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FILE TITLE

OFFICIAL GROUP ON CONTINGENCY PLANNING FOR HONG KONG

MISC 140

FILE BEGINS 23-5-89 ENDS 28-10-89 FILE No 475/5 PT 1

INDEX HEADINGS

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PART 1/2

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FILE TITLE

OFFICIAL GROUP ON CONTINGENCY PLANNING FOR HONG KONG.

MISC 140.

PART NUMBER 1

FILE BEGINS 23.5.89 END 1.~~3~~.89. FILE No.

PART NUMBER PT 1

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T0776

MR APPLEYARD

cc Mr Manning

HONG KONG: THE ARMAGEDDON SCENARIO

You suggested that an input on this item for the Prime Minister's brief for OD(K) could be prepared without delay. I offer the attached, which has been prepared in consultation with Mr Manning, who advised after discussion with the FCO that the report of MISC 140 does not require updating.

2. One point occurs to me. The Transport Secretary is not a member of OD(K) and has not seen the Armageddon paper; but his Department are represented on MISC 140 and took part in its work, and it would fall to them to follow up any decision to hold discreet discussions with shipping lines and airlines. This leads me to wonder whether it would not be courteous to try to procure an invitation to Mr Parkinson to attend this part of the meeting on 7 December (which would involve an approach from yourself or myself to Mr Powell). The TORs of OD(K) say that others may be invited to attend as appropriate. There could be a case for taking this item before the main one (Hong Kong assurances) to enable Mr Parkinson to leave after the first item, but I would not recommend this because:

a. discussion of Armageddon could drag on, encroaching on the time needed for the much more difficult subject of assurances, and

b. Mr Parkinson would not necessarily leave anyway.

3. My recommendation is to invite the Transport Secretary for the whole meeting and to take assurances first.

W D REEVES

28 November 1989
Att

ITEM 2: CONTINGENCY PLANNING FOR A MASS EXODUS FROM HONG KONG: OD(K)(89)6

CONCLUSION

Subject to discussion the Sub-Committee might be invited to endorse the conclusions on pages 1-3 of the paper and to approve the recommendations on pages 4-7.

BACKGROUND

The memorandum seeks Ministers' endorsement of a report by the Official Group on Contingency Planning for Hong Kong (MISC 140), which was established following your meeting with colleagues and the Governor of Hong Kong on 8 June when it was decided that work should be put in hand on longer term contingency planning on a highly restricted basis (Mr Powell's letter of 8 June to Mr Wall). The key conclusions of the report are:

a. There is no single scenario for a mass exodus - the so-called "Armageddon" situation. Four distinct scenarios have been identified; the situation, and our ability to respond, would be quite different as between pre-and post-July 1997.

b. Three phases are distinguished: "green", a planning phase which we are now in; "amber", when a crisis appears imminent; and "red", when a mass exodus has begun. Only minimal additional expenditure is envisaged in the "green" phase but expenditure in the "amber" and "red " phases would be enormous.

c. The United Kingdom could not handle a mass evacuation alone; other countries would have to help, and the United States would be particularly important.

d. A large influx into the United Kingdom would create a huge resettlement problem which would be hugely expensive to deal with. This underlines the importance of doing everything possible to prevent a mass exodus.

HANDLING

Discussion should cover the following aspects:

a. Government-sponsored mass evacuation

Does the Sub-Committee agree that the contingency

planning should provide for this, as opposed to providing merely for those who make their own way out of Hong Kong?

b. Securing international help

Does the Sub-Committee agree that pledges of international help should be sought, and if so should this be done during the "green" phase as recommended, bearing in mind that this could lead to the fact of our contigency planning becoming publicly known? When and how should other Governments be approached, and in what terms? Does Government policy regarding involuntary repatriation of Vietnamese boat people cause any difficulties in this regard?

c. Other action during the "green" phase (pages 4 and 5)

Does the Sub-Committee endorse these? In particular:

- increased monitoring of arrivals in the UK from Hong Kong;
- a review by officials of the possibility of holding discreet discussions with British shipping operators and airlines;

- identifying possible regional clearing centres, without approaching other Governments at this stage;
- within the UK, planning for reception centres, a Resettlement Board and provision of housing, though with no discussions outside central Government at this stage;
- consultation with the Governor on a personal basis, but not with the Hong Kong Government?

d. Action during the "amber" phase (pages 5 and 6)

Does the Sub-Committee endorse these proposals, bearing in mind that in a crisis the amber phase could be very short? In particular, is the Sub-Committee content to defer decisions on relaxation of normal immigration controls to the amber phase?

e. Action during the "red" phase (pages 6 and 7)

Does the Sub-Committee endorse these proposals?

f. Immediate action

Is it agreed that MISC 140 should continue to monitor the situation, keep the contingency plans under review and co-ordinate costing of the plans, reporting as necessary to OD(K)?

g. Possible leaks

So far there has been no leak of the fact that the Government is undertaking contingency planning. Should this become publicly known, is the Sub-Committee content with the suggested press line (Annex E) and draft Parliamentary reply (Annex F)?

DH.

Box 42

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N.0556

MR REEVES

HONG KONG: THE "ARMAGEDDON SCENARIO"

1. We spoke.

2. I have discussed the question of updating the Scenarios paper with Mr Paul (Head of Hong Kong Department, FCO). He sees no need for amendment before the OD(K) meeting on 7 December. Two points that he stressed were:

i. There have been no discussions with the Governor of Hong Kong which affect the contents of the paper as it now stands;

ii. It has become much clearer in recent weeks that the key both to the short and longer term is "assurances". If an acceptable programme can be devised, this will calm public opinion in the colony. At the same time, such "assurances" will serve as a model for other countries to follow. Assuming they do so (and the FCO apparently intend to put pressure on the US, Canada, Australia etc), this should help to avert an "armageddon" or, in the worst case, provide a means of responding to it.

D G MANNING

17 November 1989

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475/5

1/10/89?

CONTINGENCY PLANNING FOR HONG KONG

CONCLUSIONS

1. A mass exodus from Hong Kong might take place for a number of different reasons. For planning purposes we should confine ourselves to 4 scenarios: a haemorrhage of confidence, or sudden panic, before July 1997; internally generated panic, or Chinese provocation, after July 1997.

WR →

2. The Chinese attitude will be crucial in determining whether there is a crisis leading to a mass exodus and, if so, how that crisis can be managed.

3. The potential number of refugees is huge: the United Kingdom could not manage a crisis alone. Securing international support (and where possible firm pledges) is essential. It will be important to take every opportunity to lobby energetically.

4. Contingency planning should be in 3 phases:

LA

- the *"green"* phase, which should concentrate on monitoring movement from Hong Kong into the United Kingdom. This is the current phase.

- the *"amber"* phase, when a crisis appears imminent and Ministers will need to authorise practical measures.

- the *"red"* phase, when a mass exodus has begun, and evacuation, reception and resettlement must be undertaken.

In practice the transition between phases could be very swift. This underlines the need for careful planning which could be implemented at short notice.

× ~~Arguing~~ and enlisting ~~the~~ support ~~of~~ the international community ~~for~~ in the event of a mass exodus.

(commitments / future)

5. Finding sufficient transport to evacuate refugees could be very difficult. The United Kingdom has comparatively few civil assets and unless there were a direct threat of Chinese military action against Hong Kong the Government would have no power to requisition shipping. No powers are available either to direct the operations of civil aircraft fleets. The lead times for chartering or leasing ships and aircraft are long; and the costs very high. Military transport assets could be used but their capacity is not large. It would be important to secure the assistance of the United States Armed Forces for any large scale evacuation.

NB

6. There would be great reception and resettlement problems in the event of a large influx of refugees into the United Kingdom. In the short term accommodation would be a particular difficulty, not least because there would almost certainly be a mis-match between places where there was accommodation and places where there were jobs. The Government might need to find ways of encouraging refugees to go to certain areas and stay there. In the longer term there would be significant problems of integration, increase ethnic pop^{n} by %.

7. The costs to the United Kingdom Exchequer of a mass evacuation from Hong Kong, and the subsequent reception and resettlement programmes would be very considerable. Ministers will wish to delay incurring expenditure until as late as it is prudent to do so. Recommendations for the current *"green"* phase are therefore minimal and low cost. But very heavy expenditure would be required in the *"amber"* and *"red"* phases.

8. The scale of the problems that would be posed by a large scale influx of refugees into the United Kingdom, and the huge costs that would be incurred, underline the need to do everything possible to prevent a mass exodus from Hong Kong.

RECOMMENDATIONS

1. During the *"green"* phase:

i. There should be increased monitoring of those arriving in the United Kingdom from Hong Kong. Figures should be available on a weekly basis. This would require some increase in resources for the Immigration Service.

ii. There should be discussion with the Governor of Hong Kong about additional political reporting. An extra First Secretary might be attached to the Political Adviser's office.

iii. Bilateral and multilateral meetings should be exploited to secure commitments from other Governments to take refugees from Hong Kong in the event of a mass exodus.

iv. Officials should review the possibility of holding discreet discussions with British shipping operators about the future movements/availability of their cruise ships. They should also establish a mechanism for monitoring non-British cruise ships.

v. Officials should maintain an up-to-date record of British military assets available to assist with a major evacuation from Hong Kong.

vi. Possible regional centres should be identified but no approaches should be made to other governments at this stage.

vii. Plans should be drawn up within Whitehall for reception centres in the United Kingdom and for a Resettlement Board. Sources should be identified for other services that would be needed in the reception phase. Plans should be made for requisitioning, and for constructing, accommodation. These should not be discussed outside central Government at this stage.

2. During the *"amber"* phase:

viii. Monitoring of those arriving in the United Kingdom from Hong Kong should be further stepped up with figures available on a daily basis.

ix. Ministers should take decisions on whether and, if so, how far to set aside immigration control requirements.

LAX

x. An International Conference should be convened to secure commitments to cover the entire population of Hong Kong. The United Kingdom would have to be ready to declare the extent of its own readiness to help.

xi. Outline contingency plans for chartering aircraft and cruise ships should be agreed with British and Hong Kong operators. The availability of aircraft and cruise ships should then be constantly monitored. Treasury agreement should be given for the commitment of expenditure to lease or charter aircraft and ships.

NB

xii. Steps should be taken to improve the readiness of military assets.

xiii. The governments of South East Asia should be approached in confidence about establishing regional clearing centres. Contingency plans should be agreed if possible.

xiv. A Resettlement Board should be established and requisitioning put in hand as necessary. Resettlement policies should be refined.

3. In the *"red"* phase:

xv. An international conference should be convened, or reconvened, to secure commitments to take refugees.

xvi. Carriers should be given warning/assurances about their liability for carrying refugees.

xvii. Air and ship operators should be instructed to withdraw aircraft and ships covered by dormant contracts, and told to send them to Hong Kong.

xviii. Additional staff and police should be made available at Hong Kong airport to ensure orderly departures.

xix. Provision should be made for ship and aircraft spare parts and fuel to be available in Hong Kong and at refugee destinations.

xx. Decisions should be taken about the scope and scale of military assistance.

xxi. Every effort should be made to establish regional clearing centres.

xxii. The Resettlement Board should begin organising the reception and distribution of refugees in the United Kingdom.

General

xxiii. Misc 140 should continue to monitor the situation and report as necessary to OD(K).

xxiv. Ministers are invited to endorse the paper as the basis for further work.

INTRODUCTION

1. The terms of reference of MISC 140 are:

> *"To devise plans to deal with the contingency of a large scale exodus from Hong Kong in the period up to July 1997 or thereafter."*

This paper seeks to meet that requirement. It examines the scenarios that might prompt a large scale exodus, addresses the problems that such an exodus would pose, and lists the measures that would be needed to deal with them. This includes evacuation by both civil and military means, and arrangements for the reception and resettlement of refugees. Since the numbers would be far too great for the United Kingdom to handle alone, the paper considers what arrangements should be made to ensure that the international community would share the burden. The paper makes clear that, even allowing for international cooperation, the costs of an exodus to the United Kingdom Exchequer would probably be very large.

WR

2. Plans to deal with a large scale exodus need to be tailored to three different phases: monitoring the situation, which is the *"green"* phase that we are currently in; identifying and responding to an imminent crisis, which would be the *"amber"* phase; and dealing with an emergency, which would be the *"red"* phase. The paper indicates which measures are appropriate to each phase.

SCENARIOS

LA

3. There is a good chance that confidence will be maintained in Hong Kong. However, in the event that it is not, the worst case scenarios for both the pre-and post-1997 period are set out below. These are considered in detail not only to illustrate the sort of events which might trigger a crisis in Hong Kong, but also because they have important implications for the way in which those fleeing Hong Kong would be perceived by the international community.

British policy is to maintain and strengthen confidence in Hong Kong so that the population, especially the most entrepreneurial and productive sections, remain there until and after 1997 so as to make a success of the arrangements agreed in the Joint Declaration. Despite recent events there is a good chance that this will be achieved. For the purposes of this exercise, officials have been asked to consider

Pre-1997 Scenarios

4. There are essentially two pre-1997 scenarios which contingency planning will need to address:

a. A steady ebbing away of confidence, culminating in rising panic or economic collapse

Under this scenario, if the confidence of the people of Hong Kong is not restored, there could be an increasing outflow of capital and talent from the territory. The rate of emigration would be limited only by the availability of places in the destination countries. Investment in the territory would dry up. Property values would decline. The stock market would be increasingly vulnerable to panic selling. This could provoke a steady and largely imperceptible slide from the *"green"* to the *"amber"* phase. Once in the *"amber"* phase, even a relatively minor event could trigger economic collapse and panic amongst the community (ie the *"red"* phase), leading to a major exodus. The transition from the *"amber"* to the *"red"* phase could be very short.

b. Panic provoked by further developments in China

Hong Kong people [will from now on be] even more sensitive than before to developments in China, such as a repetition of the brutal use of military force against Chinese civilians; the unleashing of a campaign of terror and repression against sections of the population; or the breakdown of order in China leading to civil unrest or civil war. [Under this scenario] such developments, singly or in combination, could cause panic in Hong Kong. There could be a swift transition from the *"green"* phase, through *"amber"*, to *"red"*. Alternatively, the Chinese Government might issue verbal threats against the territory or even take some threatening action, such as massing troops on the border. Depending on circumstances, there might be little warning of this. Again, the transition from the *"green"* phase to *"red"* could be swift. None of these gestures would in any sense serve China's

own wider interests, but the Chinese might nevertheless resort to them for domestic political reasons or if they were alarmed by developments in the territory.

5. These two broad scenarios, which are worst case, are not necessarily distinct. A combination of them, or elements of them, might also occur. In any case, the closer we come to 1997, the more vulnerable Hong Kong will be to panic triggered by even a relatively minor event which could in turn lead to very large and unmanageable numbers of people trying to leave. Similarly, the closer we come to 1997, the more rapid any transition from *"green"* to *"red"* is likely to be.

6. The risk of a panic exodus is arguably greater in the period before 1997 than after it because people are likely to be motivated by the desire to get out before the transfer of sovereignty. Even without a panic exodus before 1997, there will probably be a steady haemorrhage of people leaving Hong Kong after the transfer of sovereignty.

Post-1997 Scenarios

7. There are two possible post-1997 scenarios that need to be considered:

a. Internally generated panic

Under this scenario, Hong Kong would already have been seriously weakened by years of emigration of its brightest and best and by the thinning out of international investment in the territory, and further demoralised by the transfer of sovereignty. In a deteriorating situation, (the *"amber"* stage), Hong Kong's inhabitants would judge that the Joint Declaration was not working: this might be because of increasing Chinese interference; because of growing corruption in the territory; or because of a perception that Britain and the rest of the international community were no longer willing or able to do much to help. In

these circumstances, despair could turn to panic ("*amber*" to "*red*"), particularly if people lost confidence in the promise of freedom of movement in the Joint Declaration.

b. Panic provoked by China

Any of the developments outlined in paragraph 4b. above could equally well occur after 1997, with the same devastating effect on confidence. But after 1997 the risk (and fear) of direct Chinese interference in Hong Kong's affairs would be substantially greater. Under the Joint Declaration, the Chinese have the right to station troops in Hong Kong after 1997 and they have made it clear that they intend to do so. The draft Basic Law gives them the right to declare a state of emergency in the territory. Either development would be bound to affect local attitudes. Any China-provoked panic would probably be swifter and more devastating in its effect, thereby shortening the transition from green through to "*amber*" and "*red*".

8. There are more imponderables in these post-1997 scenarios. In particular, we do not know what attitude the Chinese authorities would take in the event of a mass exodus. They might try to impede departure or they might allow it to happen. Under certain circumstances they might even encourage those they deem to be troublemakers to go. What is clear, however, is that after 1997 the attitude of the Chinese government will be the determining factor in whether substantial numbers of the inhabitants of Hong Kong could leave the territory and in what circumstances. The Chinese would have the means to prevent a mass exodus and (arguably) the right to prevent an international evacuation operation in Chinese waters.

THE "*GREEN*" PHASE

9. The current, "*green*" phase should concentrate on monitoring the flow of those leaving Hong Kong and arriving in the United Kingdom. The aim should be to alert ministers to any progressive haemorrhaging of confidence that led to increasing emigration from the territory, which might in turn threaten a crisis (the "*amber*" phase).

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

10. At present (see Annex A) statistics of Hong Kong British Dependent Territory Citizens (BDTCs) arriving in the United Kingdom are collated at monthly intervals (for internal use). In future they should be made available more frequently, in order to provide a barometer of the mood in Hong Kong, and to give early warning of a surge of arrivals in the United Kingdom. Such a surge could result in the need to set aside normal emigration control requirements (see below). Procedures should therefore be established to make the figures available on a weekly basis, with each week's figures available on the Monday of the following week. The figures should include not only admissions for settlement and for other purposes, but also refusals of leave to enter. After 1 July 1997 they should show separately any applications for asylum.

Emigration Control

11. During the *"green"* phase the normal emigration control arrangements will continue to operate. Although certain groups (those with the right of abode and others given a guarantee of admission) will be freely admissable in any circumstances Hong Kong BDTCs and non-British nationals arriving from Hong Kong will be liable to be refused entry and returned if they attempt to enter the United Kingdom without the appropriate entry clearance. The same will be true if they attempt to enter as visitors without being able to satisfy Immigration Officers that they intend to leave the United Kingdom at the end of their planned stay.

12. As far as refugee status is concerned, it is difficult to envisage this being granted under the terms of the 1951 UN Convention to people leaving Hong Kong before 1 July 1997. Thereafter, applications for asylum are more likely, and would be more difficult to refuse not least because it would probably be impossible to make the enquiries necessary to rebut the suggestion of persecution. In practice, as

previous experience shows, any large increase in numbers of asylum-seekers arriving in the United Kingdom defeats the capacity of the system to consider applications thoroughly.

13. An increase in the number of doubtful visitors before 1 July 1997, or of asylum-seekers thereafter, would be one of the indicators that might trigger transition from the *"green"* to the *"amber"* phase.

Monitoring of Emigration from Hong Kong

14. The Hong Kong government are refining their data collection techniques. They should be encouraged to persist in their efforts and to make their results known to us (see Annex A).

Monitoring: Political Reporting

15. The Governor of Hong Kong will continue to report on political developments in the colony until 1 July 1997. However, given the importance that Hong Kong's domestic politics may acquire in the period before the territory's return to China, it might be useful to discuss with the Governor the feasibility of supplementing his resources with an additional First Secretary (perhaps attached to the office of the Political Adviser) charged with following internal political developments.

External Consultation

16. In addition to the careful monitoring of movement out of Hong Kong and into the United Kingdom, the *"green"* phase should be used for the energetic lobbying of prospectively helpful governments about the problem of Hong Kong, and to sensitise them to the fact that they would have a shared responsibility to help. The Prime Minister and the Foreign and Commonwealth Secretary have already raised this issue at the Madrid European Council, the Paris Economic Summit and bilaterally with their United States, Australian and Canadian counterparts.

17. We should now build on this, intensifying our efforts to secure firm and specific commitments from other Governments to take people from Hong Kong in need of a home of last resort. Once we have

announced what measures we are prepared to take to extend the right of abode, we can use our readiness to help as a lever to get detailed undertakings from others. The more extensive our measures are the greater our chances of generating substantial offers from others. Opportunities for contacts in the next few months include:

DATE	EVENT	ACTION PROPOSED
SEPTEMBER	PRIME MINISTER'S VISIT TO JAPAN	Prime Minister should speak to the Japanese Prime Minister.
SEPTEMBER	UNGA	Passage on Hong Kong in Secretary of State's speech. Programme of Bilateral contacts with United States, Canada and Australians, following up their positive response to our earlier efforts. ~~We should also consider discussion with the Philippines.~~
OCTOBER	CHOGM	Inscription of Hong Kong as agenda item. Passage on Hong Kong in Prime Minister's speech. Programme of Bilateral contacts with Canadian, Australian, New Zealand and Singapore Governments. Doubtful whether time would be right to extend net of bilateral consultation more widely.
8-9 DECEMBER	EUROPEAN COUNCIL	Inscription of Hong Kong as agenda item. Passage on Hong Kong in Prime Minister's speech. Language on Hong Kong for communique.

Planning: Civil Evacuation

18. There are a number of factors (fully described in Annex B) that will affect any civil evacuation of refugees from Hong Kong.

- The numbers involved: it would take 2500 B747 flights, or about 1400 cruise ship voyages, to move 1 million passengers with little or no luggage.

- Destinations: the shorter the distance that refugees have to be transported, the more of them that can be carried eg 50 B747s could transport 2.3 million refugees in a month from Hong Kong to Taiwan but only 500,000 refugees to Sydney. It is therefore essential to earmark staging posts near Hong Kong that could provide temporary accommodation, leaving onward movement until later when final destinations are arranged.

- The attitude of the Chinese: if the Chinese decided to prevent refugees from leaving, they would have little difficulty in blocking the harbour and airport.

- Availability of aircraft and ships: there are serious constraints in the availability of aircraft and ships. The longer the notice, the easier (and perhaps cheaper) the leasing is likely to be.

During the current *"green"* phase, officials should review in detail the possibility of holding discussions with the main British Cruise Ship Operators eg Cunard and P&O. The benefits of consultation will need to be weighed against the risk of leaks. Discreet monitoring should also be carried out on present and planned operations of all cruise ships to permit identification of other non-British vessels which might be useful. Officials should establish the best mechanism for doing this.

Evacuation - Military Assistance

19. In addition to civil assets, a limited number of military transports would be available to help with a large scale evacuation from Hong Kong (although the paper assumes that military assistance is only likely to be a significant feature of any evacuation plan in the period up to 1 July 1997).

20. The air and sea transport that could be provided is described at Annex C (together with other forms of military assistance that might be available) but a number of points are worth emphasising:

- In quantitative terms the capacity of the services to transport large numbers of personnel is small.

- The availability of military units will be affected by other commitments at the time of any crisis.

- If the Royal Navy's three patrol craft are still deployed in Hong Kong at the time of the crisis, they could be used to evacuate up to 150 selected individuals who might qualify for priority treatment (eg politicians, police etc).

- The United States have significant military transport assets (as well as bases in the Philippines, Japan and South Korea) which could play a major role if they were made available for an evacuation.

During the current *"green"* phase, officials should maintain an up-to-date record of military assets available for use in the event of a major evacuation from Hong Kong.

Evacuation: Regional Clearing Centres

21. The United Kingdom could only absorb a small proportion of those leaving Hong Kong as part of a large scale exodus. Even assuming that other countries took their share of refugees, there would be a need for

regional clearing centres where refugees could be accommodated before moving on to resettlement points. Officials should identify possible locations for such centres.

22. The idea of regional clearing centres is, however, unpopular with the people of Hong Kong. They have seen the conditions in which the Vietnamese boat people have had to live in Hong Kong (some 160,000 have reached the territory since 1975), and the delays in resettling them (some have had to wait 5 years). Any discussion of this subject with governments in the region would therefore have a very bad effect on confidence and morale in Hong Kong, if it were to leak.

23. Experience over the boat people has also shown how difficult it is to establish clearing centres in the region. Despite intensive lobbying recently of the Philippines government to set up such a centre, and promises of a £5 million United Kingdom financial contribution, little progress has been made. The prospects of securing agreement to establish holding centres for Hong Kong refugees in advance of a major crisis in the territory cannot be good.

24. No action should be taken therefore, during the "green" phase, on regional clearing centres. The current priority must be to secure the agreement of the countries in South East Asia to the setting up of a regional clearing centre for Vietnamese boat people, not for Hong Kong residents.

Planning: Reception and Resettlement

25. There will be two stages for dealing with those admitted to the United Kingdom in the event of a mass exodus from Hong Kong, reception and then resettlement (a full discussion of the issues is at Annex D).

Reception

26. Arrangements will be needed to accommodate and feed refugees arriving in the United Kingdom, on the assumption that few of them will have contacts to whom they can turn. In the past, similar exercises have relied heavily on MOD facilities but, with the reduction of such facilities, private sector sites would be needed to cope with the

large influx from Hong Kong. During previous crises, notably the expulsion of East-African Asians from Uganda in 1972-3 when 30,000 refugees arrived in the United Kingdom, a Government body has been established to coordinate reception and resettlement. Something similar would be needed to manage the arrival of large numbers of Hong Kong refugees: the Uganda Resettlement Board would serve as a model. The reception period could last up to 6 months before people could be moved to more permanent places of settlement. During that time medical attention and schooling would need to be available.

think the scale of effort would be ~~too~~ immeasurably greater.

Resettlement

27. Resettlement arrangements would depend on a number of factors:

- The scale and duration of an influx.

- The extent of links which those arriving have with the United Kingdom.

- The resources, abilities and skills which they bring with them.

Special arrangements are likely to be needed for housing and income support; for training (including language training), and advice and support for business and employment. There will also be an impact on health, education and other services.

28. In the event of a large scale influx, accommodation will pose severe problems. Only some 400,000 properties would be available in the short term, 300,000 of which would have to be requisitioned from the private sector. Even if the exodus were smaller scale, and enough housing were in theory available, there would nevertheless almost certainly be a mis-match between the areas where there was accommodation and those where there were jobs. Planning will need to consider how far arrivals can be channelled towards designated areas. (There are no generally available registers giving the location of empty accommodation. During the *"green"* phase the following steps should be taken:

- Develop criteria for handling arrivals according to the different scenarios identified at the beginning of the paper.

- Prepare plans for establishing a Resettlement Board.

- Identify possible reception accommodation and earmark suitable sites.

- Identify sources for other services needed in the reception phase.

- Make plans for requisitioning and, as necessary, the construction of accommodation.

- Develop detailed policies for other aspects of the settlement of arrivals, coordinated among the Departments concerned (the Home Office, the Department of the Environment, the Department of Employment (including the Training Agency), the Department of Education and Science, the Department of Health, and the Department of Social Services). At this stage discussion should be strictly confidential.

- examine the potential impact on community relations in the short + long term ~~in the short term and on the longer~~

29. Since the time between warning of an imminent crisis and the first arrivals of refugees might be very short, it would be important to be able to implement plans quickly. The extent to which practical arrangements can be managed at central Government level is limited. Decisions will therefore be needed, once the detailed planning is in hand, about who may be consulted outside central Government, and when.

Additional Resources

30. The measures identified during the "green" phase do not require large additional expenditure. The main requirement is for added resources to monitor immigration rates into the United Kingdom (see paragraph 10 above). In addition provision may be needed for an extra First Secretary to monitor political developments in Hong Kong (see paragraph 15 above). The cost might be in the region of .

THE *"AMBER"* PHASE

31. Increasing emigration from Hong Kong (whether for political or economic reasons) would signal the possibility of an imminent crisis. This would mark the transition from the "green" to the *"amber"* phase. The action that would need to be taken during this phase is set out below.

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

32. During the *"amber"* phase, which could be very short, the figures should be counted and reported daily for Hong Kong BDTCs arriving in the United Kingdom, for any refused leave to enter, and (after 1 July 1997) for any applications for asylum. The number of people leaving Hong Kong (sub-divided into Hong Kong BDTCs, other British nationals, foreign nationals and holders of Hong Kong identity documents) should also be reported on a daily basis, together with any available information (eg from travel tickets) about the destination of passengers.

Immigration Control

33. A key decision during the *"amber"* phase would be whether to set aside normal immigration control requirements, and admit people from Hong Kong seeking entry to the United Kingdom for an indefinite period without prior entry clearance. Although the Immigration (Carriers' Liability) Act 1988 applies only to the carriage of visa nationals, carriers are liable under the Immigration Act 1971 to pay the costs of detaining and removing a passenger refused leave to enter. They would therefore be likely to seek clarification of the Government's intentions.

34. Decisions would also be needed in this phase as to how any exemption from normal immigration control requirements was to be implemented: whether anyone arriving from Hong Kong was to be admitted or only British nationals; whether for immediate settlement or for a limited period in the first instance; whether non-British nationals should be returned to Hong Kong or to their countries of nationality; and what action should be taken in respect of those already in the

United Kingdom on a temporary basis. These decisions would have to precede a Government organised evacuation to the United Kingdom (whether refugees travelled to the United Kingdom or via intermediate reception points). The decisions taken, and the way they were presented, would themselves be likely to affect the numbers seeking entry.

External Consultation

35. An International Conference should be convened with the aim of securing commitments that would cover the entire population of Hong Kong. The net should be widely cast to include eg Central and South American countries. We should need to be ready to give a clear indication of our intentions, over and above any extension of the right of abode. This would almost certainly present Ministers with difficult decisions. Consultations would need to cover not only staging posts and the final destinations of the refugees but also (perhaps in a more restricted forum) coordination of international evacuation operations.

Planning: Evacuation

36. It would be essential to the planning of what might be an imminent evacuation that:

- Staging posts were identified close to Hong Kong (without them any quick, mass evacuation would be impossible);

- Outline contingency plans for chartering both aircraft and cruise ships should be agreed with the main British and Hong Kong operators; the availability of aircraft and cruise ships would need constant monitoring;

In addition:

- The shorter the *"amber"* phase, the more difficult and expensive obtaining civil transport assets would be. Aviation and cruise ship schedules are planned well in advance, and owners and operators are unlikely to have unemployed assets. The Government would either need to plan

to lease assets 12 months in advance (a timescale that a crisis might well not permit), or try to persuade operators to take aircraft and ships away from scheduled routes at short notice, offering them extremely high payments and guarantees of compensation against third party claims.
(NB. In the competitive aviation and cruise shipping markets there can be no assurance about the availability of assets at short notice. Even where leases 12 months ahead are concerned, airlines are unlikely to agree to dormant contracts if this involves abandoning scheduled services. To do so would put them at a disadvantage compared to their competitors. In all cases operators are likely to insist on United Kingdom guarantees in the event of other countries refusing to allow refugees to land on their territory.)

- Once Treasury agreement had been given for the commitment of expenditure to lease or charter aircraft and ships, the Department of Transport would have to negotiate arrangements with aviation and cruise ship operators for the release of their assets.
(Power to requisition ships would <u>not</u> be available to evacuate the refugees unless there were a direct threat to British territory (eg a threatened Chinese invasion before 1 July 1997). Similarly, there is no power to direct airlines as to how they should operate their fleets.)

Legislation?

LA

- ~~this~~ there would probably be considerable uncontrolled emigration.

<u>Evacuation: Military Assistance</u>

37. In the *"amber"* phase it would be appropriate to take steps to improve the readiness of military assets, but which fall short of major overt military deployment, to avoid the risk of precipitating the sort of crisis we would be trying to avoid. This could include the following:

a. reviewing contingency plans for the reinforcement of Hong Kong and the substitution of military personnel for locally employed labour;

~~provide~~ block using the James and fishing craft in private hands, principly sailing to ~~the~~ nearby destinations (.....). The RAF can would need to force urgent checks on the water to indicate this option that be monitored + controlled, especially in the amber phase.

b. reducing notice to move of air and land units;

c. directing ships to sail for the Hong Kong area (sailing times from the United Kingdom and the Gulf, for example, being 20-30 days and 10 days respectively);

d. postponing the departure of any air and sea assets temporarily deployed to the region;

e. deploying specialist personnel who may be of assistance in the organisation of an evacuation, including military engineers; mobile medical teams; air traffic controllers and air movements control personnel; and communications staff;

f. identifying as far as possible any individuals or groups who may require assured priority evacuation for which military assets could be appropriate;

g. consulting other national military authorities, especially those of the United States to establish what assistance they might be able to offer.

Evacuation: Regional Clearing Centres

38. Once it was clear that a crisis might be imminent, it would be important to speak urgently and in strict confidence to Governments in South East Asia including Singapore, Malaysia and Thailand (who have substantial ethnic communities), the Philippines (~~who have the~~ most ~~direct experience of holding centres~~), but probably not the Indonesians (who have some antipathy towards ethnic Chinese). It would also be desirable to explore the readiness of Taiwan to help, although an approach could not be on a government-to-government basis. If time permitted, and depending on the response, we should aim to draw up contingency plans with the governments concerned.

Planning: Reception and Resettlement

39. The plans prepared in the *"green"* phase would need to be given practical effect:

- a Resettlement Board should be established.

- Requisitioning should be put in hand as necessary, and reception centres prepared.

- Resettlement policies should be refined.

Additional Resources

40. Considerable additional resources would be needed in the *"amber"* phase.

- Monitoring arrivals from Hong Kong on a daily basis would probably require additional manpower if it lasted any length of time.

- Expenditure will need to be committed for leasing or chartering aircraft and ships. This will be expensive eg even on the most favourable assumptions of long advance notice and excluding all consequential and refitting costs, it would cost about £165 a head to ship refugees to Taiwan, or £400 a head to the Philippines, with subsequent onward movements costs in addition. Air transport costs would be similar to Taiwan, but relatively less expensive than sea for longer distances eg about £250 a head to Osaka and £700 to Sydney (see also Annex B).

- Reception and resettlement arrangements would involve:

  Additional staff costs.
  The costs of establishing the Resettlement Board.
  The costs of setting up reception centres.

Although it is difficult to calculate ~~any of~~ these costs with any precision, expenditure is unlikely to be less than £ m.

THE *"RED"* PHASE

41. The transition from the *"amber"* to the *"red"* phase will take place when a mass exodus from Hong Kong has begun. The United Kingdom, together with the international community as a whole, will then need to take emergency action to deal with the crisis.

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

42. In the *"red"* phase a comprehensive count on a daily basis of people arriving in the United Kingdom would be an intrinsic part of the evacuation, reception and resettlement arrangements. As far as the crisis permitted, monitoring departures from Hong Kong should also continue.

Emigration Control

43. In the *"red"* phase decisions on immigration control made during the *"amber"* phase would be implemented. (See paragraph 34 above.) Assurances or warning to carriers as to their liability for the cost of returning eg non-British nationals would be an intrinsic part of any evacuation or chartering arrangements.

External Consultations

44. An International Conference should be convened (or reconvened if there had been sufficient time during the *"amber"* period for a conference to have been called). Impact on international opinion of an acute crisis in Hong Kong might well stimulate a generous response from governments, which we should exploit.

Evacuation

45. In the *"red"* phase air and ship operators should be instructed to withdraw earmarked aircraft and ships covered by dormant contracts (assuming such contracts had been concluded) from their existing operations, and would be told to send them immediately to Hong Kong. Aircraft should reach Hong Kong within 24-48 hours; cruise ships would probably take at least a week.

46. In addition:

- Hong Kong airport would need additional staff. Extra police would need to be available to ensure orderly departures.

- There would need to be adequate supplies in Hong Kong, and/or at the ports and airports of first destination, of common aircraft and ship spare parts; of aviation and marine fuel; and of lifejackets and life rafts;

- Reception countries would have to be warned of the imminent arrival of large numbers of refugees so that the arrangements could be put in hand for their reception.

Evacuation: Military Assistance

47. In the *"red"* phase, military deployments might be necessary, including:

a. The reinforcement of the garrison with up to 2000 troops, and the substitution of 1,500 troops for garrison/civilian labour if the latter become unavailable or unreliable;

b. The use of military aircraft and shipping to assist in the evacuation of specific personnel and/or the general population;

c. The deployment of land, air and sea assets to deter or counter Chinese military action.

Evacuation: Regional Clearing Centres

48. Efforts would need to be stepped up to get governments in south East Asia to offer immediate, practical help. Possible measures might include public appeals (targeted at the ethnic Chinese communities in the region) and the convening of a special conference to mobilise support.

Reception and Resettlement

49. In the *"red"* phase the Resettlement Board would have to organise the reception of refugees and begin the process of resettling them. Settlement beyond the reception centre stage would make demands on all statutory services, but the provision of accommodation would be the key resource issue.

Additional Resources

50. The additional resources required in the *"red"* phase would be very large:

Evacuation: Costs would depend on the numbers leaving Hong Kong and on the transport available. On the most favourable set of assumptions, the basic cost of moving 1 million people by sea to Taiwan would be about £165 million and the cost of flying a similar number to Taiwan would be about £170 million (see Annex B for further details). In addition there would be the costs of maintaining the clearing centres (to which the British Government might be pressed to contribute), and the cost of onward transport from the clearing centres to the United Kingdom for those granted entry to this country.

Reception and Resettlement in the United Kingdom: the cost of the Resettlement Board, is hard to estimate: much would depend on the number of refugees and the duration of the crisis. (The Uganda Resettlement Board, which during a 16 month period dealt with some 30,000 refugees ie considerably fewer than might be expected to come to the United Kingdom from Hong Kong, cost £6 million at 1973 prices.) On the basis of past experience, the cost of reception centres would be about £5 million per 1000 refugees ie £5 billion for a million refugees. This figure assumes each refugee would stay in a reception centre for 6 months where basic needs would be met and some fairly minimal English language training would be given.

