02 October 2008

By e-mail: request-1340-5a744445@whatdotheyknow.com

Dear Dr Kaihsu Tai

Freedom Of Information Request 0604-08

I am writing to confirm that the Foreign and Commonwealth Office (FCO) has now completed its search for the information which you requested on 22 July 2008.

Your request stated:

Could you please provide any correspondence, dating from 1970 to 1984, relating to the decommissioning of the estate of Fort Santo Domingo, Tamsui, Formosa (Taiwan) as a British Consulate.

In particular, I am requesting correspondence on this matter:

2. Between your Office and the authorities with claim of jurisdiction over Taiwan at that time.
3. Between your Office and the Presbyterian Church in Taiwan.

I can confirm the FCO does hold information relevant to your request. The information is in the form of paper hard copies – could you please provide us with your postal address so that they may be sent to you.

We understood your request relates to correspondence on the decommissioning of the estate property, and have therefore chosen material which relates to this. We have redacted information which is not relevant to this request.

Some information has been withheld under section 27(1) (c) of the Act – the interests of the United Kingdom abroad. This exemption requires the application of a public interest test. The effective conduct of international relations depends upon maintaining trust and confidence between Administrations. If the United Kingdom does not maintain this trust and confidence, its ability to protect and promote UK interests through international relations will be hampered.
There is a public interest in transparent and open government, and releasing information that would inform public debate on foreign policy issues. However, we have to balance this with the need for strong trust and co-operation from the countries on a range of issues on the UK’s foreign policy agenda. This relationship of trust allows for the free and frank exchange of information on the understanding that it will be treated in confidence. If the United Kingdom does not respect such confidences, its ability to protect and promote UK interests through international relations will be hampered. Other Governments may be more reluctant to share sensitive information with the UK Government in future and may be less likely to respect confidentiality of information supplied by the UK Government to them, to the detriment of UK interests. For these reasons, we consider that in all the circumstances of the case, the public interest in maintaining this exemption outweighs the public interest in its disclosure.

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If you are unhappy with the service you have received in relation to your request and wish to make a complaint or request a review of our decision, you should write to me.
If you are not content with the outcome of your complaint, you may apply directly to the Information Commissioner for a decision.

Generally, the Information Commissioner cannot make a decision unless you have exhausted the complaints procedure provided by the FCO. The Information Commissioner can be contacted at:

Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Kind Regards,

Patrick Hopkins
Far Eastern Group
I wonder if you have yet heard from the Regional Estate Surveyor Hong Kong regarding the disposal of the Tamsui Consulate? In particular it is not clear from the papers whether his proposed visit has yet taken place. Can you please let me have an up-to-date report on how the matter now stands?

Accommodation & Services Department

cc: [Name], Far Eastern Dept, FCO
BRITISH CONSULATE, TAIWAN

1. We discussed on the telephone the US Embassy's inquiry about what arrangements we were making/wish to make for the custody of the keys of our former Consulate building in Taiwan and the payment of salaries and pensions to former Consulate employees, now that the Americans were no longer able to do this for us. I undertook to minute you about this, to provide a basis for further action (particularly with PSA in Hong Kong). PSD are separately looking at the pensions point. To avoid getting our wires crossed, I should be grateful if any further contacts with the Americans could be through me.

2. I was not previously aware of this general problem, and so may be missing some angles. But the principal points seem to me to be:

   a). the difficulty (if there is one) of fulfilling the functions previously undertaken by the Americans reinforces the urgency of our disposing of the Consulate, which is in any case a deteriorating asset. PSA should be urged again to get on with it;

   b). what will be the point of a PSA visit to Taiwan? Obviously, to look at the state of the building. But in itself that will not get us much further, since it will simply confirm reports already received. Will part of his brief be to establish the market value of our interests (a relevant factor for our considerations of whether it should be sacrificed)? And would authorisation to discuss the question of a sale with the Provincial authorities be helpful? We should need to consider carefully the proprieties and modalities of any contact with official Taiwanese authorities. But presumably there will be a need to consult with them at some time, if we are to ensure that disposal is handled in economically the most effective way; and a working PSA visit could provide an appropriate opportunity;

   c). this could help to clarify Taiwanese views on the registering of the property, and the possibility of a sale to someone other than the 'Republic of China'. At present, we seem to be relying on views expressed by them back in December 1977.

   This would provide the basis for consideration (if necessary) of whether there are politico-legal objections to our selling to the 'Republic of China'. The Legal Advisers in July /1978
1975 saw no legal objection; but FED's gut political reactions at the time seemed to be against.

3. This is all a rather fiddly question, but one which has taken up considerable time of officials over the past years and which cost us money as long as it is unresolved. It has already gone on far too long. If we now all agree to attach some priority to it, it should be possible to resolve it within the fairly near future. I should be happy to attend a meeting, if you felt this would help to get us and PSA on all fours.

4. Incidentally, I note that the methods of paying the 'Consulate staff was raised in a minute to you of 4 October. I should be grateful for confirmation that this has been resolved, and to know how. The same agency possibly might be/has been employed to resolve the keys problem.

16 January, 1980

Far Eastern Department

cc: PSD, CG 405
    , Consular Dep, CL 610
Digest of an internal FCO minute dated 17 January 1980

TAIWAN

1. I had a long and fruitful discussion today with -- of the Anglo Taiwan Trade Committee. Salient points were as follows:

Tamsui Consulate

4. -- had spoken with members of the American Institute in Taiwan (AIT) they had all told him that with the status of the AIT in some doubt - it being neither embassy nor yet Trade Centre – that it had been decided that the AIT could no longer be responsible for the security of the Tamsui buildings nor for the payment of salaries to the residual staff.

AIT was annoyed at the FCO for the slowness of its response to previous American intimations that these were unhappy with their continued responsibility for the buildings and caretakers, and that a ‘blunt telegram’ was being sent to the American Embassy in London to terminate the arrangement.

5. -- said further that a member of the ATTC Committee had received a suggestion from a group of Taiwanese businessmen that they might like to buy the buildings and convert them into a business club. He pointed that the buildings were in an atrocious state of repair and that Tamsui had a notoriously dangerous road, all of which led him to doubt the sincerity of the businessmen’s interest. I commented that, as we were not considering even the possibility of selling the buildings to the Taiwanese authorities, a sale to private individuals would clearly be an interesting alternative, and asked him to furnish me with the names of these businessmen if possible. -- stressed that he did not wish the ATTC to become involved in this deal if it ever took off, but said that he would see what he can do.
1. You asked about this.

2. In 1867 HMG obtained a lease from the Taiwan Provincial Authorities on behalf of the Emperor of China for the Fort San Domingo and surrounding land at Tamsui on Taiwan. It seems this lease was granted in perpetuity with the proviso that the property be returned to the Chinese Government should it be no longer required for diplomatic purposes. (I am still trying to get hold of a copy of the lease to confirm that this is so). In 1891 the British Government built a house and other buildings on the site. An exchange of notes with the occupying Japanese Government in 1937 established that we have a claim to the title of the land but do not own it as we did not register the title. By virtue of the 1867 lease and some correspondence in 1950 with the Authorities in Taiwan, the UK has a leasehold interest in the buildings on the land but as we did not register that interest in 1950 when we had an opportunity to do so, this ranks as an equitable interest only and is not something we can sell.

3. Under the terms of the 1972 Agreement with China on the exchange of Ambassadors the Consulate was closed down. A staff of one caretaker and two watchmen were left to protect the buildings from vandalism. The two watchmen are paid at present NT$6,000 per month while it appears that the caretaker is unpaid, but is accommodated in three rooms in the Consulate cellar. The records of FSA Hong Kong show that he was given a gratuity when the Consulate was closed down.

