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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name LAUX, DAVID: FILES

Withdrawer

CAS 6/11/2010

File Folder CHINA-FOREIGN RELATIONS-HONG KONG (9/6/84-9/20/84)

FOIA

M09-299/1

Box Number 13

COLLINGS

27

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
92614	HANDWRITTEN NOTES	RE HONG KONG AND CHINA	1	9/6/1984	B1
		R 1/19/2011 M299/1			
92592	CABLE	101436Z SEP 84	1	9/10/1984	B1 B3
		D 12/20/2017 M299/1			
92593	CABLE	HONG KONG 17287	5	9/10/1984	B1
		R 6/21/2012 M299/1			
92594	CABLE	HONG KONG 17287 (COPY OF PART OF 92593)	2	9/10/1984	B1
		R 6/21/2012 M299/1			
92595	CABLE	LONDON 20041	3	9/10/1984	B1
		R 6/21/2012 M299/1			
92596	CABLE	132008Z SEP 84	1	9/13/1984	B1 B3
		D 12/20/2017 M299/1			
92597	CABLE	1313335Z SEP 84	1	9/13/1984	B1 B3
		D 12/20/2017 M299/1			
92598	CABLE	HONG KONG 17495	2	9/14/1984	B1
		R 6/21/2012 M299/1			
92599	CABLE	150040Z SEP 84	1	9/15/1984	B1 B3
		D 12/20/2017 M299/1			

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
92600	CABLE	STATE 275024 R 6/21/2012 M299/1	3	9/15/1984	B1
92601	CABLE	151709Z SEP 84 D 12/20/2017 M299/1	2	9/15/1984	B1 B3
92602	CABLE	STATE 277239 R 6/21/2012 M299/1	2	9/19/1984	B1
92603	DRAFT STATEMENT	RE UK-PRC AGREEMENT ON THE FUTURE OF HONG KONG R 6/21/2012 M299/1	1	ND	B1
92604	DRAFT STATEMENT	SAME TEXT AS 92603 R 6/21/2012 M299/1	1	ND	B1
92605	DRAFT STATEMENT	SAME TEXT AS 92603 R 6/21/2012 M299/1	1	ND	B1
92606	DRAFT STATEMENT	ANNOTATED TEXT OF 92603 R 6/21/2012 M299/1	1	ND	B1
92607	CABLE	LONDON 20827 R 6/21/2012 M299/1	1	9/19/1984	B1

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
92608	CABLE	LONDON 20863 R 6/21/2012 M299/1	1	9/19/1984	B1
92609	PAPER	RE HONG KONG (P. 3 ONLY) R 6/21/2012 M299/1	1	9/19/1984	B1
92610	MEMO	PAUL WOLFOWITZ TO THE SECRETARY THROUGH MR. ARMACOST RE PROSPECTIVE PUBLIC STATEMENT SUPPORTING THE UK-PRC AGREEMENT RE HONG KONG'S FUTURE R 6/21/2012 M299/1	4	9/13/1984	B1
92611	ANNOTATED DRAFT STATEMENT	ATTACHMENT TO 92610 R 6/21/2012 M299/1	1	ND	B1
92612	ANNOTATED DRAFT STATEMENT	ATTACHMENT TO 92610 R 6/21/2012 M299/1	1	ND	B1
92613	COMPARISON	OF DRAFT STATEMENTS R 6/21/2012 M299/1	1	ND	B1

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Mike Oksenberg

6 Sept. 1984

NATIONAL SECURITY COUNCIL

How we can be supportive of what the British do on HK?

- will take alot to keep HK afloat til 1997. (Brit. goal to preserve maximum autonomy for S. 5 mil people)

- we have alot of agreements w/ HK.

Look at slower. Will they remain in effect after 1997. How will they impact on agreements w/ China. Quotas, etc.

- we shouldn't let Chi drain HK to give jobs in Kwangtung.

- talk quietly w/ Chi.

- we won't have much time after the announcement.

- We will need statements ready ASAP when Brits make announcement (w/in month).

3 work of Rules of HK, not S. China + me should stick w/ it.

DECLASSIFIED
NLRR M89-299#9264
BY RW NARA DATE 11/19/11

NATIONAL SECURITY COUNCIL

② What are the implications of China's expanding agricultural production?

So, China oil is not going to be a bonanza. Results of Exxon 3rd hole is important. Next round of bidding important. Many in China have political necks hanging out.

- Chi will not be major grain purchaser.

- Chi will be competitor w/ us for cotton markets in Japan, HK, South Korea (Taiwan?)

We've emphasized economic aspects of relationship - + if they become troublesome we have problems.

③ Look at what Carter said during trip to China in '81. React to FX statement decision. But feeling is Carter wouldn't do it. Had lunch by Deng, Mike should it.

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M09-299/1
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Box Number

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92592	CABLE 101436Z SEP 84	1	9/10/1984	B1 B3

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TO SECSTATE WASHDC IMMEDIATE 5852

INFO AMEMBASSY BEIJING PRIORITY 1579
AMEMBASSY LONDON IMMEDIATE 5462

~~SECRET~~ SECTION 01 OF 03 HONG KONG 17287

EXDIS
NOFORN

E. O. 12356: DECL: OADR
TAGS : PGOV, PREL, CH, UK, HK
SUBJECT : FUTURE OF HONG KONG: DISCUSSION WITH HKG
- ACTING POLAD
REF : 1) STATE 266225; 2) HONG KONG 14772

1. SECRET - ENTIRE TEXT
2. SUMMARY. THE LAND QUESTION HAS BEEN RESOLVED, ACCORDING TO ACTING POLAD MARGOLIS, AND ACTIVE WORK IS TAKING PLACE ON NATIONALITY, CIVAIR, AND GOVERNMENT STRUCTURE. THE ANTICIPATED END GAME TIMETABLE HAS THE WORKING GROUP NEGOTIATING THROUGH THE WEEK BEGINNING SEPTEMBER 10, THE GOVERNOR WITH EXCO IN LONDON FOR CONSULTATIONS THE WEEK OF SEPTEMBER 17, A FINAL PLENARY NEGOTIATING ROUND--WHETHER SUBSTANTIVE OR A MERE FORMALITY REMAINS TO BE SEEN--FOR TWO DAYS IN THE SEPTEMBER 21-24 PERIOD, AND INITIALING PROBABLY ON SEPTEMBER 25. HKG HASN'T YET FIGURED OUT JUST WHO TO SEND TO BEIJING FOR THE OCTOBER 1 CELEBRATIONS. AMPLIFYING A BIT ON WHAT THE BRITISH EXPECT TO RAISE WITH UNDER SECRETARY ARMACOST OR SUBSEQUENTLY (REF A), MARGOLIS NOTED THAT THE "LEVEL OF ARMTWISTING" BOTH OF THE US AND OF OTHER MAJOR UK ALLIES WAS TO BE STEPPED UP. HE THINKS WE WILL BE ASKED TO ISSUE A STATEMENT IN THE IMMEDIATE AFTERMATH OF THE ANNOUNCEMENT OF SINO-BRITISH AGREEMENT, PERHAPS IN THE FIRST WEEK OF OCTOBER. LONDON WOULD LIKE US TO INDICATE A BELIEF THE AGREEMENT IS A GOOD ONE AND AN INTENTION NOT TO MAKE OF HONG KONG'S CHANGING STATUS AN OPPORTUNITY GRADUALLY TO RESTRICT HONG KONG EXPORTS. IN VIEW OF GREAT IMPORTANCE ATTACHED HERE TO USG VIEWS AND ACTIONS RELATING TO HONG KONG'S FUTURE, CONGEN STRONGLY HOPES WE CAN BE FORTHCOMING. END SUMMARY.
3. ONCE AGAIN THE SINO-BRITISH TALKS ARE MOVING FORWARD, ALTHOUGH RECENT PROGRESS HAS BEEN MORE AT THE WORKING GROUP LEVEL THAN IN THE SEPTEMBER 5-6 PLENARY ROUND 22. AGREEMENT ON LAND LEASE HANDLING HAS BEEN ATTAINED AND SEEMS NEAR AT HAND ON THE REMAINING ISSUES, NOTWITHSTANDING A LACK OF

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NATIONAL SECURITY COUNCIL
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APPRECIABLE MOVEMENT TO DATE.

EXDIS

4. LAND. THE LU PING-ROBIN MCLAREN SUBGROUP HAS DONE ITS WORK. LONDON RELUCTANTLY ACCEPTED A TRANSITION PERIOD SINO-BRITISH LAND COMMISSION, BUT MANAGED TO LIMIT ITS SCOPE. HKG WILL BE FREE TO DEVELOP AND TENDER FOR COMMERCIAL LEASE UP TO 50 HECTARES OF LAND A YEAR WITHOUT THE COMMISSION'S APPROVAL. ALSO OUTSIDE THE COMMISSION'S PURVIEW WILL BE LAND UTILIZED BY HKG FOR ROADS OR OTHER INFRASTRUCTURE OR GRANTED FOR GOVERNMENT-SUPPORTED HOUSING SITES. THE 50 HECTARE FIGURE IS SOMEWHAT BELOW AVERAGE LEVELS OF RECENT YEARS, BUT HKG BELIEVES THAT REDUCED POPULATION GROWTH AND OTHER ECONOMIC FACTORS IN THE YEARS AHEAD DIMINISH FUTURE REQUIREMENTS, SO THAT THE OVER-50 HECTARE INCREMENT WILL BE MODERATE.

