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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 (9/30/84-10/12/84)

FOIA

M09-299/1

Box Number 14

COLLINGS

30

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
92654	MESSAGE	PM THATCHER TO RR RE HONG KONG (SAME TEXT AS 92630) <i>R 6/21/2012 M299/1</i>	2	ND	B1
92655	MESSAGE	PM THATCHER TO RR RE HONG KONG (SAME TEXT AS 92630) <i>R 6/21/2012 M299/1</i>	2	9/25/1984	B1
92656	MESSAGE	PM THATCHER TO RR RE HONG KONG (SAME TEXT AS 92630) <i>R 6/21/2012 M299/1</i>	2	ND	B1
92657	CABLE	HONG KONG 19334 <i>R 6/21/2012 M299/1</i>	3	10/9/1984	B1
92658	CABLE	TAIPEI 05997 <i>R 6/21/2012 M299/1</i>	2	10/11/1984	B1
92659	CABLE	111707Z OCT 84 <i>D 12/20/2017 M299/1</i>	1	10/11/1984	B1 B3
92660	CABLE	BEIJING 19001 <i>R 6/21/2012 M299/1</i>	2	10/12/1984	B1

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-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]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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

September 30, 1984

File = HK

LETTING HONG KONG BE HONG KONG

Annex:

Next, a VOA Editorial, reflecting the views of the U.S. Government.

Voice:

On September 26th, the United Kingdom and the People's Republic of China capped two years of negotiation with the signing of a joint declaration that will give China sovereignty over the British colony of Hong Kong beginning July 1, 1997. It is an agreement that we in the United States applaud. The forty-six page document states that Hong Kong's free market economic system must be maintained for fifty years after the Chinese take charge. This is a policy that will benefit all concerned.

The Chinese recognize what has enabled Hong Kong to thrive. It is a free port with free-flowing capital; a hub of international finance -- with convertible currency, and a healthy stock market. In short, it is a place where private enterprise flourishes. And that has been a boon to the public welfare.

China has a strong interest in seeing Hong Kong's prosperity continue. Presently, the People's Republic earns almost one-third of its hard currency through the British colony. The Chinese wisely will not only tolerate, but will promote, Hong Kong's economic independence. Hong Kong will finance its own civic operations -- no taxes will be levied by Beijing. Furthermore, China will encourage Hong Kong to join international economic organizations. The Beijing government, intent on

WR
KS
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Lans
Maddal
Putter
Ty

Robbie
Wesley
Mc
Gunn

modernizing Chinese industry, cannot risk losing the trade and investment that Hong Kong attracts.

The U.S., for one, expects little change in its substantial business with Hong Kong. Today, we have over four billion dollars invested in the colony, and bilateral trade accounts for more than eight billion dollars. Hong Kong should remain attractive to the American business community — thanks to the terms of the joint declaration.

Hong Kong's five and a half million people have particular cause to be relieved. At least until the year 2047, their educational system will be left intact. Personal liberties are guaranteed: The people can speak out openly and associate with anyone they desire; they also can travel freely, worship as they wish — even engage in strikes.

The parties to the joint declaration are justifiably pleased with their product. It provides for a transition of rule that is both peaceful and just. Moreover, it allows Hong Kong to carry on with business the way it knows best.

Annex:

That was a VOA Editorial, reflecting the views of the U.S. Government.

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 26 SEP 84 10

TO PRESIDENT

FROM THATCHER, MARGARET

DOC DATE 24 SEP 84

MCFARLANE

25 SEP 84

KEYWORDS: GREAT BRITAIN

CHINA P R

HONG KONG

HS

SUBJECT: THATCHER LTR RE HONG KONG AGREEMENT W/ CHINA

ACTION: PENDING STATE DRAFT / RECOM DUE: 03 OCT 84 STATUS D FILES PA

FOR ACTION

FOR CONCURRENCE

FOR INFO

STATE

SOMMER

FORTIER

MATLOCK

LAUX

SIGUR

Childress
Thompson

Called Peter Sommer.
OK - w/ punctuation correction.
5 Oct 84 DL

COMMENTS

REF#

LOG

NSC/FID

(CM)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
-	10/2	Rec'd Orig Thatcher Ltr		
-	10/5	recd STATE DRAFT		
Sommer	5 10/5	prepare memo to McFarlane		same

DISPATCH

9/26 clm

W/ATTCH FILE

(C)



Washington, D.C. 20520


~~SECRET~~

October 4, 1984

MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

Subject: The President's Reply to PM Thatcher's Letter on
Hong Kong

I am forwarding a suggested draft reply to Mrs. Thatcher's communication to the President last week. The Department's draft suggests that the President congratulate Mrs. Thatcher on the historic UK-PRC agreement on Hong Kong's future and express his pleasure at the warm reception to Secretary Shultz' supportive statement welcoming the agreement. The Department's draft is predicated on the assumption that this is private correspondence between the President and the Prime Minister and will be treated confidentially.



Charles Hill
Executive Secretary

Attachments:

1. Suggested Reply to PM Thatcher's letter to the President

~~SECRET~~

DECL: OADR

DECLASSIFIED
Authority NLSF 96-107#292 SMF
BY  NARA DATE 6/11/10 414100

DEPARTMENT OF STATE

SUGGESTED LETTER

Dear Margaret:

Thank you for sharing your thoughts with me on the Hong Kong agreement initialled in Beijing on September 26. We hope you found George Shultz's statement helpful. I was happy to see that the response to the agreement, both in Hong Kong and by American businessmen, appeared to reflect confidence in Hong Kong's continuing prosperity.

I share your conviction that it is important that the agreement work, your belief that the agreement has long-term implications for the development of Western relations with China beyond Hong Kong itself, and your desire to build upon the agreement to improve ties between China and the West. The unique establishment of Hong Kong as a Special Administrative Region under Chinese sovereignty should strengthen the hand of

The Right Honorable

Margaret Thatcher, M.P.,

Prime Minister,

London.