4. A decision taken in principle in July 1973 to retain the Consulate buildings was reversed in 1974. It was agreed that we should discuss with the DOE the best method of registering our title with the town Authorities as a first step to selling the property, and that, if registration proved impossible, we should attempt to sell such (defective) rights as we had in regard to the land and the buildings. The initial step to dispose of the property was made through the US Embassy in Taiwan to the Nationalist Authorities there who said that a lawyer should be appointed by HMG to negotiate with the Taiwan Provincial Government as owner of the land. Power of attorney from the Secretary of State for the Environment was granted on 19 March 1976 to the former Honorary Legal Adviser of the Consulate, [Name]. He subsequently had several conversations with the Authorities, but it proved impossible to register the title, and we were informed that the sale of our equitable interest to a third party was not possible. At the end of December 1977 the Nationalist Authorities said that the sale would have to be to and in the name of the "Republic of China".
5. FED, with this in mind, recommended in a draft submission in June 1978 that the Authorities in Taiwan be informed, via the US Embassy, that we were abandoning all further interest in the Consulate, and that we should pay off the staff. Legal Advisers, however, commented in a minute of 3 July to that conveyance to the "Republic of China" could not possibly be said to imply any kind of recognition. They recommended that we should therefore sell our equitable interest in Tamsui to the Nationalist Government rather than abandon the sum of money which was on offer. The Department included its view that such a sale, whatever the legal niceties, would be politically unacceptable. The submission, however, does not seem to have got any further than draft form.

6. In July 1978 of this Department was approached by a of the Tamsui Oxford College, at present accommodated in buildings next to the ex-Consulate. was keen to acquire the Consulate buildings as the Oxford College was now overcrowded. It was agreed that approach the Taiwanese Authorities with this idea, keeping informed of progress. This idea, too, seems to have run into the sand. In a letter of 24 September 1979 of the DOT mentioned that a of Stone Platt Industries had been approached in Taiwan with the idea that the Consulate buildings would make an ideal country club to which wealthy Taiwanese and others would be glad to become members. A consortium of Taiwanese businessmen were apparently ready to put up the necessary money, provided they could get the permission to use the building. (This point was put to me again by of the ATTC when I spoke to him yesterday).

7. of the US Embassy telephoned on 2 January this year to say that the Embassy had received a telegram from Washington instructing them to enquire what arrangements we wished to make for the protection of British interests in Taiwan now that the US no longer carried out this function. stressed that there was no hurry but that we would need to give a response in due course.

8. We have been pressing PSA Hong Kong via ASD to take some action to resolve this long-standing problem. They said some time ago that they would visit the Consulate. The latest news on this front is a minute of 3 January to PSA in which he points out that it is not even clear whether the visit has yet taken place. minuted to on 16 January that the proposed Hong Kong PSA visit would not in itself resolve the question.

9. We need to decide as soon as possible whether we are going to attempt to sell our equitable interest in the Tamsui buildings back to the: "Republic of China", or abandon this interest and pull out as quietly as possible. It seems unlikely that sale to a third party would be possible, unless it was conducted through the Nationalist Authorities (in which case the attractions of such a sale are clearly greatly diminished). In view of Legal Adviser's opinion of July 1978, my view is that we should attempt to retrieve what money we can from this sorry affair. There can be no doubt that the Nationalist Authorities will attempt to make some political capital out of this, but the ATTC have told me that they would be /ready
ready to impress upon the relevant Authorities in Taibei that we would not want the sale to publicised. (When the ATTC office itself was opened they made such approaches with the result that, while the event was mentioned in scattered paragraphs throughout the Taiwanese press, it was kept well out of the headlines). If you agree, I should like to contact PSA to arrange with them that the delegation to Taiwan - if it has not gone and returned - be authorised to open preliminary negotiations with Taibei.

10. It is doubtful whether such negotiations could reach a quick conclusion. In the meantime there remains the problem of the Tamsui staff salaries. I assume that the Americans are no longer prepared to pay them. It seems to me that the best we can do here is to arrange for them to be paid direct from PSA Hong Kong until such time as we finally dispose of the Consulate and pay off the remaining staff with a gratuity. If you see no objection, I should like to discuss this possibility with PSA.

18 January 1980

Far Eastern Department
K251 233 5582
1. As you know, the consulate at Tamsui was closed under the terms of our exchange of ambassadors with China in 1972. The old Dutch fort and the land on which it stands had been granted to Britain in perpetuity in 1867, (with the proviso that they be returned to the Chinese Government if they were no longer required for diplomatic purposes), and another house was built on the site at HMG expense in 1891.

2. For a variety of reasons there has been delay in disposing of the property. The UK still holds the lease and, although all expatriate staff left in 1972, 3 locally engaged Chinese still occupy the building as watchmen and caretakers.

3. It is now 8 years since the consulate was closed, and we are keen to finally dispose of the land and the buildings which are deteriorating, and pay off the remaining staff. If possible, we should like to retrieve our equitable interest represented by the 1891 buildings, worth an estimated Pounds, 25,000. It seems after lengthy consultations that the only way we could do this would be through a sale to the nationalist authorities. Legal advisers have said that 'conveyance to the 'Republic of China' could not possibly be said to imply any kind of recognition'. FED's view has been that, notwithstanding this advice, such a sale would be politically unacceptable. The alternative is simply to renounce all claim to the property. We are now, however, seriously considering changing this view and asking PSA in Hong Kong to visit Taiwan to open negotiations with the authorities at Taibei with a view to selling our interest. We would be prepared to defend to the Chinese (if they queried it) any decision to proceed with such a sale as the only practical way to rid ourselves of the property. Indeed, the
CHINESE MIGHT WELL BE SURPRISED TO HEAR THAT WE STILL HOLD IT 8 YEARS AFTER THE DEPARTURE OF OUR LAST CONSUL. WE SHOULD ALSO MAKE CLEAR TO THE TAIWANESE THAT IF THEY ATTEMPTED TO EMBARRASS US POLITICALLY (EG BY SEEKING TO PERSUADE OTHERS THAT SUCH A SALE CONSTITUTED HMG RECOGNITION OF TAIBEI), WE SHOULD BE OBLIGED TO PUT THE RECORD STRAIGHT.

5. GRATEFUL FOR YOUR VIEWS.

SIGNED
TRANSLATION

Ref: Wai (69) Europèl 02713          Date: 8 February 1980

To: Equitable Law Office

From: Ministry of Foreign Affairs

Subject: Disposition - Former British Tamsui Consulate Structures

1. This is in response to your letter Ref. 68JK/TL 180 dated 17 April 1979.

2. The land on which the former British Tamsui Consulate stands being State property, the Government has decided to terminate the permanent lease therefor and withdraw the land, effective this date. Please advise the British side to discuss with our side the amount of compensation payable for the consulate structures not later than 30 June 1980, failing which our side will make an appraisal and the balance of the compensation, after deduction of rentals due and unpaid, will be placed in safekeeping for the British.

3. The Government does not agree to the proposition that the British side is prepared to accept a lease of the said consulate structures, or sale thereof at a price, to the Tamsui Oxford College.

Minister
TAMSIUI CONSULATE

1. Could I enlist your help to establish what exactly PSA Hong Kong are up to in relation to the Tamsui Consulate? We have seen, and are rather puzzled by, telegram of 12 February (copy enclosed). No-one in London appears to have much idea of where PSA now are in disposing of the property. Has anyone visited Taiwan?

2. We had thought that attempts to sell the Tamsui buildings to Oxford College had been abandoned because of the clause in the original lease specifying that the Consulate had to be returned to the Chinese Government when it was no longer required for diplomatic purposes. It seems, however, that this option is still being actively pursued.