EXDIS

5. WITH REGARD TO THE DISPOSITION OF LEASE MONIES (REF B), PREMIUMS ON NEW LEASES WILL GO HALF INTO THE HKG CAPITAL DEVELOPMENT FUND WHERE ALL SUCH RECEIPTS PRESENTLY GO, AND HALF INTO DEPOSIT ACCOUNTS LOCATED IN HONG KONG AND ACCRUED FOR THE POST-1997 HKSAR GOVERNMENT. MARGOLIS SAYS FINANCIAL SECRETARY JOHN BREMIDGE IS UNTRoubLED BY THE PROSPECTIVE LOSS OF REVENUES. ON THE 3 PER CENT ANNUAL LAND RENTS ON RENEWED LEASES, THE PRE-1997 INSTALLMENTS WILL GO TO THE PRESENT HKG FUND AND THE POST-1997 TRANCHES TO THE HKSARG.

EXDIS

6. CIVAIR. THE LU-MCLAREN SUBGROUP IS TO TACKLE CIVAIR THIS WEEK, WHICH IS HOPEFUL, BUT ZHOU NAN HAS JUST EXASPERATED RICHARD EVANS AGAIN BY EXHORTING HIM NOT TO BE "GREEDY" ON THE SUBJECT, AND NO ONE IS SURE YET HOW IT WILL COME OUT. THE CENTRAL ISSUE IS BEIJING'S HONG KONG BEYOND RIGHTS. THAT IS, THE

EXDIS

BRITISH WOULD NOT LIKE BEIJING TO BE ABLE, E. G., TO NEGOTIATE DIRECT WITH MANILA A CAAC BEIJING-HONG KONG-MANILA ROUTE. LONDON'S POSITION IS COMPLICATED BECAUSE ON CIVAIR MORE THAN IN OTHER AREAS UK CONDUCT HAS BEEN "COLONIAL", MARGOLIS WRYLY OBSERVES, GIVING THE PRC THE BASIS FOR ITS FORWARD POSITION. AT THE SAME TIME, HE CONTINUES, BRITISH BEHAVIOR HAS BEEN
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NATIONAL SECURITY COUNCIL SECRETARIAT

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~~SECRET~~ SECTION 02 OF 03 HONG KONG 17287

EXDIS
NOFORN

E. O. 12356: DECL: OADR
TAGS : PGOV, PREL, CH, UK, HK
SUBJECT : FUTURE OF HONG KONG: DISCUSSION WITH HKG
SUFFICIENTLY BENEVOLENT TO PERMIT CATHAY PACIFIC TO
FLOURISH, AND THERE IS AMPLE GROUND FOR APPREHENSION
THAT CAAC WOULD IN PRACTICE PROVE LESS BENEVOLENT.
IN THE END, SAYS MARGOLIS, CATHAY MAY HAVE TO RELY ON
COMPETITIVENESS AND CONSUMER PREFERENCE FOR IT OVER
CAAC, INTIMATING THAT HE FORESEES BRITISH CAPITULATION
ON CIVAIR.

7. GOVERNMENT STRUCTURE. OWING TO THE FACT THAT HONG
KONG'S PRE-1997 POLITICAL EVOLUTION--AS SKETCHED OUT,
FOR EXAMPLE, IN THE GREEN PAPER NOW UNDER DISCUSSION--
IS FAR FROM CERTAIN, EVEN LONDON DOES NOT PROPOSE
EXTENSIVE LANGUAGE ON POST-1997 GOVERNMENTAL SELECTION
AND STRUCTURE. THE UK WOULD LIKE STATEMENTS THAT THE
GOVERNOR WILL BE "ELECTED", THAT THERE WILL BE AN
EXECUTIVE BODY (THE SUCCESSOR TO EXCO), AND THAT THE
LEGISLATURE WILL BE ELECTED. THE PRC WANTS THE
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HELD," LANGUAGE WHICH MARGOLIS SEES AS MEETING LONDON'S
MINIMUM REQUIREMENTS IN THAT IT DOES NOT RULE ELECTIONS
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AS CONSISTING OF TWO MAJOR BRITISH CONCESSIONS, THIS
ONE ON CONSULTATIONS (WITH THE BRITISH ATTEMPTING TO
STIPULATE THAT THE ELECTION OR CONSULTATIONS ARE "AMONG
THE PEOPLE OF HONG KONG") AND A SECOND, DESCRIBED
BELOW, ON THE NON-TRANSMITTABILITY OF NATIONALITY RIGHTS
TO A SECOND GENERATION. IN RETURN, HE SEES THE CHINESE
AS CONCEDING ALL OTHER POINTS ON GOVERNMENT STRUCTURE
AND NATIONALITY AND HOPEFULLY CIVAIR AS WELL.

8. FURTHER ON GOVERNMENTAL MATTERS, MARGOLIS COMMENTS
THAT NOT ONLY WILL SECRETARY-LEVEL POSTS BE BARRED TO
EXPATRIATES, AS HAS LONG BEEN UNDERSTOOD, BUT ALSO
THE DEPUTY SECRETARYSHIPS OF SECURITY AND OTHER
"SENSITIVE" DEPARTMENTS WILL BE RESERVED TO HONG

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KONG PEOPLE. SALARY AND BENEFIT DIFFERENTIALS FOR EXPATRIATES, ALREADY SIGNIFICANTLY REDUCED IN RECENT YEARS, WILL BE TOTALLY ELIMINATED BY 1997, A PROCESS WHICH MARGOLIS SEES AS LEADING TO A GRADUAL EXODUS OF YOUNGER HKG EXPATRIATE PERSONNEL.

9. NATIONALITY. THE BRITISH HAVE WANTED THE RIGHTS OF BRITISH DEPENDENT TERRITORY CITIZENSHIP, SUITABLY RENAMED, TO BE RETAINED AFTER 1997 BY THOSE EARLIER ENTITLED TO THEM, AND TO BE PASSED ON TO THE FIRST GENERATION BORN AFTER 1997. THE CHINESE HAVE COUNTERED THAT THE RIGHTS SHOULD BE UNINHERITABLE AND SHOULD HAND DOWN ONLY TO THOSE ACTUALLY HOLDING BDTG PASSPORTS IN 1997, BUT LONDON FEARS THIS WOULD PRODUCE CONFIDENCE-SAPPING MOB SCENES OF PEOPLE CLAMORING FOR PASSPORTS IN THE LAST FEW MONTHS. IN ADDITION, THE CHINESE, STARTING FROM A POSITION ESSENTIALLY JUS SANGUINIS RATHER THAN JUS SOLI, RAISE PROBLEMS WITH THE HONG KONG BELONGER STATUS OF THE TERRITORY'S LONG-RESIDENT COMMUNITIES OF PEOPLE OF PORTUGUESE AND INDIAN SUBCONTINENT ANCESTRY. MARGOLIS SEES BEIJING AS YIELDING ON ALL POINTS EXCEPT SECOND-GENERATION TRANSMISSIBILITY.

10. WITH LUCK THE WORKING GROUP WILL RESOLVE THE REMAINING ISSUES THIS WEEK, AND NEXT WEEK'S HMG-GOVERNOR-EXCO CONSULTATIONS WILL GO SMOOTHLY, SO THAT A FINAL PLENARY NEGOTIATING ROUND OVER THE SEPTEMBER 21-24 WEEKEND WILL BE PRO FORMA. IF SUBSTANTIVE OBSTACLES REMAIN, MINISTERIAL INVOLVEMENT MAY BECOME NECESSARY, THOUGH MARGOLIS SAYS IT IS HOPED THAT WOULD NOT HAVE TO ENTAIL THE ACTUAL TRAVEL OF A BRITISH MINISTER TO BEIJING. THE INITIALING WILL PROBABLY TAKE PLACE ON SEPTEMBER 25.

11. MARGOLIS OBSERVES THAT BEIJING'S INVITATION FOR HONG KONG ATTENDANCE AT THE OCTOBER 1 NATIONAL DAY CELEBRATIONS IS PART OLIVE BRANCH, PART A DESIRE TO COMPEL A PUBLIC HONG KONG KOWTOW BEFORE THE DRAGON THRONE. CONVEYED BY HONG KONG XINHUA, THE INVITATION IS FOR A MAXIMUM OF 27 GUESTS, TO WHICH HKG'S INITIAL REACTION WAS THAT PERHAPS 5 OFFICIALS AND 10 UNOFFICIALS (UMELCO MEMBERS) WOULD BE AN APPROPRIATE GROUP. HOWEVER
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BY KML NARA DATE 6/21/12

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NATIONAL SECURITY COUNCIL
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PAGE 02 OF 02 AMCONSUL HONG KONG 7287 DTG: 101027Z SEP 84 PSN: 001261

KONG PEOPLE. SALARY AND BENEFIT DIFFERENTIALS FOR EXPATRIATES, ALREADY SIGNIFICANTLY REDUCED IN RECENT YEARS, WILL BE TOTALLY ELIMINATED BY 1997, A PROCESS WHICH MARGOLIS SEES AS LEADING TO A GRADUAL EXODUS OF YOUNGER HKG EXPATRIATE PERSONNEL.

