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FM HONG KONG 090244Z DEC 82
TO PRIORITY F C O
TELEGRAM NUMBER 1439 OF 9 DECEMBER
INFO PRIORITY PEKING

Prime Minister
Our side of the case is now
beginning to be put.
MR 2/12

FUTURE OF HONG KONG : PRESS COMMENT

THE ADOPTION OF THE NEW CHINESE CONSTITUTION AT THE NPC WAS WIDELY REPORTED IN THE HONG KONG PRESS. IT IS NOW TAKEN FOR GRANTED BY ALL COMMENTATORS THAT ARTICLE 31 IS INTENDED TO PROVIDE A FRAMEWORK FOR RESUMPTION BY CHINA OF SOVEREIGNTY OVER HONG KONG. EDITORIAL DISCUSSION HAS CONTINUED TO DEBATE THE CREDIBILITY OF CHINESE ASSURANCES ABOUT MAINTAINING THE ESSENTIAL FEATURES OF HONG KONG'S WAY OF LIFE. THE COMMUNIST PRESS HAS CONTINUED TO PAINT A BRIGHT PICTURE OF HONG KONG'S FUTURE AS A SPECIAL ADMINISTRATIVE REGION (SAR), AND TO APPEAL TO HONG KONG RESIDENTS' PATRIOTISM BY URGING THEM TO COOPERATE IN ACHIEVING THIS OBJECTIVE.

2. THE INDEPENDENT PRESS, BOTH ENGLISH AND CHINESE LANGUAGE, HAVE POINTED OUT THAT ARTICLE 31 IS COINED IN VERY GENERAL TERMS. THE CENTER DAILY, IN AN EDITORIAL ON 4 DECEMBER, SAID THAT THE BIGGEST PROBLEM FOR THE CHINESE GOVERNMENT WAS SETTING HONG KONG PEOPLE'S HEARTS AT EASE IN ORDER TO AVOID A FLIGHT OF FUNDS AND PEOPLE. IF CHINA RECOVERED HONG KONG AGAINST THE WISHES OF HONG KONG PEOPLE, THERE WOULD BE SERIOUS PROBLEMS. THE CHINESE SHOULD ALSO REFRAIN FROM ISSUING SO MANY PUBLIC STATEMENTS ON THE SUBJECT. THE SING TAO DAILY IN AN EDITORIAL ON 4 DECEMBER SAID THAT THE END OF BRITISH ADMINISTRATION WOULD MEAN THE LOSS OF HONG KONG'S LIBERAL CLIMATE AND BRITISH LEGAL SYSTEM. PEKING FAILED TO UNDERSTAND THAT CONFIDENCE DEPENDED ON WHETHER BRITAIN WOULD RETAIN FULL POWER TO RUN HONG KONG.

3. THE HONG KONG ECONOMIC JOURNAL ATTACKED THE IDEA THAT SINGAPORE WAS AN ENCOURAGING PRECEDENT FOR AN AUTONOMOUS HONG KONG RULED BY LOCAL PEOPLE: LEE KWAN YEW HAD THE POWER TO SUPPRESS COMMUNISTS IN SINGAPORE TO ENSURE THAT THE ECONOMY WAS NOT IMPEDED BY LEFT WING ACTIVITIES. THE ECONOMIC JOURNAL DOUBTED WHETHER SUCH A POLICY WOULD BE TOLERATED HERE AFTER CHINA HAD RESUMED SOVEREIGNTY.

4. THE MING BAO EDITORIAL ON 6 DECEMBER SAID THAT WHILST PRESERVATION OF HONG KONG'S WAY OF LIFE AND ECONOMIC SYSTEMS MIGHT BE THE PRESENT CHINESE GOVERNMENT'S POLICY, A WRITTEN GUARANTEE WHICH WOULD BID FUTURE CHINESE LEADERS WOULD BE NECESSARY FOR THE MAINTENANCE OF CONFIDENCE. THE MING BAO SUGGESTED THAT THIS SHOULD TAKE THE FORM OF AN UNDERTAKING THAT, FOR A STIPULATED PERIOD AFTER CHINA HAD RECOVERED SOVEREIGNTY, SAY 30 YEARS, HONG KONG'S ROLE AS A FREE PORT AND FINANCIAL CENTRE WOULD BE GUARANTEED.

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INFO PEKING

FUTURE OF HONG KONG : PRESS COVERAGE

SOMETHING OF A DEBATE HAS BROKEN OUT IN THE LOCAL PRESS ON THE QUESTION OF WHETHER CHINESE ASSURANCES ABOUT THE PRESERVATION OF HONG KONG'S WAY OF LIFE AFTER SOVEREIGNTY HAS BEEN RECOVERED ARE CREDIBLE. THE COMMUNIST PRESS HAVE CONTINUED TO PICK UP POINTS MADE BY LIAO CHENGZHI TO THE FACTORY OWNERS ASSOCIATION AND TO CALL ON HONG KONG PEOPLE TO HAVE FAITH IN CHINA'S INTENTIONS. THE WEN WEI PO ON 1 DECEMBER CARRIED AN ARTICLE BY ITS PUBLISHER, LI ZISONG, ON THIS GENERAL THEME. HE CRITICISED THOSE WHO SOUGHT TO DENY THE CONTRIBUTION MADE BY THE MAINLAND TO HONG KONG'S PROSPERITY AND GAVE ALL THE CREDIT TO BRITISH ADMINISTRATORS. THOSE WHO DID NOT BELIEVE CHINESE ASSURANCES ABOUT THE MAINTENANCE OF PROSPERITY SHOWED A LACK OF NATIONAL PRIDE AND SELF-CONFIDENCE. IN SUPPORT OF THE ARGUMENT THAT HONG KONG'S PROSPERITY OWED LITTLE TO BRITAIN, LI SAID THAT THE BRITISH ECONOMY WAS 'A SHAMBLES' AND THAT BRITAIN'S PROSPERITY COULD NOT BEAR COMPARISON WITH THAT OF HONG KONG.