3. As you will gather from the enclosed copy of a teleletter from he is concerned at the implications of our suggestion that PSA might negotiate with the Taiwan authorities. We in this department are not reneging on our general policy when we suggest that PSA officials might have dealings with Taiwanese officials. Our sole concern is to get shot of the Consulate as soon as possible. But we also believe that it is worth trying to retrieve what money we can from the whole sorry business.

Eight years of pussyfooting around have left us precisely where we were on 13 March 1972. If the only solution is for PSA officials to deal with Taiwan officials then we are prepared to sanction this as an exception. But we really need a full report on the present position, and if this can be managed, fairly soon.

4. Incidentally, while we respect the infallible theology of last sentence, we do not intend to take up the suggestion.
FM PEKING 14:3802Z FEB 30
TO ROUTINE FCC
TELEGRAM NUMBER 135 OF 14 FEBRUARY 30
INFO ROUTINE HONG KONG (PSA AND POLITICAL ADVISER)
PSA HONG KONG TELNO 03 OF 12 FEBRUARY: TAMSUI CONSULATE

1. WE DO NOT APPEAR TO HAVE SEEN ALL THE CORRESPONDENCE.
   BUT IT FOLLOWS FROM TELELETTER OF 6 FEBRUARY TO
   DA’IES, FED (NOW BEING COPIED TO PSA AND PA HONG KONG) THAT
   WE WOULD FAVOUR AN INFORMAL RESOLUTION OF THE PROBLEM THROUGH
   INTERMEDIARIES.

2. WE WERE HOWEVER MYSTIFIED BY THE REFERENCE TO AN
   "HONORARY CONSUL" IN TAMSUI. WHO IS THIS? WE ASSUME THAT
   ANYONE NEGOTIATING ON OUR BEHALF WILL BE DOING SO IN A TOTALLY
   UNOFFICIAL CAPACITY, AND WITHOUT FORMAL CONTACT WITH THE
   TAIWAN AUTHORITIES.
GRS 104

PM FCO 151230Z FEB 80
TO ROUTINE HONG KONG
TELEGRAH NUMBER 153 OF 15 FEBRUARY
INFO PEKING
FOR POLITICAL ADVISER AND PSA
PEKING TEL KO 135: TAMSUI CONSULATE

1. WE ASSUME THAT BY HONORARY CONSUL PSA MEAN THE FORMER
CONSULATE'S HONORARY LEGAL ADVISER.

2. THIS APART, GRATEFUL FOR FULLEST POSSIBLE ACCOUNT BY BAG OF
WHAT PSA HONG KONG ARE DOING IN RELATION TO THE CONSULATE. WE
WOULD BE MORE THAN GLAD IF DISPOSAL OF THE PROPERTY COULD BE
EFFECTED WITHOUT RECURS TO DIRECT CONTACT WITH TAIWAN
OFFICIALS. BUT OUR MAIN CONCERN NOW IS TO GET SHOT OF THE
PROPERTY.
TAMSTJI CONSULATE

I refer to your teletesetter to Head of Chancery, Peking and to your TEL NO 153 of 15 February.

Paragraph 3 of the former suggests that we now seek to recoup our equitable interest in the building, estimated at £25,000 which figure appears to be a compromise between our last reported figure of NT $1 million (£10,000) or NT $4 million (£40,000), unfortunately neither of these figures reflects the true value of the property which can only be determined once we resolve the title problem.

The Taiwanese Government's view on title was reported to DEMOS and PGO in December 1977 by the Honorary Legal Adviser, who advised that the Government had no objections to our disposing of the premises but they could only be sold to the Government of the Republic of China which I understand is, and always has been, unacceptable to HMG.

In the face of this impasse, we have been endeavouring to determine how we could effect a disposal to the adjoining proprietors, namely the Tamsui Oxford College who have since 1972 expressed a continuing interest in the property.

The proposition placed before our Honorary Legal Adviser, is that we lease the property to the College on a full repairing and insuring lease in terms of which the College accept the premises as they stand, make good all damage and thereafter make use of same in a manner consistent with its scheduling as an "historic building".

This proposal has been discussed and accepted by the College who have also agreed to take over responsibility for our caretaking staff.

The latest information we have to date, i.e. late January, is that the proposal to lease to the College has also fallen foul of the Government, on the basis that the land on which the Consulate is situated, is the property of the Government and only they can grant leases.

In the face of this rather intransient attitude the following suggestion has been made by the College:

(1) HMG contributes the former Consulate to the Oxford College as a gift, the College in turn, pays HMG the value of the property. On payment, it would...
not be possible for the College to pay from Taiwan but as the College, and in fact the parent body, The Presbyterian Church in Taiwan, are supported by Missions outwith Taiwan, the Missions would pay HMG. The College would then own the building and could settle the land issue with the Government in their own time.

(2) The College would undertake to pay the wages of the two Gardeners and a reasonable salary to the Caretaker. The College would undertake all repairs to the premises on the understanding that the premises will be let/sold to the College.

I would not recommend a disposal to the College in the manner suggested, but the proposal does follow quite closely a recommendation made by [redacted] at the outset of the disposal exercise on 16 May 1973.

(1) That we turn the property over to the US Embassy "for holding under trust", with the understanding that they will use it either as an Ambassador's Residence or a summer resort.

I appreciate that there is no US Embassy in Taiwan and therefore strictly in terms of the lease we can not establish a Consular activity, but as there has been no such user since 1973, will the Taiwanese authorities object to the use of the premises by a third party i.e. the College? If we can preserve HMG's interest in the premises, then I think not, apparently legally we may not have the power to sub-lease but if as Dr. Twamoh suggests, we have the right to turn the property over to a third party "to hold in trust" until such times as it is required by HMG, then perhaps this may well prove acceptable to the Taiwanese authorities.

To my mind the following criteria will have to be observed:

(1) If due to title difficulties we are being prevented from disposing of the premises then we must seek to reduce HMG expenditure and future liabilities as far as possible until the problem is resolved.

(2) As the Consulate is an "historic building" steps must be taken to bring it into use as soon as possible in order that HMG is not, as is the present position, being criticised for allowing the premises to fall into disrepair, and further, facing the prospect of a delapidations claim and thereafter having to make good the premises at HMG's expense.

(3) That any action now taken ensures that HMG retains control over the premises and will be in a position to dispose of the premises when circumstances allow.

My office has been given authority to visit Taiwan to attempt to resolve the problem. I do not believe that such a visit would be productive at the present time. I have no wish to involve the Taiwanese Government in direct negotiations but am merely seeking to devise a formula which will enable the premises to be brought into use by the College and still leave HMG to dispose of the premises at market value at some future date.
I would recommend therefore that approval be given to my continuing our efforts through [REDACTED], the Honorary Legal Adviser, to dispose of the property to the Oxford College on the lines suggested.

Yours sincerely,

[REDACTED]

Regional Estate Surveyor.

c.c. [REDACTED], H of C, Peking
     Supt. ES
     Esq. DEMOS 1
     Political Adviser, Hong Kong
TAMSUI CONSULATE

1. I attach a long and discursive letter from PSA Hong Kong in answer to my request for a statement of the present position.

2. This letter reinforces me in my belief that we should now give PSA authority to instruct to arrange a conveyance of the property to the "Government of the Republic of China". Legal advisers say that this would not imply recognition.

3. The alternatives contemplated by PSA all appear to involve some open-ended residual claim or responsibility for the property. I am sure that we should try to rid ourselves of it now. If you agree, I will draft appropriate instructions.

