

HONG KONG STUDY
ANNEX E
CONSULTATION ON HONG KONG

SECRET

FM HONG KONG 171040Z AUG 82
TO IMMEDIATE F C O
TELEGRAM NUMBER 881 OF 17 AUGUST
INFO PRIORITY PEKING (PERSONAL FOR CHARGE D'AFFAIRES)

CONSULTATION ON THE FUTURE OF HONG KONG

HMG HAVE ALREADY STATED PUBLICLY THAT THE VIEWS AND WISHES OF THE PEOPLE OF HONG KONG WILL BE TAKEN INTO ACCOUNT IN DECISIONS ON THEIR FUTURE AND THIS ECHOES A DEMAND FOR SUCH CONSULTATION HERE. WE HAVE BEEN GIVING THOUGHT TO THE METHODS BY WHICH THESE VIEWS COULD BE ASCERTAINED.

2. THE FIRST AND MOST READILY ACCESSIBLE SOURCE IS TO BE FOUND IN THE UNOFFICIAL MEMBERS OF THE EXECUTIVE AND LEGISLATIVE COUNCILS (UMELCO). THEY COVER A WIDE RANGE OF SOCIAL, POLITICAL AND COMMERCIAL/INDUSTRIAL INTERESTS. THEY CAN THEREFORE REPRESENT, COLLECTIVELY AND RESPONSIBLY, AN EQUALLY WIDE RANGE OF HONG KONG OPINION. THIS SOURCE CAN BE SUPPLEMENTED BY THE REGULAR CONTACT WHICH TAKES PLACE BETWEEN SENIOR OFFICIALS IN THE GOVERNMENT AND INFLUENTIAL MEMBERS OF THE COMMUNITY.

3. A SECOND SOURCE CAN BE FOUND IN SURVEYS OF OPINION BY INDEPENDENT BODIES, SUCH AS THE REFORM CLUB, THE BAPTIST COLLEGE, AND THE 'OBSERVERS'. ALTHOUGH NOT INFLUENTIAL IN THEMSELVES THEY HAVE CONDUCTED SURVEYS WHICH ADD USEFULLY TO THE PICTURE. THE 'OBSERVERS' SURVEY IN PARTICULAR WAS COMMISSIONED FROM AN INDEPENDENT MARKET RESEARCH ORGANISATION.

4. A THIRD SOURCE IS THE EXTENSIVE COMMENT ON THE ISSUE WHICH HAS APPEARED IN THE MEDIA : TELEVISION, RADIO 'PHONE-IN PROGRAMMES, NEWSPAPERS AND MAGAZINES.

5. A SURVEY OF OPINION DERIVED FROM THESE SOURCES WILL BE AVAILABLE TO THE PRIME MINISTER BEFORE SHE LEAVES FOR PEKING. IN PARTICULAR A REPRESENTATIVE DELEGATION OF UNOFFICIALS WILL BE CALLING ON HER EARLY IN SEPTEMBER.

CONSULTATION AFTER THE PEKING VISIT

6. FOLLOWING THE VISIT WE SHALL NEED TO DEVELOP THE CONSULTATIVE PROCESS FURTHER. WE CAN CONTINUE TO DRAW ON THE SOURCES REFERRED TO ABOVE, PARTICULARLY UMELCO, BUT THE PROCESS COULD IF NECESSARY ALSO BE EXTENDED AT TWO LEVELS.

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7. IT WOULD BE POSSIBLE TO SEEK THE VIEWS OF A RANGE OF INFLUENTIAL ORGANISATIONS AND ASSOCIATIONS. ALTHOUGH ITS STATUTORY RESPONSIBILITIES COVER ONLY MUNICIPAL SERVICES THE URBAN COUNCIL IS PARTLY ELECTED AND PARTLY APPOINTED AND CAN REPRESENT A RANGE OF OPINION IN THE URBAN AREA. THE HEUNG YEE KUK SPEAKS FOR THE INDIGENOUS POPULATION OF THE NEW TERRITORIES. ITS MAIN AIM IS TO PROTECT THE INTERESTS OF PROPERTY HOLDER THERE BUT ITS MEMBERSHIP COMPRISES "ELDER STATESMEN" OF THE NEW TERRITORIES AND REPRESENTATIVES OF RURAL COMMUNITIES. IT WOULD ALSO BE POSSIBLE TO TAKE THE VIEWS OF NUMEROUS COMMERCIAL ORGANISATIONS, MANUFACTURERS ASSOCIATIONS AND THE MORE SENIOR ADVISORY BOARDS WHICH COVER A WIDE RANGE OF HONG KONG LIFE.