9. NATIONALITY. THE BRITISH HAVE WANTED THE RIGHTS OF BRITISH DEPENDENT TERRITORY CITIZENSHIP, SUITABLY RENAMED, TO BE RETAINED AFTER 1997 BY THOSE EARLIER ENTITLED TO THEM, AND TO BE PASSED ON TO THE FIRST GENERATION BORN AFTER 1997. THE CHINESE HAVE COUNTERED THAT THE RIGHTS SHOULD BE UNINHERITABLE AND SHOULD HAND DOWN ONLY TO THOSE ACTUALLY HOLDING BDTG PASSPORTS IN 1997, BUT LONDON FEARS THIS WOULD PRODUCE CONFIDENCE-SAPPING MOB SCENES OF PEOPLE CLAMORING FOR PASSPORTS IN THE LAST FEW MONTHS. IN ADDITION, THE CHINESE, STARTING FROM A POSITION ESSENTIALLY JUS SANGUINIS RATHER THAN JUS SOLI, RAISE PROBLEMS WITH THE HONG KONG BELONGER STATUS OF THE TERRITORY'S LONG-RESIDENT COMMUNITIES OF PEOPLE OF PORTUGUESE AND INDIAN SUBCONTINENT ANCESTRY. MARGOLIS SEES BEIJING AS YIELDING ON ALL POINTS EXCEPT SECOND-GENERATION TRANSMISSIBILITY.

10. WITH LUCK THE WORKING GROUP WILL RESOLVE THE REMAINING ISSUES THIS WEEK, AND NEXT WEEK'S HMG-GOVERNOR-EXCO CONSULTATIONS WILL GO SMOOTHLY, SO THAT A FINAL PLENARY NEGOTIATING ROUND OVER THE SEPTEMBER 21-24 WEEKEND WILL BE PRO FORMA. IF SUBSTANTIVE OBSTACLES REMAIN, MINISTERIAL INVOLVEMENT MAY BECOME NECESSARY, THOUGH MARGOLIS SAYS IT IS HOPED THAT WOULD NOT HAVE TO ENTAIL THE ACTUAL TRAVEL OF A BRITISH MINISTER TO BEIJING. THE INITIALING WILL PROBABLY TAKE PLACE ON SEPTEMBER 25.

11. MARGOLIS OBSERVES THAT BEIJING'S INVITATION FOR HONG KONG ATTENDANCE AT THE OCTOBER 1 NATIONAL DAY CELEBRATIONS IS PART OLIVE BRANCH, PART A DESIRE TO COMPEL A PUBLIC HONG KONG KOWTOW BEFORE THE DRAGON THRONE. CONVEYED BY HONG KONG XINHUA, THE INVITATION IS FOR A MAXIMUM OF 27 GUESTS, TO WHICH HKG'S INITIAL REACTION WAS THAT PERHAPS 5 OFFICIALS AND 10 UNOFFICIALS (UMELCO MEMBERS) WOULD BE AN APPROPRIATE GROUP. HOWEVER
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E. O. 12356: DECL: OADR
TAGS : PGOV, PREL, CH, UK, HK
SUBJECT : FUTURE OF HONG KONG: DISCUSSION WITH HKG
UMELCO, APPREHENSIVE THAT THOSE WHO GO WILL BE LABELED
PRO-BEIJING AND THOSE WHO DON'T LABELED ANTI-, HAS ENDED
BY RECOMMENDING THAT ONLY SIR S. Y. CHUNG AND
ROGER LOBO, THE SENIOR UNOFFICIAL EXCO AND LEGCO
MEMBERS, SHOULD GO.

12. LAST WEEK A HONG KONG NEWSPAPER CITED A SOURCE
IN THE BRITISH EMBASSY IN BEIJING AS SAYING THAT THE
HK DELEGATION WOULD BE HEADED BY HOME SECRETARY
DENIS BRAY, BUT SUBSEQUENTLY THE HKG DENIED THAT
THE DELEGATION HAD BEEN SELECTED. MARGOLIS SAYS
THAT XINHUA HAS STRONGLY HINTED THAT CHIEF SECRETARY
PHILIP HADDON-CAVE, THE SECOND MAN IN THE HKG, SHOULD
GO. SIR PHILIP, KNOWN IN THESE PARTS FOR WEARING
HIS EMOTIONAL ANTI-COMMUNISM ON HIS SLEEVE, IS DEMURRING.
ADDING TO THIS THE WIDELY-REPORTED FRICTIONS BETWEEN
THE GOVERNOR AND CHIEF SECRETARY, HKG INSIDERS AWAIT
THE OUTCOME WITH A CERTAIN AMUSEMENT.

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NODIS
E. O. 12356: DECL: OADR
TAGS: HK, UK
SUBJECT: THE FUTURE OF HONG KONG: SEPTEMBER 10 LONDON
-- UPDATE

1. (SECRET ENTIRE TEXT.)
2. SUMMARY: DURING THE SEPTEMBER 5-6 ROUND 22 AND AT-TENDANT DISCUSSIONS, THE LAND ISSUE WAS SETTLED. HOWEVER, NATIONALITY, CIVIL AVIATION, AND THE CONSTITUTIONAL ISSUE MAY WELL REQUIRE A HIGH-LEVEL PUSH TO BRING AGREEMENT. SIR PERCY CRADDOCK GAVE ARMACOST A PRIVATE BRIEFING DURING HIS VISIT HERE (REPORTED SEPT). THE BRITISH INTEND TO GIVE MORE DETAILED BRIEFINGS IN WASHINGTON AS THE END-SEPTEMBER DEADLINE APPROACHES. END SUMMARY.
3. LAND. THE ANNEX ON LAND LEASES IS ALMOST FULLY AGREED. THE BRITISH FINALLY ACCEPTED THE ESTABLISHMENT OF A SINGLE LAND COMMISSION, WITH EQUAL NUMBERS OF MEMBERS APPOINTED BY THE UK AND PRC. (THE UK CAN APPOINT HONG KONG MEMBERS.) IT WAS FURTHER AGREED THAT THE HONG KONG GOVERNMENT WILL BE ALLOWED TO ISSUE LEASES RUNNING UNTIL 2047 FOR 50 HECTARES OF VIRGIN LAND ANNUALLY (AS OPPOSED TO THE CURRENT 80-100 HECTARES WITH 77 YEAR LEASES). IF THE HKG WISHES TO ISSUE MORE LEASES, THEY WILL HAVE TO REQUEST PERMISSION FROM THE LAND COMMISSION. HALF THE REVENUE FROM THE NEW LEASES WILL GO TO THE HKG, THE OTHER HALF WILL BE DEPOSITED IN A HONG KONG BANK ACCOUNT FOR THE FUTURE USE OF THE SAR. SHOULD THE HKG NEED TO DRAW ON THE LATTER FUNDS, IT MUST GET PERMISSION FROM THE LAND COMMISSION. IN RETURN FOR THE UK CONCESSION ON THE LAND COMMISSION, THE PRC AGREED TO: 1) RECOGNIZE ALL EXISTING LAND RIGHTS, INCLUDING, FOR EXAMPLE, 999 YEAR LEASES ON HONG KONG ISLAND; 2) AUTOMATICALLY EXTEND ALL LEASES IN THE NEW TERRITORIES UNTIL 2047 WITH NO NEW PREMIUM; 3) PERMIT THE HKG TO ISSUE LEASES THAT RUN UNTIL 2047 (I. E., BEYOND 1997).
4. NATIONALITY. BOTH SIDES HAVE AGREED THAT THIS ISSUE SHOULD BE HANDLED IN A SEPARATE EXCHANGE OF MEMORANDA, BUT CANNOT AGREE ON THE CONTENT. PARTICULAR POINTS OF DISAGREEMENT INCLUDE:
1) TRANSMISSABILITY. THE BRITISH STILL WANT BTDC

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CITIZENSHIP TO BE PASSED ON FOR ONE GENERATION; THE CHINESE REFUSE; 2) TRAVEL DOCUMENTS. THE CHINESE WANT ALL BDTCS TO HAVE NEW TRAVEL DOCUMENTS WHEN SOVEREIGNTY IS PASSED TO CHINA IN 1997. THE BRITISH BELIEVE THIS IS LOGISTICALLY INCONVENIENT, IF NOT IMPOSSIBLE, AND WANT TO BE ABLE TO ISSUE NEW TRAVEL DOCUMENTS AS NEEDED. FURTHER THE BRITISH WANT THE NEW DOCUMENTS TO BE PASSPORTS, WHILE THE CHINESE PREFER A MORE AMBIGUOUS TRAVEL DOCUMENT WHICH DOES NOT IMPLY A SEPARATE NATIONALITY.

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5. CIVIL AVIATION. THE BRITISH CONTINUE TO WANT HONG KONG TO HAVE THE AUTHORITY TO NEGOTIATE AIR SERVICE AGREEMENTS SO THAT CATHAY PACIFIC CAN MAINTAIN ITS LUCRATIVE, AND CONFIDENCE INSPIRING, HONG KONG ROUTES. CATHAY PACIFIC NEEDS A TEN YEAR GUARANTEE ON ROUTES IN ORDER TO MAKE ANY NEW INVESTMENT. THE CHINESE AIRLINE, WHICH FCO OFFICIALS CHARACTERIZE AS GREEDY, TOTALLY UNREASONABLE, AND ENTIRELY TOO POWERFUL IN THE NEGOTIATIONS, REFUSES TO ACCOMMODATE THE UK ON THIS POINT.

