

**RESTRICTED***May King*

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FM HONG KONG 300950Z NOV 82  
TO PRIORITY FCO  
TELEGRAM NUMBER 1405 OF 30 NOVEMBER  
INFO PRIORITY PEKING

*A.J.C. 30/11*

FUTURE OF HONG KONG: PRESS COVERAGE

REMARKS MADE BY THE LEADER OF THE HONG KONG FACTORY OWNERS DELEGATION

HUANG JIAN, ON HIS RETURN FROM CHINA WERE GIVEN PROMINENT AND EXTENSIVE COVERAGE IN ALL PAPERS ON 29 NOVEMBER. THE REPORTS COVERED THE POINTS ALREADY FILED FROM PEKING AND REPORTED IN MY TELNOS 1354 AND 1394. HUANG ALSO SAID AT HIS PRESS CONFERENCE THAT THE SOLUTION TO THE PROBLEM OF HONG KONG'S FUTURE WOULD BE KNOWN WITHIN A YEAR; AND THAT LIAO HAD WARNED THAT SOVEREIGNTY COULD BE REGAINED AT ANY TIME IF THE LOCAL ECONOMY CONTINUED TO DETERIORATE. HUANG IS REPORTED TO HAVE PRONOUNCED HIMSELF SATISFIED WITH THE ASSURANCES HE RECEIVED IN PEKING. (COMMENT: HUANG IS A SMALL MANUFACTURER WHO CUTS LITTLE ICE HERE).

2. PENG ZHEN'S ADDRESS TO THE OPENING SESSION OF THE NPC ON 26 NOVEMBER (PEKING TELNO 800) WAS WIDELY REPORTED IN THE HONG KONG PRESS, BOTH COMMUNIST AND-INDEPENDENT, ON 27 NOVEMBER. THE ABSENCE OF ANY SPECIFIC REFERENCE TO HONG KONG TRIGGERED OFF A NUMBER OF EDITORIAL COMMENTS. THESE WERE SUBSEQUENTLY OVERTAKEN BY A COMMENTARY IN THE TA KUNG PAO ON 28 NOVEMBER WHICH MADE IT CLEAR THAT ARTICLE 31 WAS INTENDED TO APPLY TO HONG KONG AS WELL AS TO TAIWAN. THE COMMENTARY REPEATED THE NOW FAMILIAR LINE THAT WORRIES ABOUT WHETHER THE UNDERTAKINGS GIVEN BY LIAO CHENGZHI COULD BE IMPLEMENTED WERE GROUNDLESS.

3. THE COMMUNIST PRESS ON 29 NOVEMBER REPORTED PROMINENTLY A CHINA NEWS SERVICE DESPATCH REPORTING DISCUSSION IN THE HONG KONG AND MACAU SUB COMMITTEE OF THE CHINESE PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE (CPPCC). ACCORDING TO THESE REPORTS THE SUB COMMITTEE, WHICH INCLUDES MEMBERS FROM HONG KONG AND MACAU, HAD PLEDGED SUPPORT FOR THE RECOVERY OF SOVEREIGNTY OVER HONG KONG AND HAD REFUTED THE THESES THAT QUOTE THE TREATIES REMAIN VALID UNQUOTE AND THAT QUOTE BRITAIN SHOULD CONTINUE ITS ADMINISTRATION UNQUOTE. THE DESPATCH ALSO QUOTED HENRY FOK (A HONG KONG BUSINESSMAN AND MEMBER OF THE SUB COMMITTEE) AS SAYING THAT BRITISH OFFICIALS IN HONG KONG WERE AWARE THAT HONG KONG WOULD BE RECOVERED AND THAT THE QUESTION FOR DISCUSSION WAS HOW HONG KONG'S ECONOMY SHOULD REMAIN STABLE AND PROSPEROUS DURING THE TRANSITIONAL PERIOD LEADING UP TO RECOVERY OF SOVEREIGNTY.

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4. THE WEN WEI PO OF 29 NOVEMBER REPRODUCED THE MAIN POINTS OF AN ARTICLE FROM THE LEFT WING MAGAZINE QUOTE WIDE ANGLE UNQUOTE SETTING OUT IDEAS ON HOW HONG KONG WOULD FUNCTION AS A SPECIAL ADMINISTRATIVE REGION, AND IN PARTICULAR POINTING OUT THE DIFFERENCES BETWEEN A SPECIAL ADMINISTRATIVE REGION AND A SPECIAL ECONOMIC ZONE (FURTHER DETAILS OF THE WIDE ANGLE ARTICLE WERE GIVEN IN MARGOLIS' TELELETTER OF 25 NOVEMBER TO HOARE (HKGD)).

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FUTURE OF HONG KONG

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