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FM HONG KONG 271010Z JAN 83

TO PRIORITY FCO

TELEGRAM NUMBER 142 OF 27 JANUARY

INFO PRIORITY PEKING HONG KONG GOVERNMENT OFFICE LONDON

PEKING TELNO 68 TO FCO: FUTURE OF HONG KONG: PRESS REPORTS

THE REUTER'S STORY REFERRED TO IN PARAGRAPH 2 OF PEKING'S TELEGRAM UNDER REFERENCE IS CLEARLY AN ACCOUNT OF MY OFF-THE-RECORD PRESS BRIEFING REFERRED TO IN HONG KONG TELNO 131.

2. THE QUESTION OF A ROLE FOR EXCO WAS NOT (NOT) RAISED AT THE BRIEFING. THE FINANCIAL TIMES STORY TO THIS EFFECT APPEARS TO HAVE COME FROM OTHER SOURCES NOT NECESSARILY IN HONG KONG (ROBERT COTTRELL, HONG KONG CORRESPONDENT FOR THE FT, WAS NOT (NOT) PRESENT AT THE BRIEFING).
3. A FURTHER EDITORIAL IN THE COMMUNIST PRESS HAS PICKED UP THESE STORIES. THE NEW EVENING POST ON 25 JANUARY PUBLISHED A RAMBLING EDITORIAL COVERING A VISIT TO GUANGZHOU BY THE POLITICAL ADVISER FOR A REVIEW OF BORDER LIAISON ARRANGEMENTS, THE CONSTRUCTION OF A FENCE ON THE NORTHERN BOUNDARY OF THE SHENZHEN SPECIAL ECONOMIC ZONE, AND THE LUNAR NEW YEAR RUSH TO TRAVEL TO CHINA. THE EDITORIAL SAID THAT IN 14 YEARS TIME A SIGN WOULD BE ERECTED ALONGSIDE THE SHENZHEN SEZ SAYING QUOTE THE HONG KONG SPECIAL ADMINISTRATIVE REGION UNQUOTE. PICKING UP REMARKS ATTRIBUTED TO THE CHIEF SECRETARY THAT HONG KONG, KOWLOON AND THE NEW TERRITORIES WERE IN PRACTICE ONE UNIT, THE NEW EVENING POST SAID THAT FOR HONG KONG TO PROSPER IT MUST ALSO BE LINKED TO SHENZHEN, TO GUANGDONG AND THE HINTERLAND. THE SOVEREIGNTY OF THE STATE WAS INDIVISIBLE AND THE PROSPERITY OF THE STATE IS ONE COMPACT WHOLE. THE EDITORIAL CONCLUDED BY ALLEGING THAT THE SENIOR HONG KONG GOVERNMENT OFFICIAL HAD ATTACKED CHINA IN IMPROPER TERMS AND THAT THIS WOULD NOT HAVE A POSITIVE EFFECT ON THE CONDUCT OF THE SINO-BRITISH TALKS.
4. THE COMMUNIST WEN WEI PO AND A NUMBER OF INDEPENDENT PAPERS ON 27 JANUARY REPORTED WITHOUT COMMENT THE CLARIFICATIONS ABOUT EXCO'S ROLE AND THE PROSPECTS OF THE GOVERNOR'S PARTICIPATION IN THE TALKS WHICH WERE ISSUED IN HONG KONG AND LONDON ON 26 JANUARY.
5. THE PRO-KMT KUNG SHEUNG DAILY ON 27 JANUARY PUBLISHED THE RESULTS OF A POSTAL OPINION POLL WHICH THE PAPER HAD CONDUCTED. ACCORDING TO THE PAPER, 43,000 REPLIES TO THE QUESTIONNAIRE HAD BEEN RECEIVED. THE TWO QUESTIONS WERE:

(A) WHAT SHOULD BE HONG KONG STATUS AFTER 1997, AND

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/ (B)

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(B) SHOULD THERE BE A REFERENDUM.