DECLASSIFIED (RELEASED)
Authority NSF 96707 #291 SMC
BY CW NARA DATE 6/18/10 3/28/00

those who want to increase China's receptivity to Western investment and knowledge. I am heartened by your conviction that the agreement secures the major principles HMG sought, and I hope that it will be accepted with similar confidence by the people of Hong Kong. ? ✓

As you know, there is a substantial American commercial presence in Hong Kong. The U.S. statement of confidence in Hong Kong's continuing prosperity expressed both our assessment of the situation and our desire to reinforce your objective of preserving the survival of the free enterprise system there. In this regard, we hope that U.S. investment and trade with Hong Kong will continue on an upward trend in the years to come. ✓

Thanks for keeping us so well informed on this important question.

Sincerely,

Ronald Reagan

REFERRAL

DATE: 26 SEP 84

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: THATCHER, MARGARET

DATE: 24 SEP 84

KEYWORDS: GREAT BRITAIN

CHINA P R

HONG KONG


HS

SUBJ: THATCHER LTR RE HONG KONG AGREEMENT W/ CHINA

REQUIRED ACTION: RECOMMENDATIONS / DRAFT REPLY

DUE DATE: 03 OCT 84

COMMENTS:


FOR ROBERT M. KIMMITT

EXECUTIVE SECRETARY

Received in S/S-1
9/26/84 - 10:47 p.m.
ngp

COVERING UK SECRET

8426744

6/11/10



P 61 21

BRITISH EMBASSY,

WASHINGTON, D. C.

TEL: (202) 462-1340

24 September 1984

FROM THE AMBASSADOR

The Honorable
Robert C McFarlane
Assistant to the President
for National Security Affairs
The White House
WASHINGTON DC

Dear Sir,

I enclose the text of a message from
the Prime Minister to President Reagan.
I should be grateful for your help in
transmitting it to the President.

Yours faithfully,

Oliver Wright
Oliver Wright

COVERING UK SECRET



TEXT OF MESSAGE DATED 24 SEPTEMBER FROM THE
PRIME MINISTER TO PRESIDENT REAGAN

8426744

92654

DECLASSIFIED

Begins

NLRR M299 # 92654

BY KML NARA DATE 6/24/12

After two years of tough and detailed negotiations with the Chinese, which started with my visit to Peking in September 1982, we are set to initial an agreement on 26 September.

I believe that in this agreement we have achieved the major points we set out to secure. In particular, it will be a binding international agreement: it incorporates sufficient detail and clarity about the arrangements in Hong Kong for a period of 50 years after 1997 to command the confidence of the people of Hong Kong: and it contains a provision that its terms will be 'stipulated' in the basic law to be passed by the National People's Congress of China which will, in effect, form the constitution of Hong Kong after 1997. We have managed to secure a high degree of autonomy for Hong Kong in all fields, especially in the financial and economic fields and in aviation and shipping.

I do not pretend that the agreement is ideal in every respect, but I am convinced that it is a good one, and I shall commend it strongly as a whole to the people of Hong Kong and to Parliament.

I believe that this agreement has an importance that stretches beyond Hong Kong itself. It will help to heal some of the historical scars which still make relations between China and the West difficult at times. It will also play a stabilising role in the area. But to do this, the agreement must work. If it does not work, this could only have a bad effect on China's relations with the West generally. It is therefore in the interests of the West as a whole that it should succeed.

UK ~~SECRET~~

/...



That is why I wanted to write to you personally. As you know well, Hong Kong's prosperity and security depend critically on international confidence. Without that, its prosperity will evaporate. Hong Kong is heavily dependent on commercial links with the United States. It would therefore be most valuable if, once the agreement is published, you felt able to authorise a personal statement from a senior member of your Administration expressing the confidence of the United States in Hong Kong's future prosperity. That would give a powerful lead to international reactions. It would be a major contribution to ensuring the survival of Hong Kong as a flourishing capitalist society.

Ends

UK ~~SECRET~~

NATIONAL SECURITY COUNCIL

ACTION

October 9, 1984

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: PETER R. SOMMER *Peter*
SUBJECT: President's Reply to Mrs. Thatcher's Letter on
Hong Kong

You will recall that Mrs. Thatcher wrote the President in late September outlining Britain's agreement with China on Hong Kong's future and urging that the Administration issue a statement expressing confidence in Hong Kong's future prosperity. George Shultz, as you know, made the requested supportive statement.

David Laux and I worked informally with State on the draft reply, which the Department has now officially forwarded.

RECOMMENDATION

That you sign the Tab I memo forwarding for the President's signature a suggested reply to Mrs. Thatcher.

Approve _____ Disapprove _____

psk
David Laux concurs.

Attachments

Tab I	Memo to President
Tab A	Recommended Reply
Tab II	State's Draft and Incoming from Mrs. Thatcher

THE WHITE HOUSE

7224

WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. McFARLANE

SUBJECT: President's Reply to Mrs. Thatcher's Letter on
Hong Kong

You will recall that Mrs. Thatcher wrote you in late September outlining Britain's agreement with China on Hong Kong's future, and urging that we issue a statement expressing confidence in Hong Kong's future prosperity, which George Shultz did. Your reply congratulates Mrs. Thatcher on the historic agreement, expresses confidence in Hong Kong's future, and expresses hope that the agreement will improve ties between China and the West.

RECOMMENDATIONOKNo

_____ That you sign the reply to Mrs. Thatcher at
Tab A.

Attachment

Tab A Reply to Mrs. Thatcher

13

THE WHITE HOUSE
WASHINGTON

Dear Margaret:

Thank you for sharing your thoughts with me on the Hong Kong agreement initialled in Beijing on September 26. We hope you found George Shultz's statement helpful. I was happy to see that the response to the agreement, both in Hong Kong and by American businessmen, appeared to reflect confidence in Hong Kong's continuing prosperity.

I share your conviction that it is important that the agreement work, your belief that the agreement has long-term implications for the development of Western relations with China beyond Hong Kong itself, and your desire to build upon the agreement to improve ties between China and the West. The unique establishment of Hong Kong as a Special Administrative Region under Chinese sovereignty should strengthen the hand of those who want to increase China's receptivity to Western investment and knowledge. I am heartened by your conviction that the agreement secures the major principles your government sought, and I hope that it will be accepted with similar confidence by the people of Hong Kong.

