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Future of H-K 46B

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FM HONG KONG 210940Z JUN 83

TO PRIORITY FCO

TELEGRAM NUMBER 837 OF 21 JUNE

INFO PRIORITY HONG KONG GOVERNMENT OFFICE LONDON, PEKING

MY TELNO 826: FUTURE OF HONG KONG: PRESS COVERAGE.

1. THE NEWSWEEK ARTICLE AND THE GOVERNMENT SPOKESMAN'S RESPONSE WERE BOTH GIVEN PROMINENT AND WIDESPREAD COVERAGE IN THE LOCAL PRESS ON 21 JUNE. MOST PAPERS SOUGHT COMMENT FROM THE USUAL SELECTION OF ACADEMICS AND BUSINESSMEN, ALL OF WHOM EXPRESSED SCEPTICISM ABOUT THE NEWSWEEK REPORT, IN PARTICULAR THE NOTION THAT DENG XIAOPING HAD SET A DEADLINE FOR THE NEGOTIATIONS. MOST NEWSPAPERS INTERPRETED THE GOVERNMENT STATEMENT AS A DENIAL OF THE DEADLINE STORY AS WELL AS OF THE ASSERTION THAT THE TALKS IN SEPTEMBER 1982 HAD BEEN ACRIMONIOUS. ONLY THE SOUTH CHINA MORNING POST (SCMP) POINTED OUT THAT THE GOVERNMENT STATEMENT HAD NOT, IN FACT, REFUTED THE ASSERTION THAT DENG XIAOPING HAD SET A DEADLINE FOR THE TALKS. THE PRESS RELEASE ON MINISTERIAL MESSAGES WAS ALSO WIDELY COVERED AND GENERALLY SEEN AS A COUNTER TO THE NEWSWEEK ASSERTION THAT THE FCO HAD GIVEN UP ANY REAL HOPE OF RETAINING EVEN TITULAR SOVEREIGNTY OVER HONG KONG AFTER 1997.
2. THE HONG KONG ECONOMIC JOURNAL (INDEPENDENT) ALONGSIDE ITS COVERAGE OF THE NEWSWEEK ARTICLE, CARRIED ON ITS FRONT PAGE ON 21 JUNE AN ARTICLE QUOTING INFORMED SOURCES AS HAVING REVEALED THAT THE SINO/BRITISH TALKS WERE NOW FOCUSING ON THE AGENDA FOR THE NEGOTIATIONS. AGREEMENT HAD YET TO BE REACHED ON THE ORDER OF DISCUSSION OF THE TWO MOST IMPORTANT TOPICS, SOVEREIGNTY AND FUTURE ADMINISTRATIVE ARRANGEMENTS. BRITAIN WISHED TO DISCUSS FUTURE ADMINISTRATIVE ARRANGEMENTS FIRST, BUT CHINA WANTED TO HAVE SOVEREIGNTY AS THE FIRST ITEM. IN AN EDITORIAL IN THE SAME EDITION, THE ECONOMIC JOURNAL SUGGESTED THAT IT WOULD BE REASONABLE TO DETERMINE FIRST HOW HONG KONG'S CONTINUED ADMINISTRATION SHOULD BE ORGANISED BEFORE SETTLING THE SOVEREIGNTY ISSUE. IF THE SOVEREIGNTY ISSUE WERE DEALT WITH FIRST, THIS MIGHT CAUSE CHAOS IN HONG KONG. THE EDITORIAL ALSO URGED HONG KONG PEOPLE TO STATE THEIR VIEWS AND TO BEAR IN MIND THAT SOVEREIGNTY WAS AN ABSTRACT NOTION WHICH DID NOT AFFECT THEIR DAILY LIVES IN THE WAY THAT THE ORGANISATION OF HONG KONG'S ADMINISTRATION DID.

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/3. REMARKS

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3. REMARKS MADE BY THE DIRECTOR DESIGNATE OF NCNA HONG KONG, XU JIATUN, TO A SUB-COMMITTEE OF THE NPC WERE WIDELY REPORTED IN THE LOCAL PRESS OVER THE WEEKEND. PARTICULAR ATTENTION WAS PAID TO HIS ASSERTION THAT SOVEREIGNTY WAS NOT NEGOTIABLE.
4. FOLLOWING THE WEN WEI PO ARTICLE REPORTED IN PARAGRAPH 5 OF MY TELNO 818, THE TA KUNG PAO PUBLISHED A COMMENTARY ON 19 JUNE WHICH MAY ALSO BE READ AS A RESPONSE TO THE YOUNG PROFESSIONALS' MEMORANDUM. THE ARTICLE SUGGESTED THAT AS HONG KONG PEOPLE WERE CHINESE PEOPLE, SELF RULE WAS ANOTHER FORM OF CHINESE RULE. SINCE LOCAL RESIDENTS WERE FAMILIAR WITH THE CAPITALIST SYSTEM IT WOULD BE APPROPRIATE TO LET THEM ADMINISTER THE TERRITORY. CHINESE PEOPLE IN HONG KONG ALREADY OCCUPIED SENIOR PROFESSIONAL AND MANAGERIAL POSTS AS WELL AS SOME TOP LEVEL POSTS IN THE CIVIL SERVICE. AFTER CHINA REGAINED SOVEREIGNTY, LOCAL PEOPLE WOULD BE GIVEN THROUGH LEGISLATION THE RIGHT TO ADMINISTER THE TERRITORY AND THEIR SITUATION WOULD BE MUCH BETTER. THE ARTICLE REPEATED SOME OF THE HISTORICAL ARGUMENTS MENTIONED IN THE EARLIER WEN WEI PO COMMENTARY AND CONCLUDED WITH AN APPEAL TO LOCAL PEOPLE TO BELIEVE IN THEMSELVES AS CHINESE. WITH THE PASSAGE OF TIME THE AUTHOR BELIEVED THAT THERE WOULD BE MANY MORE LOCAL CHINESE WILLING TO WORK TOGETHER FOR HONG KONG'S CONTINUED PROSPERITY.