83 PER CENT SAID THAT THE STATUS QUO SHOULD BE MAINTAINED, 3.4 PER CENT SAID THAT SOVEREIGNTY SHOULD RETURN TO CHINA AND BRITISH ADMINISTRATION COULD CONTINUE, 6.18 PER CENT VOTED FOR U.N. TRUSTEESHIP, AND 4.72 PER CENT FOR INDEPENDENCE. LESS THAN 1 PER CENT VOTED FOR HONG KONG PEOPLE TO RUN HONG KONG UNDER CHINESE SOVERIGNTY OR FOR SOVEREIGNTY AND ADMINISTRATION TO BE RETURNED TO CHINA. 97.6 PER CENT WERE IN FAVOUR OF A REFERENDUM. (COMMENT) IN VIEW OF THE SOURCE THESE FIGURES SHOULD BE TREATED WITH GREAT CAUTION.

N.B.

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FUTURE OF HONG KONG

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FM PEKING 250700Z JAN 83

TO IMMEDIATE FCO

TELNO 63 OF 25 JANUARY

INFO IMMEDIATE HONG KONG.

MY TELNO 7 TO HONG KONG: FUTURE OF HONG KONG

1. REUTERS TOLD US THIS MORNING THAT AFP HERE WERE RESPONSIBLE FOR THE STORY ABOUT THE MFA DENIAL. A CHECK WITH AFP REVEALS THAT THE MFA DID DENY THE ORIGINAL STORY, WHICH WAS TO THE EFFECT THAT LIAO CHENGZHI HAD SAID THAT THE BALL WAS IN THE BRITISH COURT AND A REPLY WAS AWAITED ON CHINESE PROPOSALS. SUBSEQUENTLY THE NEW TERRITORIES DELEGATION HAD ITSELF CORRECTED ITS STORY AND HAD REFERRED TO A BIG BALL, SOVEREIGNTY, ON WHICH A REPLY WAS AWAITED FROM THE BRITISH, AND A SMALL BALL (NEGOTIATIONS), WHICH WAS SEPARATE, AND ON WHICH NO POSITION WAS SPECIFIED. THE MFA HAVE NOT YET SO FAR AS WE KNOW BEEN ASKED TO CONFIRM THIS SECOND STORY.

2. REUTERS HAVE THIS MORNING RECEIVED A STORY FROM THEIR HONG KONG BUREAU QUOTING A SENIOR HONG KONG OFFICIAL AS SAYING THAT HE EXPECTED NO FURTHER PROGRESS ON THE TALKS UNTIL AFTER THE CHINESE NEW YEAR. THERE HAD NOT BEEN INTENSIVE EXCHANGES IN THE PAST TWO OR THREE MONTHS. FACTORS SLOWING THE TALKS HAD INCLUDED THE RECENT MEETING OF THE NPC, THE GOVERNMENT RE-SHUFFLE, AND RUMOURS OF OTHER IMPENDING CHANGES. ASKED IF IT WAS TRUE THAT THE BALL WAS IN THE BRITISH COURT, THE OFFICIAL SAID THAT THE CHINESE HAD NOT HANDED DOCUMENTED PROPOSALS TO BRITISH NEGOTIATORS. THEY HAD SIMPLY RE-STATE PRINCIPLES THEY HAD PUBLICLY ENUNCIATED, MAINLY ON THE QUESTION OF SOVEREIGNTY. THE OFFICIAL SAID QUOTE WHATEVER THE LEGAL STATUS OF THE DIFFERENT PARTS OF HONG KONG MAY OR MAY NOT BE IN OUR EYES, IT IS COMMON GROUND BETWEEN BOTH SIDES THAT HONG KONG IS ONLY VIABLE AS A WHOLE UNQUOTE: THE OFFICIAL IS SAID TO HAVE ADDED THAT THE UK RECOGNISED THAT SOVEREIGNTY WAS A PROBLEM, BUT THE MAIN ISSUE WAS PRESERVING HONG KONG'S CHARACTER AS IT WAS TODAY.

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TELEGRAM NUMBER 127 OF 25 JANUARY
INFO IMMEDIATE PEKING
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Read in full.