8. FROM SEPTEMBER THIS YEAR "GRASSROOTS OPINION" COULD BE TESTED THROUGH CONSULTATION WITH THE UNOFFICIAL MEMBERS OF DISTRICT BOARDS. AN IMPORTANT FEATURE OF THE DISTRICT ADMINISTRATION SCHEME IS TO EXPAND THE OPPORTUNITY FOR PUBLIC PARTICIPATION IN ADMINISTRATION BY HOLDING ELECTIONS TO THE BOARDS ON A CONSTITUENCY BASIS. THE FUNCTIONS OF THE BOARDS ARE ADVISORY AND CONFINED TO LOCAL ISSUES : BUT THEY COULD NEVERTHELESS BE USED AS A VEHICLE FOR THE EXPRESSION OF OPINION ON WIDER ISSUES. ELECTIONS FOR THE NEW TERRITORIES BOARDS WERE HELD IN MARCH 1982 AND THOSE FOR THE URBAN AREA WILL BE HELD IN SEPTEMBER JUST BEFORE THE P.M.'S VISIT. ABOUT ONE MILLION PEOPLE HAVE REGISTERED AS ELECTORS.

9. CONSULTATION ON THIS SCALE COULD FAIRLY BE SAID TO HAVE COVERED A WIDELY REPRESENTATIVE RANGE OF OPINION IN HONG KONG. ANYTHING GOING BEYOND PARAS 2 TO 5 ABOVE WOULD INEVITABLY BECOME PUBLIC KNOWLEDGE AND WE SHOULD IN CONSEQUENCE NEED TO CONSIDER THE TIMING VERY CAREFULLY. MOREOVER SINCE IT WOULD INEVITABLY PRODUCE THE CONCLUSION THAT MOST PEOPLE IN HONG KONG WOULD PREFER THINGS TO STAY AS THEY ARE WE SHOULD ALSO NEED TO CONSIDER THE REACTION OF THE CHINESE WHO MIGHT WELL INTERPRET IT AS AN ATTEMPT TO UNDERMINE THEIR POSITION IN ANY DISCUSSIONS WHICH MAY BE IN PROGRESS.

10. THE PROPOSITIONS ON THE BASIS OF WHICH THE CONSULTATION WAS TO BE CONDUCTED WOULD ALSO HAVE TO BE DRAFTED WITH EXTREME CARE. THERE WOULD BE NO POINT IN CONSULTING THE POPULATION ON OPTIONS WHICH WILL NOT BE OPEN TO THEM : AND WE ARE DEALING WITH PEOPLE WHO WILL BE UNFAMILIAR WITH THE TECHNICAL ASPECTS OF SOVEREIGNTY, JURISDICTION, ADMINISTRATION ETC AS WE UNDERSTAND THEM. WE ARE UNLIKELY TO BE ABLE TO FRAME THESE PROPOSITIONS UNTIL THE DISCUSSIONS WITH THE CHINESE HAVE MADE SOME PROGRESS.

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11. THE ABOVE IS WRITTEN ON THE ASSUMPTION THAT A REFERENDUM WOULD BE RULED OUT BOTH ON POLITICAL GROUNDS (IN PARTICULAR LIKELY CHINESE OBJECTIONS) AND BECAUSE OF THE DIFFICULTY OF EDUCATING THE POPULATION AS A WHOLE IN THE COMPLEXITIES OF THE ISSUE. WITHOUT A CLEAR UNDERSTANDING OF THE ISSUES A REFERENDUM WOULD BE AN UNCERTAIN AND CONTENTIOUS INSTRUMENT.