As you know, there is a substantial American commercial presence in Hong Kong. The U.S. statement of confidence in Hong Kong's continuing prosperity expressed both our assessment of the situation and our desire to

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Authority

Authority FRS-98-005 #14 SMF 10/13/98

BY CN

NARA DATE 6/10/11

reinforce your objective of preserving the survival of the free enterprise system there. In this regard, we hope that U.S. investment and trade with Hong Kong will continue on an upward trend in the years to come.

Thanks for keeping us so well informed on this important question.

Warm regards.

Sincerely,

The Right Honorable
Margaret Thatcher, M.P.
Prime Minister
London

15
DEPARTMENT OF STATE

SUGGESTED LETTER

*Cie -
plain type
on green*

Dear Margaret:

Thank you for sharing your thoughts with me on the Hong Kong agreement initialled in Beijing on September 26. We hope you found George Shultz's statement helpful. I was happy to see that the response to the agreement, both in Hong Kong and by American businessmen, appeared to reflect confidence in Hong Kong's continuing prosperity.

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The Right Honorable

Margaret Thatcher, M.P.,

Prime Minister,

London.

DECLASSIFIED (25/07/87)
Authority NLS 96-107 #291 SMF 3/26/00
BY CN NARA DATE 6/11/00

those who want to increase China's receptivity to Western investment and knowledge. I am heartened by your conviction that the agreement secures the major principles ^{your government} ~~has~~ sought, and I hope that it will be accepted with similar confidence by the people of Hong Kong.

As you know, there is a substantial American commercial presence in Hong Kong. The U.S. statement of confidence in Hong Kong's continuing prosperity expressed both our assessment of the situation and our desire to reinforce your objective of preserving the survival of the free enterprise system there. In this regard, we hope that U.S. investment and trade with Hong Kong will continue on an upward trend in the years to come.

Thanks for keeping us so well informed on this important question.

Warm regards.

Sincerely,

~~Ronald Reagan~~

NATIONAL SECURITY COUNCIL

8426744

ID 8407224

REFERRAL

DATE: 26 SEP 84

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: THATCHER, MARGARET

DATE: 24 SEP 84

KEYWORDS: GREAT BRITAIN

CHINA P R

HONG KONG

HS

SUBJ: THATCHER LTR RE HONG KONG AGREEMENT W/ CHINA

REQUIRED ACTION: RECOMMENDATIONS / DRAFT REPLY

DUE DATE: 03 OCT 84

COMMENTS:

Cathy Millison
FOR ROBERT M. KIMMITT

EXECUTIVE SECRETARY

*Received in S/S-1
9/26/84 - 10:47 p.m.*



Washington, D.C. 20520

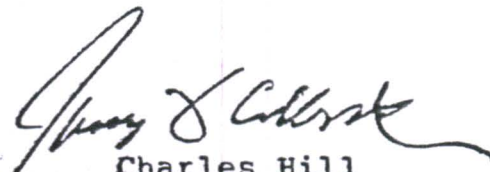
~~SECRET~~

October 4, 1984

MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

Subject: The President's Reply to PM Thatcher's Letter on
Hong Kong

I am forwarding a suggested draft reply to Mrs. Thatcher's communication to the President last week. The Department's draft suggests that the President congratulate Mrs. Thatcher on the historic UK-PRC agreement on Hong Kong's future and express his pleasure at the warm reception to Secretary Shultz' supportive statement welcoming the agreement. The Department's draft is predicated on the assumption that this is private correspondence between the President and the Prime Minister and will be treated confidentially.


Charles Hill
Executive Secretary

Attachments:

1. Suggested Reply to PM Thatcher's letter to the President

~~SECRET~~

DECL: OADR

DECLASSIFIED

Authority

BY

NARS

7224



BRITISH EMBASSY.

WASHINGTON, D.C.

TEL: (202) 462-1340

FROM THE AMBASSADOR

1 October 1984

The Honorable
Robert C McFarlane
Assistant to the President
for National Security Affairs
The White House
WASHINGTON DC

Dear Bob,

I wrote to you on 24 September enclosing the text of a message from the Prime Minister to President Reagan. I now enclose the original and should be grateful for your help in transmitting it to the President.

Yours sincerely,

A large, stylized handwritten signature of Oliver Wright, featuring a large 'O' and a long horizontal stroke.

Oliver Wright

DECLASSIFIED

NLRR M799 #92655

BY KML NARA DATE 6/21/12



10 DOWNING STREET

THE PRIME MINISTER

25 September 1984

Dear Ron.

After two years of tough and detailed negotiations with the Chinese, which started with my visit to Peking in September 1982, we are set to initial an agreement on 26 September.

I believe that in this Agreement we have achieved the major points we set out to secure. In particular, it will be a binding international agreement; it incorporates sufficient detail and clarity about the arrangements in Hong Kong for a period of 50 years after 1997 to command the confidence of the people of Hong Kong; and it contains a provision that its terms will be "stipulated" in the Basic Law to be passed by the National People's Congress of China which will, in effect, form the Constitution of Hong Kong after 1997. We have managed to secure a high degree of autonomy for Hong Kong in all fields, especially in the financial and economic fields and in aviation and shipping.

I do not pretend that the Agreement is ideal in every respect, but I am convinced that it is a good one, and I shall commend it strongly as a whole to the people of Hong Kong and to Parliament.

I believe that this Agreement has an importance that stretches beyond Hong Kong itself. It will help to heal some of the historical scars which still make relations

between China and the West difficult at times. It will also play a stabilising role in the area. But to do this, the Agreement must work. If it does not work, this could only have a bad effect on China's relations with the West generally. It is therefore in the interests of the West as a whole that it should succeed.

That is why I wanted to write to you personally. As you know well, Hong Kong's prosperity and security depend critically on international confidence. Without that, its prosperity will evaporate. Hong Kong is heavily dependent on commercial links with the United States. It would therefore be most valuable if, once the Agreement is published, you felt able to authorise a personal statement from a senior member of your Administration expressing the confidence of the United States in Hong Kong's future prosperity. That would give a powerful lead to international reactions. It would be a major contribution to ensuring the survival of Hong Kong as a flourishing capitalist society.

Y
Lennon

Raymond

22

THE WHITE HOUSE

WASHINGTON

September 25, 1984

RR 9/25/84

Mr. President:

Attached is a message from Prime Minister Thatcher on the Hong Kong agreement with China, which will be initialed tomorrow. Secretary Shultz plans to issue a statement supporting the agreement, and we will forward shortly a proposed response from you to Mrs. Thatcher.