WHITEHALL MACHINERY

51. MISC 140 should meet regularly to review the situation. Its task should be to:

- monitor the situation in Hong Kong;

- ensure that contingency planning is up-to-date and that the measures identified remain appropriate and effective;

- advise Ministers through OD(K) of any steps that need to be taken.

- ensure that a press line is available to be deployed rapidly ~~if necessary~~ (a suggested formula is at Annex E).

- consider replies to Parliamentary Questions on contingency planning if necessary (a specimen is at Annex F).

52. MISC 140 will have an important role in trying to detect an impending crisis (the *"amber"* phase). If it appears that the situation is deteriorating the Group will need inter alia to:

- intensify monitoring of movement from Hong Kong and into the United Kingdom;

- alert Whitehall Departments so that they can eg determine the availability of air and sea lift capacity; look at possible reception arrangements;

- alert allies to the possibility of a crisis with the aim of securing their practical and political support.

Cabinet Office
17 August 1989

ANNEX A

EMIGRATION FROM HONG KONG AND IMMIGRATION INTO THE UNITED KINGDOM

1. There are no clear cut statistics about emigration from Hong Kong. There is complete and unrestricted freedom of movement in and out of Hong Kong and no way in which systematic records can be kept. The Hong Kong Government therefore had to make use of indirect indications from various sources those most important of which are:

a. applications for Certificates of No Criminal Conviction (CNCC) processed by the Royal Hong Kong Police Force;

b. statistics on visas issued by the main destination countries, as provided by the consulates; and

c. balance of migration statistics provided by the Immigration Department.

Each of these sources has its limitations particularly when considered on its own but, taken together, they allow a reasonable assessment to be made of the overall position.

Certificates of no Criminal Conviction

2. The main immigrant countries require CNCC's for adult applicants for visas. Statistics are readily available but have their limitations because:

a. CNCCs are required for a number of purposes other than immigration;

b. children do not need to apply for CNCCs for immigration;

c. there may be a considerable time lag between an application for a CNCC for immigration purposes and emigration from Hong Kong.

Visas

3. The seven main destination countries (Canada, Australia, USA, United Kingdom, Netherlands and West Germany) provide information on the number of immigration visas/entry clearances issued. This has to be treated with caution because of delays between visa issue and actual departure dates.

Immigration Department Statistics

4. The Immigration Department keeps a record of inward and outward movements of Hong Kong people (excluding movements to and from China). But this is of limited usefulness because:

a. the figures exclude Hong Kong residents using foreign travel documents (which include some of the most outwardly mobile);

b. it is not possible to identify returned emigrants who use Hong Kong travel documents;

c. no attempt is made to cross-reference identities or to ask people about the purpose of their journeys.

d. the data collection system has changed over the years, so that historical comparisons are particularly difficult to make.

Immigration into the United Kingdom

5. As far as monitoring the arrival of Hong Kong citizens into the United Kingdom is concerned (and departures to Hong Kong) the current position is set out below.

Entry Clearance

6. A Hong Kong British Dependent Territory Citizen (BDTC) does not need prior entry clearance in order to visit or study in the United Kingdom but does need it in order to come for work or settlement. However, if he or she has obtained a work permit, separate entry clearance is not needed.

7. Applications for entry clearance are normally made to the nearest United Kingdom consular post in the country concerned, but as there is as yet no consular presence in Hong Kong applications there are dealt with by the Hong Kong Immigration Department on an agency basis. They send the Home Office statistics of applications made and granted at quarterly intervals. The figures are not published regularly but may be disclosed from time to time in reply to PQs. A specimen of the quarterly return is at Attachment 1. It is unlikely that Hong Kong Immigration Department (HKID) would have any difficulty in producing statistics at more frequent intervals (eg weekly) but they would have to be especially asked to do so. Moreover, these figures are more relevant to a progressive haemorrhaging than to a crisis, since the qualifications for entry clearance are severely restricted by immigration rules.

8. The existing arrangements will in any event be overshadowed numerically by any new scheme for "giving confidence" (although it has not yet been decided whether this will allow assurance-holders to come prior to 1997). Applications and grants under this scheme (which will be under the control of the UK Government) would similarly be counted, but a decision has yet to be reached on what measures if any should be adopted for monitoring the take-up rate (ie assurance-holders arriving in the United Kingdom to settle).

Passengers arriving in the United Kingdom

9. Hong Kong BDTCs arriving in the UK are, like other passengers except British and EC citizens, counted by nationality and purpose of journey for statistical purposes. The figures come to the Home Office from the ports at varying rates (daily for some categories, monthly for others). They are collated every month for internal use (specimen at Attachment 2). The Hong Kong figures are not separately published but are distinguished in the annual (although not the quarterly) published statistics.

10. These arrangements would pick up a sudden upturn in the numbers arriving from Hong Kong and show which categories are affected. In particular, they would pick up a rise in arrivals of Hong Kong BDTCs seeking entry as a visitor or student, whom the entry clearance system would not necessarily detect. If it were thought of value, the Immigration Service could (at a cost) provide weekly or even daily figures of arrivals of Hong Kong BDTCs.

Departures of BDTCs

11. No figures are kept of the number of Hong Kong BDTCs leaving the United Kingdom nor, consequently, of the net flow. The only passengers leaving the United Kingdom whose departures are recorded are those on whom special ("check-out") conditions have been placed on entry because it is considered prudent to know whether and when the leave. A decision to count Hong Kong BDTCs leaving would have a significant financial and political cost: no other sort of British national is counted, and any new arrangements would be seen as tightened immigration control.

Hong Kong non-BDTCs

12. Persons who have been issued with Hong Kong identity documents but do not posses BDTC status need entry clearance to come to the United Kingdom for any purpose and are distinguished in the quarterly return provided by HKID (Attachment 1). Many of these people are stateless. Hong Kong stateless are also a separate category in the monthly arrivals summary (Attachment 2) although the accuracy of the figures relating to this category is for the time being in some doubt.

APPLICATIONS IN HONG KONG FOR ENTRY CLEARANCE TO THE UNITED KINGDOM

EC/HK
(Revised 7/87)

Quarter : April to June 1989

Number of persons

	Applications newly received during the quarter				Applications granted during the quarter				Applications refused during the quarter				Applicants awaiting first interview at end of quarter
	BDTC/BNO	CI (1) holders	DI holders	Others	BDTC/BNO	CI (1) holders	DI holders	Others	BDTC/BNO	CI (1) holders	DI holders	Others	Total
Wives, children, and persons for immediate settlement													
Wives	26	8	2	15	38	11	1	13					21
Children (under 18)	33			30	27			36					10
Other dependent relatives	6	26		32	5	19		36		2		3	17
Others for immediate settlement				5				5					5
Total	65	34	2	82	70	30	1	90	-	2	-	3	
Other persons not for immediate settlement													
Husbands, male fiances	15	11		6	13	7		5				1	12
Female fiancees	4			1	2	1		4					3
Persons coming for employment or business, and persons of independent means	180	20	1	33	83	19	1	31	2				19
Dependants of persons coming for employment or business, and of persons of independent means	124	17		15	117	6		25	6				24
Students	881	97	8	121	688	62	4	139	3				
Visitors	1565	4011	14	7944	1547	3668	14	8416	6	6	2	3	
Others (2)		13		18		14		15					
Total	2769	4169	23	8138	2450	3777	19	8635	17	6	2	4	

(1) Including stateless persons and BOC usually resident in Hong Kong

(2) Including Returning Residents

WAITING TIME TO FIRST INTERVIEW

Number of weeks between receipt of application and first interview, for the last person interviewed on the last working day of the quarter six weeks

Signed _____
K B WONG

Date 11 JUL 1989

ATTACHMENT 1

ATTACHMENT 2

PORT OF U.K. Air & Sea

MONTH OF April 1989

RETURN OF COMMONWEALTH PASSENGERS IN CERTAIN CATEGORIES GIVEN LEAVE TO ENTER OTHER THAN FOR SETTLEMENT

Home Office Form IS 41A

CITIZENS OF	(1) TOTAL ADMITTED	(2) TOTAL SETTLERS	(3) TOTAL NON-SETTLERS	(4) COMPUTER SUB-TOTAL	NON-CONDITIONED LANDINGS (5) TOTAL OF COLUMNS (6)-(14)	(6) V	(7) BV	(8) CS	(9) IT	(10) ST	(11) AP	(12) DP	(13) R	(14)
—	—	—	—	—										
USTRALIA	34758	307	34451	5287	29164	20348	2899	36	1608	41		51	4181	
ANGLADESH	2644	259	2385	550	1835	510	164	53	103	13		16	976	
ARBADOS	503		503	74	429	161	29		45	5		1	188	
ANADA	39517	53	39464	1858	37606	25003	4167	288	4963	170		87	2928	
YPRUS	3456		3456	969	2487	1459	476	36	125	20		5	366	
HANA	2436		2436	640	1796	638	426	67	114	10		4	537	
UYANA	457	3	454	125	329	126	17	1	31	4		7	143	
ONG KONG	4524	16	4508	2005	2503	1362	420	21	314	68		1	317	
NDIA	21701	83	21618	4117	17501	7896	2891	69	880	169		116	5480	
AMAICA	2193	10	2183	530	1653	599	83	1	87	10		3	870	
KENYA	3026	3	3023	478	2545	1250	358	58	429	49		10	391	
MALAYSIA	5213	9	5204	1545	3659	1886	551	126	182	51		22	841	
MALTA	2694		2694	133	2561	1307	468	5	231	14		4	532	
MAURITIUS	1300	1	1299	255	1044	511	96	4	59	2		4	368	
NEW ZEALAND	11115	218	10897	2656	8241	4897	604	25	331	14		17	2353	
NIGERIA	8516	4	8512	1928	6584	2976	2205	29	567	36		37	734	
SIERRA LEONE	610		610	194	416	177	75	—	90	8		8	58	
SINGAPORE	3784		3784	691	3093	2133	536	82	143	20		7	172	
SRI LANKA (CEYLON)	2276	6	2270	648	1622	544	147	4	68	13		17	829	
TANZANIA	960		960	234	726	329	123	1	84	31		8	150	
TRINIDAD AND TOBAGO	1243	2	1241	240	1001	415	87	22	80	6		4	387	
UGANDA	883	1	882	333	549	182	143	22	114	21		2	65	
ZIMBABWE	2581	17	2564	304	2260	1431	244	3	333	22		4	223	
ZAMBIA	1206	2	1204	327	877	401	180	21	179	20		5	71	
UKPH (EA)	225	37	188	36	152	93	6		4	2			47	
UKPH (1)	232	65	167	5	162	75	14		6				67	
UKPH (UG)	14		14	—	14	9							5	
UKPH (OTH)	688	18	670	135	535	258	62		52	5		2	156	
OTHER COUNTRIES AND TERRITORIES *	2558	4	2554	653	1901	807	307	13	364	49		37	324	
TOTAL	161313	1118	160195	26950	133245	77783	17778	987	11586	873	—	479	23759	

* DOES NOT INCLUDE GIBRALTAR OR IRISH REPUBLIC

TOTAL CARRIERS' FIGURE (To be Completed by port)	
TOTAL CONTROLLED (To be Completed by Stats Dept.)	

Kalamazoo 9 11b8/15 13x12

SIGNATURE DATE

TO BE RETURNED TO S3 DIV LUNAR HOUSE

PORT OF U.K. AIR+SEA

MONTH OF APRIL 1987

RETURN OF ALIEN PASSENGERS IN CERTAIN CATEGORIES GIVEN LEAVE TO ENTER OTHER THAN FOR SETTLEMENT

Home Office Form 540A

NON-CONDITIONED LANDINGS

NATIONAL	(1) TOTAL ADMITTED	(2) TOTAL SETTLERS	(3) TOTAL NON-SETTLERS	(4) COMPUTER SUB-TOTAL	(5) TOTAL OF COLUMNS (6) to (14)	(6) V	(7) SV	(8) CS	(9) IT	(10) ST	(11) AP	(12) DP	(13) R	(14)	(15)
ALGERIA	1199		1199	375	824	508	155		54	13		4	90		
ARAB REPUBLIC OF EGYPT	1696		1696	299	1397	563	520	16	40	16		20	222		
ARGENTINA	1256	1	1255	162	1093	510	151		25	11		5	91		
AUSTRIA	10317	3	10314	472	9842	5648	2705	8	603	113	20	11	734		
BRAZIL	6078	2	6076	999	5077	3452	649	33	482	129		72	260		
BULGARIA	521		521	295	226	95	104		2	—		9	16		
CHILE	948		948	103	845	430	174	2	66	13		25	135		
CHINA	1444	1	1443	898	545	196	229	22	38	9		5	46		
COLOMBIA	1284		1284	366	918	497	109	1	80	14		11	206		
CUBA	52		52	37	15	—	9		1	—		3	2		
CZECHOSLOVAKIA	1378		1378	294	1084	362	646		5	11		31	29		
ETHIOPIA	616		616	257	359	138	101	32	50	16		3	19		
FINLAND	12689		12689	478	12211	7448	3509	30	495	149	7	24	549		
G D R	494	3	491	186	305	107	181		—	—		12	5		
HUNGARY	1644		1644	549	1095	379	628		31	10		4	43		
INDONESIA	843		843	232	611	551	145	2	37	38		6	32		
IRAN	2904	5	2899	2070	829	45	13		1	—		1	769		
IRAQ	1209	1	1208	477	731	206	222	14	42	8		14	225		
ISRAEL	9254	2	9252	760	8492	5900	1232	67	715	28	1	45	504		
JAPAN	42312		42312	6631	35681	22614	7911	121	2875	723		78	1359		
JORDAN	1235		1235	410	825	348	245	29	45	14		8	136		
KUWAIT	1132		1132	188	944	549	166	16	136	10		35	82		
LEBANON	2021		2021	778	1243	495	361	10	67	5		3	302		
LIBYA	211		211	165	46	7	1	—	—	—		—	38		
MEXICO	2401		2401	426	1975	1373	218	2	200	73		21	88		
MOROCCO	1144		1144	292	852	463	134	1	31	18		13	192		
NORWAY	23824		23824	1585	22239	13186	6144	269	1442	193	20	15	970		
PAKISTAN	7801	113	7688	2173	5515	2303	937	49	215	29		42	1940		
PERU	502	4	498	92	406	234	56	—	51	9		4	52		
PHILIPPINES	2660	24	2636	737	1899	993	125	70	59	12		8	632		
POLAND	4847	4	4843	2097	2746	1492	434	314	11	23		13	459		
PORTUGAL															
ROMANIA	221		221	105	116	16	79	—	4	—		4	13		
SAUDI ARABIA	1289		1289	309	980	600	188	5	44	30		38	75		
SOMALIA	186	3	183	128	55	30	16		2	1		1	5		
SOUTH AFRICA	10359	2	10357	1117	9240	5147	1652	38	1576	28		37	762		
SPAIN															
SUDAN	862		862	315	547	280	169	2	10	17		11	58		
SWEDEN	42941	2	42939	1600	41339	25403	11503	98	1674	350	46	42	2223		
SWITZERLAND	27296		27296	1052	26244	16123	5338	26	1417	1737	106	32	1465		
SYRIA	281		281	184	97	19	13		—	—		1	64		
THAILAND	3534	10	3524	465	3059	2068	300	2	28	418		6	237		
TUNISIA	547		547	94	453	274	88	14	14	4		1	58		
TURKEY	5338	2	5336	1631	3705	1490	1265	16	182	75	2	20	655		
U S A	189614	38	189576	16474	173102	104496	35908	363	18460	2445		196	11234		
U S S R	1966		1966	1273	693	468	107	—	7	61		20	30		
URUGUAY	391		391	26	365	257	37		55	4		1	11		
VENEZUELA	576		576	75	501	241	110		68	7		11	64		
YUGOSLAVIA	4129		4129	553	3576	1659	1310	42	107	36	23	11	388		
OTHER FOREIGN(1) COUNTRIES	11677	3	11674	2522	9152	4990	2021	146	1075	203	12	171	534		
STATELESS(2)	4856	49	4806	2142	2459	1118	369	3	91	25		6	847		
STATELESS (HONG KONG)		1			205	119	35		19	2		1	29		
NON EEC TOTAL	451979	273	451706	54948	396758	235990	88722	1863	32738	7130	237	1155	28729		

(1) EXCLUDES EC NATIONALS
(2) INCLUDES THOSE WHOSE NATIONALITY HAS NOT BEEN DETERMINED

Kalamazoo
B 116874 152172

SIGNATURE _____ DATE _____

TO BE RETURNED TO S3 DIV., LUNAR HOUSE

ANNEX B

CIVIL EVACUATION

Green Phase

Plans would need to be prepared for mustering the substantial numbers of aircraft and ships which would be necessary to evacuate refugees quickly. As a broad measure of the size of the problem it would take at least 2,500 B747 flights or about 1,400 cruise ship voyages to move one million passengers, with little or no luggage. If the prime requirement is to get people out of Hong Kong as quickly as possible it would not be feasible to transport them to final destinations in eg Europe or North America direct from Hong Kong since this would tie up more transport assets than would be available. As an example, and using the most optimistic model 50 B747s could take 2.3 million people in a month across the 400 miles to Taiwan but only 1.7 million to Osaka and about 0.5 million to Sydney, without allowing for any operational problems. With sea transport the difference is even more marked since on short trips it is also possible to overload vessels, so that eg 50 ships could move 1.8 million passengers in a month to Taiwan, but only about 100,000 passengers to Darwin, North Australia.

It is essential, therefore, to earmark suitable nearby staging posts for temporary accommodation of refugees, leaving onward movement until later when final destinations are known.

The numbers of aircraft and ships needed will depend on the numbers of refugees and the timescale within which they have to be shipped out. It is assumed that China will acquiesce in mass emigration from Hong Kong; if they decide to prevent refugees from leaving then it would be very easy to block off the harbour and the airport to prevent any mass movement of people.

The main constraints on air evacuation are the capacity of the airport and the numbers of aircraft available. Hong Kong's airport terminal at Kai Tak has a theoretical maximum capacity of 75,000 passengers over 24-hour day. At present the airport operates for 16 hours only: locally imposed night flying bans would need to be lifted. We are told that 40 B747s can be accommodated on the ground, but we think that this would seriously hamper efficient working. A new airport is at the early stages of planning; if this were completed in time capacity would at least double - and of course, the number of B747s required would increase correspondingly, if the use of facilities were to maximised. It has to be emphasised that it is highly unlikely that maximum level of throughput could be achieved over a prolonged period because of runway capacity, particularly at Kai Tak, maintenance requirements, malfunctions, and the problematical behaviour of both potential refugees and aviation personnel under stress.

There would not be sufficient aircraft available in the UK and Hong Kong fleets to support a high level of evacuation. The UK's total long haul fleet numbers 72 aircraft of which only 35 are passenger B747s, while Hong Kong has 30 B747s. Most of these aircraft are required on established scheduled services and it would be necessary at this stage to discuss with the airlines concerned how many aircraft could be made available, the length of notice required and the terms on which they could be released. It would be necessary to wet-lease aircraft (ie lease them with crew, fuel etc) and to divert them from their normal operations. The number of aircraft normally available for leasing is limited and varies with the time of year. Leasing in the circumstances envisaged would be an expensive activity and paying to divert aircraft from scheduled or committed

charter flights would be more costly still. If, as is likely, insufficient aircraft can be obtained from the UK and Hong Kong, consultation will be necessary with other national airlines (Japan alone has 75 B747s, 21 DC10s and 11 Tristars). We should need to appoint brokers to act for us in such circumstances.

We are advised that there would be only a marginal difference in the daily cost of a leased B747 whether it flew short (400 miles), medium (1,200 miles) or long (4,000 miles) sectors. Under normal conditions the cost per aircraft would be not less than £0.25m a day. On the most favourable assumptions it would take about 670 aircraft/days to move one million passengers from Hong Kong to Taiwan, at a leasing cost of not less than £170m. Onward movement costs would be in addition.

The main constraint on evacuation by sea is the number of ships which could be obtained. In an emergency passengers could be carried on the upper decks of freighters and container ships at some discomfort and only over relatively short distances, eg to Taiwan or the Philipines. However, the main transport would be by cruise ships, of which there are 147 in the world, sailing under 22 flags, as shown in Attachment 1 (excluding four ships on the Chinese flag). Attachment 2 shows where these ships are expected to be employed during the year and how many weeks sailing they are from Hong Kong. Some 30 ships may be British owned (under UK, Hong Kong, Bermuda, Bahamas and Antigua flags) but these could not in practice be requisitioned, and it would be necessary to seek to charter these and any other friendly-owned ships required. In principle most or all of the 147 cruise ships would be available if HMG was prepared to offer sufficient inducement and an adequate notice. However, most cruise business is arranged 6-12 months ahead and if notice of that order cannot be given then in addition to requiring full charter rates and payment of refitting costs at the end of the voyages, operators would expect to be indemnified against all consequential costs,

eg claims for spoiled or cancelled cruises (which could be very expensive if settled in US courts). The attitude of Eastern Bloc countries to chartering their ships is uncertain. Most of the non-Chinese owned ferries in the area are not seaworthy for long voyages.

There are no serious port constraints on sea evacuation and the numbers of people which could be moved would depend, on the numbers of ships available, and the distances to be travelled. Ships making the 300 mile passage to Taiwan could carry, say 5 times their normal passenger complement and make one round trip every three days (including loading/unloading); if 50 ships were available, each making 10 trips, 1.8 million passengers could be moved in a month. If the destination were Subic Bay, Philipines, ships could carry out three times their normal complement, make 7.5 trips a month and carry about 800,000 passengers. If the destination were Darwin, ships could probably only carry 1.5 times their normal complement and with a round trip taking 14 days only 115,000 passengers could be moved in a month.

In cases of overloading, unless it was a matter of saving lives of refugees, the flag states of the vessels involved would have to asked to grant exemptions from their regulations. The Secretary of State for Transport could do this for British ships as an emergency matter. However, in all cases additional life jackets and emergency equipment would be needed, and these might not be in adequate supply. The sea evacuation operation could be severely hampered during the typhoon season between May and December (maximum frequency July to October).

Costs are problematical. An average charter cost for a 750 berth cruise ship, including fuel and food, might at present be £200,000 a day. However, this could increase substantially because of the market distortion which could result from HMG chartering a substantial proportion of the world fleet at short

notice. On the most favourable assumptions the basic cost of moving one million people by sea to Taiwan would be about £165 million excluding all consequential and refitting costs which are unquantifiable. The longer that notice can be given the lower the consequential costs should be; but this would involve giving up to 12 months' notice of the requirement. Substantial costs would also be incurred by subsequent movement of refugees from the staging posts.

In the first instance early discussions should be held with the main British cruise ship operators, eg Cunard and P&O. Discreet monitoring should be carried out on the present and planned operations of all cruise ships to permit identification of other non-British vessels which might be useful

Amber Phase

It is essential for the efficient and economic organisation of civil transport that, by the time the crisis appears to be imminent :

a. decisions should have been made on the strategy for evacuation and, particularly, on the identification of nearby staging posts, without which any quick mass evacuation would be impossible;

b. outline contingency plans for the chartering of both aircraft and cruise ships should have been discussed with the main British and Hong Kong operators, and that the availability of aircraft and operations of cruise ships should be monitored.

Even so, mass evacuation would require a prolonged amber period. Aviation and cruise ships schedules are planned well in advance and owners and operators are unlikely to have unemployed assets. The choice for HMG would be either to plan for leasing assets for around 12 months' ahead or to attempt to persuade operators to take aircraft and ships away from scheduled routes at shorter notice by the offer of extremely high payments and guarantees of compensation against third party claims. In the competitive markets prevailing in both aviation and cruise shipping there can be no assurance that more than a bare minimum of assets would be available at short notice. Even for 12 months ahead if is unlikely that airlines would be willing to contemplate dormant contracts if this would cause them to abandon schedule services because of the medium term competitive disadvantage that this would put them vis a vis their competitors. In all cases operators are likely in the light of experience with Vietmese boat people to insist on UK guarantees in the event of other countries refusing to allow refugees to land in their territory.

Treasury agreement will be needed for the commitment of expenditure on leasing/chartering aircraft and ships, on whatever basis is decided, ie planned acquisition up to 12 months ahead or urgent acquisition. As an order or magnitude, even on this most favourable assumptions of long advance notice and minimum consequential costs it would cost about £200 a head to ship refugees to Taiwan or £400 a head to the Philipines, with subsequent onwards movements costs in addition. Air transport costs would be similar to Taiwan, but relatively less expensive than sea for longer distances, eg about £250 a head to Osaka and £700 to Sydney.

The Department of Transport would then have to negotiate arrangements with both aviation and cruise ship operators for the release of assets according to the Government's requirements. Power to requisition ships would not be available merely to evacuate refugees who felt threatened by a foreign power. It could be used in the event of a threat to British territory but that is not the contingency being planned against. There is no power to direct airlines to operate their fleets in particular ways.

Red Phase

At this stage, air and ship operators would be instructed to withdraw earmarked aircraft and ships covered by dormant contracts from existing operations and proceed immediately to Hong Kong. Aircraft should be able to reach Hong Kong from within one to two days; cruise ships would take from one week.

The Hong Kong airports would be put on readiness. Additional staffing, particularly at the airports would need to be provided. Extra policing would be required to effect orderly departures.

We would need to ensure that adequate supplies of common aircraft and ship spare parts, aviation and marine fuel and life jackets and life rafts were available at Hong Kong and/or at the ports and airports of first destination.

Reception countries and their ports and airports would have to be warned of the imminent arrival of large numbers of refugees so that the arrangements could be put in hand for refugees' reception and onward movement to their temporary transit accommodation.

ANNEX B, ATTACHMENT 1

WORLD CRUISE FLEET

NATIONALITY (FLAG)	NUMBER OF VESSELS	TOTAL NUMBER OF PASSENGER BERTHS
Italy	6	5618
Yugoslavia	4	1154
Greece	20	10269
Russia	12	6491
United States	7	3210
East Germany	1	638
Panama	22	17328
Japan	5	2424
Norway	7	6744
Bermuda	1	1200
Poland	1	648
Liberia	11	13452
West Germany	2	1228
Finland	1	1223
Philippines	1	480
Ecuador	3	354
Great Britain	8	8394
Antigua	3	3400
Bahamas	26	19001
Hong Kong	1	480
Cyprus	1	346
TOTAL	143	104,082

FORECAST OF CRUISE SHIP BERTHS POTENTIAL AVAILABLE

ZONE	MONTH												WEEKS FROM HONG KONG
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Far East	5000 (9)	5000 (9)	7000 (12)	6000 (11)	4500 (8)	3500 (7)	4000 (7)	4000 (8)	5200 (10)	5900 (10)	6000 (11)	4000 (9)	1
Pacific	6500 (11)	8500 (14)	6500 (11)	5000 (10)	5000 (10)	4000 (7)	4000 (8)	5400 (8)	4000 (7)	5200 (9)	7000 (11)	6000 (10)	1 To 2
Alaska	-	-	-	2000 (1)	6000 (8)	16000 (20)	16000 (20)	15000 (18)	12500 (14)	1200 (1)	-	-	2
Caribbean	50000 (58)	490000 (55)	460000 (54)	44000 (46)	32000 (32)	30000 (29)	30000 (29)	31200 (30)	31700 (31)	37500 (37)	3000 (44)	45000 (49)	3
Mexican Riviera	8000 (10)	6000 (8)	8000 (10)	7000 (9)	9500 (11)	4000 (5)	4500 (5)	450 (5)	5800 (5)	8300 (9)	8000 (9)	8000 (9)	3
Rest of World	18000 (27)	19500 (31)	23500 (37)	31500 (55)	36500 (65)	44500 (72)	43500 (73)	41500 (71)	42500 (72)	37500 (66)	20000 (36)	18000 (28)	4
TOTAL	87500 (115)	88000 (117)	91000 (124)	95000 (132)	94000 (134)	102000 (140)	102000 (142)	101600 (140)	101700 (139)	95600 (132)	4000 (111)	81000 (105)	

Note: The figures in parenthesis are the number of vessels scheduled in the particular zone that provides the lift.

ANNEX C

EVACUATION OF HONG KONG RESIDENTS: POSSIBLE MILITARY ASSISTANCE

1. In quantitative terms the capacity of the services to transport large numbers of personnel is small compared both with the overall size of the problem and with the capacity of assets drawn from the civil sector. In addition the availability of military units will be affected by other commitments at the time, and the relative priority the Government gives to an evacuation operation compared with those commitments. Accordingly, although some military assets could be provided, they would form no more than an element of a much larger, and probably international, civil-led operation.

Air and Sea Transport

2. The RAF's air transport force comprises the following:

a. Six wide-bodied Tristar aircraft. At any one time, four of these are configured for air to air re-fuelling - though they could be converted to passenger use if need be - leaving two available for 265 passengers each; a total of 530.

b. Thirteen VC10 aircraft each with a capacity of 129, of which 9 are assumed to be available at any one time, giving a capacity of 1161.

c. Sixty C130 Hercules each of which could carry 70-100 passengers with no baggage, of which 43 are assumed to be available at any one time, giving a capacity of about 3500.

3. The readily available maximum single lift capacity is therefore likely to be in the region of 5000. In practice the actual capacity could be significantly reduced by other commitments (including other military tasks associated with any evacuation of Hong Kong). The total numbers that could be carried would depend on the destination chosen and the time available. It might be appropriate to make use of

military air transport to ensure the evacuation of particular individuals or groups. It is not possible to specify who these might be in advance: that would depend on the nature of the crisis.

4. Assuming deployment from the UK, the first aircraft could be in Hong Kong about 36 hours after the go-ahead was given, with the remainder in theatre within 6 days. Evacuation times would obviously depend on destination: the nearest sensible evacuation airhead would be the Philippines (some 2.5 hours flying time from Hong Kong). However the pace of deployment and evacuation would be significantly affected by the capacity of sending and receiving airports to handle large numbers of aircraft (civil and military) and personnel.

5. For sea transport, there is not a great deal that the Royal Navy could offer within a short timescale. The use of the majority of warships can effectively be discounted. But the assault ships Fearless or Intrepid could accommodate up to 500 passengers, though in relatively spartan conditions. (Only one of these vessels is operational at any one time). Similarly, if one of the Navy's aircraft carriers were available it could carry up to 1200 passengers. In addition the Royal Fleet Auxiliary operate five Landing Ships Logistic (LSLs) which could accommodate up to 500 passengers each. At any one time, four of these are fully operational. Deployment times would be much longer than by air unless, fortuitously, one or more of these vessels was in the vicinity. In the worst case, sailing time from UK waters, the most likely location of both the assault ship and the LSLs, would be 20-25 days for the assault ship and the carrier, and 25 days for the LSLs. If, as now, there is a substantial Royal Naval presence in the Gulf, ships from there could reach Hong Kong in 10 days, but this would be most unlikely to include ships with any significant passenger carrying capacity.

Other Military Assistance

6. The Hong Kong garrison (currently about 7000 strong but due to decline to about 1000 by 1997) is available to demonstrate United Kingdom sovereignty over Hong Kong and to assist the civil power in

maintaining security in the Colony, should there be a breakdown in law and order at the time of any evacuation. It would be particularly important in such circumstances to maintain security around the airport and harbour, as the departure points for refugees. Contingency plans exist to reinforce the garrison by up to a further 2000 troops should this be necessary; and to provide a further 1500 to replace civilian labour in support of the garrison, should that become unreliable or unavailable. The deployment of such numbers would take up the majority if not all of the air military transport assets referred to in paragraphs 2 and 3. Though they would be available for evacuation within the region once in Hong Kong, it might also be necessary to use them to extract all or part of the garrison at some point.

7. In addition, and in very extreme circumstances, the garrison and other United kingdom forces deployed to the area could help to deter and counter any direct military threat from the Chinese, should that arise as part of the circumstances surrounding a requirement to assist in evacuation. In this connection, if the Chinese wished to stop or slow down a mass exodus from Hong Kong and were prepared to take military action to that end, it would be relatively easy for them to deploy air and sea units in such a way as to make arrival or departure of aircraft and ships extremely hazardous - a course of action that they might feel more disposed to take if there were a significant military component in the evacuation operation itself. On the other hand, it would be important to demonstrate to the Chinese government that internal security is being maintained within the Colony, so as to remove that as a pretext for military action by them. These are factors that would need to be taken into account in assessing where the weight of effort in military support to an evacuation should be applied.

8. Other, more specialist assistance could include:

a. engineer units to help in the construction of temporary shelters;

b. mobile medical units to supplement the civil medical effort, and specialist medical team (eg a burns unit);

c. air-traffic control and air movements personnel; and

d. communications support.

Earmarking of Military Assets

9. There should be no requirement to earmark specific units for such an operation. All military assets are available to be deployed as HMG directs. Pre-positioning of units such as those listed in paragraph 8 in the vicinity of Hong Kong is unlikely to be a practicable proposition until it becomes clear that an evacuation will be necessary.

The International Dimension

10. The limitations on the use of United Kingdom military assets in this note would apply equally to the majority of other states which might assist. The one possible exception is the United States, whose fleet of large transport aircraft is many times larger than that of the United kingdom and includes aircraft such as the C5 Galaxy which is capable of carrying several hundred passengers. They also have available major military bases in the Philippines, including the air-base at Clark, which could be of use as staging post/initial reception destinations, as well as bases in Japan and Korea.

ANNEX D

RECEPTION AND RESETTLEMENT ARRANGEMENTS

1. Contingency plans for the reception and resettlement of those arriving in the United Kingdom from Hong Kong need to take account of a very wide range of factors. People from Hong Kong who may be admitted to the UK will fall into one of three categories:

i. those with the right of abode (and others given a guarantee of admission);

ii. refugees under the terms of the 1951 UN Convention; and

iii. others who are allowed to settle under the Immigration Rules or are given exceptional leave to remain.

2. In so far as people arrive here spontaneously as opposed to under an arranged plan, and have no right of entry, decisions will be needed on how their admission is to be handled: will certain categories be allowed in or will applicants be individually scrutinised? Decisions will also be needed on action to be taken in respect of those already within the UK on a temporary basis.

Factors affecting reception and resettlement programmes

3. The shape, size and content of any reception and resettlement programmes will be determined by a number of factors:

a. the scale of the influx: the potential numbers which might arrive here from Hong Kong are greatly in excess of any actual influxes in recent times (eg Ugandan Asians - 30,000; Vietnamese- 10,000). Even comparatively small unplanned influxes (eg the recent arrivals of 2-3,000 asylum seekers from Turkey) can rapidly put the existing capacities of statutory and voluntary agencies under extreme pressure.

b. the timespan of the influx: it is easier to cope with an orderly programme of arrivals over a longer period (even the latest additional intake of Vietnamese boat people will not go above 80 arrivals a month, and even so requires additional reception accommodation and other special resettlement measures);

c. links with the United Kingdom: arrivals who have family or friends in the United Kingdom should be easier to resettle than those who have no or more remote connections (but family links are no guarantee that accommodation and other support can be found, if the connections themselves are in poor circumstances);

d. resources: the extent to which arrivals are able to bring property and money with them from Hong Kong will affect their ability to become self-sufficient;

e. abilities and skills: those who have skills which are needed in the United Kingdom and those who can speak English will also have a better chance of becoming self-sufficient.

4. Special measures for reception and resettlement will inevitably be needed if a programme of intake from Hong Kong is agreed and will also be needed for spontaneous arrivals if these arise above, say, 50 a week who have neither family connections nor their own resources. Reception and resettlement must be seen as a package since the latter determines the length of time arrivals remain in any initial accommodation provided and thus the capacity of that accommodation.

Coordination

5. Hitherto it has been thought necessary to set up a coordinating board to administer a reception programme for any [planned or unforseen] large-scale influx of refugees. The most recent examples are the Uganda Resettlement Board of 1972/3 and the Joint Committee for Refugees from Vietnam (up to 1984). Both of these were essentially short term (although support for the reception and resettlement of refugees from Vietnam has continued by way of Home Office grant to

voluntary organisations). Whether longer term resettlement support- as opposed to reception arrangements - would be required in the present case depends on the factors listed in paragraph 3 above. The Uganda Resettlement Board handled a total of some 30,000 Ugandan Asians over a 16 month period during 1972/73. It arranged reception at airports (notably Stanstead) then (for those without relatives or an address in the United Kingdom), transport to a resettlement camp (mostly MOD) from where attempts were made to settle the refugees within the community.

6. There are, however, some points which would need to be addressed before deciding on this route:

a. The Ugandan Asians were treated and accepted by the public as refugees. This might not be the case with any influx from Hong Kong - particularly those who left of their own choosing for economic reasons.

b. There was a feeling that Ugandan Asians processed through resettlement camps received more generous State assistance than those who opted to make their own way. Unless even-handed treatment was offered, this could encourage more to seek State aided resettlement through camps.

c. The higher the numbers involved, the smaller the slice of assistance (in the form of housing, employment etc) for everyone. Unless suitable inducements could be offered, there is a very real risk that, once established, camp type accommodation might be needed on a considerable scale for a long time.

d. There is likely to be only limited public sector/MOD accommodation available. It might be necessary to obtain accommodation from the private sector. Holiday camps spring to mind, but other facilities such as empty hostels or hospitals, oil rig accommodation barges, channel tunnel workers residential hostels could provide suitable alternatives.

e. Such an exercise will be expensive (Uganda Resettlement Board cost £6 million plus £2 million in grant aid at 1973 prices).