7 March 1980

Far Eastern Department
K258 233 5963
NO/FO 015/19

TO: DOE

TELEGRAM NUMBER LON-38 OF 19 MARCH
INFO FCO

FOR BOYLE
INFO JENKINS DEMOS
INFO TOWCEY A AND S D
FROM WATSON

TAMPSI CONSULATE, YR CRY 3138 REFERS.

THE LOCAL PAPER CARRIES REPORT THAT GRINDLAYS BANK G B ARE TO SET UP A BRANCH IN TAIWAN IN MAY. WOULD THERE BE ANY OBJECTIONS TO THE SOUNDING OUT OF GRINDLAYS TO SEE WHETHER THIS PROPERTY IS OF INTEREST TO THEM AND IF NOT NOW THAT THE AMERICAN CONSULATE IS CLOSED APPOINTING THEM TRUSTEES TO ADMINISTER OUR PROPERTY.
1. Thank you for your letter FTA1 ODC of 25 February, which helpfully explained the present position and your proposal for future action. I have also seen [redacted] teleletter 021/10 of 7 March.

2. This department have once again examined all the options and the conclusion is that our primary objective is to rid ourselves finally and irrevocably of the property. It is now over 8 years since the decision to withdraw the Consul. It was implicit in that decision that we should be seen by the Chinese Government to reject any intention of ever reopening a Consulate there; it is inconsistent with that decision that we should continue to maintain any claim to the Consulate property. For this reason we see no attraction in any of the courses you suggest involving the 'holding in trust' by the Oxford College 'until such time as it is required by HMG' or leaving 'HMG to dispose of the premises at market value at some future date'. Any of these courses leave us with an open-ended commitment and a residual claim to the property, which we regard as politically unacceptable.

3. You and [redacted] appear to have examined all the alternatives. It seems that the only way in which we can dispose of the premises is by selling them to the 'Republic of China'. Legal advice here is that such a conveyance could not be held to constitute recognition of the Nationalist authorities. The political view in this department has been that we could nevertheless not permit such a conveyance. I must record that we have recently altered that view since our prime concern now is to rid ourselves as rapidly as possible of a time - (and money-) consuming and potentially embarrassing encumbrance. We are therefore prepared to sanction a sale to the 'Republic of China' and would be grateful if you could set this in hand through [redacted].

The value of the property is clearly for negotiation and it is certainly not for this department to suggest a price.
(pace para 2 of your letter). Our thought was simply that there was no advantage in giving the property away, if there were some chance of recouping a little.

4. As you know we agreed last summer (copies of authority are being sent with this letter to ...) that should you wish to send someone to Taiwan to confirm the state of the buildings we would have no objection to a visit which did not involve contact with Taiwan officialdom. I note that you do not believe that such a visit would be productive at the present time; it may be that in view of the new position outlined above you will revise your opinion. Our Embassy in Peking are concerned about the implications of a visit by a British official to Taiwan. Might I suggest that you send a senior locally-engaged member of your staff such as ...(whom I knew in Singapore). He would be inconspicuous, could liaise with ..., and could now have our blessing for low-level meetings with Taiwan officials to sort the problem out. We cannot believe that the Chinese Government could object to such action. I am however copying this letter to ..., in Peking, and would be grateful if he could now confirm (and in any case before you take action on this letter) that he can live with the line proposed.

5. Incidentally despite exhaustive searches we cannot now lay hands on a copy of the original lease to the land. If you have a copy we should be glad to have one.
TAMSUI CONSULATE, TAIWAN

1. A signal (reference 28 of 19 March) was copied to you for information by our Hong Kong Estate Surveyor. It concerned a newspaper report that Grindlays Bank are to set up a branch in Taiwan in May and our Far East office would like to know whether there would be any objection to their sound out the bank to find out if our property would be of interest to them.

2. Our Hong Kong office also ask if there is any possibility of appointing Grindlays as trustees to administer our property. As the problem of HMG property is a very sensitive matter, we feel that before we can consider these items further, we need to have your views and those of our Political Department and would be grateful if you would arrange for these to be sought.

Yours
TAMSUI CONSULATE

1. You may be as surprised as I was when I returned to this department in September to learn that we have still not finally disposed of the Tamsui Consulate property. The last Consul was withdrawn on 13 March 1972, over 8 years ago.

2. There is complication over our title to the property. We were granted a lease in 1867 over the land and the old Dutch Fort for as long as we required it 'for diplomatic or consular use', the title to revert to the Government of China when we no longer had such need of it. We built another building on the land in 1891 and it is to this building alone that we now appear to have any equitable title. This should be worth a certain amount, possibly between £10,000 and £40,000. Since withdrawal of the Consul, desultory discussion on disposal of the property has continued. The Americans kept an eye on it for us. But it is now deteriorating badly as has been confirmed following a visit there by the (retired) former Consul last summer. It is a drain on public funds since we still support two caretakers. There is no foreseeable prospect of HMG requiring the property again.

It is true that the Anglo-Taiwan Trade Committee (ATTC) could theoretically take it over on a caretaker basis (after all the Americans still use their former Embassy building for their unofficial mission). But even if the ATTC wanted it, which they don't, I cannot see how this could be squared with the terms of the Lease.

3. In order to rid ourselves of this encumbrance there is apparently no alternative which the Taiwan authorities will accept but the conveyance of the property to the 'Government of China' ie in this instance, to the Nationalist authorities. Legal advice is that this does not imply recognition. Despite this advice FED has in the past nevertheless maintained that it would be politically unacceptable. I do not share that view, believing that our continued claim to the property is politically even more unacceptable. I therefore propose to write in terms of the attached draft in response to that of PSA Hong Kong's letter of 25 February.

/4.
4. The Embassy in Peking have already commented on this once (teleletter of 6 February) and I am proposing to give them a second chance to comment before PSA take action. I should be grateful for your agreement to the course proposed, which has been cleared with A&SD and DEMOS, Croydon.

1 April 1980

Far Eastern Department
TAMSUI CONSULATE

1. Letter FTA1 ODC of 25 February helpfully explained the present position on the Tamsui Consulate and his proposals for future action.

2. There are theoretically several options:
   a) to hang on to the property on the assumption that we shall be willing and able to use it again one day;
   b) to try to dispose of it, (inescapably on some basis acceptable to the local authorities) to eg the Oxford College;
   c) to dispose of it to the local authorities, endeavouring if possible to extract some financial return;
   d) to return it to the Government of China (in Peking) as the terms of the lease require;
   e) to walk away from it, by simply renouncing all claim (but this can probably not be squared with the lease).

There may be others. You may have ideas. Before we pursue this further I should welcome your comments because there remain differences of view here. My own feeling is that we should try to solve the problem once and for all. We have enough untidy pieces of business to cope with in FED without continuing to hang this particular albatross around our necks. I therefore favour a final disposal of the property, which I fear implies following course c) above.

3. It is now over 8 years since the decision to withdraw the Consul. It was implicit in that decision that we should be seen by the Chinese Government to reject any intention of ever re-opening a Consulate there; it is inconsistent with that decision that we should continue to maintain any claim to the Consulate property.

/For this
For this reason I see no attraction in any of the courses suggested by involving the 'holding in trust' by Oxford College until such time as it is required by HMG or leaving 'HMG to dispose of the premises at market value at some future date'. Any of these courses (effectively a) and b) of my para 2 above) leave us with an open-ended commitment and a residual claim to the property which I would regard as politically unacceptable.

4. Course d) is the one you mentioned in the last sentence of your teleletter of 6 February. On a strictly legal interpretation it has its attractions, but it would hardly solve our problem. If the Taiwan authorities learnt that we had 'returned' the property to the Peking Government we could not expect much sympathy from them. They might then expropriate the property (which admittedly could suit us) but they could also be gratuitously offended at a time when as you know we are keen to expand our trade with Taiwan.