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6. CONSTITUTIONAL ISSUE. THE CHINESE CONTINUE TO REFUSE TO SPECIFY THE STRUCTURE OF THE SAR, PARTICULARLY THE CRUCIAL ELEMENT OF AN ELECTED LEGISLATURE AND ACCOUNTABLE EXECUTIVE. THE FCO BELIEVES THE PROBLEM IS THAT THE PRC IS SUSPICIOUS OF BRITISH INTENTIONS BECAUSE OF THE HONG KONG GREEN PAPER. THE BRITISH WOULD BE SATISFIED WITH A SIMPLE REFERENCE TO THE LEGISLATURE AND EXECUTIVE; THEY ARE NOT ASKING FOR A DESCRIPTION OF HOW THE ELECTIONS WOULD BE ORGANIZED AND SO FORTH.

7. SIR RICHARD EVANS AND ZHOU NAN ARE NOW CHECKING

THE TEXT OF THE JOINT DECLARATION, AND EXPECT TO MOVE ON TO THE ANNEXES SOON. THE WORKING GROUP
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E. O. 12356: DECL: OADR
TAGS: HK, UK
SUBJECT: THE FUTURE OF HONG KONG: SEPTEMBER 10 LONDON
IS CONCENTRATING ON THE CONSTITUTIONAL ISSUE,
WHILE THE AD HOC GROUP IS WORKING ON NATIONALITY
AND CIVIL AVIATION. THE FCO EXPECTS THAT
OVERCOMING REMAINING DIFFICULT ISSUES WILL REQUIRE
A HIGH-LEVEL PUSH OF SOME SORT. IT HAS APPARENTLY
NOT YET BEEN DECIDED WHETHER THIS WILL BE A
MESSAGE FROM PM THATCHER OR ANOTHER HOWE VISIT,
OR SOME OTHER CATALYZING EFFORT.
8 . FCO OFFICIALS DISCOUNT PRESS RUMORS THAT THE
CHINESE HAVE INDICATED THE END-SEPTEMBER DEADLINE
COULD SLIP. THEY BELIEVE THE CHINESE HAVE NO
FLEXIBILITY BECAUSE OF THE 1 OCTOBER ANNIVERSARY
OF THE REVOLUTION. SEPTEMBER 28 LOOKS TO BE THE
LIKELY DAY FOR INITIALING OF THE AGREEMENT BY
HEADS OF DELEGATION. PRICE
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E.O. 12356: N/A
TAGS: ETRD, GSP, HK
SUBJ: GSP RENEWAL AND HONG KONG

1. SUMMARY: WE UNDERSTAND THAT THE HOUSE IS CONSIDERING A PROPOSAL THAT WOULD HAVE THE EFFECT OF GRADUATING HONG KONG FROM GSP. SUCH A PROPOSAL--COMING AT A TIME OF MAJOR POLITICAL AND ECONOMIC UNCERTAINTIES IN HONG KONG AND IN THE WAKE OF THE UNEXPECTED BLOW TO HONG KONG'S TRADE FROM THE U.S. TEXTILE RULES OF ORIGIN COULD WELL CRIPPLE THE TERRITORY'S ECONOMIC GROWTH PROSPECTS AND CONFIDENCE IN THE FUTURE. IT WOULD ALSO DAMAGE U.S. TRADE POLICY INTERESTS. END SUMMARY.

2. AS THE CONGRESSIONAL SESSION NEARS ITS FINISH, ONE OF THE KEY ISSUES IN TRADE POLICY IS RENEWAL OF THE U.S. GSP LEGISLATION. ONE OF THE PROPOSALS UNDER CONSIDERATION IN THE HOUSE FOR GSP RENEWAL WOULD PLACE A CAP ON THE PER CAPITA GNP OF BENEFICIARIES AND RESULT IN TOTAL GRADUATION FROM THE SYSTEM FOR THOSE EXCEEDING THE CAP. WE UNDERSTAND THAT AS THE MEASURE IS NOW DRAFTED, IT WOULD RESULT IN THE GRADUATION ONLY OF HONG KONG, SINGAPORE AND ISRAEL. IT SEEMS TO US SCARCELY LIKELY THAT CONGRESS WOULD IN FACT MOVE TO GRADUATE ONLY THESE THREE COUNTRIES, WHO REPRESENT A) THE ONLY TWO ASIAN COUNTRIES THAT HAVE ADOPTED OPEN TRADING SYSTEMS OF THE KIND THAT U.S. POLICY ATTEMPTS TO PROMOTE, AND B) A MIDDLE EASTERN STATE WITH WHICH THE U.S. HAS A LONG-STANDING SPECIAL RELATIONSHIP. NEVERTHELESS, STRANGE THINGS HAVE BEEN KNOWN TO HAPPEN IN THE RUSH TO ADJOURNMENT, AND THE POSSIBILITY THAT HONG KONG WILL BE GRADUATED FROM THE SYSTEM REMAINS.

3. THIS IS A CRUCIAL TIME FOR HONG KONG. THE SINO-UK NEGOTIATIONS ON THE TERRITORY'S FUTURE ARE ABOUT TO BE COMPLETED, WITH INITIALING OF AN ACCORD EXPECTED IN THE NEXT FEW WEEKS. WHILE THIS EVENT WILL REPRESENT A MAJOR WATERSHED, IT WILL BY NO MEANS SIGNAL THE END OF THE PROCESS OF DETERMINING THE SPECIFIC FORMS AND VIABILITY OF HONG KONG'S FUTURE

4. GRADUATION OF HONG KONG FROM THE GSP PROGRAM WOULD HAVE DISASTROUS EFFECTS ON CONFIDENCE HERE AND ON THIS TERRITORY'S ECONOMIC PROSPECTS. COMING ON THE HEELS OF THE SEVERE AND UNEXPECTED BLOW ADMINISTERED BY THE PUBLICATION OF THE TEXTILE RULES OF ORIGIN -- WHICH ALSO APPEAR TARGETED TO HIT HONG KONG HARDEST -- GRADUATION FROM THE GSP SYSTEM WOULD LEAD HONG KONG'S BUSINESS AND FINANCIAL COMMUNITY TO CONCLUDE THAT THE U.S. DOES NOT IN FACT INTEND TO BE SUPPORTIVE OF HONG KONG'S FUTURE ECONOMIC DEVELOPMENT, EVEN TO THE MINIMAL EXTENT OF MAINTAINING HONG KONG'S CURRENT DEGREE OF ACCESS TO U.S. MARKETS. THIS WOULD CAST A LONG SHADOW OVER THE TERRITORY'S PROSPECTS, AS THE U.S. LAST YEAR TOOK 42 PER CENT OF HONG KONG'S EXPORTS. GSP BENEFITS WERE RECEIVED BY PRODUCTS VALUED AT 1.1 BILLION U.S. DOLLARS, OR ABOUT 18 PER CENT OF HONG KONG'S EXPORTS TO THE U.S. AND ALMOST 8 PER CENT OF TOTAL EXPORTS.

5. GRADUATION OF HONG KONG WOULD ALSO ILL SUIT LARGER U.S. TRADE POLICY GOALS. THIS TERRITORY HAS MAINTAINED WHAT ARE ARGUABLY THE WORLD'S MOST OPEN TRADING AND FINANCIAL SYSTEMS. ITS ECONOMIC SUCCESS HAS PROVIDED POWERFUL SUPPORT FOR U.S. ARGUMENTS THAT DEVELOPING COUNTRIES IN GENERAL HAVE MUCH TO GAIN BY ELIMINATING ARTIFICIAL BARRIERS TO TRADE. GRADUATION OF HONG KONG WOULD LEAD OTHER LDC'S TO CONCLUDE THAT THE REWARD FOR SUCCESS IS A GOOD SWIFT KICK, AND THAT THE U.S. IS NOT PREPARED TO USE ACCESS TO ITS MARKETS TO REWARD FAIR PLAY IN

THE INTERNATIONAL TRADE ARENA. THIS LESSON WOULD NOT BE LOST ON TAIWAN OR KOREA, TO CITE TWO NOTABLE EXAMPLES. MOREOVER, AS HONG KONG MOVES CLOSER TO CHINA IN THE COMING YEARS IT WILL PROVIDE A USEFUL AND CONTINUING DEMONSTRATION TO THE PRC'S LEADERS THAT A LIBERAL ECONOMIC SYSTEM CAN HAVE CONCRETE BENEFITS FOR ECONOMIC DEVELOPMENT. CHINA'S CONTINUED MOVEMENT TOWARDS A LESS RESTRICTIVE ECONOMY -- WITH HONG KONG AS AN EXAMPLE AND AS THE LEADING EDGE -- IS OF VITAL IMPORTANCE TO OVERALL U.S. INTERESTS. GRADUATION FROM THE GSP SYSTEM WILL BRAKE HONG KONG'S DEVELOPMENT AND DO DAMAGE TO ITS DEMONSTRATION EFFECT ON CHINA.

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SUBJ: GSP RENEWAL AND HONG KONG

6. IT IS WORTH NOTING THAT HONG KONG'S POSITION IS BASED ON THE REALITIES OF COMPETITION IN WORLD MARKETS. HONG KONG IS WILLING TO ACCEPT GRADUATION, IF THE OTHER TOP DOZEN BENEFICIARIES ARE GRADUATED AS WELL, THUS MAINTAINING A STABLE COMPETITIVE ENVIRONMENT. HONG KONG HAS ALSO LEARNED TO LIVE WITH PRODUCT SPECIFIC GRADUATIONS, IN LARGE PART BECAUSE THE FAIRNESS OF THE PROGRAM'S ADMINISTRATION HAS RELIEVED SOME OF THE CONCERNS THAT IT WOULD BE RUN IN AN ARBITRARY AND UNPREDICTABLE MANNER.