7. The alternative to the formal establishment of a Board would be to simply allow any intending "refugees" to make their own way out of Hong Kong and (provided they were acceptable on immigration criteria) into the community. However:

a. This would doubtless require the assistance of the voluntary sector. Whilst this could probably be counted upon, there is a limit to their resources and these organisations would almost certainly turn to the Government to help. It is likely that their energies could be more productively channelled in a supporting rather than lead role.

b. Such an arrangement should work well for the affluent or connected and might have some application for single persons or even the odd family unit. However, the indications are that a significant number of any accepted influx are likely to be families with young children (probably with a scant knowledge of English and no contacts here). The issue would already be sensitive and there would be criticism if the Government, having already given an undertaking to accept an influx, then chose to adopt what would be seen by many as an uncaring attitude.

8. The case would seen to support the formal establishment of a Board charged with the responsibility for reception and resettlement of "refugees" from Hong Kong. Initial plans would have to cover:

a. the early creation of a "shadow" Board in the form of a list of people (with reserves) who might be prepared to serve;

b. the designation of a director and key central staff;

c. the drawing up of outline plans (in discussion with officers designated as being responsible for implementation) for airport reception (also considering the possibility of seaport arrivals);

d. the identification of sites that could be used as reception centres (this is likely to prove difficult if it is decided to remain "in house" to avoid publicity). When sites have been identified, consideration should be given to the preparation of lists of possible administrators and key staff;

e. how to involve local authorities and other services.

There are detailed contingency plans for a Rhodesia Resettlement Board. These would provide a basis for planning for a Hong Kong Board.

9. It is clear from previous exercises that it will be difficult to move beyond a paper planning exercise while still keeping the activity within Government. Involvement of local authorities, health authorities, etc and of voluntary organisations and commercial enterprises will be necessary in order to the plans into action. Increased contracting out of services and reduction in Government property holdings will make this even more of a constraint now than it might have been previously.

The Resettlement Process

10. After processing through the initial reception stage, those arrivals who cannot rely on their own or their connections' resources for accommodation and maintenance will require to be provided with housing, and with income support. They, and some of the others, will also require training, including language training where necessary and advice on business or employment opportunities.

11. A key issue will be the selection of areas of settlement. The needs of the arrivals should help to determine in what areas they are best encouraged to settle (on the assumption that no powers could be taken to compel people to stay in a particular place). In previous

intakes, the policy has been one of dispersal to areas where housing (as the first need) would be available and pressure on services least. This has usually meant however that they are put in areas with low economic potential and, by and large, without existing communities of the same ethnic or geographical background. The result of this, for example in the case of the Vietnamese, has been secondary migration to areas where there is already pressure on services. For the forthcoming new intakes of Vietnamese, therefore, the policy is so far as possible to identify areas where there is available housing, employment opportunities and community support.

12. The nature and scope of arrangements for resettlement (as opposed to reception) depends even more on the particular scenario for arrivals. A programme would need to be worked out in consultation principally with the Department of the Environment (for housing provision) and the Department of Employment (both the Employment Service and the Training Agency). The Departments of Education and Science and of Health would also need to be involved to ensure that the impact on the services for which they are responsible is taken into account. The local authority associations, and individual local authorities, could need to be brought in at a comparatively early stage. A decision would be needed on the extent to which practical arrangements should be put - or left - in the hands of voluntary agencies. If the scale of arrivals is significantly greater than that experienced in the past, the economic implications of resettlement are likely to be a major issue which could not be met by the piecemeal approaches adopted on previous occasions.

ANNEX E

PUBLICITY: PRESS LINE

- Ministers have made it clear that, if the worst came to the worst, (an outcome which we are doing our utmost to ensure does not occur) we would have a strong moral obligation to help, in conjunction with the rest of the international community.

- We have taken every opportunity to bring home to other governments the anxiety felt in Hong Kong about the future and have called on other governments to give the strongest possible assurances of their readiness to share the responsibility of providing a home of last resort to those in Hong Kong who need it.

- We have some experience of coping with sudden large influxes of people on which we could draw in an emergency. But could not draw up detailed contingency plans in case of Hong Kong because:

  a. it is impossible to predict how and when such an emergency might occur; and

  b. in any case Hong Kong is very far indeed from such a situation.

ANNEX F

DRAFT REPLY TO PQ ON CONTINGENCY PLANNING

Q. To ask the Government what work has been done on contingency planning for an emergency in Hong Kong leading to a mass exodus from the territory.

A. The Government are keeping under careful review all aspects of policy and planning relating to the future of Hong Kong and the transfer of sovereignty to China in May 1997. ~~A statement will be made in due course.~~

21/9 930.

Mr Manning

40

9.59

Please now circulate as set out in Sir Robin's minute MA 22/9

SECRET

Mr. Appleyard MA 22/9

CABINET OFFICE
A 9813
20 SEP 1989
FILING INSTRUCTIONS
FILE No .....

Destroyed 21 M. Aspey 5.6.96
B.0219

Thank you. I am now content for the paper to be circulated as amended (and including para 3-7 in the paper) CMO and Secret (not Top Secret). You may first wish to confirm* that the PM's brief for Japan did indeed advise her to speak to the Japanese Prime Minister on p. 14 of the Report. The individual pages of the Report should also be stamped CMO & Secret.

* Confirmed

SIR ROBIN BUTLER

c Mr Manning

Contingency Planning for Hong Kong

You asked me to look again at the paper against the danger of leakages of part or the whole of the paper which might cause panic in Hong Kong.

2. I take your point about the damaging nature of any leak. I agree with you that it might be prudent to make the paper CMO. We could, if you wish, upgrade it to Top Secret. This, and the Government's general policy of pursing leakages of documents, ought to be a sufficient deterrent.

KERR 21.9.

3. So far the paper has been dealt with in the narrow circle of MISC 140. The officials concerned have copies of the first rough draft and the second, more refined draft from which the present paper was taken. I have emphasised the need for secrecy and the delicacy of the subject. The paper has not been discussed with the Hong Kong Government though the Governor of Hong Kong is aware of the general parameters on a personal basis.

4. Apart from changing the classification, there are two other possible further courses of action. In the drafting process I paid particular attention to making clear in the body of the text that we had full confidence in our ability to achieve the Government's objectives of maintaining and strengthening confidence in Hong Kong. I personally redrafted paragraph 3 on that basis, to make clear that our

paper was for planning purposes and not predictive. On reflection I think we should also change the first sentence in the Conclusions on the lines I have suggested in manuscript. If this is acceptable to you, we can incorporate this change in the draft for circulation.

5. A second possibility would be to omit the sections dealing with the scenarios, i.e. paragraphs 3 to 7 in the main paper. However, this would make the rest of the paper much more difficult to follow and would, I suspect, prompt Ministers to ask why the various scenarios had not been set out. For those reasons, I would recommend against removing these sections.

6. The rest of the paper is drafted in fairly undramatic terms though the very size of the problems will give pause for thought to Ministers and any one else reading the paper. I do not believe that we should detach any parts from the report or circulate any of the annexes separately since they are simply elaborations of the themes in the main text.

7. In short I sugggest -

(a) we upgrade paper to CMO and possibly Top Secret;

(b) we amend the first sentence of the Conclusions;

(c) we then circulate as presently drafted.

L V Appleyard

L V Appleyard

21 September 1989

475/5

39

SECRET

N.0512

MR APPLEYARD

(1) Destroyed
M. Aspey
5.696.

CONTINGENCY PLANNING FOR HONG KONG

1. Please refer to Sir Robin Butler's minute below.

2. It seems to me that the risk to confidence lies in ~~the~~ leak that the Government is undertaking contingency planning for the "Armageddon scenarios" rather than in leaks about particular aspects of those scenarios. I therefore doubt whether some passages of the paper can be seen as more alarming than others.

3. The paper could be distributed as a CMO document (Committee Members Only), as Sir Robin Butler suggests. This would allow the distribution of some 24 copies (see Flag A). Alternatively, distribution could be restricted still further to the 8 Ministers listed in the Composition and Terms of Reference (CTR) (see Flag B). In addition to limiting the paper either to CMO or CTR distribution, it could also be upgraded to Top Secret.

4. Whatever additional precautions are taken, it is worth bearing in mind that leaks might still occur, stemming from the earlier drafts that circulated as MISC 140 documents during the process of compiling and refining the paper.

D G MANNING

20 September 1989

SECRET

FOI 391

M. Appleyard VMA 20/9

Covering SECRET

FOI 29

CABINET OFFICE
A 9686
18 SEP 1989
FILING INSTRUCTIONS
FILE No. .....

B.0211 C - Miss Bowdery (cov. Minute only)

Thank you. I am very nervous about this paper leaking. Pl. see amendments to cover note made with this in mind. But I should also be grateful for your advice on

SIR ROBIN BUTLER

Contingency Planning for Hong Kong

i. whether there are any passages in the report which would cause alarm in Hong Kong if leaked

ii. whether, as I am inclined to think, the paper should be CMO.

RERB 19.9.

As requested in your minute of 8 September, I now submit a draft Note by the Secretaries to OD(K) covering the MISC 140 paper on Contingency Planning for Hong Kong.

2. You were right that the number of cruise ships mentioned in the first indent of paragraph 17 should have been 140. Sorry. The misprint has now been corrected.

L V Appleyard

L V Appleyard

18 September 1989

Mr Manning.

Since I am now visiting Northwood, could you please have a first look.

VMA 20/9

SECRET

Draft

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

OD(K)(89) 6 COPY NO

September 1989

CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE
SUB-COMMITTEE ON HONG KONG

CONTINGENCY PLANNING FOR A MASS EXODUS FROM HONG KONG

Note by the Secretaries

1. The attached paper on Contingency Planning for Hong Kong is circulated to the Sub-Committee for consideration at a future meeting. It has been prepared by the Official Group on Contingency Planning for Hong Kong (MISC 140) which is charged:

> *"To devise plans to deal with the contingency of a large scale exodus from Hong Kong in the period up to July 1997 or thereafter."*

2. The paper examines the scenarios that might prompt a large scale exodus from Hong Kong, addresses the problems that such an exodus would present, and lists the measures that would be needed to deal with them. ~~The measures include Government-sponsored mass evacuation, since it has~~ been assumed that Ministers would wish this option to be ~~available~~, if physically possible. The paper concludes that ~~the~~ scale of the problems that would be posed by a large ~~influx of~~ refugees into the United Kingdom, and the ~~costs to the~~ Exchequer that would result, underline the need to do ~~everything~~ possible to prevent a mass exodus from Hong Kong. The paper ~~further~~ concludes that the United Kingdom could not manage such a crisis

both to do everything possible to prevent such a crisis from arising and at the same time

alone, and that it is therefore essential to secure international support and, where possible, firm pledges to take refugees from Hong Kong should a mass exodus occur.

3. The paper suggests that plans ~~to deal with a large scale exodus~~ need to be tailored to three different phases: monitoring the situation and enlisting international support, the *"green"* phase that we are currently in; identifying and responding to an imminent crisis, which would be the *"amber"* phase; and dealing with an emergency, which would be the *"red"* phase. In practice, as the paper acknowledges, transition from one phase to another might be very swift. Nevertheless, this division into distinct phases provides a useful framework for planning purposes, enabling Ministers to see the sorts of decisions that would confront them, and the scale of expenditure that would be involved, as a crisis developed.

4. When OD(K) meets, Ministers will be invited to endorse the conclusions on pages 1-3 of the paper, and to approve the recommendations on pages 4-7.

Signed ROBIN BUTLER
L V APPLEYARD
W D REEVES
D G MANNING

Cabinet Office

September 1989

SECRET

Draft

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Signed ROBIN BUTLER
L V APPLEYARD
W D REEVES
D G MANNING

Cabinet Office

September 1989

COVERING SECRET

(1) Destroyed M. Aspey. 5.6.96

N.0508

MR APPLEYARD

cc Mr Reeves

Fine - the minute to Sir Robin Butler and the draft note (as slightly amended) can go forward

CONTINGENCY PLANNING FOR HONG KONG

FLAG A

1. Please refer to Sir Robin Butler's minute below.

2. I submit a draft minute from you to Sir Robin Butler, covering a draft Note by the Secretaries to OD(K). The paper on Contingency Planning for Hong Kong has been amended to take account of the misprint spotted by Sir Robin Butler in paragraph 17.

3. Mr Reeves has seen these papers in draft, and is content.

D G MANNING

15 September 1989

Alastair Ruisi
425/5

Mr. Manning

cc. Mr. Reeves

FOLIO 21 P

CONTINGENCY PLANNING FOR HONG KONG

You may find it useful to have some minor editorial suggestions on the excellent redraft which you have prepared for the Committee.

Conclusions

2. Paragraph 4, first sentence of first indent to read: the "green" phase, which should concentrate on monitoring the situation, preparing the groundwork against any eventual crisis, keeping up pressure on China to cooperate in maintaining confidence in Hong Kong and enlisting commitments of support from the international community in the event of a mass exodus. This is the current phase.

Recommendations

3. Paragraph 2(x) under the Amber Phase. The first sentence to read: An International Conference should be convened to secure specific commitments to accept as many as possible of the population of Hong Kong who wish to depart. The second sentence as drafted.

Scenarios

including

4. The first two sentences to be replaced as follows: British policy is to maintain and strengthen confidence in Hong Kong so that the population, ~~especially~~ the most entrepreneurial and productive sectors, remain there until and after 1997 in order to safeguard the prosperity of the community and to make a success of the arrangements agreed under the Joint Declaration. Despite recent events, there is every chance that these objectives will be achieved. For the purposes of this exercise officials have been asked to consider a range of worst-case scenarios for the periods leading up to 1997 and after 1997. The rest of the paragraph as drafted.

Pre-1997 Scenarios

5. Paragraph 4b. First sentence to read: Under this scenario, Hong Kong people have become even more sensitive.....Correspondingly the words "under this

scenario" to be omitted from the second sentence.

6. Paragraphs 5 and 6 seem to me to run a bit close to prediction rather than scenario-setting. Maybe they could be amalgamated to read: These two broad scenarios, which are worst-case, are not necessarily distinct. A combination of them, or of elements of them, could also be devised. In any event, it seems clear that: the closer to 1997 the greater is likely to be the volatility of public opinion; the more rapid any transition from the "green" to the "red" phase; and the greater the ~~temptation on the part of~~ Hong Kong people to leave in case they are unable to do so after 1997.

Post-1997 Scenarios

7. Paragraph 7b. The present first sentence to be omitted. The new first sentence to read: After 1997 the risk (and fear) of direct Chinese interference..... The final sentence of the sub-paragraph to read: In the circumstances outlined above, any China-provoked panic...

The Green Phase

8. The first sentence of paragraph 9 to read: The current "green" phase should involve closely monitoring...

External Consultations

9. The first sentence of paragraph 16 to read: The "green" phase should be used for a twin-track approach on external consultations. First, firm and sustained action with the Chinese government to press them to cooperate in maintaining confidence in Hong Kong by adopting a flexible and sensitive approach over the drafting of the Basic Law and over their public statements and actions. Second, energetic lobbying of prospectively helpful governments....

10. The third sentence of paragraph 17 to begin: Though there are wider issues at stake, in this specific context the more extensive....

Planning: Evacuation

Q-R

11. A new indent at the end of paragraph 36 to read: there would probably be considerable uncontrolled emigration using junks and fishing vessels in private hands. The Hong Kong government would need to take early decisions on the extent to which this outflow should be controlled ~~or prevented~~.

Evacuation: Regional Clearing Centres

S-T

12. The end of the second sentence of paragraph 38 to read: ...although an approach could not be on a government-to-government basis and might be regarded as provocative by Peking.

L V Appleyard

L V APPLEYARD

475/5

Mr Gower

Second Report of the Foreign Affairs Committee

Session 1988–89

HONG KONG

Observations by the Government on the Second Report

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
1990

LONDON : HMSO
p net

Cm

SECOND REPORT OF THE FOREIGN AFFAIRS COMMITTEE

SESSION 1988–89

HONG KONG

Observations by the Government of the Second Report

1. The Government made their initial observations on the report of the Foreign Affairs Committee (HC 281–1 of 28 June 1989) in their reply of 1 December 1989 (Cm 927). A number of the detailed recommendations in the Committee's report were dealt with in this reply. But there were a number of other recommendations which the Government's reply could not cover either because these questions remained to be decided in the context of the drafting of the Basic Law or because decisions had not been taken at that time as in the case of nationality and constitutional development. The Foreign and Commonwealth Secretary subsequently announced decisions on these matters on 20 December 1989 and 16 February 1990 respectively.

2. This paper contains the Government's observations on those points in the Committee's report which were left outstanding in their earlier reply because decisions had not been taken, namely:

(i) The Joint Declaration and the Basic Law;

(ii) Actions within Hong Kong;

(iii) British Policy and Actions;

(iv) Vietnamese Boat People.

The Joint Declaration and the Basic Law

Relationship between the Basic Law and the Joint Declaration

3. The Committee took the view that the Basic Law should be the "son" of the Joint Declaration rather than of the Chinese Constitution (paragraph 2.7). As the Committee recognises, the Basic Law is a law of the People's Republic of China. Specific provision for such a law to be enacted by the National People's Congress is made in Article 31 of the Chinese Constitution. However the provisions of the Basic Law are clearly derived from the Joint Declaration. The Joint Declaration provides that the basic policies of the People's Republic of China regarding Hong Kong as stated in the Joint Declaration will be stipulated in the Basic Law. The Preamble to the Basic Law (which was adopted by the National People's Congress on 4 April 1990 and promulgated on the same day) in turn states that the basic policies of the People's Republic of China regarding Hong Kong have been elaborated in the Joint Declaration and that the Basic Law is enacted in order to ensure the implementation of those basic policies. Thus there is a clear link between the obligations assumed by the People's Republic of China in the Joint Declaration and the Basic Law. Our concern throughout the drafting process was to ensure consistency between the Basic Law and the provisions of the Joint Declaration. On the whole we are satisfied that this has been achieved. But there are some provisions which we would have preferred to have seen drafted differently.

4. The Committee drew attention to doubts whether the provisions of Article 31 of the Chinese constitution override other articles in the Constitution and took the view that the Preamble of the Basic Law should set out clearly which articles of the Chinese Constitution would apply to the Hong Kong Special Administrative Region. The Hong Kong Special Administrative Region will be an integral, if special, part of the unitary state of the People's Republic of China. Certain provisions of the Chinese Constitution will therefore apply in or in relation to Hong Kong, even though they may not have direct effect as law. It would not be realistic to dismiss all but Article 31 as having no relevance. But Article 11 of the Basic Law makes clear that the systems and policies practised in the SAR "including the social and economic systems, the system for safeguarding the fundamental rights of its residents, the executive, legislative and judicial system" will be based on the Basic Law and Article 5 specifically states that the socialist system and policies shall not be practised in Hong Kong but that the capitalist system and way of life shall remain unchanged for

50 years. The Government would further draw the Committee's attention to a decision also adopted on 4 April which affirms the view of the National People's Congress that Article 31 of the Chinese Constitution does provide sufficient authority to enable the NPC to prescribe different systems in Hong Kong from those applicable elsewhere in the PRC.

Interpretation of the Basic Law

5. The Committee expressed the view that Hong Kong people would only have confidence in the maintenance of the laws existing before the creation of the Hong Kong Special Administrative Region if there was a Joint Constitutional Court situated in Hong Kong to interpret Hong Kong laws (paragraph 2.8). This idea was indeed canvassed but did not find favour with the Basic Law Drafting Committee. The Basic Law is not only a law for Hong Kong but is also a law for the People's Republic of China and under the Chinese Constitution the power to interpret such laws is vested in the Standing Committee of the National People's Congress. However, a wide power of interpretation is vested in the SAR courts and, in those cases where the Standing Committee of the National People's Congress exercises its powers of interpretation, Article 158 of the Basic Law requires it first to consult the Hong Kong Special Administrative Region's Basic Law Committee. Half the members of this Committee will come from Hong Kong.

Human Rights

6. The Committee recommended that the Hong Kong Government should introduce a Bill of Rights as soon as possible (paragraph 2.11). The Hong Kong Government have now done so. A draft Bill of Rights was published on 16 March for a two month period of public consultation. The Hong Kong Government intend to introduce legislation into the Legislative Council by July 1990.

7. The Bill is designed to give effect in local law to the relevant provisions of the International Covenant on Civil and Political Rights as applied to Hong Kong. This would enable those who claim that their civil or political rights as defined in the relevant provisions of the Covenant have been violated to seek redress in the local courts. Consideration is being given to ways of ensuring that, during the period up to 1 July 1997, the rights and freedoms conferred by the Bill are not restricted in a manner inconsistent with the Covenant. After 1997, Article 39 of the Basic Law will itself restrict the powers of the SAR legislature to derogate from the rights and freedoms accorded by the Covenant as applied to Hong Kong. This Article provides that the provisions of the Covenant as applied to Hong Kong " shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region "; and that the freedoms so enjoyed shall not be restricted so as to contravene that provision.

8. The Committee also recommended that the Hong Kong Government should review existing laws to identify areas in possible breach of the international covenants. Such a review is in hand. The present intention is that there should be a freeze period following the enactment of the Bill of Rights during which any provision in an existing law which plainly conflicts with the ICCPR may be repealed or amended.

Article 18 of the Basic Law

9. The Committee took the view that Article 18 of the draft Basic Law needed revision in order to limit the powers of the central government to interfere in the maintenance of public order in the Hong Kong Special Administrative Region only to a time of war (paragraph 2.12). In this respect, the final version of Basic Law is an improvement on the second draft. Article 18 has been amended to provide for the Central Authorities to intervene by applying relevant national laws in a state of emergency other than war only if the turmoil is both beyond the control of the Government of the SAR and endangers national unity or national security.

Amendment of the Basic Law

10. The Committee took the view that all proposed amendments to the Basic Law should have the agreement of both the Standing Committee of the NPC and of the Legislative Council and Chief Executive of the Hong Kong SAR before being submitted to the NPC. The Committee also took the view that the final paragraph of Article 158 of the draft Basic Law (Article 159 in the final version) should be amended so as to make clear that the reference in that Article to " the established basic policies of the PRC regarding Hong Kong " are those set out in the Joint Declaration (paragraph 2.14). The enacted text of the

Basic Law does not contain such a provision though proposals for amendment which emanate from the SAR are required to have the prior consent of two thirds of the SAR's deputies to the NPC, two thirds of the members of the Legislative Council and the Chief Executive. No such prior consent is required for proposals for amendments which emanate from the Standing Committee or the State Council. However, the Basic Law does provide, as regards all proposals for amendment, that before any bill is put on the agenda of the National People's Congress, the Basic Law Committee to the SAR (half of the members of which, as noted in paragraph 4 above, are to come from Hong Kong) shall study it and submit its views. The reference to " basic policies " in Article 159 reflects the reference in the Preamble where it is made clear that those are the policies elaborated in the Joint Declaration.

Actions within Hong Kong

Constitutional Development

11. The Committee recommended that full democracy should be introduced before 1997 and that, consistent with maintaining a necessary degree of continuity, should be introduced as soon as possible (paragraph 3.10). At the same time the Committee also took the View that Hong Kong people must be allowed to decide on their own system of government before as well as after 1997.

12. The Government's aim throughout has been to establish in Hong Kong before 1997 a system of government which includes a substantial element of democracy *and* which can endure and further develop after 1997. When the Joint Declaration was signed in 1984, there was no elected element of any kind in the legislature. Provision for 24 members to be indirectly elected from local government bodies and functional constituencies was made in 1985. In February 1988, the Hong Kong Government announced that a directly elected element would be introduced for the first time in 1991 when 10 seats would be directly elected. It became clear subsequently that people in Hong Kong favoured a more rapid rate of progress as regards directly elected seats, while continuing to attach importance to a system which could endure and develop after 1997. The consensus which OMELCO reached in July 1989 about the right pace of constitutional development up to 1997 was in fact much less ambitious than the Committee's recommendation.

13. In order to achieve steady progression up to and beyond 1997, it was essential that the system introduced in 1991 should be developed and carried forward in the arrangements set out in the Basic Law. With that objective in mind, the Government entered into a series of tough discussions with the Chinese authorities about Hong Kong's future political development, stressing the importance of a more rapid process of democratisation than was envisaged in the second draft of the Basic Law and the need to ensure that the political system as a whole was one which Hong Kong people would find acceptable. On 16 February 1990 the Foreign and Commonwealth Secretary announced the Government's intention to introduce 18 directly elected seats in 1991 and at least 20 in 1995. This is a substantially greater first step towards full democracy in Hong Kong than was planned two years ago. It is two seats less than the proposals put forward by OMELCO in July 1989 but significantly more than the 10 seats which were originally envisaged in 1988. As a result of the Government's representations and those of people in Hong Kong to the Chinese authorities, the final version of the Basic Law provides further progression from 1997 onwards, rising to 24 seats in 1999 and 30 seats (fifty per cent of the legislature—the remainder being indirectly elected members) in 2003, with the possibility that full direct elections could be introduced in 2007. The Government hope that in time the Chinese Government will agree to accelerate the pace of democratisation.

14. Most people in Hong Kong welcome the fact that a clear direction has now been set and that a major uncertainty for the future of the territory has been removed. This reaction was reflected in the positive and forward-looking statement issued by OMELCO on 16 February. The community in Hong Kong recognise that their task now is to work together to make a success of the first direct elections in 1991 and to demonstrate that Hong Kong people can be trusted to exercise their responsibilities sensibly. This is seen as the best way of persuading the Chinese authorities that a faster pace of democratisation is both desirable and manageable.

Green Paper on Electoral Law

15. The Committee recommended that a Green Paper should be published as soon as possible to canvas views on an electoral law for the elections in 1991 (paragraph 3.12). Details of the proposed arrangements for the 1991 elections were announed by the Chief Secretary in Hong Kong on 21 March. The Legislative Council will have an opportunity to debate these proposals when draft legislation is introduced.

16. The Committee took the view that the number of functional constituencies should not be increased. But the Basic Law provides for 50 per cent of the seats in the legislature to be returned by functional constituencies in the first three terms of the legislature up to 2007. It therefore makes sense to move gradually towards that proportion. Moreover functional constitutencies have proved successful in Hong Kong. For these reasons it is proposed that the number of functional constituencies should be increased from 14 to 21 in 1991.

The Chief Executive

17. The Committee recommended that the first Chief Executive should be elected by a democratically constituted Electoral College and that the second and third Chief Executives should be elected by universal suffrage (paragraph 3.18). Article 45 of the Basic Law provides that the ultimate aim is to select the Chief Executive through universal suffrage. We welcome this. The machinery for the selection of the first Chief Executive is one of the points we intend to discuss with the Chinese Government.

Relationship between the Executive and the Legislature

18. The Committee took the view that the Legislative Council should be sovereign and that the Chief Executive should resign if there is an irreconcilable conflict (paragraph 3.22). Article 73(9) of the Basic Law provides for a procedure whereby the legislature can impeach the Chief Executive if he or she refuses to resign when charges of a serious breach of law or dereliction of duty have been found substantiated by an investigation committee chaired by the Chief Justice of the Court of Final Appeal. Other provisions of the Basic Law, while making provision for the accountability of the Executive to the Legislature (Article 64) establish a separation of powers between them. Although the Chief Executive may dissolve the legislature once during each of his terms of office if there is disagreement between them as to certain Bills (Article 50), he is required to resign if the same disagreement persists after a new legislature is elected (Article 52).

British Policy and Actions

British Interests in Hong Kong

19. The Government welcome the Committee's analysis of British economic interests in Hong Kong (paragraph 4.3). Britain has an enormous stake in terms of trade, investment and jobs in Hong Kong's continuing success. Britain's visible exports to Hong Kong are worth more than £1 billion a year. In addition, Britain earns over £1 billion every year from invisible exports. British exports to Hong Kong grew by over 10 per cent in the 1980s, compared to growth of only 8·7 per cent for Britain's exports worldwide. Hong Kong is Britain's largest export market in Asia, after Japan. More than 1,000 British companies have operations there and produce significant returns for the United Kingdom. Because Hong Kong is one of the world's freest economies, it is difficult to put a precise figure on British investment in the territory. But the total gross stock market value of British-owned, controlled or managed companies has been estimated at some £20 billion.

Nationality

20. The Government welcome the Committee's analysis under this heading and agree with their recommendation that assurances should be offered to a significant number of Hong Kong BDTCs in key positions (paragraph 4.19). The increasing rate of emigration among key personnel, both in the public and private sectors, is a trend which the Government take very seriously. In the years 1980–86, the average yearly outflow was about 20,000. In 1989 it was 42,000. This year it is expected to be at least 55,000, many of them key professionals. This growing exodus of talented people poses a real threat to Hong Kong's stability and prosperity in the period before 1997. Many of those who are emigrating do so reluctantly, because it is the only means of acquiring the assurance of a foreign passport. Most of them would remain if such an assurance were available without the need to leave Hong Kong.

21. That is why the Foreign and Commonwealth Secretary announced on 20 December 1989 that the Government proposed to introduce legislation to give British citizenship to 50,000 key people and their dependants, without their having to leave the territory in order to qualify. This legislation is designed to anchor people in Hong Kong so that they can continue to make their contribution to the territory's success and prosperity. The British Nationality (Hong Kong) Bill was published on 4 April and had its second reading on 19 April. Details of how the selection scheme might operate were set out in an Explanatory Note which has also been laid before the House.

22. The reaction in Hong Kong to the Government's nationality package has been generally positive. OMELCO has said publicly that the package will be a helpful contribution towards slowing down the brain drain and have expressed confidence that those who receive passports will have the peace of mind to remain in Hong Kong and contribute to Hong Kong's future. People from the business sector have also said that the scheme will help to anchor key people in Hong Kong. A number of recent surveys by professional bodies in Hong Kong show that the majority of those currently planning to emigrate would stay in Hong Kong if granted British citizenship under the scheme. For example, 85 per cent of chartered surveyors, 88 per cent of government doctors and 80 per cent of civil engineers have said that they would change their plans to leave Hong Kong if granted British citizenship.

23. The Committee recommended that the Government should take the lead at the earliest opportunity in mobilising international support for Hong Kong (paragraph 4.15). The Government have taken every available opportunity to raise this issue with their partners in the European Community and the Commonwealth, with the United States and with a number of other countries. The Government have made clear that Hong Kong is an international centre, with huge international investment and its major trading partners have a strong interest in its continuing stability and prosperity. Some countries, of their own volition, have already found ways to give Hong Kong people assurances without their having to leave the territory and the Government have encouraged others to do so. Singapore has already introduced a scheme to give permanent residence status to up to 25,000 blue collar workers and their families without requiring them to leave Hong Kong for a number of years. Within the European Community, France, Belgium and Luxembourg have implemented schemes to provide the right of entry to employees of French, Belgian and Luxembourg companies and their families. The Federal Republic of Germany is finalising a scheme of broadly the same nature. The possibility of new immigration arrangements for Hong Kong is under consideration by the United States Administration and there have been expressions of support in the United States Congress, including a proposal that the immigration quota from Hong Kong should be increased to 20,000 a year and that beneficiaries should be allowed to defer settlement in the United States until the year 2002. Taken together, these measures could add substantially to the impact of our scheme.

24. The Committee recommended that Section 4(5) of the British Nationality Act 1981 should be used more generously in the future (paragraph 4.21). But as the Committee themselves pointed out, the then Home Secretary made clear at the time of the introduction of the BNA 1981 that Section 4(5) was intended to be used sparingly. The government have decided to cater for the needs of public servants and the private sector by means of the British Nationality (Hong Kong) Bill. There is thus no obvious need to make more generous use of Section 4(5) in respect of public servants, although it will still be available for use at the Home Secretary's discretion, in appropriate cases.

25. The Government have accepted the Committee's recommendation that war widows should be given assurances that they can come to Britain at any time (paragraph 4.22). The Home Secretary announced on 19 April, that widows of former servicemen who served in the defence of Hong Kong during the second World War under the Government of Hong Kong, will be admitted to the United Kingdom at any time on the same terms as spouses of people settled here, provided that they are still resident in Hong Kong, have not remarried and do not have citizenship of another country other than China.

26. The Committee took the view that the Government have an obligation to provide British citizenship to non-Chinese BDTCs in Hong Kong (paragraph 4.23). The Government considered very carefully whether to make separate provision for these

people in the scheme but decided not to do so. They will be eligible to apply under the scheme and their applications will be considered on their merits. In addition, the Hong Kong (British Nationality) Order 1986 makes provision for children and grandchildren of former BDTCs born after 1997 to acquire British Overseas citizenship if they would otherwise be stateless. As the Committee noted, the Government gave a specific assurance to Parliament in 1986 that if any solely British National came under pressure to leave Hong Kong in the future, and had nowhere to go, we would expect the government of the day to consider their case for admission here with considerable and particular sympathy. The Government stand by that commitment.

27. The Committee recommended that the immigration rules should be changed so that periods spent by Hong Kong British Students studying in the United Kingdom for recognised qualifications at tertiary level or above should count towards "residency" (paragraph 4.24). The Government have interpreted this to mean that such periods of study should lead to settlement in the United Kingdom. Under the immigration rules, students are regarded as coming here for a temporary purpose and admission as a student does not provide an avenue to settlement. The Government see no reason to depart from this principle in the case of students from Hong Kong and therefore do not propose to implement the Committee's recommendation in this regard. It is worth noting, however, that if a person who has been in the United Kingdom as a student achieves settlement by some other means (for example, by marriage) and then applies for citizenship, the period spent here as a student can be counted towards the residence requirement for citizenship.

Vietnamese Boat People

28. The Government welcome the Committee's analysis of this problem. Since 1975, nearly 170,000 Vietnamese boat people have arrived in Hong Kong. Hong Kong has continued to operate a policy of first asylum. No asylum seekers have ever been turned away. As the Committee rightly states, the Hong Kong Government had no alternative but to introduce a screening policy in June 1988 (paragraph 5.2). The introduction of screening was precipitated by a major new influx of boat people in 1987 and 1988 and by a change in the pattern of arrivals.

29. In 1989 34,000 Vietnamese asylum-seekers arrived in Hong Kong, bringing the total number to over 57,000 by the end of last year. So far this year the number of new arrivals is down on last year's figures although there was an upsurge towards the end of April. Two thirds of this year's new arrivals came from the South of Vietnam, a reversal of the trend in 1989 when the great majority came from the North. About the same proportion are ethnic Chinese. It is still too early to be sure how the rate of arrivals will develop and whether Hong Kong will face an influx on the 1989 scale. But the sharp fall in the total number of arrivals as well as in the proportion coming from the North may suggest that the Government's decision to repatriate a small group of non-volunteers last December (see paragraph 33 below), coupled with the intensive publicity compaigns mounted in recent months in the North of Vietnam, has begun to make a real impact.

30. Good progress has also been made in resettling those with refugee status in accordance with the pledges given at the Geneva Conference in June 1989. More than half of the 13,000 refugees in Hong Kong at that time will have been resettled in the West by June 1990. The Philippines Government have also agreed that refugees from Hong Kong can be transferred to the refugee processing centre at Bataan pending resettlement, thus helping to relieve pressure on accommodation in the territory. If the transfer of refugees to Bataan proceeds smoothly, there is thus every prospect that most, if not all, of those with refugee status will leave Hong Kong by the end of this year.

31. Since the Geneva Conference last June, it has been accepted by the entire international community that all those screened out as non-refugees must return to their country of origin. It was also agreed at the Geneva Conference that in the first instance every effort should be made to encourage voluntary returns; but that if after the passage of a reasonable amount of time the voluntary programme was not making sufficient progress, alternatives would be considered. The Government are doing everything they can to encourage more volunteers to come forward and to speed up the rate of voluntary returns. So far this year the number of volunteers has increased and over 1,900 have returned to

Vietnam. During his visit to Vietnam in February, the Minister of State, Mr Francis Maude achieved agreement that from May 1990 around 1,000 volunteers a month would be accepted back, a sufficient rate of flow, if maintained, to clear all the non-refugees in Hong Kong in little over three years. The Government also offered to contribute to the cost of a new reception centre near Hanoi to enable the Vientnamese authorities to reach this target.

32. It has been clear for some time, however, that voluntary returns alone cannot provide a comprehensive solution to the problems in Hong Kong. The latest evidence shows that only about 2 per cent of those screened out as non-refugees have volunteered to return to Vietnam. The Government shares the Committee's view that in the absence of significant levels of voluntary repatriation, there is no alternative to the repatriation of those who are screened out (paragraph 5.4). On 12 December 1989, the Foreign and Commonwealth Secretary therefore announced the Government's decision to repatriate 51 Vietnamese boat people who were not refugees, under a bilateral agreement reached with the Vietnamese Government in June 1989 which guaranteed that returnees would not be punished by the Vietnamese authorities. No force was used. Two former Ministers (Lord Ennals and Mr Raison MP) visited Vietnam in January and confirmed that no force had been used against those returned and that they had not been ill-treated in any way. Discussions are continuing with the Vietnamese Government on the practicalities of non-voluntary repatriation. The agreement of June 1989 remains in force.

