

RESTRICTED
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 INFO PRIORITY PEKING, HONG KONG GOVERNMENT OFFICE LONDON,
 HONG KONG GOVERNMENT REPRESENTATIVES WASHINGTON, NEW YORK, BRUSSELS
 AND GENEVA

FUTURE OF HONG KONG: PRESS COVERAGE.

BOTH ENGLISH AND CHINESE LANGUAGE NEWSPAPERS (COMMUNIST INCLUDED) REPORTED COMMENTS MADE BY LORD CHALFONT ON HIS DEPARTURE FROM HONG KONG YESTERDAY EVENING. ACCORDING TO THESE REPORTS LORD CHALFONT'S PERSONAL VIEW WAS THAT AN QUOTE OUTLINE AGREEMENT UNQUOTE ON THE FUTURE OF HONG KONG COULD BE EXPECTED BY THE END OF THE YEAR. A BRITISH CONCESSION ON SOVEREIGNTY AND CHINESE CONCESSIONS ON ADMINISTRATION WOULD BE THE MOST LIKELY PATH TO AGREEMENT. HE WAS ALSO QUOTED AS SAYING THAT BRITISH FORCES WOULD EVENTUALLY HAVE TO LEAVE.

2. SEVERAL NEWSPAPERS REPORTED REMARKS MADE BY BROOK BERNACHI (URBAN COUNCILLOR AND CHAIRMAN OF THE REFORM CLUB) AT A LUNCHEON MEETING YESTERDAY. BERNACHI URGED THE BRITISH GOVERNMENT TO DECLARE THAT HONG KONG WOULD NO LONGER BE A COLONY AFTER 1997 AND TO RECOGNISE CHINESE SOVEREIGNTY OVER THE TERRITORY. HONG KONG SHOULD BE TURNED INTO AN ADMINISTRATIVE REGION WHERE THE EXISTING SYSTEMS WOULD BE MAINTAINED.

3. THE INDEPENDENT ECONOMIC JOURNAL CARRIED AN EDITORIAL ON THE POSSIBLE VISIT TO LONDON IN SEPTEMBER BY LEGISLATIVE COUNCILLOR ALLEN LEE'S GROUP OF YOUNG PROFESSIONALS. THE PAPER HOPED THAT LEE WOULD PERSUADE THE BRITISH GOVERNMENT NOT TO ADHERE TO CLOSELY TO THE TREATIES BY WITHDRAWING FROM HONG KONG IN 1997. A LONGER TRANSITIONAL PERIOD WITH CONTINUED BRITISH PRESENCE WAS NECESSARY. CHINA'S QUOTE SELF-RULE UNQUOTE PROPOSAL ALONE COULD NOT GURANTEE AN INDEPENDENCE FROM PEKING'S INFLUENCE.

4. THE MAIN STORY GIVEN PROMINENT COVERAGE IN THE COMMUNIST PRESS WAS A STATEMENT ISSUED BY A DELEGATION OF THE HONG KONG FEDERATION OF STUDENTS WHO VISITED CHINA FROM 9 TO 23 JULY. QUOTING UNNAMED QUOTE OFFICIALS IN CHARGE OF HONG KONG AFFAIRS UNQUOTE THE STUDENTS SAID THAT THEY WERE TOLD THAT CHINA MUST RECOVER BOTH SOVEREIGNTY AND ADMINISTRATIVE POWER OVER HONG KONG IN 1997. HOWEVER, THE PEOPLE OF HONG KONG WOULD BE ALLOWED TO DISCUSS AND TAKE PART IN DEVISING THE TERRITORY'S FUTURE SYSTEMS AND IN DRAFTING THE BASIC LAWS WITH REGARD TO HONG KONG AS A REGION. THE DRAFT WOULD THEN BE OPEN FOR PUBLIC COMMENT BEFORE BEING PASSED BY THE NPC. THE OFFICIALS LISTED TEN SPECIAL POINTS WHICH WOULD APPLY TO HONG KONG AS A SPECIAL ADMINISTRATIVE ZONE. THESE WERE AS FOLLOWS (MOST ARE FAMILIAR BUT THEY HAVE ON THIS OCCASION BEEN SPELT OUT WITH GREAT PRECISION AND IN GREAT DETAIL):

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(A) APART FROM DEFENCE AND DIPLOMATIC AFFAIRS, CHINA WILL NOT INTERFERE WITH THE INTERNAL ADMINISTRATION OF HK. ALL INTERNAL AFFAIRS WILL BE DECIDED ON AND MANAGED BY THE PEOPLE OF HONG KONG.

(B) PEKING WILL NOT SEND AN OFFICIAL TO RULE HONG KONG. THE FUTURE MAYOR OR ADMINISTRATIVE HEAD OF HONG KONG WILL BE ELECTED BY THE HONG KONG PEOPLE. THE ONLY REQUIREMENT IS THAT HE MUST BE PATRIOTIC AND SUPPORT THE REUNIFICATION OF CHINA, AND BE RESPECTED BY THE PEOPLE.

(C) HONG KONG PEOPLE CAN RULE HONG KONG ACCORDING TO HONG KONG LAWS.

(D) THE LIFE STYLE OF HONG KONG PEOPLE WILL REMAIN UNCHANGED.

(E) HONG KONG PEOPLE WILL ENJOY THE FREEDOM TO PUBLISH, SPEAK, ASSEMBLY, RESIDE AND TRAVEL.

(F) THE KMT, TROTSKYTES AND MEMBERS OF ALL POLITICAL FACTIONS WILL BE ALLOWED TO OPERATE IN HONG KONG SO LONG AS THEY DO NOT ENGAGE IN SABOTAGE ACTIVITIES.

(G) THE HONG KONG GOVERNMENT WILL BE RESPONSIBLE FOR MAINTAINING LAW AND ORDER WITH ITS OWN POLICE FORCE.

(H) HONG KONG CAN RETAIN ITS CAPITALIST STRUCTURE, AND MAINTAIN ITS POSITION AS A FREE PORT AND FINANCIAL CENTRE WITH ITS OWN CURRENCY WHICH CAN BE FREELY CONVERTED INTO OTHER CURRENCIES AS AT PRESENT. BUT THE DESIGN OF BANKNOTES WILL HAVE TO BE CHANGED.

(I) ALTHOUGH THE CHINESE GOVERNMENT WILL HANDLE HONG KONG'S DIPLOMATIC AFFAIRS, HONG KONG WILL STILL HAVE CERTAIN POWERS IN ITS FOREIGN AFFAIRS, SUCH AS ISSUING TRAVEL DOCUMENTS OF ITS OWN.

(J) HONG KONG PEOPLE WILL BE ALLOWED TO MAKE SOCIAL REFORMS.

5. IN ITS EDITORIAL, THE LEADING COMMUNIST NEWSPAPER, TA KUNG PAO LAUDED THE STUDENT' QUOTE ACTIVE, PROGRESSIVE, CALM AND MATURE UNQUOTE APPROACH TO THE QUESTION AND URGED READERS TO PAY PARTICULAR ATTENTION TO THE TEN SPECIAL POINTS THEY HAD BROUGHT BACK.

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FUTURE OF HONG KONG

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