5. and appear to have examined all the alternatives. It seems that the only way in which we can get rid of the premises is by disposing of them to the 'Republic of China'. Legal advice here is that such a conveyance could not be held to constitute recognition of the Nationalist authorities. I enclose minute of 3 July 1978. The political view in this department has been that we could nevertheless not permit such a conveyance. As I have suggested in previous correspondence, I am not convinced that we are right to be so restrictive; I believe that such a course is the lesser of two evils and that our continued claim to the property is politically even more unacceptable. Given the Legal Advisers' advice, my inclination would be to ask PSA to set in hand the disposal of the property to the 'Republic of China' through . Frankly I see no alternative but I should be grateful for your comments.

6. The major problem is the complication over our title to the property. We were granted a lease in 1867 over the land and the old Dutch fort for as long as we required it 'for diplomatic and consular use', the title to revert to the Government of China when we no longer had such need of it. We built another building on the land in 1891 and it is to this building alone that we now appear to have any equitable title. There is no foreseeable prospect of HMG requiring the property again.

In any case it is debatable whether the property is in the right position for any future use. Tamsui is some way from the centre of Taipei. Nor does there appear to be any realistic chance /that the
that the Anglo-Taiwan Trade Committee (ATTC) could take over the property on a caretaker basis on the pattern of the American Embassy, which has been 'converted' into their unofficial mission. Even if the ATTC wanted the Consulate which they apparently do not, I cannot see how this could be squared with the terms of the lease. In any case you may feel, as I do, that if the ATTC were to take up residence in the Consulate such a return of the British presence might well stick in the Chinese gullet. It may be therefore that we should instruct PSA to pursue the line that they are at present following, i.e. to continue their efforts through to dispose of the property to the Oxford College. It is arguable that as a lawyer should be able to devise some formula acceptable to all sides. My own view however is that, even if achievable, such a course merely puts off the day of reckoning. I would like to see us make a clean breast of the whole thing as soon as possible. This is not however a view universally shared here; some believe that we should be more cautious. On the basis of previous correspondence I judge that you would share their caution. The purpose of this letter, therefore, is to explain perhaps rather more fully than we have in the past the argumentation behind my wish to get rid of the property. If you think on reflection that you could live with the solution I propose I should be grateful if you could let me know. If not, we must all resign ourselves to seeing this question lingering on in some form indefinitely.

7. Incidentally, with reference to your teletype letter 021/10 of 7 March, you should know that FED agreed last summer (copies of authority enclosed) that should the PSA wish to send someone to Taiwan to confirm the state of the buildings we would have no objection to a visit which did not involve contact with Taiwan officialdom. I note that Watson does not believe that such a visit would be productive at the present time; it may nevertheless be that such a visit would be useful if it is agreed that we should dispose of the property finally. It seems to me that a visit by a senior locally-engaged member of the PSA staff could pass off without comment. I have a good candidate in mind (subject to views) whom I knew in Singapore but who is now in Hong Kong. He would be inconspicuous, could liaise with Dr Twanmoh and could have our blessing for low-level meetings with Taiwan officials to sort the problem out. We cannot believe that the Chinese Government could object to such action. You will no doubt wish to comment on this proposal too.

8. You will be interested to know that Tom Duffy, our last Consul in Tamsui, who has since been a fairly regular visitor to the island has now retired and proposes to live in Tamsui. We have told him that we could not agree to his suggestion that he live in the Consulate on a caretaker basis, but he may be able to help the PSA with advice if appropriate.

Yours,

Far Eastern Department

PA/Hong Kong
TAMSUI CONSULATE

1. (US Embassy) telephoned me on instructions from Washington about the arrangements whereby the US Government through the American Institute in Taiwan pays wages, upkeep bills etc on our old Consulate building.

2. This approach arose from an auditing of the appropriate account in Washington, and that under the Alien Representation Act any institution, such as the American Institute on our behalf, which acted for a foreign government in any way was required to register as an agent of that government. The US Government was therefore keen to terminate the account.

3. I said that we were now taking steps designed to get the Consulate off our books, and therefore I hoped that both our and the US Government's responsibilities relating to this property would soon disappear. I could not predict how long this would take, as we had no experience of the problems which might arise. It would not be a matter of weeks. But I hoped it might be months rather than years. In the meantime, we should be grateful if our existing funding arrangements with the US Government could continue, on the understanding that we were taking steps to resolve the problem, and that we would let the US Government know if it seemed unlikely that these would be successful.

5. was quite content with this. He doubted if Washington would press for termination of the account but could not be sure of this. I should therefore be grateful if you would establish from ASD (who may have to contact Hong Kong) how difficult it would be for us to make alternative arrangements if the Americans come back to us, so that we can offer an appropriate amount of resistance to any pressure from them for termination.

24 April 1980

Far Eastern Department
K255 233 5539

cc: Chanceries: Washington Peking
1. ON MAY 15, THE ENGLISH LANGUAGE CHINA POST PUBLISHED AN ARTICLE BY TYSON CHANG REPORTING MOVES BY TAIWAN AUTHORITIES TO TAKE POSSESSION OF THE FORMER BRITISH CONSULATE AT TAMSUI. THE CHANG ARTICLE MENTIONED THAT THE SITE "IS NOW UNDER THE MANDATE OF THE AMERICAN INSTITUTE IN TAIWAN", AND STATED THAT "MOFA TOLD THE BRITISH GOVERNMENT THAT JUNE 30 WILL BE THE DEADLINE FOR IT TO OFFER ITS CONDITIONS." OTHERWISE, THE CHINESE GOVERNMENT WILL ESTIMATE THE PROPERTY IN ITS OWN WAY AND KEEP THE REIMBURSEMENT FOR THE BRITISH GOVERNMENT. THE TWO GOVERNMENTS HAVE NO DIPLOMATIC RELATIONS.

2. HAS WASHINGTON HEARD ANYTHING FROM THE U.K. ON THIS SUBJECT?
FM PSA HONG KONG 1983052 MAY 80
TO ROUTINE DOE LONDON
TELEGRAM NUMBER LCN-54 OF 19 MAY
INFO F C O (A AND SD, F E D) PEKING

FOR \& THE DEMOS FROM \& INFO \& CMM \&
AND \& PD REF TAMSUI YOUR CRY 4811 OF 24 APRIL REFERS CMM
FOLLOWING IS TEXT OF LETTER RECEIVED BY OUR LEGAL REPRESENTATIVE
CMM QUOTE CLM THE LAND OF WHICH THE FORMER BRITISH TAMSUI
CONSULATE STANDS BEING STATE PROPERTY CMM THE GOVERNMENT HAS
DECIDED TO TERMINATE THE PERMANENT LEASE THEREFORE AND WITHDRAW
THE LAND CMM EFFECTIVE THIS DATE PD PLEASE ADVISE THE BRITISH
SIDE TO DISCUSS WITH OUR SIDE THE AMOUNT OF COMPENSATION PAYABLE
FOR THE CONSULATE STRUCTURES NO LATER THAN 30 JUNE 80 CMM FAILING
WHICH OUR SIDE WILL MAKE AN APPRAISAL AND THE BALANCE OF THE
COMPENSATION CMM AFTER DEDUCTION OF RENTALS DUE AND UNPAID CMM
WILL BE PLACED IN SAFEKEEPING FOR THE BRITISH PD THE GOVERNMENT
DOES NOT AGREE TO THE PROPOSITION THAT THE BRITISH SIDE IS
PREPARED TO ACCEPT A LEASE OF THE SAID CONSULATE STRUCTURES CMM
OR SALE THEREOF AT A PRICE CMM TO THE TAMSUI OXFORD COLLEGE PD
UNQUOTE PD DO I HAVE AUTHORITY TO CONFIRM OUR SURRENDER OF THE
LEASE AND NEGOTIATE COMPENSATION DUE CMM INSTRUCTION PLEASE PD
FOR \& AND COPY OF 1867 LEASE IN BAG PD