Robert C. McFarlane

Attachment



TEXT OF MESSAGE DATED 24 SEPTEMBER FROM THE
PRIME MINISTER TO PRESIDENT REAGAN

DECLASSIFIED

Begins

NLRR M299 # 92656

BY KML NARA DATE 6/21/12

After two years of tough and detailed negotiations with the Chinese, which started with my visit to Peking in September 1982, we are set to initial an agreement on 26 September.

I believe that in this agreement we have achieved the major points we set out to secure. In particular, it will be a binding international agreement: it incorporates sufficient detail and clarity about the arrangements in Hong Kong for a period of 50 years after 1997 to command the confidence of the people of Hong Kong; and it contains a provision that its terms will be 'stipulated' in the basic law to be passed by the National People's Congress of China which will, in effect, form the constitution of Hong Kong after 1997. We have managed to secure a high degree of autonomy for Hong Kong in all fields, especially in the financial and economic fields and in aviation and shipping.

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That is why I wanted to write to you personally. As you know well, Hong Kong's prosperity and security depend critically on international confidence. Without that, its prosperity will evaporate. Hong Kong is heavily dependent on commercial links with the United States. It would therefore be most valuable if, once the agreement is published, you felt able to authorise a personal statement from a senior member of your Administration expressing the confidence of the United States in Hong Kong's future prosperity. That would give a powerful lead to international reactions. It would be a major contribution to ensuring the survival of Hong Kong as a flourishing capitalist society.

Ends

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

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~~CONFIDENTIAL~~ SECTION 01 OF 03 HONG KONG 19334

E.O. 12356: DECL: OADR

TAGS: PREL, HK, CH, UK

SUBJECT: HONG KONG LOOKS TOWARD THE FUTURE

1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY:

IN THE TWO YEARS OF NEGOTIATIONS LEADING TO THE SINO-UK ACCORD ON HONG KONG'S FUTURE, THE PEOPLE OF HONG KONG HAVE DEMONSTRATED A REMARKABLE DEGREE OF ADAPTABILITY AND RESILIENCE. EARLIER WIDESPREAD PREDICTIONS OF SOCIAL DISORDERS AND MASSIVE EXODUS FROM THE ISLAND IF THE UK CONCEDED ITS SOVEREIGNTY AND ADMINISTRATIVE CONTROL OVER HONG KONG HAVE PROVED UNFOUNDED. UNCERTAINTIES ABOUT THE FUTURE REMAIN, AND THOSE WHO HAVE OPTIONS ARE UNDOUBTEDLY LEAVING THEM OPEN. HOWEVER, MOST NOW APPEAR WILLING TO TAKE THEIR CHANCES HERE -- AT LEAST FOR THE MOMENT.

END SUMMARY.

3. WHEN THE UNITED KINGDOM AND CHINA OPENED NEGOTIATIONS ON HONG KONG TWO YEARS AGO, FEW WOULD HAVE PREDICTED THAT THE FIRST STAGE IN THE RESOLUTION OF HONG KONG'S FUTURE COULD HAVE BEEN ACCOMPLISHED AS SATISFACTORILY AS IT HAS. AT THE TIME OF MRS. THATCHER'S VISIT TO CHINA IN SEPTEMBER 1982, THE MERE THOUGHT THAT THE TREATIES UNDER WHICH HONG KONG WAS FOUNDED MIGHT NOT SURVIVE IN PERPETUITY WAS ENOUGH TO CAUSE THE LOCAL STOCK MARKET TO TUMBLE AND THE HONG KONG DOLLAR TO HIT A 25-YEAR LOW AGAINST THE US DOLLAR; PREDICTIONS OF SEVERE SOCIAL DISORDERS AS WELL AS A HEAVY OUTFLOW OF "YACHT" PEOPLE WERE RIFE. SIMILAR

DIRE PROPHECIES RESURFACED IN SEPTEMBER 1983 WHEN IT APPEARED THAT THE NEGOTIATIONS HAD REACHED AN IMPASSE OVER BRITISH EFFORTS TO RETAIN AN ADMINISTRATIVE PRESENCE IN HONG KONG; THE HONG KONG DOLLAR FELL TO ITS LOWEST-EVER LEVEL, PROMPTING PANIC BUYING OF STAPLES HERE.

4. IN THE EVENT, NONE OF THESE PROPHECIES OF DISASTER MATERIALIZED. IN RETROSPECT, SEPTEMBER 1983 APPEARS TO HAVE BEEN THE TURNING POINT BOTH IN THE NEGOTIATIONS AND IN PUBLIC ATTITUDES IN HONG KONG. BOTH THE BRITISH AND THE CHINESE APPARENTLY RECOGNIZED THAT IF THEY CONTINUED TO HOLD TO THEIR POSITIONS, THEY WERE IN DANGER OF NEGOTIATING OVER A CORPSE. AS A RESULT, BOTH SIDES ADOPTED MORE CONCILIATORY POSITIONS AND MADE SIGNIFICANT CONCESSIONS, BEGINNING WITH THE BRITISH DECISION TO CONCEDE ITS ADMINISTRATIVE CONTROL OVER HONG KONG. BEIJING, IN AN EFFORT TO AVOID FURTHER DISRUPTION IN HONG KONG, LOWERED ITS RHETORIC. PUBLIC CONFIDENCE -- THEN AT ROCK BOTTOM -- GRADUALLY BEGAN TO CLIMB. SIR GEOFFREY HOWE'S APRIL 1984 STATEMENT THAT CONTINUED BRITISH ADMINISTRATION IN HONG KONG AFTER 1997 WAS NOT REALISTIC DASHED ANY LINGERING HOPES IN THIS REGARD AMONG THE HONG KONG PEOPLE, BUT SINCE BY THEN MOST EXPECTED AS MUCH THE REACTION WAS ONE OF RESIGNATION RATHER THAN DISPAIR.