12. CONSULTATION IS A QUESTION TO WHICH WE SHALL NEED TO GIVE FURTHER THOUGHT AS DISCUSSIONS WITH THE CHINESE PROGRESS, BUT AS FAR AS HONG KONG IS CONCERNED, THE MEANS OUTLINED ABOVE WOULD BE CAPABLE OF PRODUCING A REASONABLY REPRESENTATIVE COVERAGE OF THE WISHES OF THE PEOPLE OF THE TERRITORY.

13. HER MAJESTY'S AMBASSADOR IN PEKING MAY WISH TO COMMENT ON THE LIKELY CHINESE ATTITUDE TO SUCH A CONSULTATIVE PROCESS (PARA 9 ABOVE).

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FM HONG KONG 270203Z AUG 82
TO PRIORITY F C O
TELEGRAM NUMBER 944 OF 27 AUGUST
INFO PRIORITY PEKING

YOUR TELNO 634 : CONSULTATION ON FUTURE OF HONG KONG

THE FOLLOWING SOURCES ARE AVAILABLE:

- A) PRESS COMMENT ON PUBLIC OPINION,
- B) SURVEYS OF PUBLIC OPINION,
- C) PRESS COMMENT ON PERCEIVED CHINESE VIEWS,
- D) PUBLIC COMMENT AT DISTRICT OFFICE LEVEL.

2. NO SINGLE PREFERRED SOLUTION FOR THE FUTURE EMERGES FROM THESE SOURCES, ALTHOUGH THERE ARE A NUMBER OF CONSISTENT THEMES:

- A) A GENERAL WISH FOR THE STATUS QUO TO CONTINUE, BUT RESIGNATION TO THE IDEA THAT SOME CHANGE MUST COME EVENTUALLY,
- B) RECOGNITION (OFTEN TAKEN AS SELF-EVIDENT) THAT HONG KONG IS A PART OF CHINA AND THUS A DISINCLINATION TO CONTEST THE VALIDITY OF CHINA'S CLAIM TO ULTIMATE SOVEREIGNTY,
- C) NOTHING SHOULD HAPPEN TO UPSET HONG KONG'S STABILITY AND PROSPERITY,
- D) A DESIRE FOR EARLY DISCUSSION AND DECISION ON ARRANGEMENTS FOR THE FUTURE, AND
- E) THE PEOPLE OF HONG KONG SHOULD BE CONSULTED ABOUT THEIR FUTURE.

PRESS COMMENT

3. THE HK STANDARD HAS STATED A WIDELY ACCEPTED VIEW THAT "THE VAST MAJORITY OF US CHERISH OUR CHINESE ROOTS". THE STRENGTH OF CHINA'S BASIC POSITION HAS BEEN REFLECTED IN AND BROADLY ACCEPTED BY THE LOCAL PRESS. AS MING PAO COMMENTED ON 3 AUGUST, "HK AND MACAU WILL EVENTUALLY BE HANDED BACK TO CHINA". THE EXPRESS (2 AUGUST) SAID "THE PEOPLE OF BRITAIN AND HK MUST FACE REALITY. THEY MUST NOT OBJECT TO CHINA'S RESTORATION OF SOVEREIGNTY IN NAME ONLY, PROVIDED THAT CHINA WILL NOT INTERFERE WITH THE POLITICAL, ECONOMIC AND SOCIAL ACTIVITIES IN HK AND THAT EVERYTHING WILL GO ON AS USUAL". THE FINANCIAL DAILY ALSO CONSIDERED THE FEASIBILITY OF BRITAIN'S RECOGNISING CHINA'S CLAIMS TO SOVEREIGNTY, BUT AGREEING TO CONTINUE TO ADMINISTER HONG KONG. IT CONCLUDED, HOWEVER, THAT CHINA'S "RESTORATION" OF SOVEREIGNTY WOULD SO ALTER HONG KONG'S "RELATIVE POLITICAL, ECONOMIC AND LEGAL INDEPENDENCE" THAT SUCH A SOLUTION WOULD FAIL TO ENSURE THE MAINTENANCE OF STABILITY AND PROSPERITY.