FILES

KOPIESTO:

LONDON

THIS TELEGRAM
WAS NOT ADVANCED
FOLLOWING FOR HONG KONG (FOR POLITICAL ADVISER)

TAMSUI CONSULATE

1. DOES NOT SAY WHO SENT THE LETTER. BUT THE FACT THAT IT REFERS TO THE BRITISH SIDE WOULD APPEAR TO INDICATE THAT THE TAIWANESE AUTHORITIES ARE PREPARED TO ACT DISCREETLY. ON THE OTHER HAND, WE GATHER FROM THE AMERICAN EMBASSY THAT THERE MAY HAVE BEEN A REPORT IN THE TAIWANESE PRESS TO THE EFFECT THAT THE SALE OF THE CONSULATE HAS ALREADY TAKEN PLACE.

2. IN THE CIRCUMSTANCES WE SEE LITTLE ALTERNATIVE TO PURSUING COURSE (C) IN YOUR LETTER, WHICH MEANS IN EFFECT ACCEPTING A FAIT ACCOMPLI. ASSUMING THAT THE AMOUNT AT STAKE IS NOT MUCH THERE WOULD BE SOME MERIT IN SIMPLY TAKING WHAT THE TAIWANESE ARE PREPARED TO PAY (IE NOT DISCUSSING THE AMOUNT OF COMPENSATION). IN ANY CASE IT WOULD BE BEST (FOLLOWING SUGGESTION IN HER LETTER OF 13 JULY 1979 TO FOR ANY CONTACTS TO BE FORMALLY SPEAKING WITH THE PROVINCIAL AUTHORITIES.
FOLLOWING THE PRESS STORY REPORTED REF A ABOUT THE FORMER BRITISH CONSULATE IN TAMPSUI, OTHER STORIES HAVE APPEARED IN THE CHINESE PRESS AS PART OF AN APPARENT CAMPAIGN TO HAVE THE LOCAL AUTHORITIES TAKE OVER THE PROPERTY. "CHUNG KUO SHIH PAO" (CHINA TIMES) REPORTED MONDAY THAT THE AUTHORITIES HAVE TAKEN BACK THE FORMER CONSULATE BUILDING AND GIVEN THE BRITISH UNTIL JUNE 30 TO NEGOTIATE ON "REIMBURSEMENT PROBLEMS." THIS POSITION WAS REPORTEDLY CONVEYED BY THE FOREIGN MINISTRY TO LONDON IN A FEBRUARY 8 LETTER TO AN ATTORNEY.

REPORTERS HAVE ASKED AIT WHETHER WE ARE THE APPROPRIATE ORGANIZATION TO ASK FOR PERMISSION TO VISIT THE FORMER CONSULATE BUILDING. THEY STATED THAT THE CARETAKER TOLD THEM THEY SHOULD ASK AIT, WHICH REPRESENTS THE "PROTECTING POWER".

WE WOULD APPRECIATE GUIDANCE ON HOW TO RESPOND TO THESE QUERIES.
0 221352 MAY 80
FM SECSTATE WASHDC
TO AMEMBASSY LONDON IMMEDIATE 0431
BT
LIMITED OFFICIAL USE STATE 134274

22 MAY 80
TOR: 1415
CN: 31753
CHRG: STA
ACTION: POL 25/GB

E.O. 12065: N/A
TAGS: PEPR PDIP TW UK
SUBJECT: BRITISH GOVERNMENT PROPERTY IN TAIWAN

IMMEDIATE

REFERENCE: A) TAIPEI 2584, B) TAIPEI 2454, C) LONDON 9091

ACTION OFFICE NOTIFIED

1. IF YOU HAVE NOT ALREADY DONE SO, PLEASE PASS INFORMATION IN REFS A AND B TO FOREIGN OFFICE. PLEASE CONVEY TO THEM THE AWKWARDNESS OF THE CURRENT SITUATION, AND THE IMPORTANCE OF THEIR TAKING POSITIVE ACTION SOON.

SPECIFICALLY, AIT/TAIPEI NEEDS TO KNOW ASAP TO WHOM THEY SHOULD TURN OVER THE KEYS AND THE VESTIGIAL RESPONSIBILITY FOR THE TAMSUI PROPERTY;

LIMITED OFFICIAL USE

Please get me

REFS a + b. Should be
in vault in Taiwan.
Far Eastern Department
Foreign & Commonwealth Office
London SE1A 2AH
England

Date 27 May 1980

Further to my letter of 19 May, I am enclosing photocopied of two items which appeared in the China Post on Wednesday 14 May, a Taiwan paper.

We have been given to understand that the Oxford College have been persuaded to allow their interest in the property to lapse in favour of the Authorities terminating our lease and thereafter making the building available to the College.

... has indicated that compensation will be assessed and the Authorities, who previously enjoyed a good relationship with HMG, may be prepared to negotiate.

No further action will be taken by the Authorities until after their deadline of 30 June.

This is very much in line with comments made by ... of C, Peking, in his Tel. No. 357 of 21 May 80.

It appears that a way out of the impasse is being sought which would be mutually beneficial, I would recommend therefore that we be instructed to negotiate the surrender of the premises to the Authorities through the Honorary Legal Adviser,

I await your instructions.

Yours sincerely,

Regional Estate Surveyor.

cc: Peking.

Enc:
TAMSUI CONSULATE

1. We now need an effective ultimatum from the Taiwan authorities to terminate our residual claim to the Tamsui Consulate property (PSA Hong Kong telno LON-54). The background to this saga is set out in my minute of 1 April to and my letter of 23 April to . The Embassy in Peking have been reluctant to agree that negotiations should take place with the Taiwan authorities (Mr teleletter of 6 February). They have now commented on the latest development (Peking telno 357), although they still see some merit in not entering into negotiations. Negotiations may in fact be pointless if the Taiwan authorities counterclaim for unpaid rent (see China Times article of 11 May). Neither we nor apparently DEMOS know whether rent was ever paid and if so why it was stopped, but the terms of the lease (attached) are quite specific that 'Her Majesty's Government hereby agree to pay 10 taels per annum for the said land ....'.
TELELETTER

16 JUNE 80

FOLLOWING FOR YOUR TELELETTER 406/1 OF 6 JUNE: TANSUI CONSULATE

1. I TOO WAS PUZZLED BY THE APPARENT INCONSISTENCY WITH MY UNDERSTANDING OF THE POSITION REVEALED BY THE TEXT OF THE LEASE WHEN RECEIVED. I AGREE TOO THAT THE CHINESE VERSION IS MUCH LESS DEFINITE THAN THE ENGLISH VERSION. BUT LEGAL ADVISERS AGREE THAT THE ENGLISH VERSION SEEMS TO HAVE THE EFFECT ATTRIBUTED TO IT IN MY TELELETTER 406/1 OF 29 JANUARY BUT SUBSTITUTING 'OFFICIAL' FOR 'DIPLOMATIC', THOUGH THIS MAY BE A QUESTION OF CHINESE LAW. THE FIRST HALF OF ARTICLE VI: ('THE GROUND BEING THE PROPERTY OF THE EMPEROR OF CHINA AND RENTED FOR OFFICIAL PURPOSES...') HAS THE EFFECT THAT THE LEASE ARRANGEMENT WAS ONLY VALID SO LONG AS THE GROUND CONTINUED TO BE USED FOR OFFICIAL PURPOSES. IF IT IS NOT USED BY THE BRITISH GOVERNMENT FOR OFFICIAL PURPOSES, IT CANNOT BE USED BY THEM FOR OTHER PURPOSES, NOR CAN THE INTEREST IN THE LAND BE PASSED TO OTHERS, SO THAT WE HAVE NO OPTION EXCEPT TO RETURN IT TO THE EMPEROR OF CHINA OR HIS SUCCESSOR IN TITLE.