5. THIS DRAMATIC TURNABOUT IN HONG KONG'S THINKING REFLECTS THE PRAGMATISM AND ABILITY TO ADAPT QUICKLY TO CHANGING CIRCUMSTANCES THAT ARE UNIQUE CHARACTERISTICS OF THE HONG KONG CHINESE. IT IS ALSO THE RESULT OF A FAIRLY RAPID CONDITIONING PROCESS THROUGH WHICH THE PEOPLE OF HONG KONG CAME TO THE REALIZATION THAT --

WHATEVER THEY MIGHT SAY OR DO -- HONG KONG WOULD REVERT TO CHINA AFTER 1997 AND THAT ALMOST ANY AGREEMENT BETWEEN THE UK AND CHINA WOULD BE BETTER THAN NO AGREEMENT AT ALL. UNDER THESE CIRCUMSTANCES, IT IS NOT SURPRISING THAT THE AGREEMENT -- WITH ITS WEALTH OF DETAIL AIMED AT PRESERVING HONG KONG'S GOVERNMENTAL, LEGAL, ECONOMIC AND SOCIAL SYSTEMS AFTER 1997 -- WAS WELL RECEIVED. UNCERTAINTIES REMAIN, AND THOSE WHO HAVE OPTIONS ARE UNDOUBTEDLY LEAVING THEM OPEN; BUT MOST -- INCLUDING YOUNG AND MIDDLE-GRADE MANAGERS WHO HAD BEEN LEANING

BT

DECLASSIFIED

NLRR M299 #92657

BY KML NARA DATE 6/21/12

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

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~~CONFIDENTIAL~~ SECTION 02 OF 03 HONG KONG 19334

E.O. 12356: DECL: OADR

TAGS: PREL, HK, CH, UK

SUBJECT: HONG KONG LOOKS TOWARD THE FUTURE

TOWARD LEAVING HONG KONG -- NOW APPEAR WILLING TO TAKE
THEIR CHANCES HERE FOR THE MOMENT.

6. WHAT IS SURPRISING IS THE DEGREE TO WHICH MANY HAVE
ACCEPTED THE GUARANTEES PROVIDED IN THE AGREEMENT AS
BINDING. A CONSIDERABLE NUMBER APPEAR TO BELIEVE THAT
THE CHINESE ARE SINCERE IN THEIR INTENT TO HONOR THE
AGREEMENT. THERE REMAIN STRONG CONCERNS THAT CENTER ON
THE POLITICAL BENT OF FUTURE REGIMES IN CHINA AND ON
WORRIES THAT HONG KONG'S AUTONOMY MAY BE CIRCUMSCRIBED
BY DIRECT OR INDIRECT PRESSURES FROM CHINESE BUREAUCRATS.
NONETHELESS, MOST ARE CAUTIOUSLY OPTIMISTIC THAT THE
AGREEMENT CAN BE MADE TO WORK. SURPRISINGLY, THIS
OPTIMISM HAS SO FAR NOT BEEN DIMINISHED BY ANY EFFORTS
TO DRAW PARALLELS BETWEEN THE GUARANTEES IN THIS AGREE-
MENT AND THAT OF SIMILAR "GUARANTEES" -- WHICH FAILED
TO MATERIALIZE -- IN NUMEROUS CHINESE CONSTITUTIONS.
WE EXPECT THAT AS THE INITIAL EUPHORIA WEARS OFF, SOME
OF THESE PARALLELS MAY BE RAISED. THERE IS, HOWEVER,
A QUALITATIVE DIFFERENCE BETWEEN PROMISES THE CHINESE
HAVE GIVEN TO THEIR OWN PEOPLE AND THOSE GIVEN TO ANOTHER
NATION. WHILE THEY MAY NOT BE AS INTERNATIONALLY BIND-
ING AS THE BRITISH CLAIM, THERE IS NO DOUBT THAT THE
SINO-UK ACCORD -- AS AN AGREEMENT BETWEEN TWO SOVEREIGN
STATES -- HAS MORE TEETH THAN A STRICTLY INTERNAL PLEDGE
AND PUTS MORE PRESSURE ON THE CHINESE TO ABIDE BY IT.

7. WITH A GREATER CLARITY BROUGHT BY EVENTS OF

THE PAST FEW YEARS, HONG KONG'S OPINION MAKERS
INCREASINGLY REALIZE THAT THE BRITISH PRESENCE
NEVER COULD HAVE SAFEGUARDED THE HIGHLY VULNERABLE
TERRITORY FROM A CONCERTED CHINESE EFFORT TO BRING IT
TO ITS KNEES. THEY ARE INCREASINGLY AWARE THAT
THE ABILITY OF THE TERRITORY TO SURVIVE OVER THE
LONG RUN WILL BE DETERMINED BY WHERE THE CHINESE
PERCEIVE THEIR INTERESTS TO LIE. THEY TAKE COMFORT
FOR HONG KONG'S FUTURE FROM PRESENT POLICY TRENDS
IN CHINA WHICH PROMISE A MORE FAVORABLE ENVIRONMENT
THAN AT ANY TIME IN THE LAST 35 YEARS -- MUCH OF
WHICH WAS CHARACTERIZED BY SEVERE UPHEAVALS IN CHINA,
UNPREDICTABLE CHINESE FOREIGN AND DOMESTIC POLICIES,
AND HOSTILITY TOWARD THE WEST. THE INITIALING OF THE
SINO-UK AGREEMENT HAS REMOVED THE MOST SERIOUS
IRRITANT IN CHINA'S LONG-STANDING RESENTMENT OVER THE
"UNEQUAL TREATIES" ESTABLISHING HONG KONG. NO ONE
CAN PREDICT WITH CERTAINTY WHAT CHINA OR HONG KONG
WILL LOOK LIKE IN 13 YEARS -- LET ALONE 63 YEARS.
HOWEVER, GIVEN CURRENT RATIONAL TRENDS IN CHINA'S
DOMESTIC POLICIES, AS WELL AS ITS ECONOMIC INTEREST IN
MAINTAINING HONG KONG AS AN INTERNATIONAL ENTREPO
AND ITS POLITICAL INTEREST IN DEMONSTRATING --
PARTICULARLY TO TAIWAN -- THAT THE "ONE COUNTRY, TWO
SYSTEMS" CONCEPT CAN WORK, RIGHT NOW THE PROSPECTS
FOR HONG KONG LOOK SUBSTANTIALLY BETTER THAN THEY
HAVE FOR A LONG TIME.