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FUTURE OF HONG KONG: PRESS COVERAGE

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THE TA KUNG PAO (COMMUNIST) ON 22 JANUARY PUBLISHED A COMMENTARY ASSERTING THAT THE BRITISH SIDE WAS HOLDING UP THE DISCUSSIONS ON HONG KONG'S FUTURE. IT REPEATED CHINA'S ABSOLUTE REQUIREMENT TO RECOVER SOVEREIGNTY IN 1997 AND SUGGESTED THAT THE BRITISH WERE STILL CHERISHING 'IMPRACTICAL FANTASIES'. THE ARTICLE CRITICISED LORD BELSTEAD'S REFERENCE TO A THREE LEGGED TABLE AT HIS PRESS CONFERENCE LAST DECEMBER AND REPEATED EARLIER CRITICISM OF MR IAN WRIGGLESWORTH MP FOR HIS ASSERTION THAT CONTINUING BRITISH ADMINISTRATION WAS VITAL TO HONG KONG'S WELL BEING (SEE MY TELNO 78). THE ARTICLE SAID THAT AN ABSOLUTE MAJORITY OF HONG KONG PEOPLE SUPPORTED CHINA'S CLAIM TO SOVEREIGNTY. ANY MISGIVINGS THAT THEY MIGHT HAVE RELATED ONLY TO THE DETAIL OF POLICIES FOR THE MAINTENANCE OF PROSPERITY AND STABILITY. THESE WORRIES WERE DISAPPEARING AS A RESULT OF CHINA'S PROPOSAL FOR HONG KONG PEOPLE TO RUN HONG KONG AS A SPECIAL ADMINISTRATIVE REGION. THE ARTICLE CONCLUDED BY SAYING THAT THOSE WHO EXPRESSED GLOOM ABOUT HONG KONG'S PROSPECTS WERE ACTING CONTRARY TO THE INTERESTS OF HONG KONG PEOPLE AND OF BRITAIN.

2. THIS ARTICLE HAS ATTRACTED SOME ATTENTION IN THE ENGLISH LANGUAGE PRESS, NOTABLY THE SOUTH CHINA MORNING POST. THE ONLY NEW ELEMENT IN IT IS THE DIRECT ATTACK ON LORD BELSTEAD: THERE WAS NO (NO) DIRECT CRITICISM OF HIS REMARKS AT THE TIME BY THE LOCAL COMMUNIST PRESS.

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TO PRIORITY FCO

TELEGRAM NUMBER 81 OF 18 JANUARY

INFO PRIORITY PEKING, HONG KONG GOVERNMENT OFFICE LONDON

MY TELNO 78: FUTURE OF HONG KONG: PRESS COVERAGE.

THERE WAS A FURTHER ROUND OF REPORTS ON THE NEW TERRITORIES REPRESENTATIVE DELEGATION'S VISIT IN THE HONG KONG PRESS ON 18 JANUARY. THE ONLY NEW ELEMENT IS A REPORT IN THE MING PAO (INDEPENDENT) QUOTING LIAO CHENGZHI AS HAVING TOLD THE DELEGATION THAT, FOLLOWING THE RECOVERY OF SOVEREIGNTY, THE MOST SENIOR POSITIONS IN HONG KONG WOULD BE FILLED BY (LOCAL) CHINESE PEOPLE, BUT THAT FOREIGNERS COULD BE OFFERED POSTS AS ADVISERS AND SECRETARIES.

2. THE COMMUNIST PRESS HAVE CONTINUED TO PUBLISH COMMENTARIES AND EDITORIALS IN A SIMILAR VEIN TO THOSE REPORTED IN MY TEL UNDER REF AND PREVIOUS TELEGRAMS IN THIS SERIES. THE WEN WEI PO CARRIED AN ARTICLE BY ITS PUBLISHER, LI ZISONG, CRITICISING THOSE WHO HAD SUGGESTED A 30-YEAR TRANSITION PERIOD. SUCH PEOPLE WERE TOO DEPENDENT ON THE BRITISH. HE QUOTED SINGAPORE AND MALAYSIA AS EXAMPLES OF COUNTRIES WHICH HAD CONTINUED TO PROSPER AFTER THE ENDING OF BRITISH RULE. CHINA, RESPECTING HISTORY AND REALITY, WOULD HAVE WAITED 48 YEARS FROM THE FOUNDATION OF NEW CHINA UNTIL 1997 TO RECOVER ITS SOVEREIGNTY. IT COULD NOT WAIT FOR A FURTHER 30 YEARS BEFORE DOING SO.