33. The Steering Committee of the International Conference on Indo-Chinese Refugees, which reconvened in Geneva in mid-January, narrowly failed to reach agreement on how to deal with those determined not to be refugees following screening. Almost all the participants were prepared to accept that mandatory repatriation could begin from 1 July 1990. In the end consensus was blocked by the United States, which insisted that no one should be returned involuntary before 1 January 1991 and by the Vietnamese who held out for 1 October 1990. The Government have made clear to the United States Administration that if they continue to oppose involuntary repatriation. Hong Kong and the other places of first asylum would look to the United States to provide an alternative solution. The Committee recommended that the Government should press the United States to accept responsibility for the accommodation of those screened out until such time as they are content to accept their repatriation to Vietnam (paragraph 5.6). The Government are doing this.

34. The United Nations High Commissioner for Refugees, Mr Stoltenberg, launched a new initiative in mid-March aimed at tackling the root causes of the exodus from Vietnam and increasing the number of voluntary returns. He indicated that UNHCR would be willing to monitor the conditions of all who return to Vietnam, on a good offices and time limited basis, provided there was consensus in support. The Government will continue to work closely with UNHCR for a comprehensive and durable solution. The Government's objective is to ensure that the rate of returns to Vietnam is sustained at 1,000 a month and that if there are fewer than 1,000 volunteers, the difference should be made up by non-volunteers. The Government hope that there will be an international consensus opening the way to UNHCR monitoring the conditions of all who return. The Government are also working closely with UNHCR to limit any shortcomings there may be in the screening process.

35. The Government agree with the Committee that assistance should be given to those who return to Vietnam (paragraph 5.4). Reintegration assistance is already being made available to help returnees settle back into their communities, with volunteers receiving slightly more generous terms. The Government are also considering financial support for NGO activities in areas of Vietnam from which boat people predominantly come. However, programme aid would need to await full acceptance by the Vietnamese authorities of their obligations towards their own people.

36. The Committee recommended that the Government should take vigorous steps to secure a more positive and responsible approach by the Chinese Government to the problem of Vietnamese boat people (paragraph 5.8). The Government have continued to press the Chinese authorities to step up their efforts to prevent asylum seekers transitting China en route to Hong Kong both overland and along the South China coast. The latest evidence suggests that 90 per cent of new arrivals now make most of the journey overland. Information on the routes used is being passed to the Chinese authorities on a regular basis.

37. The Government recognise that the Vietnamese boat people problem has for many years imposed a heavy social and financial burden on Hong Kong. Since the beginning of 1989 the Government have pledged or contributed nearly £37 million towards the boat people problem, either in support of UNHCR operations in Hong Kong or direct to the Hong Kong Government for emergency accommodation.

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Mr. Appleyard

B.0201 C - Miss Bowden
(Covering minute only)

Thank you. I should be content to circulate under a note by the secretaries to OD(K) Could you pl. let me have a draft.
(In para 17, first indent, ic 1400 a misprint for 140. It seems implausible that, if my arithmetic is correct, each Cruise ship would carry only 70 passengers).

SIR ROBIN BUTLER

MISC 140: PAPER ON CONTINGENCY PLANNING FOR HONG KONG

I mentioned at the meeting of Deputy Secretaries on 6 September that MISC 140 has completed the paper on Contingency Planning for Hong Kong (the "Armageddon" scenario). It has been agreed by interested Departments and can now be taken by OD(K), perhaps at its meeting on 26 October. In the meantime you may think that it would be useful to circulate the paper to the members of the Committee for their consideration.

2. The paper seems to me to provide a balanced and common-sense set of guidelines for dealing with any mass exodus from Hong Kong and as clear an indication as it is possible to give at this stage of the very considerable public expenditure implications of the "amber" and "red" phases of such an operation. The paper outlines further work by officials, including the need to refine the costs.

FEYB 8.9.

L V Appleyard

L V Appleyard

8 September 1989

DRAFT MINUTE TO SIR ROBIN BUTLER FROM MR L V APPLEYARD

FOLIO 23

FOLIO 21

CONTINGENCY PLANNING FOR HONG KONG

1. As requested in your minute of 8 September, I now submit a draft Note by the Secretaries to OD(K) covering the MISC 140 paper on Contingency Planning for Hong Kong.

You were right Gtat

2. (The number of cruise ships mentioned in the first indent of paragraph 17 should ~~was you suppose~~ have been 140. (Sorry. The misprint has now been corrected.

September 1989

SECRET

Draft

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September 1989

CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE
SUB-COMMITTEE ON HONG KONG

CONTINGENCY PLANNING FOR A MASS EXODUS FROM HONG KONG

Note by the Secretaries

1. The attached paper on Contingency Planning for Hong Kong is circulated to the Sub-Committee for consideration at a future meeting. It has been prepared by the Official Group on Contingency Planning for Hong Kong (MISC 140) which is charged:

> *"To devise plans to deal with the contingency of a large scale exodus from Hong Kong in the period up to July 1997 or thereafter."*

2. The paper examines the scenarios that might prompt a large scale exodus from Hong Kong, addresses the problems that such an exodus would present, and lists the measures that would be needed to deal with them. The measures include Government-sponsored mass evacuation, since it has been assumed that Ministers would wish this option to be available, if physically possible. The paper concludes that the scale of the problems that would be posed by a large influx of refugees into the United Kingdom, and the costs to the Exchequer that would result, underline the need to do everything possible to prevent a mass exodus from Hong Kong. The paper further concludes that the United Kingdom could not manage such a crisis alone, and that it is therefore essential to secure international support and, where possible, firm pledges to take refugees from Hong Kong should a mass exodus occur.

and enlisting international support,

3. The paper suggests that plans to deal with a large scale exodus need to be tailored to three different phases: monitoring the situation, the *"green"* phase that we are currently in; identifying and responding to an imminent crisis, which would be the *"amber"* phase; and dealing with an emergency, which would be the *"red"* phase. In practice, as the paper acknowledges, transition from one phase to another might be very swift. Nevertheless, this division into distinct phases provides a useful framework for planning purposes, enabling Ministers to see the sorts of decisions that would confront them, and the scale of expenditure that would be involved, as a crisis developed.

4. When OD(K) meets, Ministers will be invited to endorse the conclusions on pages 1-3 of the paper, and to approve the recommendations on pages 4-7.

Signed ROBIN BUTLER
L V APPLEYARD
W D REEVES
D G MANNING

Cabinet Office

September 1989

CONTINGENCY PLANNING FOR HONG KONG

CONCLUSIONS

1. A mass exodus from Hong Kong might take place for a number of different reasons. For planning purposes we should confine ourselves to 4 scenarios: a haemorrhage of confidence, or sudden panic, before July 1997; internally generated panic, or Chinese provocation, after July 1997.

2. The report covers those making their own way out of the territory, either by normal methods of transport or by improvised means. It also covers arrangements for Government-sponsored mass evacuation from the territory, since it is assumed that in extreme circumstances Ministers would wish this option to be available if physically possible.

3. The Chinese attitude will be crucial in determining whether there is a crisis leading to a mass exodus and, if so, how that crisis can be managed.

4. The potential number of refugees is huge: the United Kingdom could not manage a crisis alone. Securing international support (and where possible firm pledges) is therefore essential, particularly since a significant proportion of those leaving Hong Kong might wish to settle in countries other than the United Kingdom. It will be important to take every opportunity to lobby energetically.

5. Contingency planning should be in 3 phases:

- the *"green"* phase, which should concentrate on monitoring the situation, preparing the ground work against any eventual crisis, keeping up pressure on China to cooperate in maintaining confidence in Hong Kong, and enlisting commitments of support from the international community in the event of a mass exodus. This is the current phase.

- the *"amber"* phase, when a crisis appears imminent and Ministers will need to authorise practical measures.

- the *"red"* phase, when a mass exodus has begun, and evacuation, reception and resettlement would be undertaken.

In practice the transition between phases could be very swift. This underlines the need for careful planning which could be implemented at short notice.

6. Finding sufficient transport to evacuate refugees could be very difficult. The United Kingdom has comparatively few civil assets and unless there were a direct threat of Chinese military action against Hong Kong the Government would have no power to requisition shipping. No powers are available either to direct the operations of civil aircraft fleets. The lead times for chartering or leasing ships and aircraft are long; and the costs very high. The use of foreign owned ships and aircraft would facilitate the evacuation.

7. The armed forces' contribution to an evacuation operation could include transport, though the capacity of military assets is not large, together with specialist medical, engineering, movement control and communications assistance. It might also be necessary to take military steps to help preserve security in Hong Kong and, in extreme circumstances, to counter military action by China. It would be very helpful to secure the assistance of the United States armed forces for any large scale evacuation.

8. There would be great reception and resettlement problems in the event of a large influx of refugees into the United Kingdom. In the short term accommodation would be a particular difficulty, not least because there would almost certainly be a mis-match between places where there was accommodation and places where there were jobs. The Government might need to find ways of encouraging refugees to go to certain areas and stay there. In the event of a very large scale influx, the requisitioning of accommodation in the private sector would

need to be considered; if approved, this would require legislation and would be controversial. In the longer term there would be significant problems of integration.

9. The costs to the United Kingdom Exchequer of a mass evacuation from Hong Kong, and the subsequent reception and resettlement programmes would be very considerable. Ministers will wish to delay incurring expenditure until as late as it is prudent to do so. Recommendations for the current *"green"* phase are therefore minimal and low cost. But very heavy expenditure would be required in the *"amber"* and *"red"* phases.

10. The scale of the problems that would be posed by a large scale influx of refugees into the United Kingdom, and the huge costs that would be incurred, underline the need to do everything possible to prevent a mass exodus from Hong Kong.

RECOMMENDATIONS

1. During the *"green"* phase:

i. There should be firm and sustained action with the Chinese Government to press them to cooperate in maintaining confidence in Hong Kong.

ii. There should be discussion with the Governor of Hong Kong about additional political reporting.

iii. There should be increased monitoring of those arriving in the United Kingdom from Hong Kong. Figures should be available on a weekly basis. This would require some increase in resources for the Immigration Service.

iv. Bilateral and multilateral meetings should be exploited to secure firmer commitments from other governments to take people from Hong Kong in need of a home of last resort.

v. Officials should review the possibility of holding discreet discussions with British shipping operators and British airways about the future movements/availability of their cruise ships, and aircraft. Officials should also establish a mechanism for monitoring non-British cruise ships.

vi. Officials should maintain an up-to-date record of British military assets available to assist with a major evacuation from Hong Kong.

vii. Possible regional clearing centres should be identified but no approaches should be made to other governments at this stage.

viii. Plans should be drawn up within Whitehall for reception centres in the United Kingdom and for a Resettlement Board. Sources should be identified for other services that would be

needed in the reception phase. Contingency plans should be made for requisitioning, and for constructing, accommodation. Interested Departments should be involved in this planning on a strictly confidential basis but there should be no discussion outside central Government at this stage.

ix. There should be consultations with the Governor of Hong Kong during the *"green"* phase, on a personal basis. The Government of Hong Kong should not be consulted.

2. During the *"amber"* phase:

x. Monitoring of those arriving in the United Kingdom from Hong Kong, and of those leaving Hong Kong, should be further stepped up, with figures available on a daily basis.

xi. Ministers should take decisions on whether and, if so, how far to set aside immigration control requirements.

xii. An International Conference should be convened to secure commitments to cover that part of the population of Hong Kong that wished to leave. The United Kingdom would have to be ready to declare the extent of its own readiness to help.

xiii. Staging posts close to Hong Kong should be identified. Outline contingency plans for chartering aircraft and cruise ships should be agreed with British and Hong Kong operators. The availability of aircraft and cruise ships should then be constantly monitored. Treasury agreement should be given for the commitment of expenditure to lease or charter aircraft and ships.

xiv. Steps should be taken to improve the readiness of military assets. Special teams should be deployed discreetly to the area as necessary. Consultations with US military authorities should take place if possible.

xv. Governments in South East Asia should be approached in confidence about establishing regional clearing centres. Contingency plans should be agreed if possible.

xvi. A Resettlement Board should be established, reception centres prepared and requisitioning and building of permanent accommodation put in hand as necessary. Resettlement policies should be refined in discussion with the relevant statutory and voluntary services, and appropriate plans drawn up.

xvii. Urgent consultations would be needed with the government of Hong Kong on all aspects of managing the crisis.

3. In the *"red"* phase:

xviii. Decisions on immigration control made during the *"amber"* phase would be implemented.

xix. An international conference should be convened, or reconvened, to secure commitments to take refugees.

xx. Carriers should be given warning/assurances about their liabilities arising from carrying refugees.

xxi. Air and ship operators should be instructed to withdraw aircraft and ships covered by dormant contracts, and told to send them to Hong Kong.

xxii. Additional staff, military and police should be made available at Hong Kong airport to ensure orderly departures.

xxiii. Provision should be made for ship and aircraft spare parts, and fuel, and lifesaving equipment to be available in Hong Kong and at refugee destinations.

xxiv. Decisions should be taken about the scope and scale of military assistance, and of any operational deployments, and forces deployed accordingly.

xxv. Every effort should be made to establish regional clearing centres.

xxvi. The Resettlement Board should organise the reception of refugees in the United Kingdom and begin the process of resettling them.

Handling

xxvii. MISC 140 should continue to monitor the situation, keep the contingency plans under review, and should report as necessary to OD(K). It should also coordinate the costing of the contingency plans.

xxviii. Ministers are invited to endorse the paper as the basis for further work.

INTRODUCTION

1. The terms of reference of MISC 140 are:

> *"To devise plans to deal with the contingency of a large scale exodus from Hong Kong in the period up to July 1997 or thereafter."*

This paper seeks to meet that requirement. It examines the scenarios that might prompt a large scale exodus, addresses the problems that such an exodus would pose, and lists the measures that would be needed to deal with them. It assumes that in extreme circumstances Ministers would wish to have the option, if physically possible, of attempting to evacuate from Hong Kong those who wished to flee, as well as assisting those who managed to make their own way out of the territory. The measures listed therefore include both civil and military means of transport, and arrangements for the reception and resettlement of refugees. Since the numbers would be far too great for the United Kingdom to handle alone, the paper considers what arrangements should be made to ensure that the international community would share the burden. The paper makes clear that, even allowing for international cooperation, the costs of an exodus to the United Kingdom Exchequer would probably be very large.

2. Plans to deal with a large scale exodus need to be tailored to three different phases: monitoring the situation, which is the *"green"* phase that we are currently in; identifying and responding to an imminent crisis, which would be the *"amber"* phase; and dealing with an emergency, which would be the *"red"* phase. The paper indicates which measures are appropriate to each phase.

SCENARIOS

3. British policy is to maintain and strengthen confidence in Hong Kong so that the population, including the most entrepreneurial and productive sectors, remain there until and after 1997 in order to safeguard the prosperity of the community and to make a success of the arrangements agreed under the Joint Declaration. Despite recent

events, there is every chance that these objectives will be achieved. For the purposes of this exercise officials have been asked to consider a range of worst-case scenarios for the periods leading up to 1997 and after 1997. These are considered in detail not only to illustrate the sort of events which might trigger a crisis in Hong Kong, but also because they have important implications for the way in which those fleeing Hong Kong would be perceived by the international community. Whether those leaving were generally accepted as refugees fleeing persecution (which would affect the attitude of eg the UNHCR) would depend on the circumstances of their departure.

Pre-1997 Scenarios

4. There are essentially two pre-1997 scenarios which contingency planning will need to address:

a. A steady ebbing away of confidence, culminating in rising panic or economic collapse

Under this scenario, the confidence of the people of Hong Kong has not been restored, and there would be an increasing outflow of capital and talent from the territory. The rate of emigration would be limited only by the availability of places in the destination countries. Investment in the territory would dry up. Property values would decline. The stock market would be increasingly vulnerable to panic selling. This could provoke a steady and largely imperceptible slide from the *"green"* to the *"amber"* phase. Once in the *"amber"* phase, even a relatively minor event could
trigger economic collapse and panic amongst the community (ie the *"red"* phase), leading to a major exodus. The transition from the *"amber"* to the *"red"* phase could be very short.

b. Panic provoked by further developments in China

Under this scenario, Hong Kong people have become even more sensitive than before to developments in China, such as a repetition of the brutal use of military force against Chinese civilians; the unleashing of a campaign of terror and repression

China leading to civil unrest or civil war. Such developments, singly or in combination, could cause panic in Hong Kong. There could be a swift transition from the *"green"* phase, through *"amber", to "red"*. Alternatively, the Chinese Government might issue verbal threats against the territory or even take some threatening action, such as massing troops on the border. Depending on circumstances, there might be little warning of this. Again, the transition from the *"green"* phase to *"red"* could be swift. None of these gestures would in any sense serve China's own wider interests, but the Chinese might nevertheless resort to them for domestic political reasons or if they were alarmed by developments in the territory.

5. These two broad scenarios, which are worst-case, are not necessarily distinct. A combination of them, or elements of them, could also be devised. In any event, it seems clear that: as 1997 approaches the volatility of public opinion is likely to increase; the more rapid any transition from the *"green"* to the "red" phase is likely to be; and the greater the likelihood that Hong Kong people will leave in case they are unable to do so after 1997.

Post-1997 Scenarios

6. There are two possible post-1997 scenarios that need to be considered:

a. Internally generated panic

Under this scenario, Hong Kong would already have been seriously weakened by years of emigration of its brightest and best and by the thinning out of international investment in the territory, and further demoralised by the transfer of sovereignty. In a deteriorating situation, (the *"amber"* stage), Hong Kong's inhabitants would judge that the Joint Declaration was not working: this might be because of increasing Chinese interference; because of growing corruption in the territory; or because of a perception that Britain and the rest of the international community were no longer willing or able to do much to help. In

these circumstances, despair could turn to panic (*"amber"* to *"red"*), particularly if people lost confidence in the promise of freedom of movement in the Joint Declaration.

b. Panic provoked by China

After 1997 the risk (and fear) of direct Chinese interference in Hong Kong's affairs would be substantially greater. Under the Joint Declaration, the Chinese have the right to station troops in Hong Kong after 1997 and they have made it clear that they intend to do so. The draft Basic Law gives them the right to declare a state of emergency in the territory. Either development would be bound to affect local attitudes. In the circumstances outlined above, any China-provoked panic would probably be swifter and more devastating in its effect, thereby shortening the transition from *"green"* to *"amber"* and *"red"*.

7. There are more imponderables in these post-1997 scenarios. In particular, we do not know what attitude the Chinese authorities would take in the event of a mass exodus. They might try to impede departure or they might allow it to happen. Under certain circumstances they might even encourage those they deemed to be troublemakers to go. What is clear, however, is that after 1997 the attitude of the Chinese Government will be the determining factor in whether substantial numbers of the inhabitants of Hong Kong could leave the territory and in what circumstances. The Chinese would have the means to prevent a mass exodus and (arguably) the right to prevent an international evacuation operation in Chinese waters.

THE *"GREEN"* PHASE

8. The current, *"green"* phase should involve closely monitoring the flow of those leaving Hong Kong and arriving in the United Kingdom. The aim should be to alert Ministers to any progressive haemorrhaging of confidence that led to increasing emigration from the territory, which might in turn threaten a crisis (the *"amber"* phase).

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

9. The Hong Kong Government are refining their data collection techniques. We are pressing them to persist in their efforts and to make their results known to us (see Annex A). As regards British Government statistics, at present figures for Hong Kong British Dependent Territory Citizens (BDTCs) arriving in the United Kingdom are collated at monthly intervals (for internal use). In future they should be made available more frequently, in order to provide a barometer of the mood in Hong Kong, and to give early warning of a surge of arrivals in the United Kingdom. Such a surge could result in the need to set aside normal immigration control requirements (see below). Procedures should therefore be established to make the figures available on a weekly basis, with each week's figures available on the Monday of the following week. The figures should include not only admissions for settlement and for other purposes, but also refusals of leave to enter. After 1 July 1997 they should show separately any applications for asylum.

Immigration Control

10. During the *"green"* phase the normal immigration control arrangements will continue to operate. Although a small number of people coming from Hong Kong are freely admitted (ie those with the right of abode or the guarantee of readmission on the basis of previous residence), the majority are subject to normal immigration control and may be refused admission if they do not meet the requirements of the Immigration Rules.

11. As far as refugee status is concerned, it is difficult to envisage this being granted under the terms of the 1951 UN Convention to people leaving Hong Kong before 1 July 1997. Thereafter, applications for asylum are more likely, and would be more difficult to refuse not least because it would probably be impossible to make the enquiries necessary to rebut the suggestion of persecution. In practice, as previous experience shows, any large increase in numbers of asylum-seekers arriving in the United Kingdom defeats the capacity of the system to consider applications thoroughly.

12. An increase in the number of doubtful visitors before 1 July 1997, or of asylum-seekers thereafter, would be one of the indicators that might trigger transition from the *"green"* to the *"amber"* phase.

Monitoring: Political Reporting

13. The Governor of Hong Kong will continue to report on political developments in the colony until 1 July 1997. However, given the importance that Hong Kong's domestic politics may acquire in the period before the territory's return to China, it might be useful to consider ways of supplementing his political reporting. The Foreign and Commonwealth Office will pursue this.

Consultation with the Government of Hong Kong

14. Officials consider that it would not be prudent to consult the Government of Hong Kong in the *"green"* phase, although the Governor should be consulted on a personal basis.

External Consultation

15. The *"green"* phase should be used for a twin-track approach on external consultations. First, firm and sustained action with the Chinese Government to press them to cooperate in maintaining confidence in Hong Kong by adopting a flexible and sensitive approach over the drafting of the Basic Law and over their public statements and actions. Second, energetic lobbying of prospectively helpful governments about the problem of Hong Kong, and to sensitise them to the fact that they would have a shared responsibility to help. The Prime Minister and the Foreign and Commonwealth Secretary have already raised this issue at the Madrid European Council, the Paris Economic Summit and bilaterally with their United States, Australian and Canadian counterparts.

16. We should now build on this, intensifying our efforts to secure firmer commitments from other Governments to take people from Hong Kong in need of a home of last resort. Once we have announced what measures we are prepared to take to extend the right of abode, we can use our readiness to help as a lever to get detailed undertakings from others. Though there are wider issues at stake, in this specific context the

more extensive our measures are the greater our chances of generating substantial offers from others. Opportunities for contacts in the next few months include:

DATE	EVENT	ACTION PROPOSED
SEPTEMBER	PRIME MINISTER'S VISIT TO JAPAN	Prime Minister should speak to the Japanese Prime Minister.
SEPTEMBER	UNGA	Passage on Hong Kong in Secretary of State's speech. Programme of bilateral contacts with United States, Canada and Australians, following up their positive response to our earlier efforts.
OCTOBER	CHOGM	Inscription of Hong Kong as agenda item. Passage on Hong Kong in Prime Minister's speech. Programme of bilateral contacts with Canadian, Australian, New Zealand and Singapore Governments. Doubtful whether time would be right to extend net of bilateral consultation more widely.
8-9 DECEMBER	EUROPEAN COUNCIL	Inscription of Hong Kong as agenda item. Passage on Hong Kong in Prime Minister's speech. Language on Hong Kong for communique.

Planning: Civil Evacuation

17. There are a number of factors (fully described in Annex B) that will affect any civil evacuation of refugees from Hong Kong. Ministers should be aware of the very real difficulties that would be presented by an exodus on this scale.

- The numbers involved: it is difficult to say with any precision how many of the 5.7 million population of Hong Kong would wish to leave. For illustrative purposes it would take 250 B747 flights, or about 1400 cruise ship voyages, to move 100,000 passengers.

- Destinations: the shorter the distance that refugees had to be transported, the more of them that could be carried eg 50 B747s could transport 2.3 million refugees in a month from Hong Kong to Manila but only 600,000 refugees to Sydney. It would therefore be essential to earmark staging posts near Hong Kong that could provide temporary accommodation, leaving onward movement until later when final destinations are arranged.

- The attitude of the Chinese: if the Chinese decided to prevent refugees from leaving, they would have little difficulty in blocking the harbour and airport.

- Availability of aircraft and ships: there would be serious constraints with regard to the availability of aircraft and ships. The longer the notice, the easier (and perhaps cheaper) the leasing would probably be.

- Air Transport to the United Kingdom: 100,000 passengers could be moved by air from Manila to the United Kingdom in just under 3 days, at a cost of £130 million.

During the current *"green"* phase, officials should review in detail the possibility of holding discussions with the main British cruise ship operators eg Cunard and P&O, and with British Airways. The

benefits of consultation will need to be weighed against the risk of leaks. Discreet monitoring should also be carried out of present and planned operations of all cruise ships, to permit identification of other non-British vessels which might be useful. Officials should establish the best mechanism for doing this, and clarify further the practical feasibility of such an exercise.

Evacuation - Military Assistance

18. In addition to civil assets, a limited number of military transports would be available to help with a large scale evacuation from Hong Kong (although the paper assumes that military assistance is only likely to be a significant feature of any evacuation plan in the period up to 1 July 1997).

19. The air and sea transport that could be provided is described at Annex C (together with other forms of military assistance that might be available) but a number of points are worth emphasising:

- In quantitative terms the capacity of the Services to transport large numbers of personnel would be small.

- The availability of military units would be affected by other commitments at the time of any crisis, including other tasks associated with it.

- It might be appropriate to use military transport assets to evacuate selected individuals who might qualify for priority treatment (eg politicians, police etc).

- The United States have significant military transport assets (as well as bases in the Philippines, Japan and South Korea) which could play a major role if they were made available for an evacuation.

During the current *"green"* phase, officials should maintain an up-to-date record of military assets available for use in the event of a major evacuation from Hong Kong.

Evacuation: Regional Clearing Centres

20. The United Kingdom could only absorb a small proportion of those leaving Hong Kong as part of a large scale exodus. Even assuming that other countries took their share of refugees, there would be a need for regional clearing centres where refugees could be accommodated before moving on to resettlement points. Officials should identify possible locations for such centres.

21. The idea of regional clearing centres is, however, unpopular with the people of Hong Kong. They have seen the conditions in which the Vietnamese boat people have had to live in Hong Kong (some 160,000 have reached the territory since 1975), and the delays in resettling them (some have had to wait 5 years). Any discussion of this subject with governments in the region would therefore have a very bad effect on confidence and morale in Hong Kong, if it were to leak.

22. Experience over the boat people has also shown how difficult it is to establish clearing centres in the region. Despite intensive lobbying recently of the Philippines Government to set up such a centre, and promises of a £5 million United Kingdom financial contribution, little progress has been made. The prospects of securing agreement to establish holding centres for Hong Kong refugees in advance of a major crisis in the territory cannot be good.

23. No action should be taken therefore, during the *"green"* phase, on regional clearing centres. The current priority must be to secure the agreement of the countries in South East Asia to the setting up of a regional clearing centre for Vietnamese boat people, not for Hong Kong residents.

Planning: Reception and Resettlement

24. Planning during the *"green"* phase should address the two stages for dealing with those to be admitted to the United Kingdom in the event of a mass exodus from Hong Kong: reception and resettlement (a full discussion of the issues is at Annex D).

Reception

25. Arrangements would be needed to accommodate and feed refugees arriving in the United Kingdom, on the assumption that few of them would have contacts to whom they could turn. In the past, similar exercises have relied heavily on MOD facilities but, with the reduction of such facilities, private sector sites would be needed to cope with the large influx from Hong Kong. During previous crises, notably the expulsion of East-African Asians from Uganda in 1972-3 when 30,000 refugees arrived in the United Kingdom, a Government body has been established to coordinate reception and resettlement. Something similar would be needed to manage the arrival of large numbers of Hong Kong refugees: the Uganda Resettlement Board would serve as a model. The reception period could last up to 6 months before people could be moved to more permanent places of settlement. During that time medical attention and schooling would need to be available.

26. It might be that a proportion of those who made their way to the United Kingdom from Hong Kong would prefer to be resettled elsewhere. Recent emigration trends suggest that Australia, Canada and the United States might continue to be their favoured destinations. It might therefore be possible to resettle a number of people in these countries, if they so requested, especially if they already had contacts there.

Resettlement

27. Resettlement arrangements would depend on a number of factors:

- The scale and duration of an influx.

- The extent of links which those arriving had with the United Kingdom.

- The resources, abilities and skills which they brought with them.

Special arrangements would be likely to be needed for housing and income support; for training (including language training), and advice and support for business and employment. There would also be an impact on health, education and other services.

28. In the event of an exceptionally large scale influx, accommodation would pose severe problems. At the time there might be a maximum of 400,000 empty dwellings but not all of these would be available. 300,000 of them would be in the private sector. If any of these were to be used, they would probably have to be requisitioned. This, if approved, would require legislation, and would be controversial. Even if the exodus were smaller scale, and enough housing were in theory available, there would nevertheless almost certainly be a mis-match between the areas where there was accommodation and those where there were jobs. Planning will need to consider how far arrivals could be channelled towards designated areas. (There are no generally available registers giving the location of empty accommodation.) During the *"green"* phase the following steps should be taken:

- Develop criteria for handling arrivals according to the different scenarios identified at the beginning of the paper.

- Prepare plans for establishing a Resettlement Board.

- Identify possible reception accommodation and earmark suitable sites.

- Identify sources for other services needed in the reception phase.

- Make contingency plans for requisitioning and, as necessary, the construction of accommodation.

- Develop detailed policies for other aspects of the settlement of arrivals, coordinated among the Departments concerned (the Home Office, the Department of the Environment, the

Department of Employment (including the Training Agency), the Department of Education and Science, the Department of Health, and the Department of Social Services). At this stage discussion should be strictly confidential.

29. Since the time between warning of an imminent crisis and the first arrivals of refugees might be very short, it would be important to be able to implement plans quickly. The extent to which practical arrangements can be managed at central Government level is limited. Decisions will therefore be needed, once the detailed planning is in hand, about who may be consulted outside central Government, and when.

Resources Implications

30. The measures identified during the *"green"* phase do not require significant expenditure. The main requirement is for resources to develop reception planning and to monitor immigration rates into the United Kingdom (see paragraph 9 above). These resources would have to be diverted from other tasks.

THE *"AMBER"* PHASE

31. Increasing emigration from Hong Kong (whether for political or economic reasons) would signal the possibility of an imminent crisis. This would mark the transition from the *"green"* to the *"amber"* phase. The action that would need to be taken during this phase is set out below.

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

32. During the *"amber"* phase, which could be very short, the figures should be counted and reported daily for Hong Kong BDTCs arriving in the United Kingdom, for any refused leave to enter, and (after 1 July 1997) for any applications for asylum. The number of people leaving Hong Kong (sub-divided into Hong Kong BDTCs and BNOs, other British nationals, foreign nationals and holders of Hong Kong identity documents) should also be reported on a daily basis, together with any available information (eg from travel tickets) about the destination of passengers.

Immigration Control

33. A key decision during the *"amber"* phase would be whether to set aside normal immigration control requirements, and admit people from Hong Kong seeking entry to the United Kingdom for an indefinite period without prior entry clearance. Although the Immigration (Carriers' Liability) Act 1988 applies only to the carriage of visa nationals, carriers are liable under the Immigration Act 1971 to pay the costs of detaining and removing a passenger refused leave to enter. They would therefore be likely to seek clarification of the Government's intentions.

34. Decisions would also be needed in this phase as to how any exemption from normal immigration control requirements was to be implemented: whether anyone arriving from Hong Kong was to be admitted or only British nationals; whether for immediate settlement or for a limited period in the first instance; whether non-British nationals should be returned to Hong Kong or to their countries of nationality; and what action should be taken in respect of those already in the United Kingdom on a temporary basis. These decisions would have to precede a Government organised evacuation to the United Kingdom (whether refugees travelled to the United Kingdom or via intermediate reception points). The decisions taken, and the way they were presented, would themselves be likely to affect the numbers seeking entry.

External Consultation

35. An International Conference should be convened with the aim of securing commitments that would cover that part of the population of Hong Kong that would wish to leave. The net should be widely cast to include eg Central and South American countries. We should need to be ready to give a clear indication of our intentions, over and above any extension of the right of abode. This would almost certainly present Ministers with difficult decisions. Consultations would need to cover not only staging posts and the final destinations of the refugees but also (perhaps in a more restricted forum) coordination of international evacuation operations.

Planning: Evacuation

36. It would be essential to the planning of what might be an imminent evacuation that:

- Staging posts were identified close to Hong Kong (without them any quick, mass evacuation would be impossible);

- Outline contingency plans for chartering both aircraft and cruise ships should be agreed with the main British and Hong Kong operators; the availability of aircraft and cruise ships would need constant monitoring;

In addition:

- The shorter the *"amber"* phase, the more difficult and expensive obtaining civil transport assets would be. Aviation and cruise ship schedules are planned well in advance, and owners and operators are unlikely to have unemployed assets. The Government would either need to plan to lease assets 12 months in advance (a timescale that a crisis might well not permit), or try to persuade operators to take aircraft and ships away from scheduled routes at short notice, offering them extremely high payments and guarantees of compensation against third party claims.
  (NB. In the competitive aviation and cruise shipping markets there could be no assurance about the availability of assets at short notice. Even where leases 12 months ahead are concerned, airlines would be unlikely to agree to dormant contracts if this involved abandoning scheduled services. To do so would put them at a disadvantage compared to their competitors. In all cases operators would be likely to insist on United Kingdom guarantees in the event of other countries refusing to allow refugees to land on their territory.)

- Once Treasury agreement had been given for the commitment of expenditure to lease or charter aircraft and ships, the Department of Transport would have to negotiate arrangements with aviation and cruise ship operators for the release of their assets.
  (Power to requisition ships would not be available to evacuate the refugees unless there were a direct threat to British territory (eg a threatened Chinese invasion before 1 July 1997). Similarly, there is no power short of a national emergency in the United Kingdom to direct airlines as to how they should operate their fleets.)

- There would probably be considerable uncontrolled emigration using junks and fishing vessels in private hands. The Hong Kong government would need to take early decisions on the extent to which this outflow should be controlled.

Evacuation: Military Assistance

37. In the *"amber"* phase it would be appropriate to take steps to improve the readiness of military assets, but which fell short of major overt military deployment, to avoid the risk of precipitating the sort of crisis we would be trying to avoid. This could include the following:

a. reviewing contingency plans for the reinforcement of Hong Kong and the substitution of military personnel for locally employed labour;

b. reducing notice to move of air and land units;

c. directing ships to sail for the Hong Kong area (sailing times from the United Kingdom and the Gulf, for example, being 20-30 days and 10 days respectively);

d. postponing the departure of any air and sea assets temporarily deployed to the region;

e. deploying specialist personnel who might be of assistance in the organisation of an evacuation, including military engineers; mobile medical teams; air traffic controllers and air movements control personnel; and communications staff;

f. identifying as far as possible any individuals or groups who might require assured priority evacuation for which military assets could be appropriate;

g. consulting other national military authorities, especially those of the United States to establish what assistance they might be able to offer.

Evacuation: Regional Clearing Centres

38. Once it was clear that a crisis might be imminent, it would be important to speak urgently and in strict confidence to Governments in South East Asia including the Philippines (the nearest to Hong Kong), Singapore, Malaysia and Thailand (who have substantial ethnic communities), but probably not the Indonesians (who have some antipathy towards ethnic Chinese). It would also be desirable to explore the readiness of Taiwan to help, although an approach could not be on a government-to-government basis and might be regarded as provocative by Peking. If time permitted, and depending on the response, we should aim to draw up contingency plans with the governments concerned. To secure their agreement it would almost certainly be necessary to offer funding from the international community, a significant proportion of which might have to come from the United Kingdom. £5 million might be necessary for each country.

Planning: Reception and Resettlement

39. The plans prepared in the *"green"* phase would need to be given practical effect:

- a Resettlement Board should be established.

- Reception centres should be prepared, requisitioning and building should be put in hand as necessary.

- Resettlement policies should be refined in discussion with the relevant statutory and voluntary services, and appropriate plans drawn up.

Consultation with the Government of Hong Kong

40. In the *"amber"* phase urgent consultations would be needed with the Government of Hong Kong on the whole range of transport, immigration and reception arrangements.

Additional Resources

41. Considerable additional resources would be needed in the *"amber"* phase.

- Expenditure would need to be committed for leasing or chartering aircraft and ships. This would be expensive eg even on the most favourable assumptions of long advance notice and excluding all consequential and refitting costs, it would cost about £165 a head to ship refugees to Taiwan, or £400 a head to the Philippines, with subsequent onward movements costs in addition. Air transport costs would be similar to Taiwan, but relatively less expensive than sea for longer distances eg about £310 a head to Osaka and £625 to Sydney (see also Annex B).

- Expenditure for regional clearing centres.

- Reception and resettlement arrangements would involve:

  The costs of establishing the Resettlement Board.
  The costs of setting up reception centres.
  Costs of requisitioning or building property.
  Additional staff costs.

- Monitoring arrivals from Hong Kong on a daily basis would probably require additional manpower if it lasted any length of time.

Officials should do further work to identify and quantify the resources costs.

THE *"RED"* PHASE

42. The transition from the *"amber"* to the *"red"* phase would take place when a mass exodus from Hong Kong had begun. The United Kingdom, together with the international community as a whole, would then need to take emergency action to deal with the crisis.

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

43. In the *"red"* phase a comprehensive count on a daily basis of people arriving in the United Kingdom would be an intrinsic part of the evacuation, reception and resettlement arrangements. As far as the crisis permitted, monitoring departures from Hong Kong should also continue.

Immigration Control

44. In the *"red"* phase decisions on immigration control made during the *"amber"* phase would be implemented (see paragraph 34 above.) Assurances or warning to carriers as to their liability for the cost of returning eg non-British nationals would be part of any evacuation or chartering arrangements.