2. THE PRO KMT PRESS HAVE BEEN CONSISTENTLY CRITICAL OF RECENT CHINESE STATEMENTS. BUT SOME INDEPENDENT NEWSPAPERS, NOTABLY THE ENGLISH LANGUAGE SOUTH CHINA MORNING POST (SCMP) AND THE CHINESE LANGUAGE MING PAO AND ECONOMIC JOURNAL HAVE NOW BEGUN TO QUESTION CHINESE ASSURANCES AND TACTICS. MING PAO, IN AN EDITORIAL ON 1 DECEMBER PICKED UP REMARKS MADE BY THE PRO COMMUNIST CHAIRMAN OF THE CHINESE GENERAL CHAMBER OF COMMERCE, K.C. WONG, REPORTED BY THE CHINA NEWS SERVICE IN A DESPATCH FROM PEKING. AMONG OTHER THINGS, WONG, WHO IS A NPC MEMBER, AGAIN EMPHASISED THAT HONG KONG'S LIFE-STYLE INCLUDING HORSE RACING, THE STOCK EXCHANGES

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AND NIGHT CLUBS WOULD BE PRESERVED. MING PAO SAID THAT THE VAST MAJORITY OF PEOPLE IN HONG KONG DID NOT CARE ABOUT THESE THINGS: THEIR CONCERN WAS WITH THE PRESERVATION OF THE PRESENT FREEDOM OF TRAVEL AND GUARANTEES FOR THE PRINCIPLES OF LAW AND HUMAN RIGHTS.

3. THE SCMP EDITORIAL ON 1 DECEMBER CRITICISED THE "DABBLE OF VOICES" IN PEKING AND SAID THAT THE CHINESE LEADERSHIP WAS NOT DOING ITSELF OR HONG KONG ANY GOOD BY ITS FAILURE TO KEEP THE ISSUES IN THE TALKS CONFIDENTIAL.

4. THE ECONOMIC JOURNAL SUGGESTED THAT A LOCAL CHINESE GOVERNOR WOULD BECOME A "YES MAN" FOR PEKING: THAT CRITICISM OF THE GOVERNMENT WOULD NOT BE TOLERATED AS IT WAS NOW: AND THAT MISTAKES WOULD BE COVERED UP SO THAT PEKING COULD BE TOLD THAT ALL WAS WELL.

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FUTURE OF HONG KONG : PRESS COVERAGE

1. BOTH MAJOR HONG KONG COMMUNIST NEWSPAPERS, THE TA KUNG PAO AND THE WEN WEI PO, REPORT PROMINENTLY REMARKS MADE IN PEKING BY FEI YIMIN, THE PUBLISHER OF THE TA KUNG PAO AND A DELEGATE TO THE NATIONAL PEOPLES CONGRESS. FEI IS REPORTED TO HAVE SAID THAT HONG KONG PEOPLE HAD NO (NO) CAUSE FOR CONCERN BECAUSE LIAO CHENGZHI HAD OUTLINED A PROPOSAL FOR SELF-RULE WHICH WOULD LEAVE HONG KONG'S SOCIAL AND ECONOMIC SYSTEMS, INCLUDING HONG KONG'S LEGAL "PRINCIPALS" UNCHANGED. HONG KONG'S STATUS WOULD BE GUARANTEED UNDER ARTICLE 31 OF THE CONSTITUTION. IN PARENTHESIS, THE REPORT QUOTES FROM WHAT APPEARS TO BE THE TEXT OF ARTICLE 31. THE QUOTATION IS IDENTICAL TO ARTICLE 30 OF THE PUBLISHED DRAFT CONSTITUTION EXCEPT FOR A SPECIFIC REFERENCE TO THE NATIONAL PEOPLE'S CONGRESS ("THE RULES AND REGULATIONS IN FORCE IN THE SPECIAL ADMINISTRATIVE REGIONS SHALL BE STIPULATED BY THE NATIONAL PEOPLE'S CONGRESS ACCORDING TO THE LAW AND IN ACCORDANCE WITH SPECIFIC CONDITIONS"). FEI SAID THAT THIS WOULD ENSURE THAT HONG KONG WOULD HAVE A LEGAL GUARANTEE.

2. FEI ALSO SAID THAT CHINA HAD BOTH THE DETERMINATION AND ABILITY TO ADMINISTER HONG KONG PROPERLY AND THAT HE HOPED BRITAIN AND OTHER FRIENDLY COUNTRIES WOULD MAKE CONSTRUCTIVE SUGGESTIONS FOR THE PRESERVATION OF HONG KONG'S STABILITY AND PROSPERITY.

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