2. MORE TELLING HOWEVER IS PRECISELY THE POINT TO WHICH YOU DRAW ATTENTION, NAMELY THE NON-PAYMENT OF RENT. STRANGE THOUGH IT SEEMS, NOBODY INVOLVED HERE SEEMS TO KNOW WHEN THE RENT WAS LAST PAID. CERTAINLY ARTICLE III LINKS PAYMENT OF RENT TO THE CONTINUED ENJOYMENT OF THE LEASE.

3. IT WAS BECAUSE WE HAD LOST ALL TRACE OF THE ACTUAL DOCUMENT AND WERE RELYING ON NOT NECESSARILY ACCURATE MINUTING THAT I SOUGHT A COPY OF THE LEASE FROM PSA HONG KONG. I THINK IN VIEW OF DEMOS TELNO FIC TAA 0632 (CLEARED WITH US AND UNDER SECRETARIES HERE) IT IS NOW WATER UNDER THE BRIDGE. GIVEN THE EXTENDED SAGA OF OUR ATTEMPTS TO DISPOSE OF THE PROPERTY WE CAN ONLY HOPE THAT CAN NOW REACH A SATISFACTORY SETTLEMENT. IN ANY CASE I
CANNOT SEE THAT EVEN HAD WE HAD THE BENEFIT OF READING THE LEASE EARLIER WE WOULD HAVE COME TO ANY OTHER CONCLUSION ABOUT THE OPTIONS AVAILABLE TO US. THERE IS NO PROVISION FOR THE BRITISH GOVERNMENT TO DISPOSE OF THE GROUND TO A THIRD PARTY, THE CLEAR INTENTION BEING THAT IT REMAINED THE PROPERTY OF THE EMPEROR OF CHINA, WHO HAD GRANTED US A LEASE FOR OFFICIAL PURPOSES SO LONG AS RENT WAS PAID.

SIGNED
GPS 116

FM PSA HONG KONG 030125Z JUL 80
TO ROUTINE DOE
TELEGRAM NUMBER LON 65 OF 3 JULY
INFO FCO

FOR INFO FROM RES REF TAMSUI,
I AM CURRENTLY AWAITING PROGRESS REPORT FROM TIN, IN
ACCORDANCE WITH YR PAA 0632 OF 6 JUNE PREMISES WERE HANDED OVER
BY LEGAL ADVISER AT 1800 HRS ON TUES 1 JULY, ITEM IN LOCAL PAPER
ACKNOWLEDGES THAT COMPENSATION HAS STILL TO BE DETERMINED. ON
STAFF UNDERSTAND THEY WILL BE RETAINED PRO TEM, I WOULD SUGGEST
THAT CARETAKERS BE GIVEN ONE MONTHS SALARY FOR EACH YEAR OF
SERVICE AND THAT EX CHIEF CLERK BE GIVEN EX GRATIA PAYMENT OF
SIMILAR AMOUNT, IN ALL ABOUT EIGHT MONTHS SALARY PER PERSON, THIS
WAS BASIS OF PAYMENT ON CLOSURE OF CONSULATE, PLEASE ADVISE IF
THIS IS ACCEPTABLE, YR CRY7521 OF 27 JUNE REFERS. THIS TELEGRAM
WAS NOT ADVANCED
TAMSUI CONSULATE

1. I apologise for bothering you with this matter, but all other channels are proving fruitless.

2. The last we heard from PSA Hong Kong ( ) was a telegram on 30 July. There has been no reply to subsequent DOE telegrams of 4 September, 23 September or 7 October.

3. In last communication to us, he stated that he did not know the whereabouts of the HMG files from our Consulate in Taiwan, (which, the US Embassy here informs us, are being looked after by the American Institute in Taiwan) and that he was going to pursue the matter with the Political Adviser's office. That was nearly three months ago, and we still have received no word.

4. The Department of the Environment have also asked him for confirmation as to whether the AIT have yet handed over the keys to the Honorary Legal Adviser, ( ), and for the latest news on how negotiations have progressed concerning compensation for HMG for our Consulate. Again, there has been a deafening silence.

5. I would be grateful, therefore, if there were anything you could do at your end to remind PSA of the importance in concluding this long-drawn out affair as expeditiously as possible, and of keeping London informed of all recent developments. (We do not relish the thought of receiving another representation from the American Embassy here, asking us for an up-to-date state of play account.)

6. It would be nice if you would chivvy PSA now and if possible check on progress every two to three weeks, keeping us posted as appropriate.

Yours ever,

Far Eastern Department
TAMSUI CONSULATE

1. At long last, word has arrived from PSA in Hong Kong. Unfortunately, however, little progress has occurred, as many issues still remain unresolved:

Para 3

It now transpires that there are 2 sets of keys to the Consulate. The Honorary Legal Adviser has returned one set to the Taiwan authorities and the AIT still retain their own set. This writes that he thinks it would be as well for the AIT to hang on to their keys at the moment, but I am not sure of the reasoning behind this view, especially in light of the fact that the Americans have been pressuring us to take them back.

Para 4

This says that the American Consulate in Hong Kong know nothing about the arrangements made for the FCO files, and that 'they do not wish to get involved'. This is incredible considering that Washington told the US Embassy in London that the AIT had files belonging to us, and that they wanted to return them as soon as possible. Obviously the difficulties reside in arranging for someone to collect them from the AIT to take them to Hong Kong. (This has mentioned in a previous telegram that the RHQ would be able to pick them up, but I can find nothing on file to tell me who the RHQ is.)

Para 6

Finally, and most disturbing of all, this writes 'I have had no further responses from the HLA on the subject of compensation'. The truth is that since the end of June, when we handed back the property to the Taiwan authorities, London has received no word at all about these negotiations.

2. We now needs DEMOS clearance for a visit to Taiwan to help pursue these matters further. In your letter of 23 April to us you wrote that we would have no objection to a visit by someone from the PSA provided no contact was involved with Taiwan officialdom (you felt that a visit by a senior locally engaged member of PSA staff could pass off without comment and you were going to propose this for the task, subject to our views). Should we now give our approval to a trip to Taiwan, or are there political considerations to be taken into account?

28 October 1980
TAMSUI CONSULATE

1. Thank you for your letter of 27 October to [deleted]. We have also seen a copy of [deleted] letter of 10 October to DEMOS and the following are our comments on some of the points raised in that letter.

2. I am glad to see from this letter that the Tamsui Consulate property was indeed returned to the Taiwan authorities on 30 June. I think that this is the first formal confirmation which we have had that the handover took place. We know that the matter of compensation has still to be resolved. Clearly the Honorary Legal Adviser should be pressed to supply a report on his negotiations; presumably [deleted] will be doing this.

3. Subject to further clarification from your end we see no need at present for a visit to Taiwan by [deleted] or anybody else from PSA Hong Kong since the principal problem is the return of the property has already been dealt with. I suggest instead that [deleted] should invoke the assistance of [deleted] the last Consul in Taiwan (not Duffield as in [deleted] letter), now resident there.