7. COMPLETE GRADUATION OF HONG KONG WHILE MAINTAINING THE ELIGIBILITY OF OTHER MAJOR BENEFICIARIES, HOWEVER, WOULD BE A MAJOR BLOW. THE INDUSTRIES MOST SEVERELY AFFECTED WOULD BE THOSE THAT HAVE DEVELOPED AS ALTERNATIVES TO THE HEAVY RELIANCE ON THE TEXTILE INDUSTRY THAT HAS PLAGUED HONG KONG IN THE PAST. RAMIFICATIONS FROM THE SUBSTANTIAL SETBACK TO THE TEXTILE INDUSTRY FROM THE AUGUST 3 PUBLICATION OF THE ORIGIN REGULATIONS CONTINUE TO UNFOLD. TEXTILE INDUSTRY LEADERS HAVE TOLD US MAJOR LAYOFFS OF WORKERS ARE LIKELY BY NOVEMBER. TO HIT HONG KONG'S OTHER INDUSTRIES AT THE SAME TIME BY GSP GRADUATION WOULD CAUSE A MAJOR SHOCK AND A SEVERE BLOW TO CONFIDENCE, IN ADDITION TO SHARPLY REDUCING HONG KONG'S EXPORTS TO THE U. S. SUCH A DEVELOPMENT WOULD ACCELERATE A PROCESS BY WHICH THE U. S. SEEMS TO BE TRANSFORMING ITSELF FROM THE MAJOR BULWARK FOR HONG KONG'S STABLE AND PROSPEROUS FUTURE TO THE PRINCIPAL THREAT TO ITS PRESENT LIVELIHOOD. THIS SITUATION IS NOT IN THE INTEREST OF OUR RELATIONS WITH HONG KONG AND CHINA, NOR IN OUR OVERALL TRADE POLICY INTERESTS. THE ADMINISTRATION'S APPROACH TO GSP RENEWAL IS A SOUND ONE; WE HOPE THE CONGRESS CAN BE PERSUADED TO AVOID MEASURES THAT WOULD ONLY DAMAGE OUR INTERESTS IN THIS PART OF THE WORLD.

8. ACTION REQUESTED: DEPARTMENT IS REQUESTED TO BRING THESE CONSIDERATIONS TO THE ATTENTION OF KEY CONGRESSIONAL LEADERS.

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C. Closed in accordance with restrictions contained in donor's deed of gift.

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NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01 OF 03 SECSTATE WASHDC 5024 DTG: 151647Z SEP 84 PSN: 014253
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NLRR M299 # 92600
BY KML NARA DATE 6/21/12

~~SECRET~~ STATE 275024

NODIS
E. O. 12356: DECL: OADR
TAGS: PREL, PGOV, HK, UK
SUBJECT: REQUEST FOR US PUBLIC STATEMENT ON UK-PRC
AGREEMENT REPEATED AS BRITISH EMBASSY BRIEFS EAP

1. SUMMARY. DURING A SEPTEMBER 12 CALL ON EAP, BRITISH MINISTER-COUNSELOR DAVID HANNAY AND FIRST SECRETARY STEPHEN GOMERSALL REPEATED SIR PERCY CRADDOCK'S REQUEST FOR ASSURANCE THAT THE US WOULD MAKE A SUPPORTIVE STATEMENT ON THE UK-PRC JOINT DECLARATION ON HONG KONG WHEN IT IS MADE PUBLIC IN THE SEPTEMBER 25-28 TIME FRAME. ASSISTANT SECRETARY WOLFOWITZ ASSURED HIM THAT WE HAVE THE BRITISH DRAFT STATEMENT UNDER ADVISEMENT AND IT WAS INDICATED THAT WE ARE POSITIVELY CONSIDERING AN APPROPRIATE STATEMENT OF SUPPORT. A/S WOLFOWITZ TOLD HANNAY THAT SECRETARY SHULTZ HAS NOTED CONCERN THAT WE GIVE THE CHINESE ADVANCE NOTICE OF ANY SUCH STATEMENT. BOTH WOLFOWITZ AND HANNAY AGREED THAT THE CHINESE ARE LIKELY TO BE PLEASED WITH THE GENERAL AND POSITIVE STATEMENT WE ARE CONSIDERING. HANNAY BRIEFED US ON THE TWENTY-SECOND ROUND, EXPLAINED THE BRITISH PROCESS FOR SIGNING AND RATIFICATION OF THE AGREEMENT, AND EXPLORED THE POTENTIAL FOR A BEHIND-THE-SCENES EFFORT BY TAIWAN TO SUBVERT US SUPPORT OF THE AGREEMENT. END SUMMARY.

2. PUBLIC STATEMENT OF SUPPORT. HANNAY'S PRIMARY PURPOSE IN MEETING WITH US WAS TO EMPHASIZE THE IMPORTANCE THE BRITISH ATTACH TO OUR PUBLIC STATEMENT OF SUPPORT FOR THE AGREEMENT. HE ASKED US TO RELAY ANY PROBLEMS WE MIGHT HAVE WITH THE DRAFT STATEMENT PASSED TO UNDER SECRETARY ARMACOST BY PERCY CRADDOCK SO THAT WE CAN WORK OUT A STATEMENT WHICH COULD BE USED THE FIRST TIME THE DEPARTMENT MAKES A COMMENT ON THE AGREEMENT AFTER THE BRITISH ANNOUNCE IT BETWEEN SEPTEMBER 25-28. HE REASSURED US THAT THE BRITISH WILL PASS COPIES OF THE FINAL AGREEMENT TO US IN ADVANCE TO ENABLE US TO REVIEW THE TEXT PRIOR TO MAKING A PUBLIC STATEMENT. HE INFORMED US THAT THE BRITISH ARE PREPARING A PUBLIC RELATIONS EFFORT IN THIS COUNTRY TO ANNOUNCE THE AGREEMENT, AND NOTED THAT PROMINENT HK BUSINESSMEN WILL BE HEARD BROADCASTING THEIR CONFIDENCE IN HONG KONG'S FUTURE. HE NOTED THAT ANY STATEMENT ALONG THE SAME LINES BY AMERICAN BUSINESSMEN IN HONG KONG WOULD BE APPRECIATED.

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PAGE 02 OF 03

SECSTATE WASHDC 5024

DTG: 151647Z SEP 84

PSN: 014253

NO
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3. ACTING DAS ANDERSON EXPLAINED TO HANNAY THAT THE PRINCIPALS INVOLVED WILL ALL BE IN NEW YORK FOR THE UNGA LATER THIS MONTH SO WE WILL HAVE TO WORK QUICKLY TO ARRANGE A STATEMENT. A/S WOLFOWITZ AGREED WITH HANNAY'S SUGGESTION THAT THE STATEMENT SHOULD BE CAST IN GENERAL TERMS, AND MADE SPECIFIC REFERENCE TO THE PHRASE STATING THAT THE US NOTES THAT "HONG KONG'S UNIQUE WAY OF LIFE IS GUARANTEED..." IN PART B OF THE "ILLUSTRATIVE DRAFT" PROVIDED BY PERCY CRADDOCK AS AN EXAMPLE OF THE KIND OF OVERLY DETAILED COMMENT WHICH WE WOULD HAVE TO CONSIDER CAREFULLY. A/S WOLFOWITZ' EXPLAINED THAT SECRETARY SHULTZ IS CONCERNED THAT THE CHINESE ARE PROVIDED WITH ADVANCE WARNING OF A US STATEMENT. HANNAY HAD NO ARGUMENT WITH INFORMING THE CHINESE, ALTHOUGH HE CAUTIONED AGAINST ALLOWING THE CHINESE TO COMMENT ON SUBSTANCE. A/S WOLFOWITZ ALSO EXPRESSED CONCERN THAT WE AVOID THE PERCEPTION OF THE US AS A FINAL ARBITER OR DEFENDER OF THE AGREEMENT, EXPLAINING THAT THERE ARE THOSE IN THE USG WHO WOULD LIKE US TO PLAY A MORE ACTIVIST ROLE (E. G. REPRESENTATIVE KEMP'S CALL FOR SELF-DETERMINATION IN HONG KONG). FINALLY, A/S WOLFOWITZ ASKED HOW THE BRITISH INTENDED TO ANSWER QUESTIONS AS TO WHAT WILL HAPPEN AFTER FIFTY YEARS. HANNAY SAID THAT THE BRITS ARE PREPARING VOLUMINOUS Q'S AND A'S FOR USE WHEN THE AGREEMENT IS PUBLISHED AND THEY WILL SURELY BE CALLED UPON TO ADDRESS THE QUESTION.

NO
DIS

4. ROUND 22. HANNAY SKIPPED LIGHTLY OVER THE RESOLUTION OF THE LAND ISSUE, NOTING THAT SOME DETAILED DRAFTING REMAINED UNFINISHED. HE EXPLAINED THAT NATIONALITY, GOVERNMENT STRUCTURE, AND THE "TIRESOME" ISSUE OF CIVAIR WERE THE THREE OUTSTANDING PROBLEMS, AS REPORTED BY

LONDON AND HONG KONG. HANNAY STATED THAT HE DID NOT BELIEVE THAT THE REMAINING ISSUES WILL PREVENT AN AGREEMENT FROM BEING INITIALLED ON TIME. HANNAY MENTIONED THAT A DATE FOR THE NEXT ROUND WOULD BE DECIDED SOON.