8. THE EVOLUTIONARY PROCESS THAT WILL DETERMINE HONG
KONG'S FUTURE SHAPE WILL BE INFLUENCED BY A VARIETY OF
FACTORS, INCLUDING THE EXTENT OF DEMOCRATIZATION THAT
TAKES PLACE IN HONG KONG BETWEEN NOW AND 1997, THE
POSSIBLE EMERGENCE OF STRONG LOCAL FIGURES ACCEPTABLE
TO THE CHINESE WHO COULD SERVE IN SENIOR POSITIONS IN
HONG KONG'S POST-1997 GOVERNMENT, THE DEGREE OF INTER-
CHANGE BETWEEN THE PEOPLE OF HONG KONG AND THE CHINESE
IN DRAFTING THE BASIC LAW, AND THE ABILITY OF THE CENTRAL
GOVERNMENT IN BEIJING TO PRESERVE HONG KONG'S SEPARATE
ECONOMIC IDENTITY IN THE FACE OF PROBABLE ATTEMPTS BY
CHINESE BUREAUCRATS (PARTICULARLY FROM GUANGDONG AND
SHANGHAI) TO GRAB A SHARE OF HONG KONG'S PROSPEROUS
ECONOMY. HONG KONG, AS A BASICALLY CHINESE SOCIETY,
SHOULD HAVE LESS DIFFICULTY THAN MOST SOCIETIES IN
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~~CONFIDENTIAL~~ SECTION 03 OF 03 HONG KONG 19334

E.O. 12356: DECL: OADR

TAGS: PREL, HK, CH, UK

SUBJECT: HONG KONG LOOKS TOWARD THE FUTURE

ADJUSTING TO CHINESE PRACTICES AND IS LIKELY TO DEAL

WITH ALL OF THESE FACTORS IN WAYS UNIQUELY SUITED TO

HONG KONG. HOW THIS IS DONE WILL MERIT CAREFUL WATCHING

IN THE COMING MONTHS AND YEARS LEADING UP TO 1997.

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FOR AIT/W ALSO FOR EAP/RA/TC

CINCPAC FOR POLAD

E.O. 12356: OADR

TAGS: PREL, HK, UK, CH, TW

SUBJECT: TAIWAN SHRUGS OFF THE HONG KONG ACCORD

REF: (A) TAIPEI 5874, (B) TAIPEI 5780, (C) TAIPEI 5769,

- (D) TAIPEI 5758, (E) TAIPEI 3478 (NOTAL)

1. CONFIDENTIAL - ENTIRE TEXT.

2. BEGIN SUMMARY: THE RECENTLY INITIALLED UK-PRC ACCORD ON HONG KONG WAS GREETED WITH A FLURRY OF MEDIA DISCUSSION AND ANNOUNCEMENTS FROM LOCAL AUTHORITIES. IN GENERAL, TAIWAN'S RESPONSE WAS MEASURED AND BASICALLY INNOCUOUS. ONE MOFA OBSERVER TOLD US PREMIER YU'S 11-POINT STATEMENT WAS AN OBLIGATORY REACTION WITH "NOTHING CONCRETE" IN IT. TAIPEI'S MAIN CONCERN IS THAT THE HONG KONG ACCORD WILL GIVE CREDENCE TO BEIJING'S "ONE NATION, TWO SYSTEM" POSTULATION, LEADING THIRD PARTIES TO PRESSURE TAIPEI AND THUS WEAKENING TAIPEI'S MAINTENANCE OF A SEPARATE IDENTITY. END SUMMARY.

3. THE TAIPEI PRESS HAS DEVOTED CONSIDERABLE COVERAGE TO THE CONTENTS OF THE UK-PRC ACCORD ON HONG KONG AND THE MEANING FOR TAIWAN (REF C). THIS COVERAGE WAS SERIOUS AND ANALYTICAL, AND WITHOUT EXCESSIVE POLEMICS. A TYPICAL COMMENTARY APPEARED IN THE ENGLISH LANGUAGE WEEKLY ECONOMIC NEWS WHICH IS PUBLISHED BY THE UNITED DAILY NEWS GROUP.

AFTER REVIEWING THE MAJOR ASPECTS OF THE ACCORD, THE ARTICLE URGED THE LOCAL AUTHORITIES TO USE THEIR INFLUENCE TO ENCOURAGE THE PEOPLE OF HONG KONG TO PARTICIPATE IN THE GOVERNING APPARATUS UNFOLDING IN HONG KONG. IT ALSO ADVISED TAIPEI TO AVOID GIVING ANY IMPRESSION THAT IT ENCOURAGED VIOLENCE IN HONG KONG. MORE IMPORTANTLY, IT ARGUED THAT IT WAS IMPORTANT FOR TAIPEI TO RETAIN ITS ECONOMIC LINKS WITH HONG KONG SO AS NOT TO HAVE A NEGATIVE EFFECT ON THE COLONY'S PROSPERITY AND STABILITY. THE ARTICLE POINTED OUT THAT HONG KONG IS TAIWAN'S THIRD LARGEST EXPORT MARKET, AND A VITAL TRANSPORTA-

TION HUB. IN ITS CONCLUSION THE ARTICLE REMINDED THE READER THAT IMPLEMENTATION IS STILL 13 YEARS AWAY, SO THERE IS NO NEED FOR PRECIPITANT ACTION.

THE AUTHORITIES' RESPONSE

4. AWARE OF THE SEPTEMBER DEADLINE TO THE UK-PRC NEGOTIATIONS, TAIWAN ESTABLISHED THIS YEAR AN AD HOC COMMITTEE TO CONSIDER VARIOUS POLICY RESPONSES. THIS COMMITTEE WAS CO-CHAIRLED BY FOREIGN MINISTER CHU FU-SUNG AND MINISTER WITHOUT PORTFOLIO CHOU HUNG-T'AO. MINISTER OF FINANCE LOH JUN-KANG, GOVERNMENT INFORMATION OFFICE DIRECTOR CHANG CHING-YU, BOARD OF FOREIGN TRADE DIRECTOR VINCENT SIEW, NATIONAL SECURITY BUREAU DIRECTOR WANG CHING-HSU AND OVERSEAS CHINESE AFFAIRS COMMISSION CHAIRMAN TSENG KWANG-SHUN HAVE BEEN PUBLICLY MENTIONED AS SERVING ON THE COMMITTEE. THE COMMITTEE HAS VARIOUSLY BEEN REPORTED TO BE LOOKING INTO SUCH SUBJECTS AS: THE RESETTLEMENT OF HONG KONG RESIDENTS, CAPITAL INFLOW/OFFSHORE BANKING, A MARINE TRANSSHIPMENT CENTER TO REPLACE HONG KONG AND THE POST-1997 STATUS OF TAIWAN BUSINESSES AND OFFICES PRESENTLY LOCATED IN HONG KONG.