4. We note that the American Institute still holds one set of keys of the Consulate. We can see no very good reason why they should continue to hold these since the property has been handed over to the Taiwan authorities. Subject to an explanation of [deleted] view that 'it would be as well for the AIT to hang on to their keys at the moment' we suggest that the Americans now be asked to give the keys to the Honorary Legal Adviser for onward passing to the Taiwanese.

5. We have spoken to Library and Records about the residual FCO files held by the AIT. They believe that the only files which AIT may still hold are those containing records of the International Cemetery at Tamsui, and possibly a chest of old Victorian records which LRD never received back when the Consulate was cleared. The American Embassy here, on the other hand, believe that the only files held by the AIT on our behalf related to admin questions concerning the Consulate, eg payment of residual staff. I hope that your contacts with the USCG may reveal what exactly is involved. We need to have an indication of the content of the files and of their bulk in order to judge whether it is worth having them transported back to the UK. It would be helpful to know how soon the Americans would prefer to handle this. If the papers are to be returned to us, can they simply...
be boxed and sent by ordinary mail or will some of them need to be sent by US diplomatic bag? (I imagine that the Americans might find difficulty with the latter course given that the papers are not their own.)

6. The question of compensation to the residual staff of the Consulate is not one for this department. DEMOS will be pursuing that separately.

7. I am sorry to burden you with acting as the channel on this subject but it would be nice to finally get it out of the way. The American Embassy confirm that they would prefer that Hong Kong channels should be used to clear up these details.

Yours ever,

[Signature]

Far Eastern Department

cc Regional Estate Surveyor, PSA, HONG KONG

[Signature]

ASD, FCO
Dear [Name],

Thank you for your letter dated 11 May addressed to [Name], whom I have succeeded following his return to UK at the end of his Hong Kong tour. It is good to see that arrangements have been made with the caretakers. I believe the finances are now being settled back down the line to London.

There still remain a couple of loose ends. Can you say what FCO files remain. As you know consideration has been given to bringing these back via Hong Kong to London but we seem to have little information on their number or content.

I have written (again!) to our Honorary Legal Adviser for information on progress with our compensation claim. If you hear anything I will be most interested.

I have been asked about the second set of keys for the Consulate. Can you confirm these were handed to our HLA?

Many thanks for your assistance.

Yours sincerely,

[Name]

Regional Estate Surveyor
Regional Estate Surveyor  
Property Services Agency  
Hong Kong B.F.P.O. 1

Dear [Name],

This is in reply to your letter of June 12, 1981 asking if we can provide any additional information concerning the former British Consulate property in Tamsui.

With respect to FCO files the question cannot be answered with clear, unequivocal certainty. As you may know from the history, the consular operation shifted from the British Embassy to the Australian Embassy, thence to the American Embassy and eventually ended up with this non-Government, non-official entity called American Institute in Taiwan. What actually happened to any FCO files left behind, we cannot reconstruct. We can only say with certainty that AIT does not have them in its possession. (the former consulate employee) told us he believes the files were shipped to London or destroyed. When the U.S. Embassy took over British affairs, there was some very limited consular work performed, but that appears to have been mostly acting as a clearing house to transmit passports to Hong Kong for renewal or validation. All other consular matters were systematically referred to Hong Kong. Frankly, I believe the files question is a dead issue. The trail is cold and becomes increasingly more difficult to follow with each enquiry because fewer people are available to remember the events as they happened.

As I have stated previously, the only files or records that we have in AIT are the financial vouchers for salary and grounds keeping payments that were made by the U.S. Embassy and subsequently AIT. We have a small file of correspondence between the Department of State and Taipei and between your office and AIT. That is all we have and I do not believe this is what you are looking for.

When I moved into this job I inherited a loose collection of keys labeled "Tamsui". This was not even a full set, and there never was a second set. At the time we relinquished control of the property, we gave this entire collection to Subsequently his assistant was photographed at the formal ceremony as he in turn handed the keys over to the local authorities.
TAMSUI, TAIWAN - FORMER CONSULATE - COMPENSATION

1. I refer to the letter dated 4th February and as requested am replying to you.

2. As I am sure you already have voluminous files on this subject I do not propose to recount the history. Sufficient to say that I have just reviewed again the 11 years of correspondence on our two large files and have come across many summaries of our position and valid reasons why we have not been able to recover compensation. A multitude of people at all levels have been involved and many of the same ideas have been considered and reconsidered.

3. Since the Taiwanese Government decided unilaterally to terminate our "perpetual" lease in 1980 matters were conveniently brought to a head and most of the diplomatic problems in transferring title were resolved leaving only the amount of compensation to be agreed. Our Honorary Legal Adviser, formally appointed by us to undertake the negotiations with the Taiwanese Government in 1975. It was a requirement of the Government that a local lawyer be appointed and all negotiations must be through him.

4. I suggested a visit primarily to discuss the case with you, to take stock of where we stood in negotiations and give guidance on the valuations for compensation as necessary. My intention was that he should be clear what we are trying to achieve. There seems little point in pressing for an arbitrary figure of say NT$2 million if the Government will not pay it. We have no recourse to arbitration or the courts and we would be better to judge quickly what their best overall figure is likely to be. An earlier view had been that we should salvage whatever possible from closure of the consulate with the possibility we would recover no compensation but it seems that we will at least do better than this.

5. I am reluctant to involve a third party who could only put pressure on a reply. He could not become involved in the negotiations and would have insufficient detail of the case to advise on the amount of compensation or the line we should take.

I have spoken to the Political Adviser in Hong Kong and have the name of another contact in Taiwan, Chairman of the Anglo Taiwan Trade Committee who would be prepared to help us out. May also be able to help but I think for the moment it would be better to await a reply from before having more people involved.
6. 

7. I enclose a copy letter I have sent to [REDACTED] and will let you know when I have a positive reply.

Regional Estate Surveyor

Copy to DEMOS 2

JACL/ds
FORMER CONSULATE AT TAMSI

1. I have sent copies of the letters you sent me on 3 March to our Estate Surveyor in Hong Kong for their comments.
2. You may be interested in seeing a copy of a letter from Hong Kong which suggests the negotiations with the Taiwanese over our compensation claims for the former consulate are near to completion.
3. As you say in your letter to there is nothing we can do "officially" to persuade the Taiwanese to preserve the building.
4. I will let you know Hong Kong's views as soon as I receive their reply.

[Handwritten]

Overseas Estate Dept
23 March 1983
1. Please refer to your letter of 3 March and my interim minute of 23 March. I now attach a copy of FSA Hong Kong's reply.

2. [Redacted] appears to have covered all the subjects mentioned by [Redacted] of the Anglo-Taiwan Trade Committee in his letter to you of 27 February.

3. Unfortunately, there does not seem anything we can do to persuade the Taiwanese Government to preserve the old Consulate building.

10 May 1983

Overseas Estate Department.
Dear [Name]

1. I regret that it has taken longer than I anticipated in my letter of 3 March to get back to you about the questions you raised concerning the former Consulate at Tamsui, in particular the disposal of the records still gathering dust in the AIT office in Taipei. We have just received a reply from the Property Services Agency representative in Hong Kong.

2. Like us, it would appear that all concerned were under the impression that the problem had been solved in 1981. But the letter has caused us to think again. I am still not in a position to give you a substantive reply. All the correspondence is now with the Political Adviser in Hong Kong, who will consider whether he wishes the papers to be destroyed or alternatively arrange for them to be shipped to Hong Kong. It may be that he will get word to you direct.

4. Concerning the building itself, might the authorities not be tempted to refurbish it as a Dutch fort and open it as a tourist attraction?

Yours sincerely,

[Signature]

Far Eastern Department

cc APA, Hong Kong