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4. HOWEVER THE PRESS HAVE NOT YET EXAMINED IN ANY DETAIL THE IMPLICATIONS OF BRITAIN'S RECOGNISING CHINA'S SOVEREIGNTY, AND HAVE TENDED TO EQUATE THE RECOVERY OF SOVEREIGNTY WITH THE EXERCISE OF ADMINISTRATIVE JURISDICTION, INVOLVING UNACCEPTABLE INTERFERENCE BY CHINA IN THE ADMINISTRATION OF HONG KONG. THE ECONOMIC JOURNAL ON 13 AUGUST SAID, "AMONG VARIOUS CONJECTURES ON THE FUTURE, THE MOST UNACCEPTABLE ONE IS THAT CHINA WILL RESUME SOVEREIGNTY IN 1997 AND WILL APPOINT A LOCAL CHINESE AS GOVERNOR. THIS WOULD RUN COUNTER TO THE WISHES OF MOST HONG KONG PEOPLE".

5. MANY REASONS ARE CITED BY THE PRESS FOR MAINTAINING THE STATUS QUO: TO PRESERVE HONG KONG'S PROSPERITY, ITS STABILITY, THE SCOPE OF PERSONAL FREEDOM, THE PRESENT LEGAL SYSTEM, THE LIFE-STYLE OF ITS PEOPLE AND - FROM THE VIEWPOINT OF CHINA - TO CONTINUE THE TERRITORY'S CONTRIBUTION TO CHINA (OPEN SQUARE BRACKETS) MING PAO ON 9 AUGUST, 5 AUGUST, 22 JULY, TIN FUNG YAT PO 24 JULY (CLOSE SQUARE BRACKETS).

6. THE PRESS HAVE ALSO REPORTED A PROPOSAL BY THE PROSPECT INSTITUTE OF HONG KONG (WHOSE SECRETARY IS WILLIAM CHU OF MING PAO'S EDITORIAL BOARD). THIS ENTAILED A "TREATY OF FRIENDSHIP AND COOPERATION" BETWEEN BRITAIN AND CHINA, RESTING ON BRITISH RECOGNITION OF CHINESE SOVEREIGNTY IN EXCHANGE FOR THE RIGHT TO CONTINUE TO ADMINISTER HONG KONG. WITH A SIMILAR PROPOSAL, THE "HONG KONG BELONGERS" PUBLISHED AN OPEN LETTER TO THE PRIME MINISTER. APART FROM STRESSING THE NEED TO HASTEN A DECISION ON THE FUTURE, THE LETTER SUGGESTED BRITAIN RENOUNCE THE "UNEQUAL TREATIES" AND CONCLUDE A NEW ONE EMBODYING THE WISHES OF THE PEOPLE OF HONG KONG.

7. OTHER SOLUTIONS APPEARING IN THE LOCAL CHINESE PRESS INCLUDE THE DESIGNATION OF HONG KONG AS A TRUST TERRITORY UNDER BRITISH ADMINISTRATION ON BEHALF OF EITHER CHINA OR THE UN, AND A POST-PONEMENT FOR 30-50 YEARS OF A DECISION ON THE LEASE EITHER UNILATERALLY BY CHINA OR BILATERALLY.

8. A NUMBER OF ACADEMICS HAVE COMMENTED TO THE PRESS. JOSEPH CHENG OF THE CHINESE UNIVERSITY HAS SAID "ALTHOUGH MANY WOULD LIKE TO SEE THE STATUS QUO MAINTAINED, THEY WERE QUITE PREPARED TO ACCEPT THE FACT THAT THE TERRITORY WOULD EVENTUALLY BE RETURNED TO CHINA". HE PROPOSED A PACT STATING BRITAIN'S RECOGNITION OF CHINA'S SOVEREIGNTY IN RETURN FOR EXTENSION OF BRITISH ADMINISTRATION FOR 50 YEARS. HE - AND OTHERS - HAVE URGED THE GOVERNMENT TO CONDUCT ITS OWN PUBLIC OPINION POLL.