External Consultations

45. An International Conference should be convened (or reconvened if there had been sufficient time during the *"amber"* period for a conference to have been called). Impact on international opinion of an acute crisis in Hong Kong might well stimulate a generous response from governments, which we should exploit.

Evacuation

46. In the *"red"* phase air and ship operators should be instructed to withdraw earmarked aircraft and ships covered by dormant contracts (assuming such contracts had been concluded) from their existing

operations, and would be told to send them immediately to Hong Kong. Aircraft should reach Hong Kong within 24-48 hours; cruise ships would probably take at least a week.

47. In addition:

- Hong Kong airport would need additional staff. Extra military and police would need to be available to ensure orderly departures.

- There would need to be adequate supplies in Hong Kong, and at the ports and airports of first destination, of common aircraft and ship spare parts; of aviation and marine fuel; and of lifejackets and life rafts;

- Reception countries would have to be warned of the imminent arrival of large numbers of refugees so that the arrangements could be put in hand for their reception.

Evacuation: Military Assistance

48. In the *"red"* phase, military deployments might be necessary, including:

- Depending on the state of the garrison run-down, the reinforcement of the garrison with up to 2000 troops, and the substitution of 1,500 troops for garrison/civilian labour if the latter became unavailable or unreliable;

- The use of military aircraft and shipping to assist in the evacuation of specific personnel and/or the general population;

- The deployment of land, air and sea assets to deter or counter Chinese military action.

Evacuation: Regional Clearing Centres

49. Efforts would need to be stepped up to get governments in South East Asia to offer immediate, practical help. Possible measures might include public appeals (targeted at the ethnic Chinese communities in the region). The International Conference mentioned in paragraph 35 above would need to take urgent action to mobilise support.

Reception and Resettlement

50. In the *"red"* phase the Resettlement Board would have to organise the reception of refugees and begin the process of resettling them. Settlement beyond the reception centre stage would make demands on all statutory services, but the provision of accommodation would be the key resource issue. A proportion of the arrivals from Hong Kong will have their own private resources available which will reduce the burden on the public exechequer.

Additional Resources

51. The additional resources required in the *"red"* phase would be very large:

Evacuation: Costs would depend on the numbers leaving Hong Kong and on the transport available. On the most favourable set of assumptions, the basic cost of moving 100,000 people by sea to the Philippines would be about £40 million, and the cost of flying a similar number to Manila would be about £21 million (see Annex B for further details). In addition there would be the costs of maintaining the regional clearing centres (to which the British Government would have to contribute), and the cost of onward transport from the clearing centres to the United Kingdom for those granted entry to this country.

Reception and Resettlement in the United Kingdom: the cost of the Resettlement Board is hard to estimate; much would depend on the number of refugees and the duration of the crisis. (The Uganda Resettlement Board, which during a 16 month period dealt with some 30,000 refugees ie considerably fewer than might be expected to come to the United Kingdom from Hong Kong, cost £6 million at 1973

prices.) On the basis of past experience, the cost of reception centres would be about £500 million for 100,000 refugees ie £5 billion for a million refugees. This figure assumes each refugee would stay in a reception centre for 6 months where basic needs would be met and some English language training would be given where necessary. (This does not take account of the continuing costs of support from statutory services, and from voluntary services which receive public funds. These cannot be quantified until plans are further refined.)

It is not possible at this stage to give Ministers an accurate estimate of the total costs involved. For illustrative purposes if the figure of 100,000 people were increased to 1 million, the costs of the two operations cited above (ie transport from Hong Kong to the Philippines and 6 months in reception facilities in the United Kingdom) would be £5.4 billion. However, this costing is by no means comprehensive (eg it does not cover the costs associated with the regional clearing centres, onward transport to the United Kingdom, or resettlement) and officials will need to do further work to identify a more accurate order of magnitude. In any event, very large sums are involved.

WHITEHALL MACHINERY

52. MISC 140 should meet regularly to review the situation. Its task should be to:

- monitor the situation in Hong Kong;

- ensure that contingency planning is kept up-to-date and that the measures identified remain appropriate and effective;

- coordinate the costing of the contingency plans;

- advise Ministers through OD(K) of any steps that need to be taken;

- ensure that a press line is available to be deployed rapidly (a suggested formula is at Annex E);

- consider replies to Parliamentary Questions on contingency planning if necessary (a specimen is at Annex F).

53. MISC 140 will have an important role in trying to detect an impending crisis (the *"amber"* phase). If it appears that the situation is deteriorating the Group will need inter alia to:

- intensify monitoring of movement from Hong Kong and into the United Kingdom;

- alert Whitehall Departments so that they can eg determine the availability of air and sea lift capacity and look at possible reception arrangements;

- alert allies to the possibility of a crisis with the aim of securing their practical and political support.

Cabinet Office
7 September 1989

ANNEX A

EMIGRATION FROM HONG KONG AND IMMIGRATION INTO THE UNITED KINGDOM

1. There are no clear cut statistics about emigration from Hong Kong. There is complete and unrestricted freedom of movement in and out of Hong Kong and no way in which systematic records can be kept. The Hong Kong Government therefore had to make use of indirect indications from various sources those most important of which are:

a. applications for Certificates of No Criminal Conviction (CNCC) processed by the Royal Hong Kong Police Force;

b. statistics on visas issued by the main destination countries, as provided by the consulates; and

c. balance of migration statistics provided by the Immigration Department.

Each of these sources has its limitations particularly when considered on its own but, taken together, they allow a reasonable assessment to be made of the overall position.

Certificates of no Criminal Conviction

2. The main immigrant countries require CNCC's for adult applicants for visas. Statistics are readily available but have their limitations because:

a. CNCCs are required for a number of purposes other than immigration;

b. children do not need to apply for CNCCs for immigration;

c. there may be a considerable time lag between an application for a CNCC for immigration purposes and emigration from Hong Kong.

Visas

3. The six main destination countries (Canada, Australia, USA, United Kingdom, Netherlands and West Germany) provide information on the number of immigration visas/entry clearances issued. This has to be treated with caution because of delays between visa issue and actual departure dates.

Immigration Department Statistics

4. The Immigration Department keeps a record of inward and outward movements of Hong Kong people (excluding movements to and from China). But this is of limited usefulness because:

a. the figures exclude Hong Kong residents using foreign travel documents (which include some of the most outwardly mobile);

b. it is not possible to identify returned emigrants who use Hong Kong travel documents;

c. no attempt is made to cross-reference identities or to ask people about the purpose of their journeys.

d. the data collection system has changed over the years, so that historical comparisons are particularly difficult to make.

Immigration into the United Kingdom

5. As far as monitoring the arrival of Hong Kong citizens into the United Kingdom is concerned (and departures to Hong Kong) the current position is set out below.

Entry Clearance

6. A Hong Kong British Dependent Territory Citizen (BDTC) does not need prior entry clearance in order to visit or study in the United Kingdom but does need it in order to come for work or settlement. However, if he or she has obtained a work permit, separate entry clearance is not needed.

7. Applications for entry clearance are normally made to the nearest United Kingdom consular post in the country concerned, but as there is as yet no consular presence in Hong Kong applications there are dealt with by the Hong Kong Immigration Department on an agency basis. They send the Home Office statistics of applications made and granted at quarterly intervals. The figures are not published regularly but may be disclosed from time to time in reply to PQs. A specimen of the quarterly return is at Attachment 1. It is unlikely that Hong Kong Immigration Department (HKID) would have any difficulty in producing statistics at more frequent intervals (eg weekly) but they would have to be especially asked to do so. Moreover, these figures are more relevant to a progressive haemorrhaging than to a crisis, since the qualifications for entry clearance are severely restricted by immigration rules.

8. The existing arrangements will in any event be overshadowed numerically by any new scheme for "giving confidence" (although it has not yet been decided whether this will allow assurance-holders to come prior to 1997). Applications and grants under this scheme (which will be under the control of the UK Government) would similarly be counted, but a decision has yet to be reached on what measures if any should be adopted for monitoring the take-up rate (ie assurance-holders arriving in the United Kingdom to settle).

Passengers arriving in the United Kingdom

9. Hong Kong BDTCs arriving in the UK are, like other passengers except British and EC citizens, counted by nationality and purpose of journey for statistical purposes. The figures come to the Home Office from the ports at varying rates (daily for some categories, monthly for others). They are collated every month for internal use (specimen at Attachment 2). The Hong Kong figures are not separately published but are distinguished in the annual (although not the quarterly) published statistics.

10. These arrangements would pick up a sudden upturn in the numbers arriving from Hong Kong and show which categories are affected. In particular, they would pick up a rise in arrivals of Hong Kong BDTCs seeking entry as a visitor or student, whom the entry clearance system would not necessarily detect. If it were thought of value, the Immigration Service could (at a cost) provide weekly or even daily figures of arrivals of Hong Kong BDTCs.

Departures of BDTCs

11. No figures are kept of the number of Hong Kong BDTCs leaving the United Kingdom nor, consequently, of the net flow. The only passengers leaving the United Kingdom whose departures are recorded are those on whom special ("check-out") conditions have been placed on entry because it is considered prudent to know whether and when they leave. A decision to count Hong Kong BDTCs leaving would have a significant financial and political cost: no other sort of British national is counted, and any new arrangements would be seen as tightened immigration control.

Hong Kong non-BDTCs

12. Persons who have been issued with Hong Kong identity documents but do not posses BDTC status need entry clearance to come to the United Kingdom for any purpose and are distinguished in the quarterly return provided by HKID (Attachment 1). Many of these people are stateless. Hong Kong stateless are also a separate category in the monthly arrivals summary (Attachment 2) although the accuracy of the figures relating to this category is for the time being in some doubt.

EC/HK
(Revised 7/87)

APPLICATIONS IN HONG KONG FOR ENTRY CLEARANCE TO THE UNITED KINGDOM

Quarter : April to June 1989

Number of persons

	Applications newly received during the quarter				Applications granted during the quarter				Applications refused during the quarter				Applicants awaiting first interview at end of quarter
	BDTC/BNO	CI (1) holders	DI holders	Others	BDTC/BNO	CI (1) holders	DI holders	Others	BDTC/BNO	CI (1) holders	DI holders	Others	Total
Wives, children, and persons for immediate settlement													
Wives	26	8	2	15	58	11	1	13					21
Children (under 18)	33			30	27			36					10
Other dependent relatives	6	26		52	5	19		36		2		3	17
Others for immediate settlement				5				5					5
Total	65	34	2	82	90	30	1	90	-	2	-	3	
Other persons not for immediate settlement													
Husbands, male fiancés	15	11		6	15	7		5				1	12
Female fiancées	4			1	2	1		4					3
Persons coming for employment or business, and persons of independent means	180	20	1	33	85	19	1	31	2				19
Dependants of persons coming for employment or business, and of persons of independent means	124	17		15	117	6		25	6				24
Students	881	97	8	121	688	62	4	139	3				
Visitors	1565	4011	14	7944	1947	5668	14	8416	6	6	2	3	
Others (2)		13		18		14		15					
Total	2769	4169	25	8158	2950	5777	19	8635	17	6	2	4	

(1) Including stateless persons and BOC usually resident in Hong Kong

(2) Including Returning Residents

WAITING TIME TO FIRST INTERVIEW

Number of weeks between receipt of application and first interview, for the last person interviewed on the last working day of the quarter six weeks

Signed _____
K B WONG

Date 11 JUL 1989

SECRET

SECRET
ATTACHMENT 1

ATTACHMENT 2

SECRET

PORT OF U.K Air & Sea

MONTH OF April 1989

RETURN OF COMMONWEALTH PASSENGERS IN CERTAIN CATEGORIES GIVEN LEAVE TO ENTER OTHER THAN FOR SETTLEMENT

CITIZENS OF	(1) TOTAL ADMITTED	(2) TOTAL SETTLERS	(3) TOTAL NON-SETTLERS	(4) COMPUTER SUB-TOTAL	NON-CONDITIONED LANDINGS (5) TOTAL OF COLUMNS 6)-12)	(6) V	(7) BV	(8) CS	(9) IT	(10) ST	(11) AP	(12) DP	(13) R	(14)
—	—	—	—	—										
AUSTRALIA	34758	307	34451	5287	29164	20348	2899	36	1608	41		51	4181	
BANGLADESH	2644	259	2385	550	1835	510	164	53	103	13		16	976	
BARBADOS	503		503	74	429	161	29		45	5		1	188	
CANADA	39517	53	39464	1858	37606	25003	4167	288	4963	170		87	2928	
CYPRUS	3456		3456	969	2487	1459	476	36	125	20		5	366	
GHANA	2436		2436	640	1796	638	426	67	114	10		4	537	
GUYANA	457	3	454	125	329	126	17	1	31	4		7	143	
HONG KONG	4524	16	4508	2005	2503	1362	420	21	314	68		1	317	
INDIA	21701	83	21618	4117	17501	7896	2891	69	880	169		116	5480	
JAMAICA	2193	10	2183	530	1653	599	83	1	87	10		3	870	
KENYA	3026	3	3023	478	2545	1250	358	58	429	49		10	391	
MALAYSIA	5213	9	5204	1545	3659	1886	551	126	182	51		22	841	
MALTA	2694		2694	133	2561	1307	468	5	231	14		4	532	
MAURITIUS	1300	1	1299	255	1044	511	96	4	59	2		4	368	
NEW ZEALAND	11115	218	10897	2656	8241	4897	604	25	331	14		17	2353	
NIGERIA	8516	4	8512	1928	6584	2976	2205	29	567	36		37	734	
SIERRA LEONE	610		610	194	416	177	75	-	90	8		8	58	
SINGAPORE	3784		3784	691	3093	2133	536	82	143	20		7	172	
SRI LANKA (CEYLON)	2276	6	2270	648	1622	544	147	4	68	13		17	829	
TANZANIA	960		960	234	726	329	123	1	84	31		8	150	
TRINIDAD AND TOBAGO	1243	2	1241	240	1001	415	87	22	80	6		4	387	
UGANDA	883	1	882	333	549	182	143	22	114	21		2	65	
ZIMBABWE	2581	17	2564	304	2260	1431	244	3	333	22		4	223	
ZAMBIA	1206	2	1204	327	877	401	180	21	179	20		5	71	
UKPH (EA)	225	37	188	36	152	93	6		4	2			47	
UKPH (I)	232	65	167	5	162	75	14		6				67	
UKPH UGI	14		14	-	14	9							5	
UKPH OTHI	688	13	670	135	535	253	62		52	5		2	56	
OTHER COUNTRIES AND TERRITORIES	2558	1	2554	653	1901	807	307	3	364	44		37	324	
TOTAL	16313	118	16195	2650	13345	7783	1778	937	1556	373	—	422	2375	

* DOES NOT INCLUDE GIBRALTAR OR IRISH REPUBLIC

TOTAL CARRIERS FIGURE To be completed by Port	
TOTAL CONTROLLED To be completed by Stats Dept	

SIGNATURE DATE

TO BE RETURNED TO STATS BRANCH, LUNAR HOUSE

SECRET

K AIR+SEA

RETURN OF ALIEN PASSENGERS IN CERTAIN CATEGORIES GIVEN LEAVE TO ENTER OTHER THAN FOR SETTLEMENT

Home Office Form 1540A

PRIL 1967

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NON-CONDITIONED LANDINGS

NATIONAL	(1) TOTAL ADMITTED	(2) TOTAL SETTLERS	(3) TOTAL NON-SETTLERS	(4) COMPUTER SUB-TOTAL	(5) TOTAL OF COLUMNS (6) (14)	(6) V	(7) BV	(8) CS	(9) IT	(10) ST	(11) AP	(12) DP	(13) Q	(14)	(15)
ERIA	1199		1199	375	824	508	155		54	13		4	40		
R REPUBLIC GYPT	1696		1696	299	1397	563	520	16	40	16		20	222		
ENTINA	1256	1	1255	162	1093	510	151		25	11		5	91		
TRIA	10317	3	10314	472	9842	5648	2705	8	603	113	20	11	734		
ZIL	6078	2	6076	999	5077	3452	649	33	482	129		72	260		
GARIA	521		521	295	226	95	104		2	—		9	16		
LE	948		948	103	845	430	174	2	66	13		25	135		
NA	1444	1	1443	898	545	196	229	22	38	9		5	46		
OMBIA	1284		1284	366	918	497	109	1	80	14		11	206		
A	52		52	37	15	—	9		1	—		3	2		
CHOSLOVAKIA	1378		1378	294	1084	362	646		5	11		31	29		
OPIA	616		616	257	359	138	101	32	50	16		3	19		
ANO	12689		12689	478	12211	7448	3509	30	495	149	7	24	549		
R	494	3	491	186	305	107	181		—	—		12	5		
GARY	1644		1644	549	1095	379	628		31	10		4	43		
ONESIA	843		843	232	611	351	145	2	37	38		6	32		
	2904	5	2899	2070	829	45	13		1	—		1	769		
	1209	1	1208	477	731	206	222	14	42	8		14	225		
EL	9254	2	9252	760	8492	5900	1232	67	715	28	1	45	504		
AN	42312		42312	6631	35681	22614	1911	121	2875	723		78	1359		
DAN	1235		1235	410	825	348	245	29	45	14		8	136		
AIT	1132		1132	188	944	549	166	16	136	10		35	82		
NON	2021		2021	778	1243	495	361	10	67	5		3	302		
A	211		211	165	46	7	1	—	—	—		—	38		
CO	2401		2401	426	1975	1373	218	2	200	73		21	88		
OCCO	1144		1144	292	852	463	134	1	31	18		13	192		
WAY	23824		23824	1585	22239	13186	6144	269	1448	193	20	15	970		
STAN	7801	113	7688	2173	5515	2303	937	49	215	29		42	1940		
	502	4	498	92	406	234	56	—	51	7		4	52		
PPINES	2660	24	2636	737	1899	993	125	70	59	12		8	632		
NO	4847	4	4843	2097	2746	1492	434	314	11	23		13	459		
USAC															
ANIA	221		221	105	116	16	79	—	4	—		4	13		
DI ARABIA	1289		1289	309	980	600	188	5	44	30		38	75		
AL A	186	3	183	128	55	30	16		2	1		1	5		
TH AFRICA	10359	2	10357	1117	9240	5147	1652	38	1576	28		37	762		
AN	862		862	315	547	280	169	2	10	17		11	58		
DEN	42941	2	42939	1600	41339	25403	11503	98	1674	350	46	42	2223		
TZERLAND	27296		27296	1052	26244	16123	5338	26	1417	1737	106	32	1485		
A	281		281	184	97	19	13		—	—		1	64		
LAND	3534	10	3524	465	3059	2068	300	2	28	418		6	237		
SIA	547		547	94	453	274	58	14	14	4		1	58		
EY	5338	2	5336	1631	3705	1490	1265	16	182	75	2	20	255		
	159614	35	159579	16474	133102	104496	35306	363	18460	2445		196	11234		
A	1966		1966	1273	693	468	107	—	7	61		20	30		
GUAY	391		391	26	365	257	37		55	4		1	11		
ZUELA	576		576	75	501	241	110		68	7		11	64		
OSLAVIA	4129		4129	553	3576	1659	1310	42	107	36	23	11	388		
R FOREIGN(1) TRIES	11677	3	11674	2522	9152	4990	202	146	1075	203	12	171	5371		
ELESS(2)	4856	49	4806	2142	2459	1118	369	3	91	25		6	847		
ELESS G KONG)		1			205	119	35		19	2		1	29		
SEC TOTAL	451929	273	451706	54948	396758	235990	88722	1863	32738	7130	237	1155	28729		

(1) INCLUDES EC NATIONALS
(2) INCLUDES THOSE WHOSE NATIONALITY HAS NOT BEEN DETERMINED

SIGNATURE _____ DATE _____

TO BE RETURNED TO S3 3W [illegible] HOUSE

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ANNEX B

CIVIL EVACUATION

Green Phase

Plans would need to be prepared for mustering the substantial numbers of aircraft and ships which would be necessary to evacuate refugees quickly. As a broad measure of the size of the problem it would take at least 250 B747 flights or about 140 cruise ship voyages to move 100,000 passengers.

If the prime requirement is to get people out of Hong Kong as quickly as possible it would not be feasible to transport them to final destinations in eg Europe or North America direct from Hong Kong since this would tie up more transport assets than would be available. As an example, and using the most optimistic model 50 B747s could take 2.3 million people in a month across the 600 miles to Manila but only 1.7 million to Osaka and about 0.6 million to Sydney, without allowing for any operational problems. With sea transport the difference is even more marked since on short trips it is also possible to overload vessels, so that eg 50 ships could move 1.8 million passengers in a month to Taiwan, but only about 100,000 passengers to Darwin, North Australia.

It is essential, therefore, to earmark suitable nearby staging posts for temporary accommodation of refugees, leaving onward movement until later when final destinations are known.

The numbers of aircraft and ships needed will depend on the numbers of refugees and the timescale within which they have to be shipped out. It is assumed that China will acquiesce in mass emigration from Hong Kong; if they decide to prevent refugees from leaving then it would be very easy to block off the harbour and the airport to prevent any mass movement of people.

The main constraints on air evacuation are the capacity of the airport and the numbers of aircraft available. Hong Kong's airport terminal at Kai Tak has a theoretical maximum capacity of 75,000 passengers over 24-hour day. At present the airport operates for 16 hours only: locally imposed night flying bans would need to be lifted. We are told that 40 B747s can be accommodated on the ground, but we think that this would seriously hamper efficient working. A new airport is at the early stages of planning; if this were completed in time capacity would at least double - and of course, the number of B747s required would increase correspondingly, if the use of facilities were to maximised. It has to be emphasised that it is highly unlikely that maximum level of throughput could be achieved over a prolonged period because of runway capacity, particularly at Kai Tak, maintenance requirements, malfunctions, and the problematical behaviour of both potential refugees and aviation personnel under stress.

There would not be sufficient aircraft available in the UK and Hong Kong fleets to support a high level of evacuation. The UK's total long haul fleet numbers 72 aircraft of which only 35 are passenger B747s, while Hong Kong has 30 wide-bodied aircraft. Most of these aircraft are required on established scheduled services and it would be necessary at this stage to discuss with the airlines concerned how many aircraft could be made available, the length of notice required and the terms on which they could be released. It would be necessary to wet-lease aircraft (ie lease them with crew, fuel etc) and to divert them from their normal operations. The number of aircraft normally available for leasing is limited and varies with the time of year. Leasing in the circumstances envisaged would be an expensive activity and paying to divert aircraft from scheduled or committed

charter flights would be more costly still. If, as is likely, insufficient aircraft can be obtained from the UK and Hong Kong, consultation will be necessary with other national airlines (Japan alone has 75 B747s, 21 DC10s and 11 Tristars). We should need to appoint brokers to act for us in such circumstances.

We are advised that there would be only a marginal difference in the daily cost of a leased B747 whether it flew short (600 miles), medium (1,200 miles) or long (4,000 miles) sectors. Under normal conditions the cost per aircraft would be not less than £0.25m a day. On the most favourable assumptions it would take about 63 aircraft/days to move 100,000 passengers from Hong Kong to Manila at a leasing cost of not less than £21m Onward movement costs would be in addition. 100,000 passengers could be moved by air from Manila to the UK in just under 2 days, at a cost of 130m.

The main constraint on <u>evacuation by sea</u> is the number of ships which could be obtained. In an emergency passengers could be carried on the upper decks of freighters and container ships at some discomfort and only over relatively short distances, eg to Taiwan or the Philippines, However, the main transport would be by cruise ships, of which there are 147 in the world, sailing under 22 flags, as shown in Attachment 1 (excluding four ships on the Chinese flag). Attachment 2 shows where these ships are expected to be employed during the year and how many weeks sailing they are from Hong Kong. Some 30 ships may be British owned (under UK, Hong Kong, Bermuda, Bahamas and Antigua flags) but these could not in practice be requisitioned, and it would be necessary to seek to charter these and any other friendly-owned ships required. In principle most or all of the 147 cruise ships would be available if HMG was prepared to offer sufficient inducement and an adequate notice. However, most cruise business is arranged 6-12 months ahead and if notice of that order cannot be given then in addition to requiring full charter rates and payment of refitting costs at the end of the voyages, operators would expect to be indemnified against all consequential costs,

eg claims for spoiled or cancelled cruises (which could be very expensive if settled in US courts). The attitude of Eastern Bloc countries to chartering their ships is uncertain. Most of the non-Chinese owned ferries in the area are not seaworthy for long voyages.

There are no serious port constraints on sea evacuation and the numbers of people which could be moved would depend, on the numbers of ships available, and the distances to be travelled. Ships making the 300 mile passage to Taiwan could carry, say 5 times their normal passenger complement and make one round trip every three days (including loading/unloading); if 50 ships were available, each making 10 trips, 1.8 million passengers could be moved in a month. If the destination were Subic Bay, Philipines, ships could carry out three times their normal complement, make 7.5 trips a month and carry about 800,000 passengers. If the destination were Darwin, ships could probably only carry 1.5 times their normal complement and with a round trip taking 14 days only 115,000 passengers could be moved in a month.

In cases of overloading, unless it was a matter of saving lives of refugees, the flag states of the vessels involved would have to asked to grant exemptions from their regulations. The Secretary of State for Transport could do this for British ships as an emergency matter. However, in all cases additional life jackets and emergency equipment would be needed, and these might not be in adequate supply. The sea evacuation operation could be severely hampered during the typhoon season between May and December (maximum frequency July to October).

Costs are problematical. An average charter cost for a 750 berth cruise ship, including fuel and food, might at present be £200,000 a day. However, this could increase substantially because of the market distortion which could result from HMG chartering a substantial proportion of the world fleet at short

notice. On the most favourable assumptions the basic cost of moving one million people by sea to Taiwan would be about £165 million excluding all consequential and refitting costs which are unquantifiable. The longer that notice can be given the lower the consequential costs should be; but this would involve giving up to 12 months' notice of the requirement. Substantial costs would also be incurred by subsequent movement of refugees from the staging posts.

In the first instance early discussions should be held with the main British cruise ship operators, eg Cunard and P&O. Discreet monitoring should be carried out on the present and planned operations of all cruise ships to permit identification of other non-British vessels which might be useful

Amber Phase

It is desirable for the efficient and economic organisation of civil transport that, by the time the crisis appears to be imminent :

a. decisions should have been made on the strategy for evacuation and, particularly, on the identification of nearby staging posts, without which any quick mass evacuation would be impossible;

b. outline contingency plans for the chartering of both aircraft and cruise ships should have been discussed with the main British and Hong Kong operators, and that the availability of aircraft and operations of cruise ships should be monitored.

Even so, mass evacuation would require a prolonged amber period. Aviation and cruise ships schedules are planned well in advance and owners and operators are unlikely to have unemployed assets. The choice for HMG would be either to plan for leasing assets for around 12 months' ahead or to attempt to persuade operators to take aircraft and ships away from scheduled routes at shorter notice by the offer of extremely high payments and guarantees of compensation against third party claims. In the competitive markets prevailing in both aviation and cruise shipping there can be no assurance that more than a bare minimum of assets would be available at short notice. Even for 12 months ahead if is unlikely that airlines would be willing to contemplate dormant contracts if this would cause them to abandon schedule services because of the medium term competitive disadvantage that this would put them vis a vis their competitors. In all cases operators are likely in the light of experience with Vietmese boat people to insist on UK guarantees in the event of other countries refusing to allow refugees to land in their territory.

Treasury agreement will be needed for the commitment of expenditure on leasing/chartering aircraft and ships, on whatever basis is decided, ie planned acquisition up to 12 months ahead or urgent acquisition. As an order or magnitude, even on this most favourable assumptions of long advance notice and minimum consequential costs it would cost about £200 a head to ship refugees to Taiwan or £400 a head to the Philippines, with subsequent onwards movements costs in addition. Air transport costs would be similar to Manila but relatively less expensive than sea for longer distances, eg about £310 a head to Osaka and £625 to Sydney.

The Department of Transport would then have to negotiate arrangements with both aviation and cruise ship operators for the release of assets according to the Government's requirements. Power to requisition ships would not be available merely to evacuate refugees who felt threatened by a foreign power. It could be used in the event of a threat to British territory but that is not the contingency being planned against. There is no power in a period short of a national emergency in the United Kingdom to direct airlines to operate their fleets in particular ways.

Red Phase

At this stage, air and ship operators would be instructed to withdraw earmarked aircraft and ships covered by dormant contracts from existing operations and proceed immediately to Hong Kong. Aircraft should be able to reach Hong Kong from within one to two days; cruise ships would take from one week.

The Hong Kong airports would be put on readiness. Additional staffing, particularly at the airports would need to be provided. Extra policing would be required to effect orderly departures.

We would need to ensure that adequate supplies of common aircraft and ship spare parts, aviation and marine fuel and life jackets and life rafts were available at Hong Kong and/or at the ports and airports of first destination.

Reception countries and their ports and airports would have to be warned of the imminent arrival of large numbers of refugees so that the arrangements could be put in hand for refugees' reception and onward movement to their temporary transit accommodation.

ANNEX B, ATTACHMENT 1

WORLD CRUISE FLEET

NATIONALITY (FLAG)	NUMBER OF VESSELS	TOTAL NUMBER OF PASSENGER BERTHS
Italy	6	5618
Yugoslavia	4	1154
Greece	20	10269
Russia	12	6491
United States	7	3210
East Germany	1	638
Panama	22	17328
Japan	5	2424
Norway	7	6744
Bermuda	1	1200
Poland	1	648
Liberia	11	13452
West Germany	2	1228
Finland	1	1223
Philippines	1	480
Ecuador	3	354
Great Britain	8	8394
Antigua	3	3400
Bahamas	26	19001
Hong Kong	1	480
Cyprus	1	346
TOTAL	143	104,082

FORECAST OF CRUISE SHIP BERTHS POTENTIAL AVAILABLE

ZONE	MONTH												WEEKS FROM HONG KONG
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Far East	5000 (9)	5000 (9)	7000 (12)	6000 (11)	4500 (8)	3500 (7)	4000 (7)	4000 (8)	5200 (10)	5900 (10)	6000 (11)	4000 (9)	1
Pacific	6500 (11)	8500 (14)	6500 (11)	5000 (10)	5000 (10)	4000 (7)	4000 (8)	5400 (8)	4000 (7)	5200 (9)	7000 (11)	6000 (10)	1 To 2
Alaska	-	-	-	2000 (1)	6000 (8)	16000 (20)	16000 (20)	15000 (18)	12500 (14)	1200 (1)	-	-	2
Caribbean	50000 (58)	490000 (55)	460000 (54)	44000 (46)	32000 (32)	30000 (29)	30000 (29)	31200 (30)	31700 (31)	37500 (37)	3000 (44)	45000 (49)	3
Mexican Riviera	8000 (10)	6000 (8)	8000 (10)	7000 (9)	9500 (11)	4000 (5)	4500 (5)	450 (5)	5800 (5)	8300 (9)	8000 (9)	8000 (9)	3
Rest of World	18000 (27)	19500 (31)	23500 (37)	31500 (55)	36500 (65)	44500 (72)	43500 (73)	41500 (71)	42500 (72)	37500 (66)	20000 (36)	18000 (28)	4
TOTAL	87500 (115)	88000 (117)	91000 (124)	95000 (132)	94000 (134)	102000 (140)	102000 (142)	101600 (140)	101700 (139)	95600 (132)	4000 (111)	81000 (105)	

Note: The figures in parenthesis are the number of vessels scheduled in the particular zone that provides the lift.

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ANNEX C

EVACUATION OF HONG KONG RESIDENTS: POSSIBLE MILITARY ASSISTANCE

1. In quantitative terms the capacity of the services to transport large numbers of personnel is small compared both with the overall size of the problem and with the capacity of assets drawn from the civil sector. In addition the availability of military units will be affected by other commitments at the time, and the relative priority the Government gives to an evacuation operation compared with those commitments. Accordingly, although some military assets could be provided, they would form no more than an element of a much larger, and probably international, civil-led operation.

Air and Sea Transport

2. The RAF's air transport force comprises the following:

a. Six wide-bodied Tristar aircraft (we expect to acquire a further three over the next 2 years). At any one time, four of these are configured for air to air re-fuelling - though they could be converted to passenger use if need be - leaving two available for 265 passengers each; a total of 530.

b. Thirteen VC10 aircraft each with a capacity of 129, of which 9 are assumed to be available at any one time, giving a capacity of 1161.

c. Sixty C130 Hercules each of which could carry 70-100 passengers with no baggage, of which 43 are assumed to be available at any one time, giving a capacity of about 3500.

3. The readily available maximum single lift capacity is therefore likely to be in the region of 5000. In practice the actual capacity could be significantly reduced by other commitments (including other military tasks associated with any evacuation of Hong Kong). The total numbers that could be carried would depend on the destination chosen

and the time available. It might be appropriate to make use of military air transport to ensure the evacuation of particular individuals or groups. It is not possible to specify who these might be in advance: that would depend on the nature of the crisis.

4. Assuming deployment from the UK, the first aircraft could be in Hong Kong about 36 hours after the go-ahead was given, with the remainder in theatre within 6 days. Evacuation times would obviously depend on destination: the nearest evacuation airheads would be Taiwan (1.5 hours flying time from Hong Kong) and the Philippines (2.5 hours flying time from Hong Kong). However the pace of deployment and evacuation would be significantly affected by the capacity of sending and receiving airports to handle large numbers of aircraft (civil and military) and personnel.

5. For sea transport, there is not a great deal that the Royal Navy could offer within a short timescale. The use of the majority of warships can effectively be discounted. But the assault ships Fearless or Intrepid could accommodate up to 500 passengers, though in relatively spartan conditions. (Only one of these vessels is operational at any one time). Similarly, if one of the Navy's aircraft carriers were available it could carry up to 1200 passengers. In addition the Royal Fleet Auxiliary operate five Landing Ships Logistic (LSLs) which could accommodate up to 500 passengers each. At any one time, four of these are fully operational. Deployment times would be much longer than by air unless, fortuitously, one or more of these vessels was in the vicinity. In the worst case, sailing time from UK waters, the most likely location of both the assault ship and the LSLs, would be 20-25 days for the assault ship and the carrier, and 30 days for the LSLs. If, as now, there is a substantial Royal Naval presence in the Gulf, ships from there could reach Hong Kong in 10 days, but this would be most unlikely to include ships with any significant passenger carrying capacity.

Other Military Assistance

6. The Hong Kong garrison (currently about 7000 strong but due to decline to about 1000 by 1997) is available to demonstrate United Kingdom sovereignty over Hong Kong and to assist the civil power in maintaining security in the Colony, should there be a breakdown in law and order at the time of any evacuation. It would be particularly important in such circumstances to maintain security around the airport and harbour, as the departure points for refugees. Contingency plans exist to reinforce the garrison by up to a further 2000 troops should this be necessary; and to provide a further 1500 to replace civilian labour in support of the garrison, should that become unreliable or unavailable. The deployment of such numbers would take up the majority if not all of the air military transport assets referred to in paragraphs 2 and 3. Though they would be available for evacuation within the region once in Hong Kong, it might also be necessary to use them to extract all or part of the garrison at some point.

7. In addition, and in very extreme circumstances, the garrison and other United kingdom forces deployed to the area could help to deter and counter any direct military threat from the Chinese, should that arise as part of the circumstances surrounding a requirement to assist in evacuation. In this connection, if the Chinese wished to stop or slow down a mass exodus from Hong Kong and were prepared to take military action to that end, it would be relatively easy for them to deploy air and sea units in such a way as to make arrival or departure of aircraft and ships extremely hazardous - a course of action that they might feel more disposed to take if there were a significant military component in the evacuation operation itself. On the other hand, it would be important to demonstrate to the Chinese government that internal security is being maintained within the Colony, so as to remove that as a pretext for military action by them. These are factors that would need to be taken into account in assessing where the weight of effort in military support to an evacuation should be applied.

8. Other, more specialist assistance could include:

a. engineer units to help in the construction of temporary shelters;

b. mobile medical units to supplement the civil medical effort, and specialist medical team (eg a burns unit);

c. air-traffic control and air movements personnel; and

d. communications support.

Earmarking of Military Assets

9. There should be no requirement to earmark specific units for such an operation. All military assets are available to be deployed as HMG directs. Pre-positioning of units such as those listed in paragraph 8 in the vicinity of Hong Kong is unlikely to be a practicable proposition until it becomes clear that an evacuation will be necessary.

The International Dimension

10. The limitations on the use of United Kingdom military assets in this note would apply equally to the majority of other states which might assist. The one possible exception is the United States, whose fleet of large transport aircraft is many times larger than that of the United kingdom and includes aircraft such as the C5 Galaxy which is capable of carrying several hundred passengers. They also have available major military bases in the Philippines, including the air-base at Clark, which could be of use as staging post/initial reception destinations, as well as bases in Japan and Korea.

ANNEX D

RECEPTION AND RESETTLEMENT ARRANGEMENTS

1. Contingency plans for the reception and resettlement of those arriving in the United Kingdom from Hong Kong need to take account of a very wide range of factors. People from Hong Kong who may be admitted to the UK will fall into one of three categories:

i. those with the right of abode (and others given a guarantee of admission);

ii. refugees under the terms of the 1951 UN Convention; and

iii. others who are allowed to settle under the Immigration Rules or are given exceptional leave to remain.

2. In so far as people arrive here spontaneously as opposed to under an arranged plan, and have no right of entry, decisions will be needed on how their admission is to be handled: will certain categories be allowed in or will applicants be individually scrutinised? Decisions will also be needed on action to be taken in respect of those already within the UK on a temporary basis.