NO
DIS

5. JOINT DECLARATION. HANNAY INFORMED US THAT THE FINAL AGREEMENT WILL TAKE THE FORM OF A JOINT DECLARATION AND THREE ANNEXES. THE FIRST ANNEX RELATES TO THE POLICIES TO BE ENFORCED FOR THE FIRST FIFTY YEARS AFTER 1997 (RANGING FROM ECONOMIC ISSUES TO DEFENSE AND PUBLIC ORDER). THE SECOND COVERS CONSTITUTIONAL ISSUES AND THE THIRD IS ON LAND. HANNAY EMPHASIZED THAT THE PROCESS OF INITIALLING AN AGREEMENT FOLLOWED BY PARLIAMENTARY DEBATE, SIGNATURE, AND SUBSEQUENT RATIFICATION BY THE QUEEN WILL MAKE THE AGREEMENT CARRY THE FULL LEGAL FORCE OF INTERNATIONAL LAW.

NO
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6. TAIWAN ANGLE. HANNAY PROBED ACTING DAS ANDERSON ON THE TAIWAN REACTION TO THE NEGOTIATIONS IMMEDIATELY BEFORE THE MEETING WITH A/S WOLFOWITZ, AND FOLLOWED UP WITH OBVIOUS INTEREST AND CONCERN DURING THE MEETING BY ASKING WHETHER TAIWAN HAD CONTACTED US ON THE SUBJECT OF HONG KONG'S FUTURE. A/S WOLFOWITZ ANSWERED THAT APART FROM SOME ACTION CONCERNING THE REPUBLICAN PARTY PLATFORM STATEMENT, THE TAIWANS WERE GENERALLY CIRCUMSPECT, IF SKEPTICAL OF THE PRC ASSURANCES THAT THEY WILL LIVE UP TO THE TERMS OF THE AGREEMENT. HANNAY STRESSED THAT THE BRITISH ARE SENSITIVE TO THE PITFALLS OF THE FORMULATION OF HONG KONG AS A MODEL FOR TAIWAN REUNIFICATION, AND HE STATED THAT THEY HAVE NO RPT NO INTENTION OF RAISING THE ISSUE IN THE CONTEXT OF THE NEGOTIATIONS. HANNAY SAID THAT HE RAISED IT WITH US TO GAUGE HOW MUCH TROUBLE THE

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NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 03 OF 03 SECSTATE WASHDC 5024 DTG: 151647Z SEP 84 PSN: 014253

BRITISH MIGHT EXPECT FROM THE TAIWAN SIDE BOTH
BEHIND-THE-SCENES HERE AND IN HONG KONG. ACTING DAS
ANDERSON NOTED THAT THE TAIWANS ARE "THINKING" ABOUT 1997
BECAUSE OF THE SUBSTANTIAL FINANCIAL AND ADMINISTRATIVE
CONSEQUENCES TAIWAN WILL FACE WHEN SOVEREIGNTY IS
TRANSFERRED TO CHINA, BUT WE DO NOT FORESEE "TROUBLE" FOR
THE BRITISH FROM TAIWAN. A/S WOLFOWITZ SUGGESTED THAT
HMG MIGHT WANT TO CONTACT DAVID KENNEDY OF THE "US-ROC
BUSINESS COUNCIL" TO ELICIT SUPPORT FROM THOSE STRONG
TAIWAN BACKERS WHO ALSO WANT A STABLE AND PROSPEROUS HONG
KONG. IN RESPONSE TO A/S WOLFOWITZ' REQUEST, HANNAY
PROMISED TO CONFIRM THAT THERE IS NOTHING IN THE UK-PRC
RELATIONSHIP. DAM

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Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
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NLRR M299 # 92602 NATIONAL SECURITY COUNCIL SECRETARIAT

BY KML NARA DATE 6/21/12

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AMCONSUL HONG KONG 8969
AMEMBASSY LONDON 0296

~~SECRET~~ STATE 277239

NODIS
E. O. 12356: DECL: OADR
TAGS: PREL, PGOV, CH, HK, US
SUBJECT: STATEMENT ON UK-PRC AGREEMENT: EAP MEETING
WITH BRITISH EMBASSY

1. SUMMARY. EAP PASSED AN UNOFFICIAL COPY OF OUR PROPOSED STATEMENT (WHICH FOLLOWS AT PARA 5) TO THE BRITISH EMBASSY FOR THEIR REVIEW. WE WILL RECEIVE AN AUTHORITATIVE REPLY TOMORROW AFTER THEY HAVE HAD A CHANCE TO STUDY IT, BUT BRITISH MINISTER-COUNSELOR HANNAY'S INITIAL REACTION WAS EXTREMELY POSITIVE. HANNAY SAID THAT HMG HAS NO OBJECTION TO OUR PASSING THE TEXT TO THE CHINESE, BUT HE EXPRESSED HIS PRIVATE CONCERN THAT WE AVOID NEGOTIATION WITH THE CHINESE OVER THE LANGUAGE. WE WERE TOLD THAT THE BRITISH PLAN TO ANNOUNCE THE AGREEMENT EITHER SEPTEMBER 25 OR SEPTEMBER 26 AT SIX P. M. BEIJING TIME AND THAT THEY WILL GET AN ADVANCE COPY TO US ON THE 21ST OR 22ND. END SUMMARY.

2. EAP DAS BROWN PASSED A COPY OF OUR PROPOSED STATEMENT TO BRITISH MINISTER-COUNSELOR HANNAY DURING A SEPTEMBER 18 MEETING. HANNAY UNDERSTOOD THAT THE UNCLEARED TEXT WAS FROM EAP DAS FOR BRITISH CONSIDERATION AND THAT IT DOES NOT RPT NOT STAND AS AN OFFICIAL USG POSTION. HANNAY REACTED TO THE PROPOSED USG STATEMENT BY SAYING THAT IT "COVERS THE GROUND EXTREMELY WELL." WE EXPECT TO RECEIVE AN AUTHORITATIVE BRITISH REPLY TOMORROW.

3. HMG UNDERSTANDS THAT WE WILL PASS THE TEXT TO THE CHINESE AND HAS NO OBJECTION. HOWEVER, HANNAY EXPRESSED BRITISH CONCERN THAT THE CHINESE ARE NOT PROVIDED WITH AN OPPORTUNITY TO CHANGE THE LANGUAGE OF OUR STATEMENT SUPPORTING THE UK-PRC AGREEMENT. WE CONCUR AND PROPOSE TO PASS THE STATEMENT TO THE CHINESE IN ADVANCE OF THE ANNOUNCEMENT, BUT NOT SO FAR IN ADVANCE THAT THEY HAVE TIME TO PROVIDE SUGGESTED REVISIONS.

4. DAS BROWN EMPHASIZED TO HANNAY THAT WE NEED THE TEXT OF THE UK-PRC AGREEMENT AS MUCH IN ADVANCE OF THE ANNOUNCEMENT DATE AS POSSIBLE DUE TO PRINCIPALS' DEPARTURE SEPTEMBER 23 AND 24 FOR NEW YORK. HANNAY PROMISED TO BE RESPONSIVE TO THAT REQUEST, AND IT LOOKS

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NATIONAL SECURITY COUNCIL
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PAGE 02 OF 02 SECSTATE WASHDC 7239 DTG: 190416Z SEP 84 PSN: 022395

AS IF THE EARLIEST WE WILL HAVE IT IS SEPTEMBER 21.

5. FOLLOWING IS OUR PROPOSED STATEMENT. BEGIN TEXT:

--THE US GOVERNMENT WELCOMES THE SUCCESSFUL CONCLUSION OF TWO YEARS OF NEGOTIATIONS BETWEEN THE UNITED KINGDOM AND THE PEOPLE'S REPUBLIC OF CHINA OVER THE FUTURE OF HONG KONG. AS A RESULT OF EFFORTS BY NEGOTIATORS FROM BOTH COUNTRIES, THE OUTCOME IS BOTH STATESMANLIKE AND IMAGINATIVE. *No. Delete.*

--THE US HAS A STRONG INTEREST IN THE CONTINUED STABILITY AND PROSPERITY OF HONG KONG AND BELIEVES THE AGREEMENT WILL PROVIDE A SOLID FOUNDATION FOR HONG KONG'S ENDURING FUTURE PROGRESS. *Add sentence*

--WE *expect that* BELIEVE THE AMERICAN BUSINESS COMMUNITIES, BOTH IN THE UNITED STATES AND HONG KONG, WILL SEE IN THIS AGREEMENT GOOD REASON FOR SUSTAINED CONFIDENCE IN THE FUTURE OF HONG KONG AS AN ATTRACTIVE AND THRIVING COMMERCIAL CENTER.

--THE US WILL PROVIDE ANY ASSISTANCE IT CAN, IN CLOSE COOPERATION WITH THE UNITED KINGDOM AND THE PEOPLE'S REPUBLIC OF CHINA, TO MAINTAIN HONG KONG'S APPROPRIATE PARTICIPATION IN INTERNATIONAL *bodies.* ~~FORA~~. END TEXT.
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STATEMENT ON THE UK-PRC
AGREEMENT ON THE FUTURE OF HONG KONG

The U.S. Government welcomes the successful conclusion of two years of negotiations between the United Kingdom and the People's Republic of China over the future of Hong Kong.