9. THE AUTHORITATIVE VOICE IN THE ENGLISH-LANGUAGE PRESS IS THE SOUTH CHINA MORNING POST. ITS EDITORIALS HAVE EMPHASISED THE BENEFITS TO CHINA OF MAINTAINING HONG KONG'S PROSPERITY, THE IMPORTANCE OF PROLONGING THE STATUS QUO AND THE NEED TO TAKE INTO ACCOUNT THE VIEWS OF THE PUBLIC. 2

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SURVEYS

10. THERE HAVE BEEN TWO MAJOR INDEPENDENT SURVEYS OF PUBLIC OPINION (REFORM CLUB AND THE ''OBSERVERS''). BOTH, CONDUCTED BY SURVEY RESEARCH UNIT HONG KONG, WERE BASED ON 1,000 INTERVIEWS USING UP TO DATE SAMPLING TECHNIQUES. THE FIRST, PUBLISHED BY THE REFORM CLUB IN APRIL, SHOWED THAT 85% PREFERRED CONTINUED RULE BY BRITAIN EITHER BY MAINTAINING THE STATUS QUO (A ''BRITISH COLONY UNDER BRITISH ADMINISTRATION'' - 70%) OR AS A TRUST TERRITORY (I.E. ''TO REMAIN UNDER BRITISH ADMINISTRATION WITH SOVEREIGNTY BELONGING TO CHINA'' - 15%). 4% WANTED IT TO REVERT TO CHINESE ADMINISTRATION. 28% SAID THEY WOULD EMIGRATE IF CHINA TOOK OVER. FREEDOM OF LIFE STYLE WAS A MAJOR FACTOR IN PEOPLE'S PREFERENCE FOR HONG KONG AS PRESENTLY GOVERNED.

11. THE REFORM CLUB HAD EARLIER ADVANCED ITS OWN PROPOSALS FOR THE FUTURE. THESE WERE BASED ON BRITAIN'S RELINQUISHING ALL CLAIMS TO THE WHOLE OF HONG KONG AFTER 1997, IN RETURN FOR WHICH CHINA WOULD CREATE A TRUST TERRITORY UNDER BRITISH ADMINISTRATION FOR A TERM OF AT LEAST 20 YEARS. THEREAFTER, CHINA WOULD GIVE AT LEAST 10 YEARS NOTICE OF ANY INTENTION TO RESUME ADMINISTRATION. THE REFORM CLUB SAID THAT SOME FORM OF AGREEMENT WAS IMPERATIVE WITHIN TWO OR THREE YEARS.

12. THE ''OBSERVERS'' PUBLISHED THEIR SURVEY THIS MONTH. 95% OF THOSE POLLED FOUND THE MAINTENANCE OF THE STATUS QUO AN ACCEPTABLE OPTION, COMPARED TO 64% WHO ACCEPTED HONG KONG'S REMAINING UNDER BRITISH ADMINISTRATION BUT WITH CHINESE SOVEREIGNTY, 26% ITS RETURN TO CHINA, 42% ITS BECOMING A SEZ AND 37% ITS BECOMING INDEPENDENT. 67% SAID THAT ITS RETURN TO CHINA WAS NOT ACCEPTABLE. THE MOST IMPORTANT ASPECTS OF THE STATUS QUO CITED WERE THE ECONOMIC SYSTEM (37%) AND THE LIFE STYLE (35%), WITH FREEDOM OF SPEECH AND THE POLITICAL SYSTEM BOTH ATTRACTING 10% (CORRESPONDENTS COULD OPT FOR MORE THAN ONE). ALTHOUGH 95% SAID THAT HONG KONG PEOPLE SHOULD PLAY A PART IN DECIDING ITS FUTURE, 58% CONSIDERED THAT THE PEOPLE WERE NOT IN FACT ABLE TO INFLUENCE A DECISION COMPARED TO 38% WHO THOUGHT THEY COULD.