Factors affecting reception and resettlement programmes

3. The shape, size and content of any reception and resettlement programmes will be determined by a number of factors:

a. the scale of the influx: the potential numbers which might arrive here from Hong Kong are greatly in excess of any actual influxes in recent times (eg Ugandan Asians - 30,000; Vietnamese-10,000). Even comparatively small unplanned influxes (eg the recent arrivals of 2-3,000 asylum seekers from Turkey) can rapidly put the existing capacities of statutory and voluntary agencies under extreme pressure.

b. the timespan of the influx: it is easier to cope with an orderly programme of arrivals over a longer period (even the latest additional intake of Vietnamese boat people will not go above 80 arrivals a month, and even so requires additional reception accommodation and other special resettlement measures);

c. links with the United Kingdom: arrivals who have family or friends in the United Kingdom should be easier to resettle than those who have no or more remote connections (but family links are no guarantee that accommodation and other support can be found, if the connections themselves are in poor circumstances);

d. resources: the extent to which arrivals are able to bring property and money with them from Hong Kong will affect their ability to become self-sufficient;

e. abilities and skills: those who have skills which are needed in the United Kingdom and those who can speak English will also have a better chance of becoming self-sufficient.

4. Special measures for reception and resettlement will inevitably be needed if a programme of intake from Hong Kong is agreed and will also be needed for spontaneous arrivals if these arise above, say, 50 a week who have neither family connections nor their own resources. Reception and resettlement must be seen as a package since the latter determines the length of time arrivals remain in any initial accommodation provided and thus the capacity of that accommodation.

Coordination

5. Hitherto it has been thought necessary to set up a coordinating board to administer a reception programme for any [planned or unforseen] large-scale influx of refugees. The most recent examples are the Uganda Resettlement Board of 1972/3 and the Joint Committee for Refugees from Vietnam (up to 1984). Both of these were essentially short term (although support for the reception and resettlement of refugees from Vietnam has continued by way of Home Office grant to

voluntary organisations). Whether longer term resettlement support- as opposed to reception arrangements - would be required in the present case depends on the factors listed in paragraph 3 above. The Uganda Resettlement Board handled a total of some 30,000 Ugandan Asians over a 16 month period during 1972/73. It arranged reception at airports (notably Stanstead) then (for those without relatives or an address in the United Kingdom), transport to a resettlement camp (mostly MOD) from where attempts were made to settle the refugees within the community.

6. There are, however, some points which would need to be addressed before deciding on this route:

a. The Ugandan Asians were treated and accepted by the public as refugees. This might not be the case with any influx from Hong Kong - particularly those who left of their own choosing for economic reasons.

b. There was a feeling that Ugandan Asians processed through resettlement camps received more generous State assistance than those who opted to make their own way. Unless even-handed treatment was offered, this could encourage more to seek State aided resettlement through camps.

c. The higher the numbers involved, the smaller the slice of assistance (in the form of housing, employment etc) for everyone. Unless suitable inducements could be offered, there is a very real risk that, once established, camp type accommodation might be needed on a considerable scale for a long time.

d. There is likely to be only limited public sector/MOD accommodation available. It might be necessary to obtain accommodation from the private sector. Holiday camps spring to mind, but other facilities such as empty hostels or hospitals, oil rig accommodation barges, channel tunnel workers residential hostels could provide suitable alternatives.

e. Such an exercise will be expensive (Uganda Resettlement Board cost £6 million plus £2 million in grant aid at 1973 prices).

7. The alternative to the formal establishment of a Board would be to simply allow any intending "refugees" to make their own way out of Hong Kong and (provided they were acceptable on immigration criteria) into the community. However:

a. This would doubtless require the assistance of the voluntary sector. Whilst this could probably be counted upon, there is a limit to their resources and these organisations would almost certainly turn to the Government to help. It is likely that their energies could be more productively channelled in a supporting rather than lead role.

b. Such an arrangement should work well for the affluent or connected and might have some application for single persons or even the odd family unit. However, the indications are that a significant number of any accepted influx are likely to be families with young children (probably with a scant knowledge of English and no contacts here). The issue would already be sensitive and there would be criticism if the Government, having already given an undertaking to accept an influx, then chose to adopt what would be seen by many as an uncaring attitude.

8. The case would seen to support the formal establishment of a Board charged with the responsibility for reception and resettlement of "refugees" from Hong Kong. Initial plans would have to cover:

a. the early creation of a "shadow" Board in the form of a list of people (with reserves) who might be prepared to serve;

b. the designation of a director and key central staff;

c. the drawing up of outline plans (in discussion with officers designated as being responsible for implementation) for airport reception (also considering the possibility of seaport arrivals);

d. the identification of sites that could be used as reception centres (this is likely to prove difficult if it is decided to remain "in house" to avoid publicity). When sites have been identified, consideration should be given to the preparation of lists of possible administrators and key staff;

e. how to involve local authorities and other services.

There are detailed contingency plans for a Rhodesia Resettlement Board. These would provide a basis for planning for a Hong Kong Board.

9. It is clear from previous exercises that it will be difficult to move beyond a paper planning exercise while still keeping the activity within Government. Involvement of local authorities, health authorities, etc and of voluntary organisations and commercial enterprises will be necessary in order to the plans into action. Increased contracting out of services and reduction in Government property holdings will make this even more of a constraint now than it might have been previously.

The Resettlement Process

10. After processing through the initial reception stage, those arrivals who cannot rely on their own or their connections' resources for accommodation and maintenance will require to be provided with housing, and with income support. They, and some of the others, will also require training, including language training where necessary and advice on business or employment opportunities.

11. A key issue will be the selection of areas of settlement. The needs of the arrivals should help to determine in what areas they are best encouraged to settle (on the assumption that no powers could be taken to compel people to stay in a particular place). In previous

intakes, the policy has been one of dispersal to areas where housing (as the first need) would be available and pressure on services least. This has usually meant however that they are put in areas with low economic potential and, by and large, without existing communities of the same ethnic or geographical background. The result of this, for example in the case of the Vietnamese, has been secondary migration to areas where there is already pressure on services. For the forthcoming new intakes of Vietnamese, therefore, the policy is so far as possible to identify areas where there is available housing, employment opportunities and community support.

12. The nature and scope of arrangements for resettlement (as opposed to reception) depends even more on the particular scenario for arrivals. A programme would need to be worked out in consultation principally with the Department of the Environment (for housing provision) and the Department of Employment (both the Employment Service and the Training Agency). The Departments of Education and Science and of Health would also need to be involved to ensure that the impact on the services for which they are responsible is taken into account. The local authority associations, and individual local authorities, could need to be brought in at a comparatively early stage. A decision would be needed on the extent to which practical arrangements should be put - or left - in the hands of voluntary agencies. If the scale of arrivals is significantly greater than that experienced in the past, the economic implications of resettlement are likely to be a major issue which could not be met by the piecemeal approaches adopted on previous occasions.

ANNEX E

PUBLICITY: PRESS LINE

- Ministers have made it clear that, if the worst came to the worst, (an outcome which we are doing our utmost to ensure does not occur) we would have a strong moral obligation to help, in conjunction with the rest of the international community.

- We have taken every opportunity to bring home to other governments the anxiety felt in Hong Kong about the future and have called on other governments to give the strongest possible assurances of their readiness to share the responsibility of providing a home of last resort to those in Hong Kong who need it.

- We have some experience of coping with sudden large influxes of people on which we could draw in an emergency. But could not draw up detailed contingency plans in case of Hong Kong because:

  a. it is impossible to predict how and when such an emergency might occur; and

  b. in any case Hong Kong is very far indeed from such a situation.

ANNEX F

DRAFT REPLY TO PQ ON CONTINGENCY PLANNING

Q. To ask the Government what work has been done on contingency planning for an emergency in Hong Kong leading to a mass exodus from the territory.

A. The Government are keeping under careful review all aspects of policy and planning relating to the future of Hong Kong and the transfer of sovereignty to China in May 1997.

SECRET

HOME OFFICE
Lunar House, Wellesley Road, CROYDON CR9 2BY
Telephone : 01-760 2647

35M

Our reference : IMG/89 387/757/61
Your reference :

CABINET OFFICE
N 1186
- 8 SEP 1989
FILING INSTRUCTIONS
FILE No.

D Manning Esq
Cabinet Office
70 Whitehall
LONDON

7 September 1989

Dear Mr Manning

OFFICIAL GROUP ON CONTINGENCY PLANNING FOR HONG KONG

Richard Fries, who was representing Immigration Department's interest at the recent meeting of MISC 140, has notified us of the proposed new text for paragraph 11 of the OD(K) paper.

The revision prompts the question - which people from Hong Kong are freely admitted? I suggest it is worth reinstating the answer. At the risk of being pedantic, it might also be helpful to explain that refusal of admission is based on inability to satisfy the requirements of the Immigration Rules. The second sentence of the revised passage would therefore read:

> " ..... Although a small number of people coming from Hong Kong are freely admitted (ie, those with the right of abode or the guarantee of readmission on the basis of previous residence), the majority are subject to normal immigration control and may be refused admission if they do not meet the requirements of the Immigration Rules".

Yours sincerely,

J S PAGE

SECRET

Mr Manning

5/6/96 From Mary Staves
I Destroyed
M. Appleyard

COVERING SECRET

N.0503

MR APPLEYARD

cc Mr Reeves

Mr Manning

This is excellent. Many thanks for a superb job

Mr Appleyard again

This now includes your 30 amendments (+ my 3 corrections). The Home Office preferred a different formulation in §30 about resource implications. I have accepted it - but as you will see this message is the same. I have also accepted their proposed revision of §10 on the grounds that they are the experts. I hope this poses no problems.

FOLIO

MISC 140: PAPER ON CONTINGENCY PLANNING FOR HONG KONG

1. I submit the revised paper. It incorporates the amendments agreed at the Group's last meeting, and includes subsequent contributions from the FCO, and from the Department of Transport (Civil Aviation and Shipping Divisions). It also takes account of further work done by Mr Reeves and myself, including additional Conclusions and Recommendations.

2. Mr Reeves has raised the question of what the Department of Environment mean by "building" in the section on Resettlement. This is a good point, but not one that I have been able to elucidate in the time available. In the circumstances, I recommend leaving the references in the paper unchanged, and reverting to this point as necessary in MISC 140's subsequent work.

3. I also submit a draft covering minute from you to the Secretary of the Cabinet.

D G MANNING

7 September 1989

Many thanks for all your work.

Box pse

COVERING SECRET

COVERING SECRET

DRAFT MINUTE TO SIR ROBIN BUTLER FROM MR L V APPLEYARD

MISC 140: PAPER ON CONTINGENCY PLANNING FOR HONG KONG

1. As I mentioned at the meeting of Deputy Secretaries on 6 September, MISC 140 has completed the paper on Contingency Planning for Hong Kong (the "Armageddon" scenario). It has been agreed by interested Departments and might now be taken by OD(K), perhaps at its meeting on 26 October. In the meantime you may think that it would be useful to circulate the paper to the members of the Committee for their consideration.

2. The paper seems to me to provide a useful analysis of the huge problems that a mass exodus from Hong Kong would pose, while offering Ministers a guide to the difficult, and enormously expensive, decisions with which they could be faced. It also suggests guidelines for further work by officials, including the need to refine the costs of the measures proposed.

September 1989

COVERING SECRET

CONTINGENCY PLANNING FOR HONG KONG

CONCLUSIONS

1. A mass exodus from Hong Kong might take place for a number of different reasons. For planning purposes we should confine ourselves to 4 scenarios: a haemorrhage of confidence, or sudden panic, before July 1997; internally generated panic, or Chinese provocation, after July 1997.

2. The report covers those making their own way out of the territory, either by normal methods of transport or by improvised means. It also covers arrangements for Government-sponsored mass evacuation from the territory, since it is assumed that in extreme circumstances Ministers would wish this option to be available if physically possible.

3. The Chinese attitude will be crucial in determining whether there is a crisis leading to a mass exodus and, if so, how that crisis can be managed.

4. The potential number of refugees is huge: the United Kingdom could not manage a crisis alone. Securing international support (and where possible firm pledges) is therefore essential, particularly since a significant proportion of those leaving Hong Kong might wish to settle in countries other than the United Kingdom. It will be important to take every opportunity to lobby energetically.

5. Contingency planning should be in 3 phases:

- the *"green"* phase, which should concentrate on monitoring the situation, preparing the ground work against any eventual crisis, keeping up pressure on China to cooperate in maintaining confidence in Hong Kong, and enlisting commitments of support from the international community in the event of a mass exodus. This is the current phase.

- the *"amber"* phase, when a crisis appears imminent and Ministers will need to authorise practical measures.

- the *"red"* phase, when a mass exodus has begun, and evacuation, reception and resettlement would be undertaken.

In practice the transition between phases could be very swift. This underlines the need for careful planning which could be implemented at short notice.

6. Finding sufficient transport to evacuate refugees could be very difficult. The United Kingdom has comparatively few civil assets and unless there were a direct threat of Chinese military action against Hong Kong the Government would have no power to requisition shipping. No powers are available either to direct the operations of civil aircraft fleets. The lead times for chartering or leasing ships and aircraft are long; and the costs very high. The use of foreign owned ships and aircraft would facilitate the evacuation.

7. The armed forces' contribution to an evacuation operation could include transport, though the capacity of military assets is not large, together with specialist medical, engineering, movement control and communications assistance. It might also be necessary to take military steps to help preserve security in Hong Kong and, in extreme circumstances, to counter military action by China. It would be very helpful to secure the assistance of the United States armed forces for any large scale evacuation.

8. There would be great reception and resettlement problems in the event of a large influx of refugees into the United Kingdom. In the short term accommodation would be a particular difficulty, not least because there would almost certainly be a mis-match between places where there was accommodation and places where there were jobs. The Government might need to find ways of encouraging refugees to go to certain areas and stay there. In the event of a very large scale influx, the requisitioning of accommodation in the private sector would

need to be considered; if approved, this would require legislation and would be controversial. In the longer term there would be significant problems of integration.

9. The costs to the United Kingdom Exchequer of a mass evacuation from Hong Kong, and the subsequent reception and resettlement programmes would be very considerable. Ministers will wish to delay incurring expenditure until as late as it is prudent to do so. Recommendations for the current *"green"* phase are therefore minimal and low cost. But very heavy expenditure would be required in the *"amber"* and *"red"* phases.

10. The scale of the problems that would be posed by a large scale influx of refugees into the United Kingdom, and the huge costs that would be incurred, underline the need to do everything possible to prevent a mass exodus from Hong Kong.

RECOMMENDATIONS

1. During the *"green"* phase:

i. There should be firm and sustained action with the Chinese Government to press them to cooperate in maintaining confidence in Hong Kong.

ii. There should be discussion with the Governor of Hong Kong about additional political reporting. It would not be prudent to consult the Government of Hong Kong at this stage.

iii. There should be increased monitoring of those arriving in the United Kingdom from Hong Kong. Figures should be available on a weekly basis. This would require some increase in resources for the Immigration Service.

iv. Bilateral and multilateral meetings should be exploited to secure firmer commitments from other governments to take people from Hong Kong in need of a home of last resort.

v. Officials should review the possibility of holding discreet discussions with British shipping operators and British airways about the future movements/availability of their cruise ships, and aircraft. Officials should also establish a mechanism for monitoring non-British cruise ships.

vi. Officials should maintain an up-to-date record of British military assets available to assist with a major evacuation from Hong Kong.

vii. Possible regional clearing centres should be identified but no approaches should be made to other governments at this stage.

viii. Plans should be drawn up within Whitehall for reception centres in the United Kingdom and for a Resettlement Board. Sources should be identified for other services that would be

needed in the reception phase. Contingency plans should be made for requisitioning, and for constructing, accommodation. Interested Departments should be involved in this planning on a strictly confidential basis but there should be no discussion outside central Government at this stage.

ix. There should be consultations with the Governor of Hong Kong during the *"green"* phase, on a personal basis. The Government of Hong Kong should not be consulted.

2. During the *"amber"* phase:

x. Monitoring of those arriving in the United Kingdom from Hong Kong, and of those leaving Hong Kong, should be further stepped up, with figures available on a daily basis.

xi. Ministers should take decisions on whether and, if so, how far to set aside immigration control requirements.

xii. An International Conference should be convened to secure commitments to cover that part of the population of Hong Kong that wished to leave. The United Kingdom would have to be ready to declare the extent of its own readiness to help.

xiii. Staging posts close to Hong Kong should be identified. Outline contingency plans for chartering aircraft and cruise ships should be agreed with British and Hong Kong operators. The availability of aircraft and cruise ships should then be constantly monitored. Treasury agreement should be given for the commitment of expenditure to lease or charter aircraft and ships.

xiv. Steps should be taken to improve the readiness of military assets. Special teams should be deployed discreetly to the area as necessary. Consultations with US military authorities should take place if possible.

xv. Governments in South East Asia should be approached in confidence about establishing regional clearing centres. Contingency plans should be agreed if possible.

xvi. A Resettlement Board should be established, reception centres prepared and requisitioning and building of permanent accommodation put in hand as necessary. Resettlement policies should be refined in discussion with the relevant statutory and voluntary services, and appropriate plans drawn up.

xvii. Urgent consultations would be needed with the government of Hong Kong on all aspects of managing the crisis.

3. In the *"red"* phase:

xviii. Decisions on immigration control made during the *"amber"* phase would be implemented.

xix. An international conference should be convened, or reconvened, to secure commitments to take refugees.

xx. Carriers should be given warning/assurances about their liabilities arising from carrying refugees.

xxi. Air and ship operators should be instructed to withdraw aircraft and ships covered by dormant contracts, and told to send them to Hong Kong.

xxii. Additional staff, military and police should be made available at Hong Kong airport to ensure orderly departures.

xxiii. Provision should be made for ship and aircraft spare parts, and fuel, and lifesaving equipment to be available in Hong Kong and at refugee destinations.

xxiv. Decisions should be taken about the scope and scale of military assistance, and of any operational deployments, and forces deployed accordingly.

xxv. Every effort should be made to establish regional clearing centres.

xxvi. The Resettlement Board should organise the reception of refugees in the United Kingdom and begin the process of resettling them.

General

xxvii. MISC 140 should continue to monitor the situation, keep the contingency plans under review, and should report as necessary to OD(K). It should also coordinate the costing of the contingency plans.

xxviii. Ministers are invited to endorse the paper as the basis for further work.

INTRODUCTION

1. The terms of reference of MISC 140 are:

> *"To devise plans to deal with the contingency of a large scale exodus from Hong Kong in the period up to July 1997 or thereafter."*

This paper seeks to meet that requirement. It examines the scenarios that might prompt a large scale exodus, addresses the problems that such an exodus would pose, and lists the measures that would be needed to deal with them. It assumes that in extreme circumstances Ministers would wish to have the option, if physically possible, of attempting to evacuate from Hong Kong those who wished to flee, as well as assisting those who managed to make their own way out of the territory. The measures listed therefore include both civil and military means of transport, and arrangements for the reception and resettlement of refugees. Since the numbers would be far too great for the United Kingdom to handle alone, the paper considers what arrangements should be made to ensure that the international community would share the burden. The paper makes clear that, even allowing for international cooperation, the costs of an exodus to the United Kingdom Exchequer would probably be very large.

2. Plans to deal with a large scale exodus need to be tailored to three different phases: monitoring the situation, which is the *"green"* phase that we are currently in; identifying and responding to an imminent crisis, which would be the *"amber"* phase; and dealing with an emergency, which would be the *"red"* phase. The paper indicates which measures are appropriate to each phase.

SCENARIOS

3. British policy is to maintain and strengthen confidence in Hong Kong so that the population, including the most entrepreneurial and productive sectors, remain there until and after 1997 in order to safeguard the prosperity of the community and to make a success of the arrangements agreed under the Joint Declaration. Despite recent

events, there is every chance that these objectives will be achieved. For the purposes of this exercise officials have been asked to consider a range of worst-case scenarios for the periods leading up to 1997 and after 1997. These are considered in detail not only to illustrate the sort of events which might trigger a crisis in Hong Kong, but also because they have important implications for the way in which those fleeing Hong Kong would be perceived by the international community. Whether those leaving were generally accepted as refugees fleeing persecution (which would affect the attitude of eg the UNHCR) would depend on the circumstances of their departure.

Pre-1997 Scenarios

4. There are essentially two pre-1997 scenarios which contingency planning will need to address:

a. A steady ebbing away of confidence, culminating in rising panic or economic collapse

Under this scenario, if the confidence of the people of Hong Kong is not restored, there could be an increasing outflow of capital and talent from the territory. The rate of emigration would be limited only by the availability of places in the destination countries. Investment in the territory would dry up. Property values would decline. The stock market would be increasingly vulnerable to panic selling. This could provoke a steady and largely imperceptible slide from the *"green"* to the *"amber"* phase. Once in the *"amber"* phase, even a relatively minor event could trigger economic collapse and panic amongst the community (ie the *"red"* phase), leading to a major exodus. The transition from the *"amber"* to the *"red"* phase could be very short.

b. Panic provoked by further developments in China

Under this scenario, Hong Kong people have become even more sensitive than before to developments in China, such as a repetition of the brutal use of military force against Chinese civilians; the unleashing of a campaign of terror and repression against sections of the population; or the breakdown of order in

China leading to civil unrest or civil war. Such developments, singly or in combination, could cause panic in Hong Kong. There could be a swift transition from the *"green"* phase, through *"amber", to "red"*. Alternatively, the Chinese Government might issue verbal threats against the territory or even take some threatening action, such as massing troops on the border. Depending on circumstances, there might be little warning of this. Again, the transition from the *"green"* phase to *"red"* could be swift. None of these gestures would in any sense serve China's own wider interests, but the Chinese might nevertheless resort to them for domestic political reasons or if they were alarmed by developments in the territory.

5. These two broad scenarios, which are worst-case, are not necessarily distinct. A combination of them, or elements of them, could also be devised. In any event, it seems clear that: as 1997 approaches the volatility of public opinion is likely to increase; the more rapid any transition from the *"green"* to the "red" phase is likely to be; and the greater the likelihood that Hong Kong people will leave in case they are unable to do so after 1997.

Post-1997 Scenarios

6. There are two possible post-1997 scenarios that need to be considered:

a. Internally generated panic

Under this scenario, Hong Kong would already have been seriously weakened by years of emigration of its brightest and best and by the thinning out of international investment in the territory, and further demoralised by the transfer of sovereignty. In a deteriorating situation, (the *"amber"* stage), Hong Kong's inhabitants would judge that the Joint Declaration was not working: this might be because of increasing Chinese interference; because of growing corruption in the territory; or because of a perception that Britain and the rest of the international community were no longer willing or able to do much to help. In

these circumstances, despair could turn to panic (*"amber"* to *"red"*), particularly if people lost confidence in the promise of freedom of movement in the Joint Declaration.

b. Panic provoked by China

After 1997 the risk (and fear) of direct Chinese interference in Hong Kong's affairs would be substantially greater. Under the Joint Declaration, the Chinese have the right to station troops in Hong Kong after 1997 and they have made it clear that they intend to do so. The draft Basic Law gives them the right to declare a state of emergency in the territory. Either development would be bound to affect local attitudes. In the circumstances outlined above, any China-provoked panic would probably be swifter and more devastating in its effect, thereby shortening the transition from *"green"* to *"amber"* and *"red"*.

7. There are more imponderables in these post-1997 scenarios. In particular, we do not know what attitude the Chinese authorities would take in the event of a mass exodus. They might try to impede departure or they might allow it to happen. Under certain circumstances they might even encourage those they deemed to be troublemakers to go. What is clear, however, is that after 1997 the attitude of the Chinese Government will be the determining factor in whether substantial numbers of the inhabitants of Hong Kong could leave the territory and in what circumstances. The Chinese would have the means to prevent a mass exodus and (arguably) the right to prevent an international evacuation operation in Chinese waters.

THE *"GREEN"* PHASE

8. The current, *"green"* phase should involve closely monitoring the flow of those leaving Hong Kong and arriving in the United Kingdom. The aim should be to alert Ministers to any progressive haemorrhaging of confidence that led to increasing emigration from the territory, which might in turn threaten a crisis (the *"amber"* phase).

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

9. The Hong Kong Government are refining their data collection techniques. We are pressing them to persist in their efforts and to make their results known to us (see Annex A). As regards British Government statistics, at present figures for Hong Kong British Dependent Territory Citizens (BDTCs) arriving in the United Kingdom are collated at monthly intervals (for internal use). In future they should be made available more frequently, in order to provide a barometer of the mood in Hong Kong, and to give early warning of a surge of arrivals in the United Kingdom. Such a surge could result in the need to set aside normal immigration control requirements (see below). Procedures should therefore be established to make the figures available on a weekly basis, with each week's figures available on the Monday of the following week. The figures should include not only admissions for settlement and for other purposes, but also refusals of leave to enter. After 1 July 1997 they should show separately any applications for asylum.

Immigration Control

10. During the *"green"* phase the normal immigration control arrangements will continue to operate. A small number of people coming from Hong Kong are freely admissable in any circumstances. The majority of people coming from Hong Kong are subject to the normal immigration controls and may therefore be refused admission in certain circumstances.

11. As far as refugee status is concerned, it is difficult to envisage this being granted under the terms of the 1951 UN Convention to people leaving Hong Kong before 1 July 1997. Thereafter, applications for asylum are more likely, and would be more difficult to refuse not least because it would probably be impossible to make the enquiries necessary to rebut the suggestion of persecution. In practice, as previous experience shows, any large increase in numbers of asylum-seekers arriving in the United Kingdom defeats the capacity of the system to consider applications thoroughly.

12. An increase in the number of doubtful visitors before 1 July 1997, or of asylum-seekers thereafter, would be one of the indicators that might trigger transition from the *"green"* to the *"amber"* phase.

Monitoring: Political Reporting

13. The Governor of Hong Kong will continue to report on political developments in the colony until 1 July 1997. However, given the importance that Hong Kong's domestic politics may acquire in the period before the territory's return to China, it might be useful to consider ways of supplementing his political reporting. The Foreign and Commonwealth Office will pursue this.

Consultation with the Government of Hong Kong

14. Officials consider that it would not be prudent to consult the Government of Hong Kong in the *"green"* phase, although the Governor should be consulted on a personal basis.

External Consultation

15. The *"green"* phase should be used for a twin-track approach on external consultations. First, firm and sustained action with the Chinese Government to press them to cooperate in maintaining confidence in Hong Kong by adopting a flexible and sensitive approach over the drafting of the Basic Law and over their public statements and actions. Second, energetic lobbying of prospectively helpful governments about the problem of Hong Kong, and to sensitise them to the fact that they would have a shared responsibility to help. The Prime Minister and the Foreign and Commonwealth Secretary have already raised this issue at the Madrid European Council, the Paris Economic Summit and bilaterally with their United States, Australian and Canadian counterparts.

16. We should now build on this, intensifying our efforts to secure firmer commitments from other Governments to take people from Hong Kong in need of a home of last resort. Once we have announced what measures we are prepared to take to extend the right of abode, we can use our readiness to help as a lever to get detailed undertakings from others. Though there are wider issues at stake, in this specific context the

more extensive our measures are the greater our chances of generating substantial offers from others. Opportunities for contacts in the next few months include:

DATE	EVENT	ACTION PROPOSED
SEPTEMBER	PRIME MINISTER'S VISIT TO JAPAN	Prime Minister should speak to the Japanese Prime Minister.
SEPTEMBER	UNGA	Passage on Hong Kong in Secretary of State's speech. Programme of Bilateral contacts with United States, Canada and Australians, following up their positive response to our earlier efforts.
OCTOBER	CHOGM	Inscription of Hong Kong as agenda item. Passage on Hong Kong in Prime Minister's speech. Programme of Bilateral contacts with Canadian, Australian, New Zealand and Singapore Governments. Doubtful whether time would be right to extend net of bilateral consultation more widely.
8-9 DECEMBER	EUROPEAN COUNCIL	Inscription of Hong Kong as agenda item. Passage on Hong Kong in Prime Minister's speech. Language on Hong Kong for communique.

Planning: Civil Evacuation

17. There are a number of factors (fully described in Annex B) that will affect any civil evacuation of refugees from Hong Kong. Ministers should be aware of the very real difficulties that would be presented by an exodus on this scale.

- The numbers involved: it is difficult to say with any precision how many of the 5.7 million population of Hong Kong would wish to leave. For illustrative purposes it would take 250 B747 flights, or about 1400 cruise ship voyages, to move 100,000 passengers.

- Destinations: the shorter the distance that refugees had to be transported, the more of them that could be carried eg 50 B747s could transport 2.3 million refugees in a month from Hong Kong to Manila but only 600,000 refugees to Sydney. It would therefore be essential to earmark staging posts near Hong Kong that could provide temporary accommodation, leaving onward movement until later when final destinations are arranged.

- The attitude of the Chinese: if the Chinese decided to prevent refugees from leaving, they would have little difficulty in blocking the harbour and airport.

- Availability of aircraft and ships: there would be serious constraints with regard to the availability of aircraft and ships. The longer the notice, the easier (and perhaps cheaper) the leasing would probably be.

- Air Transport to the United Kingdom: 100,000 passengers could be moved by air from Manila to the United Kingdom in just under 3 days, at a cost of £130 million.

During the current *"green"* phase, officials should review in detail the possibility of holding discussions with the main British cruise ship operators eg Cunard and P&O, and with British Airways. The

benefits of consultation will need to be weighed against the risk of leaks. Discreet monitoring should also be carried out of present and planned operations of all cruise ships, to permit identification of other non-British vessels which might be useful. Officials should establish the best mechanism for doing this, and clarify further the practical feasibility of such an exercise.

Evacuation - Military Assistance

18. In addition to civil assets, a limited number of military transports would be available to help with a large scale evacuation from Hong Kong (although the paper assumes that military assistance is only likely to be a significant feature of any evacuation plan in the period up to 1 July 1997).

19. The air and sea transport that could be provided is described at Annex C (together with other forms of military assistance that might be available) but a number of points are worth emphasising:

- In quantitative terms the capacity of the Services to transport large numbers of personnel would be small.

- The availability of military units would be affected by other commitments at the time of any crisis, including other tasks associated with it.

- It might be appropriate to use military transport assets to evacuate selected individuals who might qualify for priority treatment (eg politicians, police etc).

- The United States have significant military transport assets (as well as bases in the Philippines, Japan and South Korea) which could play a major role if they were made available for an evacuation.

During the current *"green"* phase, officials should maintain an up-to-date record of military assets available for use in the event of a major evacuation from Hong Kong.

Evacuation: Regional Clearing Centres

20. The United Kingdom could only absorb a small proportion of those leaving Hong Kong as part of a large scale exodus. Even assuming that other countries took their share of refugees, there would be a need for regional clearing centres where refugees could be accommodated before moving on to resettlement points. Officials should identify possible locations for such centres.

21. The idea of regional clearing centres is, however, unpopular with the people of Hong Kong. They have seen the conditions in which the Vietnamese boat people have had to live in Hong Kong (some 160,000 have reached the territory since 1975), and the delays in resettling them (some have had to wait 5 years). Any discussion of this subject with governments in the region would therefore have a very bad effect on confidence and morale in Hong Kong, if it were to leak.

22. Experience over the boat people has also shown how difficult it is to establish clearing centres in the region. Despite intensive lobbying recently of the Philippines Government to set up such a centre, and promises of a £5 million United Kingdom financial contribution, little progress has been made. The prospects of securing agreement to establish holding centres for Hong Kong refugees in advance of a major crisis in the territory cannot be good.

23. No action should be taken therefore, during the *"green"* phase, on regional clearing centres. The current priority must be to secure the agreement of the countries in South East Asia to the setting up of a regional clearing centre for Vietnamese boat people, not for Hong Kong residents.

Planning: Reception and Resettlement

24. Planning during the *"green"* phase should address the two stages for dealing with those to be admitted to the United Kingdom in the event of a mass exodus from Hong Kong: reception and resettlement (a full discussion of the issues is at Annex D).

Reception

25. Arrangements would be needed to accommodate and feed refugees arriving in the United Kingdom, on the assumption that few of them would have contacts to whom they could turn. In the past, similar exercises have relied heavily on MOD facilities but, with the reduction of such facilities, private sector sites would be needed to cope with the large influx from Hong Kong. During previous crises, notably the expulsion of East-African Asians from Uganda in 1972-3 when 30,000 refugees arrived in the United Kingdom, a Government body has been established to coordinate reception and resettlement. Something similar would be needed to manage the arrival of large numbers of Hong Kong refugees: the Uganda Resettlement Board would serve as a model. The reception period could last up to 6 months before people could be moved to more permanent places of settlement. During that time medical attention and schooling would need to be available.

26. It might be that a proportion of those who made their way to the United Kingdom from Hong Kong would prefer to be resettled elsewhere. Recent emigration trends suggest that Australia, Canada and the United States might continue to be their favoured destinations. It might therefore be possible to resettle a number of people in these countries, if they so requested, especially if they already had contacts there.

Resettlement

27. Resettlement arrangements would depend on a number of factors:

- The scale and duration of an influx.

- The extent of links which those arriving had with the United Kingdom.

- The resources, abilities and skills which they brought with them.

Special arrangements would be likely to be needed for housing and income support; for training (including language training), and advice and support for business and employment. There would also be an impact on health, education and other services.

28. In the event of an exceptionally large scale influx, accommodation would pose severe problems. At the time there might be a maximum of 400,000 empty dwellings but not all of these would be available. 300,000 of them would be in the private sector. If any of these were to be used, they would probably have to be requisitioned. This, if approved, would require legislation, and would be controversial. Even if the exodus were smaller scale, and enough housing were in theory available, there would nevertheless almost certainly be a mis-match between the areas where there was accommodation and those where there were jobs. Planning will need to consider how far arrivals could be channelled towards designated areas. (There are no generally available registers giving the location of empty accommodation.) During the *"green"* phase the following steps should be taken:

- Develop criteria for handling arrivals according to the different scenarios identified at the beginning of the paper.

- Prepare plans for establishing a Resettlement Board.

- Identify possible reception accommodation and earmark suitable sites.

- Identify sources for other services needed in the reception phase.

- Make contingency plans for requisitioning and, as necessary, the construction of accommodation.

- Develop detailed policies for other aspects of the settlement of arrivals, coordinated among the Departments concerned (the Home Office, the Department of the Environment, the

Department of Employment (including the Training Agency), the Department of Education and Science, the Department of Health, and the Department of Social Services). At this stage discussion should be strictly confidential.

29. Since the time between warning of an imminent crisis and the first arrivals of refugees might be very short, it would be important to be able to implement plans quickly. The extent to which practical arrangements can be managed at central Government level is limited. Decisions will therefore be needed, once the detailed planning is in hand, about who may be consulted outside central Government, and when.

Additional Resources

30. The measures identified during the *"green"* phase do not require significant expenditure. The main requirement is for resources to develop reception planning and to monitor immigration rates into the United Kingdom (see paragraph 9 above).

THE *"AMBER"* PHASE

31. Increasing emigration from Hong Kong (whether for political or economic reasons) would signal the possibility of an imminent crisis. This would mark the transition from the *"green"* to the *"amber"* phase. The action that would need to be taken during this phase is set out below.

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

32. During the *"amber"* phase, which could be very short, the figures should be counted and reported daily for Hong Kong BDTCs arriving in the United Kingdom, for any refused leave to enter, and (after 1 July 1997) for any applications for asylum. The number of people leaving Hong Kong (sub-divided into Hong Kong BDTCs and BNOs, other British nationals, foreign nationals and holders of Hong Kong identity documents) should also be reported on a daily basis, together with any available information (eg from travel tickets) about the destination of passengers.

Immigration Control

33. A key decision during the *"amber"* phase would be whether to set aside normal immigration control requirements, and admit people from Hong Kong seeking entry to the United Kingdom for an indefinite period without prior entry clearance. Although the Immigration (Carriers' Liability) Act 1988 applies only to the carriage of visa nationals, carriers are liable under the Immigration Act 1971 to pay the costs of detaining and removing a passenger refused leave to enter. They would therefore be likely to seek clarification of the Government's intentions.

34. Decisions would also be needed in this phase as to how any exemption from normal immigration control requirements was to be implemented: whether anyone arriving from Hong Kong was to be admitted or only British nationals; whether for immediate settlement or for a limited period in the first instance; whether non-British nationals should be returned to Hong Kong or to their countries of nationality; and what action should be taken in respect of those already in the United Kingdom on a temporary basis. These decisions would have to precede a Government organised evacuation to the United Kingdom (whether refugees travelled to the United Kingdom or via intermediate reception points). The decisions taken, and the way they were presented, would themselves be likely to affect the numbers seeking entry.

External Consultation

35. An International Conference should be convened with the aim of securing commitments that would cover that part of the population of Hong Kong that would wish to leave. The net should be widely cast to include eg Central and South American countries. We should need to be ready to give a clear indication of our intentions, over and above any extension of the right of abode. This would almost certainly present Ministers with difficult decisions. Consultations would need to cover not only staging posts and the final destinations of the refugees but also (perhaps in a more restricted forum) coordination of international evacuation operations.