The U.S. has a strong interest in the continued stability and prosperity of Hong Kong and believes the agreement will provide a solid foundation for Hong Kong's enduring future progress. In this regard, we have noted statements by both sides indicating that Hong Kong's way of life will be guaranteed for fifty years from 1997 and that systems existing in Hong Kong will continue in the Special Administrative Region.

We expect the American business communities, both in the United States and Hong Kong, will see in this agreement good reason for sustained confidence in the future of Hong Kong as an attractive and thriving commercial center.

The U.S. will provide any assistance it can, in close cooperation with the United Kingdom and the People's Republic of China, to maintain Hong Kong's appropriate participation in international bodies.

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NLRRM299 # 92603

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BY KML NARA DATE 6/21/12

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STATEMENT ON THE UK-PRC
AGREEMENT ON THE FUTURE OF HONG KONG

The U.S. Government welcomes the successful conclusion of two years of negotiations between the United Kingdom and the People's Republic of China over the future of Hong Kong.

The U.S. has a strong interest in the continued stability and prosperity of Hong Kong and believes the agreement will provide a solid foundation for Hong Kong's enduring future progress. In this regard, we have noted statements by both sides indicating that Hong Kong's way of life will be guaranteed for fifty years from 1997 and that systems existing in Hong Kong will continue in the Special Administrative Region.

We expect the American business communities, both in the United States and Hong Kong, will see in this agreement good reason for sustained confidence in the future of Hong Kong as an attractive and thriving commercial center.

The U.S. will provide any assistance it can, in close cooperation with the United Kingdom and the People's Republic of China, to maintain Hong Kong's appropriate participation in international bodies.

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NLRR M299 #92604

~~SECRET~~

BY KML NARA DATE 6/21/12

92605 28

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STATEMENT ON THE UK-PRC
AGREEMENT ON THE FUTURE OF HONG KONG

The U.S. Government welcomes the successful conclusion of two years of negotiations between the United Kingdom and the People's Republic of China over the future of Hong Kong.

The U.S. has a strong interest in the continued stability and prosperity of Hong Kong and believes the agreement will provide a solid foundation for Hong Kong's enduring future progress. In this regard, we have noted statements by both sides indicating that Hong Kong's way of life will be guaranteed for fifty years from 1997 and that systems existing in Hong Kong will continue in the Special Administrative Region.

We expect the American business communities, both in the United States and Hong Kong, will see in this agreement good reason for sustained confidence in the future of Hong Kong as an attractive and thriving commercial center.

The U.S. will provide any assistance it can, in close cooperation with the United Kingdom and the People's Republic of China, to maintain Hong Kong's appropriate participation in international bodies.

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NLRR M299 #92605

BY KML NARA DATE 6/21/12

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STATEMENT ON THE UK-PRC
AGREEMENT ON THE FUTURE OF HONG KONG

The U.S. Government welcomes the successful conclusion of two years of negotiations between the United Kingdom and the People's Republic of China over the future of Hong Kong.

} sentence deleted

The U.S. has a strong interest in the continued stability and prosperity of Hong Kong and believes the agreement will provide a solid foundation for Hong Kong's enduring future progress. In this regard, we have noted statements by both sides indicating that Hong Kong's way of life will be guaranteed for fifty years from 1997 and that systems existing in Hong Kong will continue in the Special Administrative Region.

} this was added

We expect the American business communities, both in the United States and Hong Kong, will see in this agreement good reason for sustained confidence in the future of Hong Kong as an attractive and thriving commercial center.

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The U.S. will provide any assistance it can, in close cooperation with the United Kingdom and the People's Republic of China, to maintain Hong Kong's appropriate participation in international bodies.

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NLRR M299 #92606

~~SECRET~~

BY KML NARA DATE 6/21/12



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~~SECRET~~ LONDON 20827

NODIS
E. O. 12356: DECL: OADR
TAGS: PREL, PGOV, CH, HK, US
SUBJECT: STATEMENT ON UK-PRC AGREEMENT: UK RESPONSE
REF: STATE 277239

1. SECRET - ENTIRE TEXT.
2. SIR PERCY CRADOCK TELEPHONED THE DCM THE AFTERNOON OF SEPTEMBER 19 TO SAY HE AND HIS COLLEAGUES HAD REVIEWED THE PROPOSED HONG KONG STATEMENT WHICH ASSISTANT SECRETARY WOLFOWITZ PASSED TO MINISTER HANNAY. CRADOCK SAID THE STATEMENT IS EXCELLENT AND MEETS ALL OF HMG'S CONCERNS. HE WENT ON TO EXPRESS HIS HOPE THAT THE STATEMENT COULD BE ISSUED AT "THE HIGHEST LEVELS." PRESUMABLY THIS MEANS EITHER IN THE NAME OF SECRETARY SHULTZ OR AT THE WHITE HOUSE. EMBASSY LONDON WOULD APPRECIATE KNOWING HOW WE INTEND TO ISSUE THE STATEMENT.
3. DEPARTMENT: PLEASE PASS TO AMEMBASSY BEIJING AND AMCONSUL HONG KONG. PRICE
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NLRR M299 #92607

BY KML NARA DATE 6/21/12

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~~SECRET~~ LONDON 20863

NODIS
E. O. 12356: DECL: OADR
TAGS: PREL, PGOV, CH, HK, UK
SUBJECT: STATUS OF HONG KONG AGREEMENT
REF: STATE 277239

1. (SECRET ENTIRE TEXT.)
2. -- FCO OFFICIALS ARE SCRAMBLING TO PUT THE FINISHING TOUCHES ON THE TEXT OF THE 17 SEPTEMBER AGREEMENT AND GET IT OFF TO THE PRINTERS. MEMBERS OF THE HONG KONG EXECUTIVE COUNCIL ARE IN LONDON THIS WEEK TO PROVIDE THEIR VIEWS ON THE AGREEMENT TO HMG. (THIS IS REALLY A PRO FORMA EXERCISE AS THE BRITISH KNOW THAT EXCO, HAVING BEEN INVOLVED ALL THROUGH THE PROCESS, SUPPORTS THE AGREEMENT.) THEY WILL SEE THE PRIME MINISTER SEPTEMBER 19 AT 6 PM, AND THEN ATTEND A DINNER HOSTED BY HOWE.
3. THE CABINET WILL DISCUSS THE AGREEMENT ON SEPT. 20 AND IS LIKELY TO APPROVE IT THE SAME DAY. CHINESE GOVERNMENT REVIEW IS EXPECTED TO TAKE A FEW DAYS. THE BRITISH ARE STILL AIMING FOR SEPTEMBER 25 OR 26 FOR INITIALING THE AGREEMENT. IMMEDIATELY THEREAFTER A WHITE PAPER CONTAINING THE TEXT OF THE AGREEMENT, AN INTRODUCTION, AND EXPLANATORY NOTES, WILL BE RELEASED. THE BRITISH WOULD LIKE US TO ISSUE OUR SUPPORTIVE STATEMENT THE SAME DAY. FCO OFFICIALS BELIEVE THE TEXT IN REFTEL WILL BE FINE, BUT HAVE NO OFFICIAL RESPONSE YET.
4. THE FCO WILL MAKE EVERY EFFORT TO PROVIDE THE TEXT OF THE AGREEMENT TO ASSISTANT SECRETARY WOLFOWITZ IN WASHINGTON ON 21 SEPTEMBER, BUT EXPECT THEY MIGHT NOT BE ABLE TO DO SO UNTIL MONDAY, 24 SEPTEMBER.
5. FCO OFFICIALS WILL GIVE US A DETAILED READOUT OF THE LAST WEEK'S NEGOTIATIONS ON MONDAY, SEPT. 24.
6. DEPT. PLEASE PASS TO AMEMBASSY BEIJING AND AMCONSUL HONG KONG. PRICE
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NLRRM299 #92608

BY KML NARA DATE 10/21/12

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NLRR M299 # 92609

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JNR-1994.84

BY KHL NARA DATE 6/24/12

3. RATIFYING THE SINO-BRITISH ACCORD ON HONG KONG

The British Embassy in Peking announced September 19 that agreement has been reached between China and Britain over the future of Hong Kong. Both sides have a strong incentive to ensure a smooth ratification process over the next several months. The British seem worried, however, that the accord might meet with an adverse reaction in Hong Kong and that Taiwan will encourage discontent. London and Beijing hope that the US will do nothing, particularly during this sensitive period, that suggests a restrictive change in trade and visa policies toward Hong Kong.

* * *

British and Chinese negotiators expect to initial a Hong Kong agreement on September 26. All major issues reportedly have been resolved, although the final rounds of talks have been contentious and have contributed to mistrust on both sides. The British recognize the challenge of the ratification period, during which they will try to reassure an anxious Hong Kong public while taking care not to offend Beijing with their own interpretations of the accord. Beijing is suspicious that the UK may try to use the ratification period to gain further concessions from China.

London anticipates that ratification will raise more questions in Hong Kong than it answers, but believes that on balance public opinion in the colony is manageable. The Hong Kong public will focus on the numerous ambiguities which almost certainly will characterize the agreement. In particular, there will be hard questioning about Beijing's voice in pre-1997 affairs, nationality, PRC troops, and the city's future governmental system.

London also suspects that Taiwan will seek to complicate ratification by encouraging discontent. Indeed, a high-level, classified Taiwanese assessment concludes that a successful transition to Chinese rule in Hong Kong would result in a loss of support in the US and among overseas Chinese for Taipei's policy of not negotiating with the PRC on reunification. If activities by Taipei seem to be having a significant effect on ratification, the British may approach the US for help in reining in Taiwan.