5. THE LOCAL AUTHORITIES ANNOUNCED OCTOBER 9 THAT VICE PREMIER LIN YANG-KANG WILL HEAD THE HONG KONG AD HOC COMMITTEE. THIS IS THE FIRST MAJOR RESPONSIBILITY THE VICE PREMIER HAS BEEN GIVEN SINCE HIS APPOINTMENT. NEVERTHELESS, THE ANNOUNCEMENT, COMING AS IT DOES IN THE MIDST OF DOUBLE TEN CELEBRATIONS HERE, HAS LITTLE MORE THAN PUBLICITY VALUE.

6. PRIOR TO THE INITIALLING OF THE UK-PRC ACCORD THE ONLY POLICY ANNOUNCEMENT FROM THE AD HOC COMMITTEE COVERED THE ESTABLISHMENT OF RESTRICTED OFFSHORE BANKING FACILITIES FOR HONG KONG MONEY, AND THE PROPOSED ESTABLISHMENT OF A CONSULTING SERVICE TO MAKE HONG KONG RESIDENTS AWARE OF HOW TO MOVE THEMSELVES, BUT MOSTLY THEIR MONEY, TO TAIWAN.
COMMENT: THIS IS A PRETTY THIN RESPONSE.

7. JOHN CHANG, DIRECTOR, NORTH AMERICAN AFFAIRS, MOFA, BT

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FOR AIT/W ALSO FOR EAP/RA/TC
CINCPAC FOR POLAD
E.O. 12356: OADR
TAGS: PREL, HK, UK, CH, TW
SUBJECT: TAIWAN SHRUGS OFF THE HONG KONG ACCORD
RECENTLY COMMENTED THAT PREMIER YU'S 11-POINT STATEMENT
OF SEPTEMBER 26 (REF B) DID NOT CONTAIN ANYTHING
"CONCRETE." THE INTENT, ACCORDING TO HIM, WAS MERELY
TO OFFER AN EXPRESSION OF FRIENDSHIP AND SUPPORT FOR
TAIWAN'S ADHERENTS IN HONG KONG. AND, WE SUSPECT, TO
PUT SOMETHING ON THE RECORD FOR THE DOMESTIC AUDIENCE.

8. AN ANALYSIS OF THE PREMIER'S 11-POINTS BEAR OUT
CHANG'S CHARACTERIZATION. THERE IS NOTHING IN THE
STATEMENT WHICH GOES BEYOND PREVIOUS DECLARATIONS.
FURTHERMORE, THE STATEMENT'S EMPHASIS ON FACILITATING
TRAVEL TO TAIWAN AND MOVEMENT OF MONEY APPEARS TO
CONFIRM THAT THE STATEMENT IS FOR THE EARS OF A
MINORITY SLICE OF HONG KONG RESIDENTS. ONLY THE RICH
NEED APPLY. THIS IS A HEALTHY RECOGNITION OF TAIWAN'S
LIMITATIONS. THE AUTHORITIES HERE HAVE TOLD US THEY
EXPECT MOST OF THE COLONY'S REALLY WEALTHY TO GO TO
THE U.S. OR ENGLAND. TAIWAN IS WELL AWARE THAT IT
IS ALREADY A CROWDED ISLAND, AND THE AUTHORITIES HAVE
PUBLICLY MENTIONED THAT THEY PROBABLY COULD NOT
ACCOMMODATE MORE THAN 50,000 PERSONS. KUOMINTANG
OFFICIALS IN OVERSEAS AFFAIRS HAVE TOLD US THAT IN
REALITY TAIWAN, WHICH IS TRYING TO EMPHASIZE A MOVE
INTO HIGH-TECH, HAS LITTLE TO GAIN FROM HONG KONG
BUSINESSMEN, EXCEPT IN CERTAIN SERVICE INDUSTRIES.

9. IN HIS CONCLUSION JOHN CHANG TOOK THE VIEW WITH US
THAT THE HONG KONG ACCORD SHOULD BE SEEN AS ADEQUATELY
SERVING THE PURPOSE OF (#)
THE RESIDENT'S FEARS,
AND THEREBY ALLOWING THE PRESENT SITUATION TO CONTINUE
FOR ANOTHER FIVE OR SIX YEARS. NEVERTHELESS, HE
BELIEVES THAT AS THE 1997 DEADLINE DREW NEARER BASIC
UNCERTAINTIES WOULD AGAIN RESURFACE. WE DRAW FROM THIS
THAT TAIPEI SEES NO NEED AT THIS TIME TO EXTENSIVELY
REACT TO THE ACCORD.

THE CRUX OF TAIWAN'S DILEMMA

10. AT PRESENT THERE IS A CONSIDERABLE BODY OF OPINION
HERE THAT THE MAIN CONCERN FOR TAIWAN IN THE HONG KONG
ACCORD IS THAT OTHER PARTIES WILL SEE IT AS UNDERMINING
TAIWAN'S OBJECTIONS TO BEIJING'S POSTULATION OF "ONE
(#) , TWO SYSTEMS" (REF D). PRESS COMMENTATORS AND
OFFICIAL SPOKESMEN HAVE EXPRESSED CONCERN THAT THIRD
PARTIES WILL CONFUSE THE ANNOUNCEMENT OF THE ACCORD WITH
IMPLEMENTATION, THEREBY INCREASING THE PRESSURE ON TAIWAN
OVER THE NEXT 13 YEARS. CERTAINLY THIS IS BEIJING'S
INTENT AS SUGGESTED BY ZHAO ZIYANG'S COMMENTS SEPTEMBER
30 AND DENG YINGCHAO'S OVERTURE TO TAIWAN, WHICH WAS
CARRIED IN THE LOCAL PRESS, GIVEN TO A GROUP OF VISITING
OVERSEAS CHINESE.