Planning: Evacuation

36. It would be essential to the planning of what might be an imminent evacuation that:

- Staging posts were identified close to Hong Kong (without them any quick, mass evacuation would be impossible);

- Outline contingency plans for chartering both aircraft and cruise ships should be agreed with the main British and Hong Kong operators; the availability of aircraft and cruise ships would need constant monitoring;

In addition:

- The shorter the *"amber"* phase, the more difficult and expensive obtaining civil transport assets would be. Aviation and cruise ship schedules are planned well in advance, and owners and operators are unlikely to have unemployed assets. The Government would either need to plan to lease assets 12 months in advance (a timescale that a crisis might well not permit), or try to persuade operators to take aircraft and ships away from scheduled routes at short notice, offering them extremely high payments and guarantees of compensation against third party claims.
  (NB. In the competitive aviation and cruise shipping markets there could be no assurance about the availability of assets at short notice. Even where leases 12 months ahead are concerned, airlines would be unlikely to agree to dormant contracts if this involved abandoning scheduled services. To do so would put them at a disadvantage compared to their competitors. In all cases operators would be likely to insist on United Kingdom guarantees in the event of other countries refusing to allow refugees to land on their territory.)

- Once Treasury agreement had been given for the commitment of expenditure to lease or charter aircraft and ships, the Department of Transport would have to negotiate arrangements with aviation and cruise ship operators for the release of their assets.

  (Power to requisition ships would not be available to evacuate the refugees unless there were a direct threat to British territory (eg a threatened Chinese invasion before 1 July 1997). Similarly, there is no power short of a national emergency in the United Kingdom to direct airlines as to how they should operate their fleets.)

- There would probably be considerable uncontrolled emigration using junks and fishing vessels in private hands. The Hong Kong government would need to take early decisions on the extent to which this outflow should be controlled.

Evacuation: Military Assistance

37. In the *"amber"* phase it would be appropriate to take steps to improve the readiness of military assets, but which fell short of major overt military deployment, to avoid the risk of precipitating the sort of crisis we would be trying to avoid. This could include the following:

a. reviewing contingency plans for the reinforcement of Hong Kong and the substitution of military personnel for locally employed labour;

b. reducing notice to move of air and land units;

c. directing ships to sail for the Hong Kong area (sailing times from the United Kingdom and the Gulf, for example, being 20-30 days and 10 days respectively);

d. postponing the departure of any air and sea assets temporarily deployed to the region;

e. deploying specialist personnel who might be of assistance in the organisation of an evacuation, including military engineers; mobile medical teams; air traffic controllers and air movements control personnel; and communications staff;

f. identifying as far as possible any individuals or groups who might require assured priority evacuation for which military assets could be appropriate;

g. consulting other national military authorities, especially those of the United States to establish what assistance they might be able to offer.

Evacuation: Regional Clearing Centres

38. Once it was clear that a crisis might be imminent, it would be important to speak urgently and in strict confidence to Governments in South East Asia including the Philippines (the nearest to Hong Kong), Singapore, Malaysia and Thailand (who have substantial ethnic communities), but probably not the Indonesians (who have some antipathy towards ethnic Chinese). It would also be desirable to explore the readiness of Taiwan to help, although an approach could not be on a government-to-government basis and might be regarded as provocative by Peking. If time permitted, and depending on the response, we should aim to draw up contingency plans with the governments concerned. To secure their agreement it would almost certainly be necessary to offer funding from the international community, a significant proportion of which might have to come from the United Kingdom. £5 million might be necessary for each country.

Planning: Reception and Resettlement

39. The plans prepared in the *"green"* phase would need to be given practical effect:

- a Resettlement Board should be established.

- Reception centres should be prepared, requisitioning and building should be put in hand as necessary.

- Resettlement policies should be refined in discussion with the relevant statutory and voluntary services, and appropriate plans drawn up.

Consultation with the Government of Hong Kong

40. In the *"amber"* phase urgent consultations would be needed with the Government of Hong Kong on the whole range of transport, immigration and reception arrangements.

Additional Resources

41. Considerable additional resources would be needed in the *"amber"* phase.

- Expenditure would need to be committed for leasing or chartering aircraft and ships. This would be expensive eg even on the most favourable assumptions of long advance notice and excluding all consequential and refitting costs, it would cost about £165 a head to ship refugees to Taiwan, or £400 a head to the Philippines, with subsequent onward movements costs in addition. Air transport costs would be similar to Taiwan, but relatively less expensive than sea for longer distances eg about £250 a head to Osaka and £700 to Sydney (see also Annex B).

- Additional expenditure for regional clearing centres.

- Reception and resettlement arrangements would involve:

  The costs of establishing the Resettlement Board.
  The costs of setting up reception centres.
  Costs of requisitioning or building property.
  Additional staff costs.

- Monitoring arrivals from Hong Kong on a daily basis would probably require additional manpower if it lasted any length of time.

Officials should do further work to identify and quantify the resources costs.

THE *"RED"* PHASE

42. The transition from the *"amber"* to the *"red"* phase would take place when a mass exodus from Hong Kong had begun. The United Kingdom, together with the international community as a whole, would then need to take emergency action to deal with the crisis.

Monitoring Departures from Hong Kong and Arrivals in the United Kingdom

43. In the *"red"* phase a comprehensive count on a daily basis of people arriving in the United Kingdom would be an intrinsic part of the evacuation, reception and resettlement arrangements. As far as the crisis permitted, monitoring departures from Hong Kong should also continue.

Immigration Control

44. In the *"red"* phase decisions on immigration control made during the *"amber"* phase would be implemented (see paragraph 34 above.) Assurances or warning to carriers as to their liability for the cost of returning eg non-British nationals would be part of any evacuation or chartering arrangements.

External Consultations

45. An International Conference should be convened (or reconvened if there had been sufficient time during the *"amber"* period for a conference to have been called). Impact on international opinion of an acute crisis in Hong Kong might well stimulate a generous response from governments, which we should exploit.

Evacuation

46. In the *"red"* phase air and ship operators should be instructed to withdraw earmarked aircraft and ships covered by dormant contracts (assuming such contracts had been concluded) from their existing

operations, and would be told to send them immediately to Hong Kong. Aircraft should reach Hong Kong within 24-48 hours; cruise ships would probably take at least a week.

47. In addition:

- Hong Kong airport would need additional staff. Extra military and police would need to be available to ensure orderly departures.

- There would need to be adequate supplies in Hong Kong, and at the ports and airports of first destination, of common aircraft and ship spare parts; of aviation and marine fuel; and of lifejackets and life rafts;

- Reception countries would have to be warned of the imminent arrival of large numbers of refugees so that the arrangements could be put in hand for their reception.

Evacuation: Military Assistance

48. In the *"red"* phase, military deployments might be necessary, including:

- Depending on the state of the garrison run down, the reinforcement of the garrison with up to 2000 troops, and the substitution of 1,500 troops for garrison/civilian labour if the latter became unavailable or unreliable;

- The use of military aircraft and shipping to assist in the evacuation of specific personnel and/or the general population;

- The deployment of land, air and sea assets to deter or counter Chinese military action.

Evacuation: Regional Clearing Centres

49. Efforts would need to be stepped up to get governments in south East Asia to offer immediate, practical help. Possible measures might include public appeals (targeted at the ethnic Chinese communities in the region). The International Conference mentioned in paragraph 34 above would need to take urgent action to mobilise support.

Reception and Resettlement

50. In the *"red"* phase the Resettlement Board would have to organise the reception of refugees and begin the process of resettling them. Settlement beyond the reception centre stage would make demands on all statutory services, but the provision of accommodation would be the key resource issue. A proportion of the arrivals from Hong Kong will have their own private resources available which will reduce the burden on the public exechequer.

Additional Resources

51. The additional resources required in the *"red"* phase would be very large:

Evacuation: Costs would depend on the numbers leaving Hong Kong and on the transport available. On the most favourable set of assumptions, the basic cost of moving 100,000 people by sea to the Philippines would be about £40 million, and the cost of flying a similar number to Manila would be about £21 million (see Annex B for further details). In addition there would be the costs of maintaining the clearing regional centres (to which the British Government would have to contribute), and the cost of onward transport from the clearing centres to the United Kingdom for those granted entry to this country.

Reception and Resettlement in the United Kingdom: the cost of the Resettlement Board is hard to estimate; much would depend on the number of refugees and the duration of the crisis. (The Uganda Resettlement Board, which during a 16 month period dealt with some 30,000 refugees ie considerably fewer than might be expected to come to the United Kingdom from Hong Kong, cost £6 million at 1973

prices.) On the basis of past experience, the cost of reception centres would be about £500 million for 100,000 refugees ie £5 billion for a million refugees. This figure assumes each refugee would stay in a reception centre for 6 months where basic needs would be met and some English language training would be given where necessary. (This does not take account of the continuing costs of support from statutory services, and from voluntary services which receive public funds. These cannot be quantified until plans are further refined.)

It is not possible at this stage to give Ministers an accurate estimate of the total costs involved. For illustrative purposes if the figure of 100,000 people were increased to 1 million, the costs of the two operations cited above (ie transport from Hong Kong to the Philippines and 6 months in reception facilities in the United Kingdom) would be £5.4 billion. However, this costing is by no means comprehensive (eg it does not cover the costs associated with the regional clearing centres, onward transport to the United Kingdom, or resettlement) and officials will need to do further work to identify a more accurate order of magnitude. In any event, very large sums are involved.

WHITEHALL MACHINERY

52. MISC 140 should meet regularly to review the situation. Its task should be to:

- monitor the situation in Hong Kong;

- ensure that contingency planning is kept up-to-date and that the measures identified remain appropriate and effective;

- coordinate the costing of the contingency plans;

- advise Ministers through OD(K) of any steps that need to be taken;

- ensure that a press line is available to be deployed rapidly (a suggested formula is at Annex E);

- consider replies to Parliamentary Questions on contingency planning if necessary (a specimen is at Annex F).

53. MISC 140 will have an important role in trying to detect an impending crisis (the *"amber"* phase). If it appears that the situation is deteriorating the Group will need inter alia to:

- intensify monitoring of movement from Hong Kong and into the United Kingdom;

- alert Whitehall Departments so that they can eg determine the availability of air and sea lift capacity and look at possible reception arrangements;

- alert allies to the possibility of a crisis with the aim of securing their practical and political support.

Cabinet Office
7 September 1989

ANNEX A

EMIGRATION FROM HONG KONG AND IMMIGRATION INTO THE UNITED KINGDOM

1. There are no clear cut statistics about emigration from Hong Kong. There is complete and unrestricted freedom of movement in and out of Hong Kong and no way in which systematic records can be kept. The Hong Kong Government therefore had to make use of indirect indications from various sources those most important of which are:

a. applications for Certificates of No Criminal Conviction (CNCC) processed by the Royal Hong Kong Police Force;

b. statistics on visas issued by the main destination countries, as provided by the consulates; and

c. balance of migration statistics provided by the Immigration Department.

Each of these sources has its limitations particularly when considered on its own but, taken together, they allow a reasonable assessment to be made of the overall position.

Certificates of no Criminal Conviction

2. The main immigrant countries require CNCC's for adult applicants for visas. Statistics are readily available but have their limitations because:

a. CNCCs are required for a number of purposes other than immigration;

b. children do not need to apply for CNCCs for immigration;

c. there may be a considerable time lag between an application for a CNCC for immigration purposes and emigration from Hong Kong.

Visas

3. The six main destination countries (Canada, Australia, USA, United Kingdom, Netherlands and West Germany) provide information on the number of immigration visas/entry clearances issued. This has to be treated with caution because of delays between visa issue and actual departure dates.

Immigration Department Statistics

4. The Immigration Department keeps a record of inward and outward movements of Hong Kong people (excluding movements to and from China). But this is of limited usefulness because:

a. the figures exclude Hong Kong residents using foreign travel documents (which include some of the most outwardly mobile);

b. it is not possible to identify returned emigrants who use Hong Kong travel documents;

c. no attempt is made to cross-reference identities or to ask people about the purpose of their journeys.

d. the data collection system has changed over the years, so that historical comparisons are particularly difficult to make.

Immigration into the United Kingdom

5. As far as monitoring the arrival of Hong Kong citizens into the United Kingdom is concerned (and departures to Hong Kong) the current position is set out below.

Entry Clearance

6. A Hong Kong British Dependent Territory Citizen (BDTC) does not need prior entry clearance in order to visit or study in the United Kingdom but does need it in order to come for work or settlement. However, if he or she has obtained a work permit, separate entry clearance is not needed.

7. Applications for entry clearance are normally made to the nearest United Kingdom consular post in the country concerned, but as there is as yet no consular presence in Hong Kong applications there are dealt with by the Hong Kong Immigration Department on an agency basis. They send the Home Office statistics of applications made and granted at quarterly intervals. The figures are not published regularly but may be disclosed from time to time in reply to PQs. A specimen of the quarterly return is at Attachment 1. It is unlikely that Hong Kong Immigration Department (HKID) would have any difficulty in producing statistics at more frequent intervals (eg weekly) but they would have to be especially asked to do so. Moreover, these figures are more relevant to a progressive haemorrhaging than to a crisis, since the qualifications for entry clearance are severely restricted by immigration rules.

8. The existing arrangements will in any event be overshadowed numerically by any new scheme for "giving confidence" (although it has not yet been decided whether this will allow assurance-holders to come prior to 1997). Applications and grants under this scheme (which will be under the control of the UK Government) would similarly be counted, but a decision has yet to be reached on what measures if any should be adopted for monitoring the take-up rate (ie assurance-holders arriving in the United Kingdom to settle).

Passengers arriving in the United Kingdom

9. Hong Kong BDTCs arriving in the UK are, like other passengers except British and EC citizens, counted by nationality and purpose of journey for statistical purposes. The figures come to the Home Office from the ports at varying rates (daily for some categories, monthly for others). They are collated every month for internal use (specimen at Attachment 2). The Hong Kong figures are not separately published but are distinguished in the annual (although not the quarterly) published statistics.

10. These arrangements would pick up a sudden upturn in the numbers arriving from Hong Kong and show which categories are affected. In particular, they would pick up a rise in arrivals of Hong Kong BDTCs seeking entry as a visitor or student, whom the entry clearance system would not necessarily detect. If it were thought of value, the Immigration Service could (at a cost) provide weekly or even daily figures of arrivals of Hong Kong BDTCs.

Departures of BDTCs

11. No figures are kept of the number of Hong Kong BDTCs leaving the United Kingdom nor, consequently, of the net flow. The only passengers leaving the United Kingdom whose departures are recorded are those on whom special ("check-out") conditions have been placed on entry because it is considered prudent to know whether and when they leave. A decision to count Hong Kong BDTCs leaving would have a significant financial and political cost: no other sort of British national is counted, and any new arrangements would be seen as tightened immigration control.

Hong Kong non-BDTCs

12. Persons who have been issued with Hong Kong identity documents but do not posses BDTC status need entry clearance to come to the United Kingdom for any purpose and are distinguished in the quarterly return provided by HKID (Attachment 1). Many of these people are stateless. Hong Kong stateless are also a separate category in the monthly arrivals summary (Attachment 2) although the accuracy of the figures relating to this category is for the time being in some doubt.

APPLICATIONS IN HONG KONG FOR ENTRY CLEARANCE TO THE UNITED KINGDOM

EC/HK
(Revised 7/87)

Quarter : April to June 1989

Number of persons

	Applications newly received during the quarter				Applications granted during the quarter				Applications refused during the quarter				Applicants awaiting first interview at end of quarter
	BDTC/BNO	CI (1) holders	DI holders	Others	BDTC/BNO	CI (1) holders	DI holders	Others	BDTC/BNO	CI (1) holders	DI holders	Others	Total
Wives, children, and persons for immediate settlement													
Wives	26	8	2	15	58	11	1	13					21
Children (under 18)	33			50	27			36					10
Other dependent relatives	6	26		32	5	19		36		2		3	17
Others for immediate settlement				5				5					5
Total	65	34	2	82	70	30	1	90	-	2	-	3	
Other persons not for immediate settlement													
Husbands, male fiances	15	11		6	13	7		5				1	12
Female fiancees	4			1	2	1		4					3
Persons coming for employment or business, and persons of independent means	180	20	1	33	83	19	1	31	2				19
Dependants of persons coming for employment or business, and of persons of independent means	124	17		15	117	6		25	6				24
Students	881	97	8	121	688	62	4	139	3				
Visitors	1565	4011	14	7944	1547	3688	14	8416	6	6	2	3	
Others (2)		13		18		14		15					
Total	2769	4169	25	8138	2450	3777	19	8635	17	6	2	4	

(1) Including stateless persons and BOC usually resident in Hong Kong

(2) Including Returning Residents

WAITING TIME TO FIRST INTERVIEW

Number of weeks between receipt of application and first interview, for the last person interviewed on the last working day of the quarter six weeks

Signed _____
K B WONG

Date 11 JUL 1989

ATTACHMENT 1

ATTACHMENT 2

PORT OF U.K. Air + Sea

MONTH OF April 1989

RETURN OF COMMONWEALTH PASSENGERS IN CERTAIN CATEGORIES GIVEN LEAVE TO ENTER OTHER THAN FOR SETTLEMENT

Home Office Form B 41A

CITIZENS OF	(1) TOTAL ADMITTED	(2) TOTAL SETTLERS	(3) TOTAL NON-SETTLERS	(4) COMPUTER SUB-TOTAL	NON-CONDITIONED LANDINGS (5) TOTAL OF COLUMNS (6)-(14)	(6) V	(7) BV	(8) CS	(9) IT	(10) ST	(11) AP	(12) DP	(13) R	(14)
—	—	—	—	—										
AUSTRALIA	34758	307	34451	5287	29164	20348	2899	36	1608	41		51	4181	
BANGLADESH	2644	259	2385	550	1835	510	164	53	103	13		16	976	
BARBADOS	503		503	74	429	161	29		45	5		1	188	
CANADA	39517	53	39464	1858	37606	25003	4167	288	4963	170		87	2928	
CYPRUS	3456		3456	969	2487	1459	476	36	125	20		5	366	
GHANA	2436		2436	640	1796	638	426	67	114	10		4	537	
GUYANA	457	3	454	125	329	126	17	1	31	4		7	143	
HONG KONG	4524	16	4508	2005	2503	1362	420	21	314	68		1	317	
INDIA	21701	83	21618	4117	17501	7896	2891	69	880	169		116	5480	
JAMAICA	2193	10	2183	530	1653	599	83	1	87	10		3	870	
KENYA	3026	3	3023	478	2545	1250	358	58	429	49		10	391	
MALAYSIA	5213	9	5204	1545	3659	1886	551	126	182	51		22	841	
MALTA	2694		2694	133	2561	1307	468	5	231	14		4	532	
MAURITIUS	1300	1	1299	255	1044	511	96	4	59	2		4	368	
NEW ZEALAND	11115	218	10897	2656	8241	4897	604	25	331	14		17	2353	
NIGERIA	8516	4	8512	1928	6584	2976	2205	29	567	36		37	734	
SIERRA LEONE	610		610	194	416	177	75	-	90	8		8	58	
SINGAPORE	3784		3784	691	3093	2133	536	82	143	20		7	172	
SRI LANKA (CEYLON)	2276	6	2270	648	1622	544	147	4	68	13		17	829	
TANZANIA	960		960	234	726	329	123	1	84	31		8	150	
TRINIDAD AND TOBAGO	1243	2	1241	240	1001	415	87	22	80	6		4	387	
UGANDA	883	1	882	333	549	182	143	22	114	21		2	65	
ZIMBABWE	2581	17	2564	304	2260	1431	244	3	333	22		4	223	
ZAMBIA	1206	2	1204	327	877	401	180	21	179	20		5	71	
UKPH (EA)	225	37	188	36	152	93	6		4	2			47	
UKPH (I)	232	65	167	5	162	75	14		6				67	
UKPH (UG)	14		14	—	14	9							5	
UKPH (OTH)	688	18	670	135	535	258	62		52	5		2	156	
OTHER COUNTRIES AND TERRITORIES	2558	4	2554	653	1901	807	307	13	364	49		37	324	
TOTAL	16313	1118	160195	26950	133245	77783	17779	987	11556	373	—	472	23752	

* DOES NOT INCLUDE GIBRALTAR OR IRISH REPUBLIC

TOTAL CARRIERS FIGURE (To be Completed by port)	
TOTAL CONTROLLED (To be Completed by Stats Dept)	

Kalamazoo

TO BE RETURNED TO S2 DIV. (UKLA) HOUSE

SIGNATURE _____ DATE _____

PORT [redacted] K AIR+SEA

MONTH APRIL 1987

RETURN OF ALIEN PASSENGERS IN CERTAIN CATEGORIES GIVEN LEAVE TO ENTER OTHER THAN FOR SETTLEMENT

Home Office Form 1540A

NATIONAL.	(1) TOTAL ADMITTED	(2) TOTAL SETTLERS	(3) TOTAL NON SETTLERS	(4) COMPUTER SUB-TOTAL	(5) TOTAL OF COLUMNS (6) (14)	NON-CONDITIONED LANDINGS (6) V	(7) BV	(8) CS	(9) IT	(10) ST	(11) AP	(12) DP	(13) R	(14)	(15)
GERIA	1199	...	1199	375	824	508	155		54	13		4	90		
RAB REPUBLIC F EGYPT	1696		1696	299	1397	563	520	16	40	16		20	222		
RGENTINA	1256	1	1255	162	1093	810	151		25	11		5	91		
USTRIA	10317	3	10314	472	9842	5648	2705	8	603	113	20	11	734		
RAZIL	6078	2	6076	999	5077	3452	649	33	482	129		72	260		
ULGARIA	521		521	295	226	95	104		2	—		9	16		
HILE	948		948	103	845	430	174	2	66	13		25	135		
HINA	1444	1	1443	898	545	196	229	22	38	9		5	46		
OLOMBIA	1284		1284	366	918	497	109	1	80	14		11	206		
UBA	52		52	37	15	—	9		1	—		3	2		
ECHOSLOVAKIA	1378		1378	294	1084	362	646		5	11		31	29		
HIOPIA	616		616	257	359	138	101	32	50	16		3	19		
NLAND	12689		12689	478	12211	7448	3509	30	495	149	7	24	549		
O R	494	3	491	186	305	107	181		—	—		12	5		
NGARY	1644		1644	549	1095	379	628		31	10		4	43		
DONESIA	843		843	232	611	551	145	2	37	38		6	32		
AN	2904	5	2899	2070	829	45	13		1	—		1	769		
AQ	1209	1	1208	477	731	206	222	14	42	8		14	225		
RAEL	9254	2	9252	760	8492	5900	1232	67	715	28	1	45	504		
PAN	42312		42312	6631	35681	22614	7911	121	2875	723		78	1359		
RDAN	1235		1235	410	825	348	245	29	45	14		8	136		
WAIT	1132		1132	188	944	549	166	16	136	10		35	82		
BANON	2021		2021	778	1243	495	361	10	67	5		3	302		
YA	211		211	165	46	7	1	—	—	—		—	38		
XICO	2401		2401	426	1975	1373	218	2	200	73		21	88		
ROCCO	1144		1144	292	852	463	134	1	31	18		13	192		
RWAY	23824		23824	1585	22239	13186	6144	269	1442	193	20	15	970		
KISTAN	7801	113	7688	2173	5515	2303	937	49	215	29		42	1940		
RU	502	4	498	92	406	234	56	—	51	9		4	52		
LIPPINES	2660	24	2636	737	1899	993	125	70	59	12		8	632		
LAND	4847	4	4843	2097	2746	1492	434	314	11	23		13	459		
RTUGAL															
MANIA	221		221	105	116	16	79	—	4	—		4	13		
DI ARABIA	1289		1289	309	980	600	188	5	44	30		38	75		
MALIA	186	3	183	128	55	30	16		2	1		1	5		
TH AFRICA	10359	2	10357	1117	9240	5147	1652	38	1576	28		37	762		
AIN															
DAN	862		862	315	547	280	169	2	10	17		11	58		
EDEN	42941	2	42939	1600	41339	25403	11503	98	1674	350	46	42	2223		
TZERLAND	27296		27296	1052	26244	16123	5338	26	1417	1737	106	32	1465		
RIA	281		281	184	97	19	13		—	—		1	64		
NLAND	3534	10	3524	465	3059	2068	300	2	28	418		6	237		
NISIA	547		547	94	453	274	88	14	14	4		1	58		
RKEY	5338	2	5336	1631	3705	1490	1265	16	182	75	2	20	655		
A	189614	38	189576	16474	173102	104496	35906	363	18460	2445		196	11234		
SR	1966		1966	1273	693	468	107	—	7	61		20	30		
GUAY	391		391	26	365	257	37		55	4		1	11		
EZUELA	576		576	75	501	241	110		68	7		11	64		
OSLAVIA	4129		4129	553	3576	1659	1310	42	107	36	23	11	388		
HER FOREIGN(1) UNTRIES	11677	3	11674	2522	9152	4990	2021	146	1075	203	12	171	5371		
TELESS(2)	4856	49	4806	2142	2459	1118	369	3	91	25		6	847		
TELESS NG KONG)		1			205	119	35		19	2		1	29		
N EEC TOTAL	451971	273	451706	54948	396758	235990	88722	1863	3273	7130	237	1155	28729		

(1) EXCLUDES EC NATIONALS
(2) INCLUDES THOSE WHOSE NATIONALITY HAS NOT BEEN DETERMINED

Kalamazoo
B [illegible]

SIGNATURE _____ DATE _____

TO BE RETURNED TO S3 DIV LUNAR HOUSE

ANNEX B

CIVIL EVACUATION

Green Phase

Plans would need to be prepared for mustering the substantial numbers of aircraft and ships which would be necessary to evacuate refugees quickly. As a broad measure of the size of the problem it would take at least 250 B747 flights or about 140 cruise ship voyages to move 100,000 passengers.

If the prime requirement is to get people out of Hong Kong as quickly as possible it would not be feasible to transport them to final destinations in eg Europe or North America direct from Hong Kong since this would tie up more transport assets than would be available. As an example, and using the most optimistic model 50 B747s could take 2.3 million people in a month across the 600 miles to Manila but only 1.7 million to Osaka and about 0.6 million to Sydney, without allowing for any operational problems. With sea transport the difference is even more marked since on short trips it is also possible to overload vessels, so that eg 50 ships could move 1.8 million passengers in a month to Taiwan, but only about 100,000 passengers to Darwin, North Australia.

It is essential, therefore, to earmark suitable nearby staging posts for temporary accommodation of refugees, leaving onward movement until later when final destinations are known.

The numbers of aircraft and ships needed will depend on the numbers of refugees and the timescale within which they have to be shipped out. It is assumed that China will acquiesce in mass emigration from Hong Kong; if they decide to prevent refugees from leaving then it would be very easy to block off the harbour and the airport to prevent any mass movement of people.

The main constraints on air evacuation are the capacity of the airport and the numbers of aircraft available. Hong Kong's airport terminal at Kai Tak has a theoretical maximum capacity of 75,000 passengers over 24-hour day. At present the airport operates for 16 hours only: locally imposed night flying bans would need to be lifted. We are told that 40 B747s can be accommodated on the ground, but we think that this would seriously hamper efficient working. A new airport is at the early stages of planning; if this were completed in time capacity would at least double - and of course, the number of B747s required would increase correspondingly, if the use of facilities were to maximised. It has to be emphasised that it is highly unlikely that maximum level of throughput could be achieved over a prolonged period because of runway capacity, particularly at Kai Tak, maintenance requirements, malfunctions, and the problematical behaviour of both potential refugees and aviation personnel under stress.

There would not be sufficient aircraft available in the UK and Hong Kong fleets to support a high level of evacuation. The UK's total long haul fleet numbers 72 aircraft of which only 35 are passenger B747s, while Hong Kong has 30 wide-bodied aircraft. Most of these aircraft are required on established scheduled services and it would be necessary at this stage to discuss with the airlines concerned how many aircraft could be made available, the length of notice required and the terms on which they could be released. It would be necessary to wet-lease aircraft (ie lease them with crew, fuel etc) and to divert them from their normal operations. The number of aircraft normally available for leasing is limited and varies with the time of year. Leasing in the circumstances envisaged would be an expensive activity and paying to divert aircraft from scheduled or committed

charter flights would be more costly still. If, as is likely, insufficient aircraft can be obtained from the UK and Hong Kong, consultation will be necessary with other national airlines (Japan alone has 75 B747s, 21 DC10s and 11 Tristars). We should need to appoint brokers to act for us in such circumstances.

We are advised that there would be only a marginal difference in the daily cost of a leased B747 whether it flew short (600 miles), medium (1,200 miles) or long (4,000 miles) sectors. Under normal conditions the cost per aircraft would be not less than £0.25m a day. On the most favourable assumptions it would take about 83 aircraft/days to move 100,000 passengers from Hong Kong to Manila at a leasing cost of not less than £21m Onward movement costs would be in addition. 100,000 passengers could be moved by air from Manila to the UK in just under 2 days, at a cost of 130m.

The main constraint on <u>evacuation by sea</u> is the number of ships which could be obtained. In an emergency passengers could be carried on the upper decks of freighters and container ships at some discomfort and only over relatively short distances, eg to Taiwan or the Philippines, However, the main transport would be by cruise ships, of which there are 147 in the world, sailing under 22 flags, as shown in Attachment 1 (excluding four ships on the Chinese flag). Attachment 2 shows where these ships are expected to be employed during the year and how many weeks sailing they are from Hong Kong. Some 30 ships may be British owned (under UK, Hong Kong, Bermuda, Bahamas and Antigua flags) but these could not in practice be requisitioned, and it would be necessary to seek to charter these and any other friendly-owned ships required. In principle most or all of the 147 cruise ships would be available if HMG was prepared to offer sufficient inducement and an adequate notice. However, most cruise business is arranged 6-12 months ahead and if notice of that order cannot be given then in addition to requiring full charter rates and payment of refitting costs at the end of the voyages, operators would expect to be indemnified against all consequential costs,

eg claims for spoiled or cancelled cruises (which could be very expensive if settled in US courts). The attitude of Eastern Bloc countries to chartering their ships is uncertain. Most of the non-Chinese owned ferries in the area are not seaworthy for long voyages.

There are no serious port constraints on sea evacuation and the numbers of people which could be moved would depend, on the numbers of ships available, and the distances to be travelled. Ships making the 300 mile passage to Taiwan could carry, say 5 times their normal passenger complement and make one round trip every three days (including loading/unloading); if 50 ships were available, each making 10 trips, 1.8 million passengers could be moved in a month. If the destination were Subic Bay, Philipines, ships could carry out three times their normal complement, make 7.5 trips a month and carry about 800,000 passengers. If the destination were Darwin, ships could probably only carry 1.5 times their normal complement and with a round trip taking 14 days only 115,000 passengers could be moved in a month.

In cases of overloading, unless it was a matter of saving lives of refugees, the flag states of the vessels involved would have to asked to grant exemptions from their regulations. The Secretary of State for Transport could do this for British ships as an emergency matter. However, in all cases additional life jackets and emergency equipment would be needed, and these might not be in adequate supply. The sea evacuation operation could be severely hampered during the typhoon season between May and December (maximum frequency July to October).

Costs are problematical. An average charter cost for a 750 berth cruise ship, including fuel and food, might at present be £200,000 a day. However, this could increase substantially because of the market distortion which could result from HMG chartering a substantial proportion of the world fleet at short

notice. On the most favourable assumptions the basic cost of moving one million people by sea to Taiwan would be about £165 million excluding all consequential and refitting costs which are unquantifiable. The longer that notice can be given the lower the consequential costs should be; but this would involve giving up to 12 months' notice of the requirement. Substantial costs would also be incurred by subsequent movement of refugees from the staging posts.

In the first instance early discussions should be held with the main British cruise ship operators, eg Cunard and P&O. Discreet monitoring should be carried out on the present and planned operations of all cruise ships to permit identification of other non-British vessels which might be useful

Amber Phase

It is desirable for the efficient and economic organisation of civil transport that, by the time the crisis appears to be imminent :

a. decisions should have been made on the strategy for evacuation and, particularly, on the identification of nearby staging posts, without which any quick mass evacuation would be impossible;

b. outline contingency plans for the chartering of both aircraft and cruise ships should have been discussed with the main British and Hong Kong operators, and that the availability of aircraft and operations of cruise ships should be monitored.

Even so, mass evacuation would require a prolonged amber period. Aviation and cruise ships schedules are planned well in advance and owners and operators are unlikely to have unemployed assets. The choice for HMG would be either to plan for leasing assets for around 12 months' ahead or to attempt to persuade operators to take aircraft and ships away from scheduled routes at shorter notice by the offer of extremely high payments and guarantees of compensation against third party claims. In the competitive markets prevailing in both aviation and cruise shipping there can be no assurance that more than a bare minimum of assets would be available at short notice. Even for 12 months ahead if is unlikely that airlines would be willing to contemplate dormant contracts if this would cause them to abandon schedule services because of the medium term competitive disadvantage that this would put them vis a vis their competitors. In all cases operators are likely in the light of experience with Vietmese boat people to insist on UK guarantees in the event of other countries refusing to allow refugees to land in their territory.

Treasury agreement will be needed for the commitment of expenditure on leasing/chartering aircraft and ships, on whatever basis is decided, ie planned acquisition up to 12 months ahead or urgent acquisition. As an order or magnitude, even on this most favourable assumptions of long advance notice and minimum consequential costs it would cost about £200 a head to ship refugees to Taiwan or £400 a head to the Philippines, with subsequent onwards movements costs in addition. Air transport costs would be similar to Manila but relatively less expensive than sea for longer distances, eg about £310 a head to Osaka and £625 to Sydney.

The Department of Transport would then have to negotiate arrangements with both aviation and cruise ship operators for the release of assets according to the Government's requirements. Power to requisition ships would not be available merely to evacuate refugees who felt threatened by a foreign power. It could be used in the event of a threat to British territory but that is not the contingency being planned against. There is no power in a period short of a national emergency in the United Kingdom to direct airlines to operate their fleets in particular ways.

Red Phase

At this stage, air and ship operators would be instructed to withdraw earmarked aircraft and ships covered by dormant contracts from existing operations and proceed immediately to Hong Kong. Aircraft should be able to reach Hong Kong from within one to two days; cruise ships would take from one week.

The Hong Kong airports would be put on readiness. Additional staffing, particularly at the airports would need to be provided. Extra policing would be required to effect orderly departures.

We would need to ensure that adequate supplies of common aircraft and ship spare parts, aviation and marine fuel and life jackets and life rafts were available at Hong Kong and/or at the ports and airports of first destination.

Reception countries and their ports and airports would have to be warned of the imminent arrival of large numbers of refugees so that the arrangements could be put in hand for refugees' reception and onward movement to their temporary transit accommodation.

ANNEX B, ATTACHMENT 1

WORLD CRUISE FLEET

NATIONALITY (FLAG)	NUMBER OF VESSELS	TOTAL NUMBER OF PASSENGER BERTHS
Italy	6	5618
Yugoslavia	4	1154
Greece	20	10269
Russia	12	6491
United States	7	3210
East Germany	1	638
Panama	22	17328
Japan	5	2424
Norway	7	6744
Bermuda	1	1200
Poland	1	648
Liberia	11	13452
West Germany	2	1228
Finland	1	1223
Philippines	1	480
Ecuador	3	354
Great Britain	8	8394
Antigua	3	3400
Bahamas	26	19001
Hong Kong	1	480
Cyprus	1	346
TOTAL	143	104,082

FORECAST OF CRUISE SHIP BERTHS POTENTIAL AVAILABLE

ZONE	MONTH												WEEKS FROM HONG KONG
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Far East	5000 (9)	5000 (9)	7000 (12)	6000 (11)	4500 (8)	3500 (7)	4000 (7)	4000 (8)	5200 (10)	5900 (10)	6000 (11)	4000 (9)	1
Pacific	6500 (11)	8500 (14)	6500 (11)	5000 (10)	5000 (10)	4000 (7)	4000 (8)	5400 (8)	4000 (7)	5200 (9)	7000 (11)	6000 (10)	1 To 2
Alaska	-	-	-	2000 (1)	6000 (8)	16000 (20)	16000 (20)	15000 (18)	12500 (14)	1200 (1)	-	-	2
Caribbean	50000 (58)	490000 (55)	460000 (54)	44000 (46)	32000 (32)	30000 (29)	30000 (29)	31200 (30)	31700 (31)	37500 (37)	3000 (44)	45000 (49)	3
Mexican Riviera	8000 (10)	6000 (8)	8000 (10)	7000 (9)	9500 (11)	4000 (5)	4500 (5)	450 (5)	5800 (5)	8300 (9)	8000 (9)	8000 (9)	3
Rest of World	18000 (27)	19500 (31)	23500 (37)	31500 (55)	36500 (65)	44500 (72)	43500 (73)	41500 (71)	42500 (72)	37500 (66)	20000 (36)	18000 (28)	4
TOTAL	87500 (115)	88000 (117)	91000 (124)	95000 (132)	94000 (134)	102000 (140)	102000 (142)	101600 (140)	101700 (139)	95600 (132)	4000 (111)	81000 (105)	

Note: The figures in parenthesis are the number of vessels scheduled in the particular zone that provides the lift.

ANNEX C

EVACUATION OF HONG KONG RESIDENTS: POSSIBLE MILITARY ASSISTANCE

1. In quantitative terms the capacity of the services to transport large numbers of personnel is small compared both with the overall size of the problem and with the capacity of assets drawn from the civil sector. In addition the availability of military units will be affected by other commitments at the time, and the relative priority the Government gives to an evacuation operation compared with those commitments. Accordingly, although some military assets could be provided, they would form no more than an element of a much larger, and probably international, civil-led operation.