13. IN A PAPER ACCOMPANYING THEIR SURVEY, THE OBSERVERS ''RECOGNISED THE PEOPLE'S REPUBLIC'S FORMAL POSITION IN HONG KONG: THAT IT IS CHINA'S TERRITORY WHICH WILL BECOME PART OF CHINA EVENTUALLY. WE MUST FACE UP TO THE INEVITABILITY OF CHANGE''. THE OBSERVERS WANTED ''A VOICE IN SHAPING OUR FUTURE, OUR AUTONOMY'' WHICH THEY INTERPRETED NOT AS A CALL FOR INDEPENDENCE BUT FOR ''AUTONOMY WITHIN CHINA''. THEY CONCLUDED ''THE OBSERVERS CANNOT OFFER A SOLUTION TO THE 1997 PROBLEM. SOLUTIONS MUST BE REACHED BY NEGOTIATIONS AND THE VIEWS OF THE PEOPLE MUST BE TAKEN INTO ACCOUNT. THERE IS A NEED FOR CHINA TO CONSULT THE PEOPLE, NOT JUST INVESTORS, WHEN IT FORMULATES PLANS FOR HONG KONG'S FUTURE. SO MUST BRITAIN''.

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14. A NUMBER OF OTHER LESS AUTHORITATIVE SURVEYS OF PUBLIC OPINION HAVE BEEN CONDUCTED. OF THESE, A POLL OF BUSINESSMEN (ONLY 550 OR 20% OF THOSE ASKED, ANSWERED) REVEALED THREE MAIN THEMES: MAINTENANCE OF THE STATUS QUO, "INDIRECT" RESTORATION OF CHINA'S SOVEREIGNTY, AND BRITAIN CONTINUING TO GOVERN HONG KONG. OTHER SURVEYS WERE CONDUCTED BY MAGAZINES (BAIXING, ZHENGMING, THE 70S, YOUNG REPORTER). THEIR INCONCLUSIVE FINDINGS SUGGESTED THAT MOST PEOPLE WERE CONTENT WITH THE STATUS QUO BUT ACKNOWLEDGED THAT HONG KONG IS A PART OF CHINA.

PRESS ACCOUNTS OF CHINA'S VIEWS ON THE FUTURE

15. PRESS COMMENT HAS BEEN BASED ON VERY LITTLE GENUINE SOURCE MATERIAL (WEBB'S TELELETTER OF 3 AUGUST TO HOARE).

16. FROM 1 JULY CONSIDERABLE SPECULATION WAS GENERATED BY "BAIXING" AND "ZHENG MING" ACCOUNTS OF WHAT DENG ZIAOPING WAS ALLEGED TO HAVE SAID ABOUT CHINA "RESTORING" SOVEREIGNTY AROUND 1997, WHILST ENSURING THAT THE PROSPERITY AND STABILITY OF THE FREE PORT WOULD CONTINUE. SIMILARLY, PENG ZHEN'S STATEMENT OF 16 JULY, CALLING ON COMPATRIOTS IN TAIWAN, HONG KONG AND MACAU TO STUDY THE CHINESE DRAFT CONSTITUTION FUELLED SPECULATION THAT A "TAIWAN SOLUTION" WAS ALSO APPROPRIATE FOR HONG KONG.

17. BY 3 AUGUST THE PRESS HAD BEEN GIVEN A MORE AUTHORITATIVE INDICATION OF PEKING'S OFFICIAL VIEWS, THESE WERE REVEALED IN "SHIJIE ZHISHI"'S (WORLD KNOWLEDGE) ARTICLE "ON THE QUESTION OF HONG KONG AND MACAU" (MY TELNO 849). THE PRESS ACKNOWLEDGED THE INTENTION THAT PUBLICATION OF THIS ARTICLE WAS TO "DISCOURAGE SPECULATION AND REMOVE FEARS". GENERALLY SPEAKING, THE PRESS ACCEPTED THAT CHINESE VIEWS ON THE FUTURE OF HONG KONG HAD CHANGED LITTLE SINCE HUANG HUA'S STATEMENT TO THE UN IN MARCH 1972. THE POINTS IN "SHIJIE ZHISHI"'S ARTICLE ON WHICH THE PRESS FOCUSED WERE AS FOLLOWS:

- (I) REITERATION OF CHINA'S SOVEREIGNTY OVER HONG KONG AND MACAU,
- (II) NEITHER SHOULD BE REGARDED AS A COLONY,
- (III) HONG KONG AND MACAU WILL BE PEACEFULLY RE-UNITED WITH CHINA AT SOME FUTURE DATE AND THE PROSPERITY OF THE TWO TERRITORIES WILL CONTINUE,
- (IV) WHEN THE CONDITIONS ARE RIPE, CHINA WILL RESOLVE THE ISSUE BY "SUITABLE AND PEACEFUL MEANS",
- (V) UNTIL THAT RESOLUTION, THE CHINESE GOVERNMENT EXPECTS THE STATUS QUO IN BOTH TERRITORIES TO REMAIN UNCHANGED.

PERSONAL CONTACT WITH THE PUBLIC

18. THE WEEKLY EDITION OF TALKING POINTS MADE UP FROM CITY DISTRICT OFFICERS' CONTACTS AMONG THE PUBLIC INDICATE THAT THE PREVAILING MOOD IN RECENT WEEKS HAS BEEN GLOOMY. NEARLY ALL CONTACTS EXPRESS EAGERNESS FOR AN EARLY DECISION, BUT MANY NOW SEEM RESIGNED TO UNCERTAINTY AT LEAST FOR A TIME. ALTHOUGH NO ATTEMPT IS MADE TO

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SOLICITY PROPOSALS IT IS CLEAR THAT THE LARGE MAJORITY FAVOUR THE MAINTENANCE OF THE STATUS QUO. THERE WERE SOME REPORTS THAT MIDDLE-INCOME FAMILIES WERE CONTEMPLATING EMIGRATION OR MOVING PART OF THEIR ASSETS OUT OF HONG KONG, AMIDST FEARS THAT CHINA INTENDS TO TAKE BACK HONG KONG. FEELINGS APPEAR MIXED ON THE EXTENT TO WHICH THE PM'S VISIT IS EXPECTED TO BRING ABOUT A POSITIVE ANNOUNCEMENT.

ASSESSMENT

19. ALTHOUGH THE RECURRENT AND CONSISTENT THEME IS THAT THE GENERAL STATUS QUO SHOULD BE MAINTAINED, MOST RECOGNISE THAT SOME CHANGE IS INEVITABLE. THE LATTER IS INTERPRETED AS A NEED FOR SOME GESTURE TO SATISFY CHINA'S POSITION. AS THE OBSERVERS PUT IT, "IT IS CLEAR WHAT THE STATUS QUO IS AND EVERYONE ACCEPTS THAT HONG KONG IS PART OF CHINA. BUT NO-ONE KNOWS HOW FORMAL BRITISH RECOGNITION OF CHINESE SOVEREIGNTY WILL TRANSLATE ITSELF IN PRACTICAL TERMS".

20. APART FROM EXPECTING THAT THEIR VIEWS AND WISHES WILL BE TAKEN INTO ACCOUNT, THE PUBLIC ALSO URGES AN EARLY ANNOUNCEMENT. THUS KUNG SHEUNG DAILY "THE PEOPLE'S GREATEST CONCERN IS WHEN THEY CAN EXPECT TO KNOW THEIR FUTURE" AND "EVEN A TEMPORARY SOLUTION IS BETTER THAN NOTHING" (SOUTH CHINA MORNING POST).

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COPY No: 1.

THE FUTURE OF HONG KONG

A SPECIAL STUDY

BY THE FOREIGN & COMMONWEALTH OFFICE

AUGUST 1982

SECRET

FUTURE OF HONG KONG

SPECIAL STUDY

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- P. Illustrative Questions and Answers following the Prime Minister's Visit to China



PRIME MINISTER
FIRST LORD OF THE TREASURY

FUTURE OF HONG KONG

SPECIAL BRIEFING

To Be Retained
Do Not Destroy

FUTURE OF HONG KONG

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