The Chinese and the British will welcome a general expression of US support for the accord, while recognizing that most Hong Kong residents and foreign businessmen will make their own determination about the deal. The Hong Kong public will watch the US business community to see if large companies intend to follow the precedent set by Jardines in shifting their headquarters. Moreover, during the ratification period, any indication that the US plans to restrict long-standing visa or trade policies, before or after 1997, would increase nervousness in the colony.



United States Department of State

Washington, D.C. 20520

~~SECRET~~

September 20, 1984

TO: NSC - Mr. Laux
FROM: EAP/C - James Keith *JK*
SUBJECT: USG Statement Supporting Hong Kong Agreement

I am sending you an advance copy of our proposed statement on the UK-PRC agreement on Hong Kong's future. As soon as Mr. Armacost clears the memo and attached statement it will be coming over to you via regular channels for Mr. Sigur's clearance. We are under time pressure due to departure this weekend of most of the principals in this building for New York, so your quick review will be much appreciated.

~~SECRET~~
DECL:OADR

DECLASSIFIED

Dept. of State Guidelines, July 21, 1997

BY CN

6/11/10



Department of State

ACTION MEMORANDUM
S/S

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~~SECRET~~

TO: The Secretary

THROUGH: P - Mr. Armacost

FROM: EAP - Paul Wolfowitz

SUBJECT: Prospective Public Statement Supporting
the UK-PRC Agreement on Hong Kong's Future

ISSUE FOR DECISION

Whether to approve the attached public statement supporting the UK-PRC agreement on Hong Kong to be issued in your name shortly after announcement of the agreement next week.

ESSENTIAL FACTORS

To date, our low-key expressions of support for the continued stability and prosperity of Hong Kong have been firmly grounded in US commercial interests in the territory. Sir Percy Cradock made a request for a public supportive statement to Under Secretary Armacost during their meeting in London earlier this month. We have been informed that the British will announce the agreement September 25th or 26th. We hope to arrange for a statement to be issued in your name so that we have it ready when HMG passes us an advance copy of the agreement September 21 or 22. The British have asked that our first comment on the announcement of an agreement come very soon after it is released.

Cradock passed a suggested text to us for consideration when he tabled the request for a public statement with Under Secretary Armacost. The attached statement follows the British suggestion closely, but differs from it in several important respects. It avoids mention of specific elements of the agreement in order to avoid casting the USG as arbiter of the agreement's implementation. In addition, the commitment in our proposed statement to Hong Kong's continued role in international fora is not as strong as the language contained in the suggested British statement.

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NLRR M299 #92610

BY KML NARA DATE 6/21/12

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We want to ensure that we do not appear to endorse the specific terms of an agreement we have not had an opportunity to analyze. We expect that we will be able to support acceptance of the Special Administrative Region in international fora, but it would be prudent to take a close look at the agreement before we make as strong a commitment as the British suggest. In broader terms, we should be wary of appearing to side with either the British or the Chinese in making our statement. The British have made it clear during the course of the negotiations that they see an internationally binding agreement as the key to ensuring Hong Kong's current way of life after the Chinese assume sovereignty in 1997. If we were to echo the British emphasis on the agreement as a means of making Beijing live up to its commitments during the negotiation, we would clearly risk our neutrality. We have maintained distance during the course of the negotiations, and this is no time to inject ourselves into the implementation of provisions of the agreement.

We passed a draft copy of our proposed statement, with the clear understanding that this was a preliminary draft and not an approved USG statement, to the British Embassy September 18. British Minister-Counselor Hannay's initial reaction was that our statement "covered the ground extremely well." We received an authoritative reply from Sir Percy Cradock through Embassy London September 19. He said that the statement is excellent and meets all of HMG's concerns. In addition, he urged that the statement be issued at "the highest levels."

Our positive, general comments on the agreement are likely to be just as welcome in Beijing as they are in London. We should inform the Chinese in advance of our intention to make a statement. We are on firm ground with the Chinese in stating our pleasure with an agreement which is designed to preserve a stable environment for our continued commercial involvement in Hong Kong.

Both Ambassador Hummel and HK ConGen Levin have weighed in with strong support of the British request. They believe that a favorable U.S. statement will bolster confidence in Hong Kong and concur with our view that the Beijing will see our support in a positive light.

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- 3 -

RECOMMENDATION

That you approve the attached statement supporting the UK-PRC agreement for issuance in your name shortly after the British announcement that it has been initialled.

APPROVE _____

DISAPPROVE _____

Attachments:

- TAB A - Statement Supporting the Agreement on Hong Kong's Future
- TAB B - British Draft Text Passed to Under Secretary Armacost
- TAB C - Comparison Page with British and U.S. Texts

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92611
File = HK

SECRET

STATEMENT ON THE UK-PRC
AGREEMENT ON THE FUTURE OF HONG KONG

Draft Statement / Modified
at NSC request

The U.S. Government welcomes the successful conclusion of two years of negotiations between the United Kingdom and the People's Republic of China over the future of Hong Kong. [As a result of efforts by negotiators from both countries, the outcome is both statesmanlike and imaginative.]

The U.S. has a strong interest in the continued stability and prosperity of Hong Kong and believes the agreement [will] provide a solid foundation for Hong Kong's enduring future progress.

→ add
expect (or "no confidence")

We believe the American business communities, both in the United States and Hong Kong, will see in this agreement good reason for sustained confidence in the future of Hong Kong as an attractive and thriving commercial center.

The U.S. will provide any assistance it can, in close cooperation with the United Kingdom and the People's Republic of China, to maintain Hong Kong's appropriate participation in international [fora.]

organizations and meetings.
bodies.

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NLRRM299 # 92611

BY KML NARA DATE 6/21/12

NLRR M299 #92612

BY KML NARA DATE 6/21/12

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BRITISH DRAFT TEXT OF PUBLIC STATEMENT SUPPORTING
UK-PRC AGREEMENT ON HONG KONG'S FUTURE

(A) US Government enjoys close relations with both countries and welcomes successful conclusion of the two years of negotiations. Outcome statesmanlike and imaginative.

(B) The US has a strong interest in the continued prosperity and stability of Hong Kong and believes the agreement will provide a firm basis for the future. It notes that Hong Kong's unique way of life is guaranteed for 50 years from 1997 [under an internationally binding agreement] and that systems existing in Hong Kong will continue in the special administrative region.] Include -

The US
It

(C) The American ~~business community~~ private sector will take its own decisions on the basis of its confidence in the future of Hong Kong up to 1997 and beyond. We hope that confidence will be sustained.

(D) US Government for its part will give every help it can to success in venture.

(E) US Government will work with the UK and China to secure acceptance of the Hong Kong SAR in international fora such as GATT.

In this regard, we have noticed statements by both sides that Hong Kong's way of life will be guaranteed for fifty years from 1997 and that systems existing in Hong Kong will continue in the Special Administrative Region.

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BRITISH

~~SECRET~~

BRITISH DRAFT TEXT OF PUBLIC STATEMENT SUPPORTING
UK-PRC AGREEMENT ON HONG KONG'S FUTURE

(A) US Government enjoys close relations with both countries and welcomes successful conclusion of the two years of negotiations. Outcome statesmanlike and imaginative.

(B) The US has a strong interest in the continued prosperity and stability of Hong Kong and believes the agreement will provide a firm basis for the future. It notes that Hong Kong's unique way of life is guaranteed for 50 years from 1997 under an internationally binding agreement and that systems existing in Hong Kong will continue in the special administrative region.

(C) The American private sector will take its own decisions on the basis of its confidence in the future of Hong Kong up to 1997 and beyond. We hope that confidence will be sustained.

(D) US Government for its part will give every help it can to success in venture.

(E) US Government will work with the UK and China to secure acceptance of the Hong Kong SAR in international fora such as GATT.

~~SECRET~~

U.S.

~~SECRET~~

STATEMENT ON THE UK-PRC
AGREEMENT ON THE FUTURE OF HONG KONG

The U.S. Government welcomes the successful conclusion of two years of negotiations between the United Kingdom and the People's Republic of China over the future of Hong Kong. As a result of efforts by negotiators from both countries, the outcome is both statesmanlike and imaginative.

The U.S. has a strong interest in the continued stability and prosperity of Hong Kong and believes the agreement will provide a solid foundation for Hong Kong's enduring future progress.

We believe the American business communities, both in the United States and Hong Kong, will see in this agreement good reason for sustained confidence in the future of Hong Kong as an attractive and thriving commercial center.

The U.S. will provide any assistance it can, in close cooperation with the United Kingdom and the People's Republic of China, to maintain Hong Kong's appropriate participation in international fora.

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NLRRM299 # 92613

BY KML NARA DATE 6/21/12

ACTION MEMO AND SUPPORTIVE STATEMENT ON HK FUTURE

Drafted: EAP/C - JKeith JK
w5966E 632-2535 9/13/84

Clearance: EAP - WABrown^{ok} MK
EAP/C - DWKeyser, CSzymanski, DMA^{ok} Anderson
EAP/P - WRLenderking^{ok}
PA - ARomberg^{ok}
L/EAP - PNorton^{ok}, EVerille^{ok}
EUR/NE - CKStocker^{ok}, JHKelly^{ok}
RA/TC - MPratt^{ok}
E - EHurwitz^{ok}
NSC - GSigur