Air and Sea Transport

2. The RAF's air transport force comprises the following:

a. Six wide-bodied Tristar aircraft (we expect to acquire a further three over the next 2 years). At any one time, four of these are configured for air to air re-fuelling - though they could be converted to passenger use if need be - leaving two available for 265 passengers each; a total of 530.

b. Thirteen VC10 aircraft each with a capacity of 129, of which 9 are assumed to be available at any one time, giving a capacity of 1161.

c. Sixty C130 Hercules each of which could carry 70-100 passengers with no baggage, of which 43 are assumed to be available at any one time, giving a capacity of about 3500.

3. The readily available maximum single lift capacity is therefore likely to be in the region of 5000. In practice the actual capacity could be significantly reduced by other commitments (including other military tasks associated with any evacuation of Hong Kong). The total numbers that could be carried would depend on the destination chosen

and the time available. It might be appropriate to make use of military air transport to ensure the evacuation of particular individuals or groups. It is not possible to specify who these might be in advance: that would depend on the nature of the crisis.

4. Assuming deployment from the UK, the first aircraft could be in Hong Kong about 36 hours after the go-ahead was given, with the remainder in theatre within 6 days. Evacuation times would obviously depend on destination: the nearest evacuation airheads would be Taiwan (1.5 hours flying time from Hong Kong) and the Philippines (2.5 hours flying time from Hong Kong). However the pace of deployment and evacuation would be significantly affected by the capacity of sending and receiving airports to handle large numbers of aircraft (civil and military) and personnel.

5. For sea transport, there is not a great deal that the Royal Navy could offer within a short timescale. The use of the majority of warships can effectively be discounted. But the assault ships Fearless or Intrepid could accommodate up to 500 passengers, though in relatively spartan conditions. (Only one of these vessels is operational at any one time). Similarly, if one of the Navy's aircraft carriers were available it could carry up to 1200 passengers. In addition the Royal Fleet Auxiliary operate five Landing Ships Logistic (LSLs) which could accommodate up to 500 passengers each. At any one time, four of these are fully operational. Deployment times would be much longer than by air unless, fortuitously, one or more of these vessels was in the vicinity. In the worst case, sailing time from UK waters, the most likely location of both the assault ship and the LSLs, would be 20-25 days for the assault ship and the carrier, and 30 days for the LSLs. If, as now, there is a substantial Royal Naval presence in the Gulf, ships from there could reach Hong Kong in 10 days, but this would be most unlikely to include ships with any significant passenger carrying capacity.

Other Military Assistance

6. The Hong Kong garrison (currently about 7000 strong but due to decline to about 1000 by 1997) is available to demonstrate United Kingdom sovereignty over Hong Kong and to assist the civil power in maintaining security in the Colony, should there be a breakdown in law and order at the time of any evacuation. It would be particularly important in such circumstances to maintain security around the airport and harbour, as the departure points for refugees. Contingency plans exist to reinforce the garrison by up to a further 2000 troops should this be necessary; and to provide a further 1500 to replace civilian labour in support of the garrison, should that become unreliable or unavailable. The deployment of such numbers would take up the majority if not all of the air military transport assets referred to in paragraphs 2 and 3. Though they would be available for evacuation within the region once in Hong Kong, it might also be necessary to use them to extract all or part of the garrison at some point.

7. In addition, and in very extreme circumstances, the garrison and other United kingdom forces deployed to the area could help to deter and counter any direct military threat from the Chinese, should that arise as part of the circumstances surrounding a requirement to assist in evacuation. In this connection, if the Chinese wished to stop or slow down a mass exodus from Hong Kong and were prepared to take military action to that end, it would be relatively easy for them to deploy air and sea units in such a way as to make arrival or departure of aircraft and ships extremely hazardous - a course of action that they might feel more disposed to take if there were a significant military component in the evacuation operation itself. On the other hand, it would be important to demonstrate to the Chinese government that internal security is being maintained within the Colony, so as to remove that as a pretext for military action by them. These are factors that would need to be taken into account in assessing where the weight of effort in military support to an evacuation should be applied.

8. Other, more specialist assistance could include:

a. engineer units to help in the construction of temporary shelters;

b. mobile medical units to supplement the civil medical effort, and specialist medical team (eg a burns unit);

c. air-traffic control and air movements personnel; and

d. communications support.

Earmarking of Military Assets

9. There should be no requirement to earmark specific units for such an operation. All military assets are available to be deployed as HMG directs. Pre-positioning of units such as those listed in paragraph 8 in the vicinity of Hong Kong is unlikely to be a practicable proposition until it becomes clear that an evacuation will be necessary.

The International Dimension

10. The limitations on the use of United Kingdom military assets in this note would apply equally to the majority of other states which might assist. The one possible exception is the United States, whose fleet of large transport aircraft is many times larger than that of the United kingdom and includes aircraft such as the C5 Galaxy which is capable of carrying several hundred passengers. They also have available major military bases in the Philippines, including the air-base at Clark, which could be of use as staging post/initial reception destinations, as well as bases in Japan and Korea.

ANNEX D

RECEPTION AND RESETTLEMENT ARRANGEMENTS

1. Contingency plans for the reception and resettlement of those arriving in the United Kingdom from Hong Kong need to take account of a very wide range of factors. People from Hong Kong who may be admitted to the UK will fall into one of three categories:

i. those with the right of abode (and others given a guarantee of admission);

ii. refugees under the terms of the 1951 UN Convention; and

iii. others who are allowed to settle under the Immigration Rules or are given exceptional leave to remain.

2. In so far as people arrive here spontaneously as opposed to under an arranged plan, and have no right of entry, decisions will be needed on how their admission is to be handled: will certain categories be allowed in or will applicants be individually scrutinised? Decisions will also be needed on action to be taken in respect of those already within the UK on a temporary basis.

Factors affecting reception and resettlement programmes

3. The shape, size and content of any reception and resettlement programmes will be determined by a number of factors:

a. the scale of the influx: the potential numbers which might arrive here from Hong Kong are greatly in excess of any actual influxes in recent times (eg Ugandan Asians - 30,000; Vietnamese-10,000). Even comparatively small unplanned influxes (eg the recent arrivals of 2-3,000 asylum seekers from Turkey) can rapidly put the existing capacities of statutory and voluntary agencies under extreme pressure.

b. the timespan of the influx: it is easier to cope with an orderly programme of arrivals over a longer period (even the latest additional intake of Vietnamese boat people will not go above 80 arrivals a month, and even so requires additional reception accommodation and other special resettlement measures);

c. links with the United Kingdom: arrivals who have family or friends in the United Kingdom should be easier to resettle than those who have no or more remote connections (but family links are no guarantee that accommodation and other support can be found, if the connections themselves are in poor circumstances);

d. resources: the extent to which arrivals are able to bring property and money with them from Hong Kong will affect their ability to become self-sufficient;

e. abilities and skills: those who have skills which are needed in the United Kingdom and those who can speak English will also have a better chance of becoming self-sufficient.

4. Special measures for reception and resettlement will inevitably be needed if a programme of intake from Hong Kong is agreed and will also be needed for spontaneous arrivals if these arise above, say, 50 a week who have neither family connections nor their own resources. Reception and resettlement must be seen as a package since the latter determines the length of time arrivals remain in any initial accommodation provided and thus the capacity of that accommodation.

Coordination

5. Hitherto it has been thought necessary to set up a coordinating board to administer a reception programme for any [planned or unforseen] large-scale influx of refugees. The most recent examples are the Uganda Resettlement Board of 1972/3 and the Joint Committee for Refugees from Vietnam (up to 1984). Both of these were essentially short term (although support for the reception and resettlement of refugees from Vietnam has continued by way of Home Office grant to

voluntary organisations). Whether longer term resettlement support- as opposed to reception arrangements - would be required in the present case depends on the factors listed in paragraph 3 above. The Uganda Resettlement Board handled a total of some 30,000 Ugandan Asians over a 16 month period during 1972/73. It arranged reception at airports (notably Stanstead) then (for those without relatives or an address in the United Kingdom), transport to a resettlement camp (mostly MOD) from where attempts were made to settle the refugees within the community.

6. There are, however, some points which would need to be addressed before deciding on this route:

a. The Ugandan Asians were treated and accepted by the public as refugees. This might not be the case with any influx from Hong Kong - particularly those who left of their own choosing for economic reasons.

b. There was a feeling that Ugandan Asians processed through resettlement camps received more generous State assistance than those who opted to make their own way. Unless even-handed treatment was offered, this could encourage more to seek State aided resettlement through camps.

c. The higher the numbers involved, the smaller the slice of assistance (in the form of housing, employment etc) for everyone. Unless suitable inducements could be offered, there is a very real risk that, once established, camp type accommodation might be needed on a considerable scale for a long time.

d. There is likely to be only limited public sector/MOD accommodation available. It might be necessary to obtain accommodation from the private sector. Holiday camps spring to mind, but other facilities such as empty hostels or hospitals, oil rig accommodation barges, channel tunnel workers residential hostels could provide suitable alternatives.

e. Such an exercise will be expensive (Uganda Resettlement Board cost £6 million plus £2 million in grant aid at 1973 prices).

7. The alternative to the formal establishment of a Board would be to simply allow any intending "refugees" to make their own way out of Hong Kong and (provided they were acceptable on immigration criteria) into the community. However:

a. This would doubtless require the assistance of the voluntary sector. Whilst this could probably be counted upon, there is a limit to their resources and these organisations would almost certainly turn to the Government to help. It is likely that their energies could be more productively channelled in a supporting rather than lead role.

b. Such an arrangement should work well for the affluent or connected and might have some application for single persons or even the odd family unit. However, the indications are that a significant number of any accepted influx are likely to be families with young children (probably with a scant knowledge of English and no contacts here). The issue would already be sensitive and there would be criticism if the Government, having already given an undertaking to accept an influx, then chose to adopt what would be seen by many as an uncaring attitude.

8. The case would seen to support the formal establishment of a Board charged with the responsibility for reception and resettlement of "refugees" from Hong Kong. Initial plans would have to cover:

a. the early creation of a "shadow" Board in the form of a list of people (with reserves) who might be prepared to serve;

b. the designation of a director and key central staff;

c. the drawing up of outline plans (in discussion with officers designated as being responsible for implementation) for airport reception (also considering the possibility of seaport arrivals);

d. the identification of sites that could be used as reception centres (this is likely to prove difficult if it is decided to remain "in house" to avoid publicity). When sites have been identified, consideration should be given to the preparation of lists of possible administrators and key staff;

e. how to involve local authorities and other services.

There are detailed contingency plans for a Rhodesia Resettlement Board. These would provide a basis for planning for a Hong Kong Board.

9. It is clear from previous exercises that it will be difficult to move beyond a paper planning exercise while still keeping the activity within Government. Involvement of local authorities, health authorities, etc and of voluntary organisations and commercial enterprises will be necessary in order to the plans into action. Increased contracting out of services and reduction in Government property holdings will make this even more of a constraint now than it might have been previously.

The Resettlement Process

10. After processing through the initial reception stage, those arrivals who cannot rely on their own or their connections' resources for accommodation and maintenance will require to be provided with housing, and with income support. They, and some of the others, will also require training, including language training where necessary and advice on business or employment opportunities.

11. A key issue will be the selection of areas of settlement. The needs of the arrivals should help to determine in what areas they are best encouraged to settle (on the assumption that no powers could be taken to compel people to stay in a particular place). In previous

intakes, the policy has been one of dispersal to areas where housing (as the first need) would be available and pressure on services least. This has usually meant however that they are put in areas with low economic potential and, by and large, without existing communities of the same ethnic or geographical background. The result of this, for example in the case of the Vietnamese, has been secondary migration to areas where there is already pressure on services. For the forthcoming new intakes of Vietnamese, therefore, the policy is so far as possible to identify areas where there is available housing, employment opportunities and community support.

12. The nature and scope of arrangements for resettlement (as opposed to reception) depends even more on the particular scenario for arrivals. A programme would need to be worked out in consultation principally with the Department of the Environment (for housing provision) and the Department of Employment (both the Employment Service and the Training Agency). The Departments of Education and Science and of Health would also need to be involved to ensure that the impact on the services for which they are responsible is taken into account. The local authority associations, and individual local authorities, could need to be brought in at a comparatively early stage. A decision would be needed on the extent to which practical arrangements should be put - or left - in the hands of voluntary agencies. If the scale of arrivals is significantly greater than that experienced in the past, the economic implications of resettlement are likely to be a major issue which could not be met by the piecemeal approaches adopted on previous occasions.

ANNEX E

PUBLICITY: PRESS LINE

- Ministers have made it clear that, if the worst came to the worst, (an outcome which we are doing our utmost to ensure does not occur) we would have a strong moral obligation to help, in conjunction with the rest of the international community.

- We have taken every opportunity to bring home to other governments the anxiety felt in Hong Kong about the future and have called on other governments to give the strongest possible assurances of their readiness to share the responsibility of providing a home of last resort to those in Hong Kong who need it.

- We have some experience of coping with sudden large influxes of people on which we could draw in an emergency. But could not draw up detailed contingency plans in case of Hong Kong because:

    a. it is impossible to predict how and when such an emergency might occur; and

    b. in any case Hong Kong is very far indeed from such a situation.

ANNEX F

DRAFT REPLY TO PQ ON CONTINGENCY PLANNING

Q. To ask the Government what work has been done on contingency planning for an emergency in Hong Kong leading to a mass exodus from the territory.

A. The Government are keeping under careful review all aspects of policy and planning relating to the future of Hong Kong and the transfer of sovereignty to China in May 1997.

/0001

351

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MR APPLEYARD
cc Mr Reeves

MISC 140: MINUTES

I submit draft summary minutes of yesterday's meeting, which I suggest should be circulated for the record.

D G MANNING

6 September 1989

COVERING SECRET

Mr Appleyard

I suggest a small MS change as shown, since it will not be the record of DD(K) which takes this paper.

WBR
6/9

Mr Manning

I agree

WBA 6/9

SECRET

CONTINGENCY PLANNING

The Group had before it the revised draft paper on Contingency Planning for Hong Kong circulated under cover of Mr Appleyard's letter of 22 August to Mr McLaren.

The Group considered the revised draft and agreed on a number of amendments.

THE CHAIRMAN, summing up the discussion, said that the Secretariat would incorporate the amendments that had been agreed to the text of the paper. He would then submit it to the Secretary of the Cabinet with the recommendation that it should be considered by OD(K) at ~~its next~~ an early meeting, probably in October or November. Those Departments who had contributed to the paper, but whose Ministers were not members of OD(K), might wish to alert them to what was proposed.

The Committee, took note with approval.

Cabinet Office
6 September 1989

4th Sept 1989

Consult HK?

34

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M. Appleyard 5.6.96.

MR APPLEYARD

cc Mr Reeves
Mr Mann

MISC 140: PAPER ON CONTINGENCY PLANNING FOR HONG KONG
Chairman's Brief

Attendance

1. Those expected to attend are: Anthea Case (Treasury), Robin McLaren and Rosalind Marsden (FCO), Richard Fries and Robert Morris (Home Office), Nicolas Bevan (MOD), Elizabeth Walton (Department of Environment), and Richard Williams (Department of Transport). [Nigel Varney (Home Office - Immigration) is away on leave; Robert Morris will deputise.]

Handling

+D Mannings

2. You might begin by thanking Departments for their contributions to the
FLAG A draft paper, and reiterate that you hope that we have done them justice. You might then take the paper by sections (keeping Conclusions and Recommendations until last), inviting the main contributing Departments to
FLAG B comment first. Copies of your minute to me of 1 September, and of
FLAG C Mr Bevan's letter to you of 30 August, will have been distributed to participants at the beginning of the meeting.

a. Introduction (paras 1-2): Any comments?

The "Green" Phase

b. Scenarios (paras 3-8): FCO to comment first.

c. Para 4: You recommend replacing the first two sentences (para 4 of your minute). Are the FCO content? Other views/proposals?

d. Para 4b.: You recommend amending the first sentence with corresponding adjustments to the second (para 5 of your minute). Are the FCO content? Other views/proposals?

e. Paras 5 and 6: You propose amalgamation of these paragraphs (see para 6 of your minute). Are the FCO content? Other views/comments?

f. Para 7b.: You propose omitting the first sentence and amending the final one (para 7 of your minute). Are the FCO content? Other views/comments?

g. The Green Phase (para 9): Any comments? You recommend amending the first sentence (see para 8 of your minute).

h. Monitoring departures from Hong Kong and arrivals in the United Kingdom: Emigration control; monitoring of emigration from Hong Kong (paras 10-14 and Annex A). Home Office to comment first, then FCO. Any other comments?

i. Monitoring political reporting (para 15): This is a proposal put to you by our friends. FCO to comment. What would be the cost of an extra First Secretary? (A figure is needed for para 30 on Additional Resources).

j. External consultations (paras 16-17): FCO to comment first. You propose amending para 16 and the third sentence of para 17 (see para 9 and 10 of your minute). Are the FCO content? Other views/comments?

k. Planning: civil evacuation (para 18 and Annex B): Department of Transport to comment first. Other views/comments?

l. Evacuation - military assistance (paras 19-20 and Annex C): MOD to comment first. They will propose amending the second and third tirets of paragraph 20 (Mr Bevan's letter refers). Any other comments? MOD will also propose amending paras 4 and 5 of Annex C.

m. Evacuation: regional clearing centres (paragraphs 21-24): FCO to comment first. Any other views/comments?

n. Reception and resettlement (paras 25-29 and Annex D): Home Office to comment and the Department of Environment. Other views?

o. Additional resources (paragraph 30): Have the Treasury any views (their own contribution was too meagre to be included)? Any other comments?

The "Amber" Phase

a. Monitoring departures from Hong Kong and arrivals in the United Kingdom and emigration control (paras 32-34): Home Office to comment. Any other views?

b. External consultation (para 35): FCO to lead.

c. Planning: evacuation (para 36): Department of Transport to lead. You propose a new indent at the end of the paragraph (see para 11 of your minute).

d. Evacuation: military assistance (para 37): MOD for any comments. Other views?

e. Evacuation: regional clearing centres (para 38): FCO for any comments. You propose amending the end of the second sentence of the paragraph (see para 12 of your minute).

f. Planning: reception and resettlement (para 39): The Home Office, and Department of Environment to comment. Any other views?

g. Additional resources (para 40): Treasury to comment: if necessary to offer redraft. Any other comments?

The "Red" Phase

a. Monitoring departures from Hong Kong and arrivals in the United Kingdom (para 42): Home Office and FCO for any comments.

b. Emigration control (para 43): Home Office, FCO and Department of Transport for any comments.

c. External consultations (para 44): FCO to lead.

d. Evacuation - civil and military (paras 45-47): Department of Transport, MOD and FCO for any comments.

e. Evacuation: regional clearing centres (para 48): FCO to lead.

f. Reception and resettlement (para 49): Home Office and Department of Environment for any comments.

g. Additional resources (para 50): Treasury to comment (and if necessary redraft). Views of others?

h. Whitehall machinery (paras 51-52 and Annexes E and F):

- General: any comments?
- Annex E (press line): You will wish to ask the FCO to redraft.
- Annex F (draft PQ): Looks right.

3. After covering the main paper, you will wish to return to Conclusions and Recommendations.

Conclusions

Para 4: You propose amending the first sentence of the first indent. Any comments?

Para 5: MOD wish to break out the last two sentences into a separate paragraph (Mr Bevan's letter refers). This looks sensible.

Any other comments on the Conclusions?

Recommendations

Para 2x.: You propose amending the first sentence (para 3 of your minute refers).

Para 2xii.: MOD propose expansion (Mr Bevan's letter refers).

Para 3xx.: MOD propose expansion (Mr Bevan's letter refers).

Any other comments?

Future work

4. You may like to conclude by saying that the Secretariat will amend the paper in the light of the discussion. Thereafter, you will put it up to Sir Robin Butler under a covering minute, saying that it is now ready for discussion by OD(K).

D G MANNING

4 September 1989

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MR APPLEYARD

cc Mr Manning

CONTINGENCY PLANNING FOR HONG KONG

At this stage I have only two substantial comments on Mr Manning's draft, which I agree is excellent.

2. The first stems from paragraphs 33 and 34. I suggest we need to sharpen for Ministers the distinction between responding to prospective immigration by those capable of making their own way to this country, and organising an evacuation. For understandable reasons there is an implicit assumption in the paper that in the worst case we would do both. This needs to be made explicit somewhere. Indeed, given our recognition that the "amber" phase could be of very short duration, I wonder whether we are necessarily right in assuming that all Ministerial consideration of whether to accept for settlement in the UK those who make their own way here, or whether to organise an evacuation, should be left entirely until the amber phase. Admittedly it is only then that all the facts will be known; but Ministers would then be under pressure to react rapidly, and some prior mind-clearing might help. I wonder whether OD(K) themselves will be happy to defer these decisions until the night.

3. Secondly, I wonder whether it is possible to calculate a "bottom line" - necessarily very rough - of the total cost to the Exchquer of providing all forms of assistance - transport, reception, resettlement etc - to a given number of those fleeing (not necessarily as high as a million). The paper might acknowledge that there would in addition be downstream costs, eg continuing income suport, as well as wider economic effects, eg on the housing market.

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4. On a minor point, the lower half of page 5 of Annex B does not say quite the same thing as paragraph 1 iv and vi of the main paper.

5. I do not know whether you are contemplating any covering note for OD(K); if so the point in paragraph 2 above might be brought out there.

WDReeves

W D REEVES

4 September 1989

SECRET

From: Mr N Bevan, Assistant Under Secretary of State (Commitments)

475/5

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cc Mr Neves
Mr Manning

MINISTRY OF DEFENCE

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31 AUG 1989
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FOLIO 32

L V Appleyard Esq CMG
Cabinet Office
70 Whitehall
SW1

For files

30 August 1989

Dear Len,

CONTINGENCY PLANNING FOR HONG KONG

Before we meet on 5 September I should like to offer some small amendments to the draft MISC 140 paper circulated with your letter of 22 August to Robin McLaren. They affect only the military references:

a. Conclusions paragraph 5. Break out last two sentences into a separate paragraph, to read as follows.

> "The Armed Forces' contribution to an evacuation operation could include transport - though the capacity of military assets is not large - together with specialist medical, engineering, movement control and communications assistance. It may also be necessary to take military steps to help preserve security in Hong Kong and, in extreme circumstances, to counter military action by China. It would be very helpful to secure the assistance of the United States Armed Forces for any large scale evacuation."

This is designed to point up the other possible forms of military involvement, and to bring the reference to US assistance more into line with the main paper.

b. Recommendations paragraph 2xii. Expand by adding:

> "Special teams should be deployed discreetly to the area as necessary. Consultations with US military authorities should take place if possible."

c. Recommendations paragraph 3xx. Expand by adding "and forces deployed accordingly".

d. Main paper, paragraph 20. Amend second and third tirets to read

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" - The availability of military units will be affected by other commitments at the time of any crisis, including other tasks associated with it.

- It may be appropriate to use military transport assets to evacuate selected individuals who might qualify for priority treatment (e.g. politicians, police, etc)."

e. Annex C paragraph 4. Amend second sentence to read:

"... destination: the nearest evacuation airheads would be Taiwan (1.5 hours flying time from Hong Kong) and the Philippines (2.5 hours flying time from Hong Kong)."

f. Annex C paragraph 5. In the penultimate sentence "25 days" for the LSLs should read "30 days".

Yours ever

Nicholas

Copy to:

Mrs A F Case, Treasury
Mr R J Fries, Home Office
Mr N R Varney, Home Office (Lunar House, Wellesley Road, Croydon)
Mr A R Paul, Foreign and Commonwealth Office
Mr R J T McLaren, Foreign and Commonwealth Office
Mr P Kitchen, Department of Transport (Defence Planning and Emergencies Division)
Mrs E Walton, Department of Environment

4755

Department of Transport

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CONFIDENTIAL

Mr D G Manning
Cabinet Office
70 Whitehall
London SW1

CABINET OFFICE
N 1178
23 AUG 1989
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FILE No.

1. Copy to Mr Bourne
2 Mr Appleyard fr.

23 Augsut 1989

Dear David

CONTINGENCY PLANNING FOR HONG KONG

I note from Len Appleyard's letter of 22 August to Robin McLaren that the latest version of the draft MISC 140 paper is to be discussed in the afternoon of Tuesday, 5 September. I shall not be able to attend but will be represented by Richard Williams (Tel 276 5776, Room S5/13 Marsham Street) who is already involved in this exercise, having provided the civil aviation input. He has all the necessary clearances.

Yours sincerely
Pat Kitchen

P Kitchen
Defence Planning and Emergencies Division

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Department of Transport

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30M

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2 Mr Appleyard fr;

Mr D G Manning
Cabinet Office
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London SW1

CABINET OFFICE
N 1178
25 AUG 1989
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FILE No

23 Augsut 1989

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Yours sincerely
Pat Kitchen

P Kitchen
Defence Planning and Emergencies Division

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Bc: Mr Reeves

Reg.

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70 Whitehall London SW1A 2AS Telephone 01-270 0360

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R J T McLaren Esq CMG
AUSS
Foreign and Commonwealth Office
Room WH 323
Whitehall
LONDON SW1

22 August 1989

Dear Robin,

CONTINGENCY PLANNING FOR HONG KONG

1. I enclose the latest version of the MISC 140 paper on contingency planning for Hong Kong. It takes account of the revised drafts supplied by Departments after the Group's second meeting on 2 August.

2. We were grateful to all concerned for their prompt contributions: I hope we have done them justice. I suggest that there should now be a short breathing space to give time for consideration of the present draft, before MISC 140 meets again on the afternoon of Tuesday 5 September to discuss it in detail. I understand Alan Paul will be away on leave but hope that you would be free to come, perhaps accompanied by Rosalind Marsden. After further amendments in the light of that meeting, the paper can go forward to OD(K). The timing of the next OD(K) meeting has not yet been decided, but it is important to have this paper ready in final form in case a meeting is called at fairly short notice.

Yours ever,

Len

L V APPLEYARD

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Copies to:

Mrs A F Case, Treasury
Mr R J Fries, Home Office
Mr N R Varney, Home Office (Lunar House, Wellesley Road, Croydon)
Mr A R Paul, Foreign and Commonwealth Office
Mr N Bevan, Ministry of Defence
Mr P Kitchen, Department of Transport (Defence Planning and Emergencies Division)
Mrs E Walton, Department of Environment

FOREIGN AFFAIRS

The closing door to sanctuary

Concluding a series of articles on refugees, **Edward Mortimer** asks why the West's humanitarian standards are being eroded

Over the past two months a series of reports in the Financial Times has drawn attention to the growing refugee problem in almost every part of the world. I should like to round off the series with some thoughts about how the West is reacting to that problem. According to Dr Barbara Harrell-Bond, Director of the Refugee Studies Programme at Oxford, refugees face increasing insecurity "as a result of declining standards of humanitarianism throughout the world."

Throughout the world, but especially in that part of it which claims to be the home and champion of human rights. An article in the current issue of the programme's quarterly RPN (Refugee Participation Network – a ghastly name for a useful publication) gives many examples of this galloping trend towards more restrictive practices.

In the summer of 1987 the British Government refused asylum to five Tamils and returned them to Sri Lanka within four days of their arrival. A Home Office minister described their claims as "bogus." At least two of them are believed to have suffered beatings, detention, torture and abduction since their return, and an independent adjudicator has now ruled that the Government acted illegally.

But under new rules, introduced in the same year, asylum seekers can be deported to their country of origin pending the outcome of judicial review. Quite what they are supposed to do if the eventual decision is in their favour but they have, meanwhile, been arrested or killed back home is not clear.

Increasingly governments avoid even considering applications for asylum by simply refusing to admit would-be applicants to the country or by claiming that they have technically not entered it even though geographically they have. France recently deported three Romanians to Austria on these grounds, after holding them in detention near the airport for 12 days; and the US has turned back 18,250 Haitians since 1981 under an interdiction agreement with Haiti, while allowing only four to land and file asylum pleas.

It is claimed claimed that this kind of "non-admission" is not the same as *refoulement* (sending back) of refugees, which is banned under the 1951 United Nations Convention.

Overall statistics are hard to come by, but according to a leaked Home Office document, 35 people were turned back in this way by Britain in just three weeks of May 1988.

Many countries have introduced a two-tier system for processing asylum cases, obliging applicants to prove "credibility" or "eligibility" before their claims can be considered. In Canada, one criterion for this is that the applicant should not have passed through a third country which is considered "safe" – does not practise *refoulement*.

This, in turn, puts pressure on European countries to tighten up their rules. "No country wishes to be seen as safe, since each fears becoming a so-called country of attraction." And in the context of 1992, as European governments seek to relax frontier controls within western Europe, countries with a relatively liberal approach to asylum seekers are under pressure to bring their procedures into line. Thus "restrictionism in any one European country has a domino effect."

'Asylum seekers and refugees in the West are being marginalised and criminalised'

Power to decide who is eligible is increasingly devolved on immigration officers, who have limited background knowledge of conditions in the country of origin, and often make decisions on the basis of cursory interviews conducted through poor interpreters. In some countries, including the UK, asylum seekers can, in theory, be detained indefinitely (although cases are reviewed weekly), and thus enjoy fewer rights than people suspected of criminal offences.

In some countries people are not permitted to work while waiting for a ruling on their status, which can take two years or more. In West Germany the work ban lasts for five years, even if the application is successful.

The proportion of applicants eventually granted refugee status has dropped drastically: from 60 per cent (1983) to just over 30 per cent (1987) in France; from 16 per cent (1984) to 8 per cent (1987) in Switzerland; from 41 per cent (1982) to 8 per cent (1987) in the UK. More and more applicants are now given an *ad hoc* status falling short of full asylum – "tolerance" in Germany, ELR ("exceptional leave to remain") in Britain – which keeps the threat of repatriation hanging over them, requires them to reapply each year, and does not permit families to join them for four years.

Some ethnic groups – Tamils in the UK, Salvadorans in the US, Africans in France – are more or less systematically refused asylum, their parts of the world being defined as ones which do not produce refugees, while others (usually those from communist countries) have much higher approval rates.

By all these methods an increasing number of asylum seekers are forced underground, becoming precisely what the rules are meant to prevent them being: a cheap labour force, easily exploited and easily removed when their labour is no longer required.

"Asylum seekers and refugees in the West," concludes the author, Sally Baden, "are being marginalised and criminalised. They are no longer necessarily able to enjoy protection or basic rights such as employment, education, and freedom of movement."

All this is happening in the West, although only 5 per cent of the 14m have sought asylum there, and although western countries successfully absorbed much larger numbers of refugees from eastern Europe after the Second World War. Clearly, there is a great deal of semiconscious racism involved, but also a lot of genuine suspicion that "fortune-seekers" from the Third World are abusing the right of asylum to slip past the immigration controls.

The case of the Vietnamese boat people has highlighted the difficulty that can arise in distinguishing between genuine refugees and "patterns of migration solely or largely generated by voluntary and self-determined decisions," to quote the editorial in the opening number of the Journal of Refugee Studies, launched last year. No one can imagine that the life the boat people are fleeing from, at terrible risk and towards a very uncertain future, is a picnic. Yet when they recount their individual stories, as some did in John Elliott's article of July 1, it seems almost insulting to suggest that their decision to leave was not "voluntary and self-determined."

Life for most people in the Third World is no picnic. Nothing new about that. What is new is the physical and even more the mental accessibility of Third and First Worlds to each other. Vietnamese people have an idea of what life in the West might be like, and we in the West have an uncomfortable idea of what our life might be like if all the world's resources were shared equitably among its population. Perhaps it is just as well, we think, that most Third World refugees land up in other Third World countries, where, at best, they can expect to share the poverty of their hosts, rather than coming here where we might feel obliged to give them a share of our wealth.

If we are getting gradually more callous in our attitude to Third World refugees, it may be for the same reason that white South Africans get more callous towards blacks, or Israeli Jews towards Palestinians: we see them not as individuals but as representatives of a group whose claims could not be satisfied without the destruction of our way of life.

It is a possible explanation, but not an excuse.

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Monopolies and Mergers Commission makes few new recommendat

Credit cards report faces resis

By David Barchard

CREDIT CARD issuers are expected to mount fierce resistance to one of the main recommendations in the long-awaited report by the Monopolies and Mergers Commission on the UK credit card industry.

The report, to be published today by the Department of Trade and Industry, makes few new recommendations and was handed to the DTI at the end of May after two years' work by the commission. It appears to accept claims by the credit card industry that competitive forces are now operating strongly inside it.

However, credit card issuers are likely to jib at the recommendations that would prevent Visa and MasterCard from writing clauses into their agreements with retailers which restrict shops from accepting cash payments for goods at a lower price than credit card payment.

Petrol retailers are already trying to introduce a system in which payment by credit card would be more expensive than payment by cash. However, banks will put up fierce resistance against any moves of this kind, arguing that they would be anti-competitive and hurt consumers.

The larger credit card issuers will also be disappointed by the failure of the report to recommend formally the introduction of annual charges for credit cards. Several large issuers are believed to be close to announcing charges of between £10 and £15 a year, a move which is expected to be unpopular with card holders.

The report leaves the question of whether or not to introduce credit card charges to "competitive forces" in the market.

The commission also recommends changes in the rules of Visa, the larger of the two main credit card systems, which oblige banks to have several hundred thousand Visa cards issued to customers before they can sign up Visa retail outlets.

This follows a disagreement in the spring between Midland Bank and Visa, when Visa told Midland it had issued too few Visa cards to be allowed to sign up retailers.

Today's report is the second time in a decade that the commission has reported on the industry. Many of the recommendations of an earlier report in 1980 were turned down by the Government.

Credit card issuers have argued for many months that the second investigation was unnecessary because of the

Statistics reveal first GDP fall in four years

By Simon Holberton, Economics Staff

HIGH INTEREST rates and problems with North Sea oil production in the second quarter led to the first fall in UK economic activity for nearly four years, according to government figures published yesterday.

The Central Statistical Office said that its provisional estimate for gross domestic product, as measured by output, in the April-June period was 0.4 per cent lower than in the first quarter of the year. GDP was 1.6 per cent higher than a year earlier.

Excluding oil and gas production – affected by last year's Piper Alpha disaster and other North Sea output problems – GDP showed no growth between the first and second quarters of this year. In the second quarter it was 3.4 per cent higher than in the April-June period of 1988.

Figures for GDP, which measure the total output of goods

Polish Communists prepare for confrontation with Solidarity

By John Lloyd in Warsaw

POLAND'S Communists appear to be preparing for a confrontation with Solidarity as the politburo of the Communists' Polish United Workers Party meets today to decide on its terms for participating in a Solidarity-led coalition.

Political tension is increasing as the economic climate deteriorates. Figures produced yesterday by the government statistical office show industrial production down 5.9 per cent on July 1988, livestock deliveries from farmers down 19.1 per cent, house-building down 11.3 per cent, exports down an unspecified amount but said to be "much lower", and prices 203 per cent higher than last year.

The economic problems are compounded by the wave of strikes, due to be swelled today by medical workers in Warsaw and Poznan, while in the dominant state sector, parliament's refusal to ratify the budget deprived enterprises of funds to give pay rises.

Exports last month were said last night to be "dangerously low," while prices of basic

position and nothing seems to indicate that this present spiral can be stopped . . . an explosion is inevitable."

Senior Communist officials left Warsaw yesterday to plan for the coming days of political bargaining and struggle. However, in a front page statement from the Central Committee, published yesterday in Trybuna Ludu, the party newspaper, the PUWP ranks showed themselves to be angry, bitter and seeking a way, in the words of their First Secretary Mr Mieczyslaw Rakowski, to "strengthen our power in the future."

It seems that the reformist tendency, previously firmly in control, is now under severe attack by those who blame it for having conceded too much in the Round Table talks, botching the June elections and failing to make headway against the country's economic crisis.

The Central Committee statement says starkly that the situation "is becoming more and more dangerous . . . the political destabilisation and

ants and Democrats parties who are faithful to the ideals of the Round Table and the accepted agreements" – a move which would seem to presage an attempt to deprive Mr Mazowiecki of a parliamentary majority. The sejm (lower house) is due to confirm him as Premier tomorrow.

The Central Committee debate on Saturday, at which 28 members spoke, also suggested – according to the party newspaper – that the Communists should seek new allies among coalition party members "to accept the common values of socialism."

At the same time, however, the Central Committee reaffirmed its intention to take part in a coalition – but only on the basis of "accepting the new Government's programmatic platform and political structures which should happen before the sejm accepts the Prime Minister." That either suggests that the Party will attempt to agree a common programme with Solidarity before tomorrow – a practical impossibility – or that it will

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N.0492

MR APPLEYARD

MISC 140: DRAFT PAPER ON CONTINGENCY PLANNING FOR HONG KONG

I submit the draft paper, amended to incorporate your suggestions, together with a draft letter from you to Mr McLaren.

D G MANNING

21 August 1989

Mr Manning 21/VIII Many thanks

Carole The letter can be typed up and sent

COVERING SECRET

SECRET

DRAFT LETTER TO R J T McLAREN ESQ CMG, AUSS, FCO FROM MR L V APPLEYARD

CONTINGENCY PLANNING FOR HONG KONG

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August 1989

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Mr R J Fries, Home Office
Mr N R Varney, Home Office (Lunar House, Wellesley Road, Croydon)
Mr A R Paul, Foreign and Commonwealth Office
Mr N Bevan, Ministry of Defence
Mr P Kitchen, Department of Transport (Defence Planning and Emergencies Division)
Mrs E Walton, Department of Environment

Blind copy Mr Reeve

SECRET