11. DIRECTLY SPEAKING TO THE ABOVE ISSUE, PREMIER YU,
IN AN ADDRESS BEFORE THE LEGISLATIVE YUAN, STRESSED THE
THEME THAT TAIWAN CONTROLS ITS OWN FATE. FOREIGN
MINISTER CHU IN AN OCTOBER 4 ADDRESS BEFORE THE SAME
BODY REJECTED OUT OF HAND THE APPLICABILITY OF THE
HONG KONG ACCORD TO TAIWAN AND WARNED AGAINST BEIJING'S
"ONE NATION, TWO SYSTEMS" THEME.

12. COMMENT: THE AUTHORITIES HERE WILL STAND PAT,
AND ON THE SIDELINES. CONSIDERING THAT THE HONG KONG
ACCORD DOES NOT IMPINGE ON DAILY BUSINESS HERE, (AND
IN LIGHT OF THE FEW POLICY OPTIONS AVAILABLE TO TAIPEI
AT THIS TIME), THIS SEEMS A REALISTIC POLICY. TAIWAN
BUSINESSMEN, ON THE OTHER HAND, MAY BE GEARING UP TO
TAKE ADVANTAGE OF NEW OPPORTUNITIES IN POST-AGREEMENT

HONG KONG. ONE PROMINENT TAIWANESE ENTREPRENEUR TOLD
US HE IS IN THE PROCESS OF SHIFTING HIS CONSIDERABLE
OFF-SHORE FUNDS BACK INTO HONG KONG, AFTER HAVING
PARKED THEM IN JAPAN FOR THE PAST TWO YEARS. END COMMENT
THAYER
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C O R R E C T E D C O P Y (PARA 5)

DEPT PASS CINCPAC FOR POLAD

E. O. 12356: DECL: OADR
TAGS: PREL, CH, UK
SUBJECT: SINO-BRITISH JOINT AGREEMENT ON HONG KONG

1. (C) - ENTIRE TEXT.

2. AT OUR REQUEST, U.K. EMBOFF PROVIDED THE FOLLOWING BRIEF READOUT ON THE SINO-BRITISH JOINT AGREEMENT ON HONG KONG SINCE THE SEPTEMBER 26 SIGNING CEREMONY. HE EXPRESSED OVERALL SATISFACTION WITH PUBLIC STATEMENTS MADE BY CHINESE OFFICIALS FROM DENG XIAOPING ON DOWN. INDEED, HE SAID, THE CHINESE, IN AFFIRMING THEIR INTENTION TO IMPLEM T FAITHFULLY THE AGREEMENT'S PROVISIONS, HAVE DONE AS MUCH AS THE BRITISH COULD HAVE HOPED. THE EMBOFF NOTED THAT THE CHINESE HAVE BEGUN USING TERMS LIKE "HONG KONG GOVERNMENT" AND "GOVERNOR" (TO REFER TO SIR EDWARD YOUDE), WHICH ACKNOWLEDGE BRITISH CONTROL OVER HONG KONG. IN ADDITION, THE CHINESE NOW OPENLY REFER TO THE HONG KONG AND MACAO OFFICE AND PERMIT THE BRITISH EMBASSY TO CONTACT IT DIRECTLY RATHER THAN GOING THROUGH MFA.

3. ON THE STANDING OF THE JOINT DECLARATION, THE EMBOFF SAID BOTH THE CHINESE AND BRITISH SIDES CONSIDER THE DOCUMENT TO BE A BINDING INTERNATIONAL AG EEMENT, EQUIVALENT TO A TREATY. BOTH SIDES AGREED ON THIS POINT IN THE NEGOTIATIONS AND IN THE TEXT ITSELF. HE POINTED TO THE KEY PASSAGE IN THE DECLARATION (PARAGRAPH SEVEN)

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WHICH SAYS: "THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AGREE TO IMPLEMENT THE PRECEDING DECLARATIONS AND THE ANNEXES TO THIS JOINT DECLARATION." OU CONTACT ALSO OBSERVED THAT THE CHINESE PRESS HAS OCCASIONALLY REFERRED TO THE DOCUMENT BY THE MORE FORMAL WORD FOR AGREEMENT - "XIEYI".

4. THE EMBOFF CONFIRMED THAT THE BRITISH PLAN TO REGISTER THE AGREEMENT AT THE U.N. AFTER IT HAS BEEN RATIFIED BY BOTH SIDES. THE BRITISH, HOWEVER, HAVE NOT YET INFORMED THE CHINESE OF THEIR INTENTION TO DO SO. (EMBOFF ASKED THAT WE KEEP THIS INFORMATION CONFIDENTIAL, ALTHOUGH HE ADDED THAT HE THOUGHT SIR GEOFFREY HOWE MAY HAVE MENTIONED THE BRITISH PLANS AT A RECENT PRESS CONFERENCE.) DESPITE THE CHINESE ACKNOWLEDGEMENT OF THE AGREEMENT'S EQUIVALENCE TO A TREATY, THE BRITISH BELIEVE THE CHINESE MIGHT OBJECT TO THIS PROCEDURE BECAUSE THEY WISH TO AVOID GIVING THE IMPRESSION THAT AN INTERNATIONAL BODY HAS SUPERVISORY POWER OVER THE AGREEMENT'S IMPLEMENTATION.

5. COMMENT: OUR BRITISH COLLEAGUES ARE OBVIOUSLY PLEASED WITH THE RESULTS OF THEIR EFFORTS AND MUCH MORE RELAXED NOW THAT THE AGREEMENT HAS BEEN SIGNED. THEY ALSO CLEARLY WISH TO PUT THE BEST FACE POSSIBLE ON THE AGREEMENT. ALTHOUGH CAUTIOUS ABOUT REGISTRATION OF THE AGREEMENT WITH THE U.N., THEY SEEM OPTIMISTIC THAT RATIFICATION WILL PROCEED SMOOTHLY. END COMMENT.
HUMMEL
BT

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