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FUTURE OF HONG KONG

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HD/FED

HD/PLANNING STAFF

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PS

PS/LADY YOUNG

PS/MR LUCE

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SIR A PARSONS " " "

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FM HONG KONG 200856Z JUN 83
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TELEGRAM NUMBER 826 OF 20 JUNE
INFO IMMEDIATE PEKING

FUTURE OF HONG KONG : NEWSWEEK ARTICLE

1. SOME EXCITEMENT HAS BEEN CAUSED HERE BY REUTER AND AFP REPORTS ON AN ARTICLE IN THE LATEST (27 JUNE) INTERNATIONAL EDITION OF NEWSWEEK HEADED "DENG'S HONG KONG DEALINE". THE AGENCY REPORTS HIGHLIGHT TWO POINTS:

(1) THAT DENG XIAOPING TOLD THE PRIME MINISTER IN AN "ACRIMONIOUS" MEETING LAST SEPTEMBER THAT "IF BRITAIN AND CHINA DO NOT REACH AGREEMENT BY THE END OF 1984, CHINA WILL ANNOUNCE ITS OWN SOLUTION". THE SOURCE IS GIVEN AS HU YAOBANG IN AN INTERVIEW WITH A NEWSWEEK COLUMNIST.

(2) THAT ACCORDING TO "RELIABLE SOURCES IN LONDON" THE BRITISH FOREIGN OFFICE HAS GIVEN UP ANY REAL HOPE OF RETAINING EVEN TITULAR SOVEREIGNTY OVER HONG KONG AFTER 1997.

2. THE NEWSWEEK EDITION CONTAINING THE ARTICLE IS ON SALE HERE FROM TODAY.

3. WE HAVE TAKEN THE FOLLOWING LINE IN RESPONSE TO QUESTIONS FROM THE MEDIA:

"THE OUTCOME OF THE TALKS BETWEEN THE PRIME MINISTER AND CHINESE LEADERS WAS DESCRIBED IN THE JOINT STATEMENT ISSUED IN PEKING ON 24 SEPTEMBER 1982. THE JOING STATEMENT SAID SPECIFICALLY THAT THE TALKS HAD BEEN HELD "IN A FRIENDLY ATMOSPHERE".

WE KNOW OF NO BASIS FOR THE VIEWS ATTRIBUTED IN THE REPORT TO THE FOREIGN AND COMMONWEALTH OFFICE. HMG'S AIM WAS AND IS TO SEEK A SOLUTION TO THE QUESTION OF THE FUTURE WHICH IS ACCEPTABLE NOT ONLY TO THE BRITISH AND CHINESE GOVERNMENTS BUT ALSO TO THE PEOPLE OF HONG KONG.

THE DIPLOMATIC TALKS ARE CONFIDENTIAL. THE GOVERNOR INDICATED THEIR PRESENT STATE IN HIS TV INTERVIEW ON 20 MAY".

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Thank you
Dr. K. [unclear]
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Sal to me pl.
h.a. 21/6

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4. A PRESS RELEASE ON THE MINISTERIAL MESSAGES IN YOUR TELNOS 534 AND 536 WILL BE ISSUED THIS EVENING AND MAY HELP TO REDUCE THE IMPACT OF THIS STORY. TEXT IS AS FOLLOWS:

'THE NEW SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, SIR GEOFFREY HOWE, AND THE MINISTER OF STATE AT THE FOREIGN AND COMMONWEALTH OFFICE WHO HAS BEEN GIVEN SPECIAL RESPONSIBILITY FOR HONG KONG, MR RICHARD LUCE HAVE SENT PERSONAL MESSAGES TO THE GOVERNOR AND MEMBERS OF THE EXECUTIVE AND LEGISLATIVE COUNCILS. IN THESE MESSAGES THEY REAFFIRM HMG'S COMMITMENT TO HONG KONG, AND TO SEEKING A SOLUTION ON THE FUTURE OF THE TERRITORY WHICH IS ACCEPTABLE TO THE PEOPLE OF HONG KONG AS WELL AS TO THE BRITISH AND CHINESE GOVERNMENTS. THEY ARE CONFIDENT THAT SUCH A SOLUTION CAN BE ACHIEVED. THE TWO MINISTERS LOOK FORWARD TO MEETING AND WORKING WITH MEMBERS OF EXCO AND LEGCO''.

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