILL BE IMPORTANT POINTS OF DIFFERENCE TO BE RESOLVED ON BOTH THE PUBLIC SERVICE AND THE CONSTITUTIONAL ARRANGEMENTS AND GOVERNMENT STRUCTURE. WE HAVE TO FIND BOTH A SLOT IN THE WORKING SCHEDULE FOR FITTING CIVIL AVIATION AND THE MEANS TO RESOLVE SOME OF THE POINTS OF CONFLICT. WE ALSO HAVE TO DEAL WITH DEFENCE WHERE THE RIVAL TEXTS ARE SHORT BUT THE EXCHANGES LIKELY TO BE SHARP.

5. WE HAVE A BUSY TIME AHEAD.

EVANS

FUTURE OF HONG KONG
LIMITED

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