3. THE NEW EVENING POST ON 17 JANUARY CARRIED AN EDITORIAL CRITICISING BRITAIN FOR DELAY IN RETURNING THE "FOOTBALL" TO WHICH LIAO CHENGZHI HAD REFERRED. THE EDITORIAL PICKED UP RECENT ARTICLES IN THE BRITISH PRESS SUGGESTING THAT THE FCO WAS DEMORALISED AND THAT THE PRIME MINISTER MADE ALL THE IMPORTANT DECISIONS ON FOREIGN AFFAIRS, AND SUGGESTED THAT THE BRITISH TEAM WAS IN DISARRAY. ?

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TELEGRAM NUMBER 78 OF 17 JANUARY
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FUTURE OF HONG KONG: PRESS COVERAGE

THE LOCAL PRESS HAS GIVEN WIDESPREAD COVERAGE TO FRESH REPORTS FROM PEKING ON THE NEW TERRITORIES GROUP'S DISCUSSIONS WITH LIAO CHENGZHI. THE REPORTS HAVE GIVEN FURTHER ACCOUNTS OF THEIR FIRST DISCUSSION WITH LIAO ON 12 JANUARY AS WELL AS DETAILS OF REMARKS HE MADE AT A DINNER IN THEIR HONOUR ON 16 JANUARY AFTER THEIR RETURN TO PEKING FROM THE PROVINCES.

2. THE (COMMUNIST) WEN WEI PO ON 16 JANUARY CARRIED AN INTERVIEW WITH CHAN YAT-SUN, A MEMBER OF THE GROUP. ACCORDING TO CHAN, LIAO CHENGZHI TOLD THE GROUP DURING THEIR FIRST MEETING THAT DIPLOMATIC TALKS WERE CONTINUING, BUT THERE WAS AN IMPASSE DUE TO THE PRIME MINISTER'S INSISTENCE ON THE VALIDITY OF THE TREATIES. LIAO APPARENTLY ASKED THE GROUP TO SEEK A PROMPT REPLY TO THE PROPOSALS PUT FORWARD BY CHINA. CHAN WAS HOWEVER REPORTED TO HAVE GAINED AN IMPRESSION OF FLEXIBILITY ON CHINA'S PART ON THE QUESTION OF THE FUTURE. THE SOUTH CHINA MORNING POST (SCMP) ON 17 JANUARY CARRIED AN INTERVIEW WITH THE DELEGATION LEADER, LAU WONG-FAT, WHO QUOTED LIAO CHENGZHI AS HAVING SAID THAT CHINA'S AUTONOMY PROPOSALS WERE ON THE DRAWING BOARD AND WERE TOO COMPLICATED TO REVEAL IN FULL AT THIS STAGE. LIAO APPARENTLY SAID THAT THE CHINESE WERE PAYING PARTICULAR ATTENTION TO THE HONG KONG ECONOMY AND THE CONTINUING ROLE OF THE HONG KONG DOLLAR, INCLUDING THE QUESTION OF ITS 'SEPARATION FROM STERLING'.

3. EDITORIALS IN THE LEFT WING PRESS HAVE CONTINUED TO POUNCE ON ANY EXPRESSION OF OPINION QUESTIONING CHINESE ASSERTIONS ABOUT HONG KONG. REMARKS BY MR. IAN WRIGGLESWORTH MP AT HIS PRESS CONFERENCE ON LEAVING HONG KONG HAVE DRAWN CRITICISM FROM THE COMMUNIST PRESS. (WRIGGLESWORTH TOOK THE LINE THAT THE NOTION THAT HONG KONG PEOPLE WOULD BE LEFT TO RUN HONG KONG THEMSELVES WAS NOT

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CREDIBLE). THE NEW EVENING POST DESCRIBED HIS REMARKS AS NONSENSE AND SAID THAT HE WAS TOTALLY IGNORANT OF THE HONG KONG QUESTION. THE TA KUNG PAO SAID THAT RESTORATION OF SOVEREIGNTY WAS A SACRED MISSION AND THAT IT WOULD BE ABSURD TO HAND ADMINISTRATIVE CONTROL BACK TO THE COUNTRY FROM WHICH SOVEREIGNTY HAD BEEN RECOVERED. THE TONE OF THE WEN WEI PO'S COMMENT WAS SLIGHTLY MILDER: IT CRITICISED WRIGGLESWORTH FOR BRUSHING ASIDE CHINA'S AUTONOMY PROPOSALS WITHOUT CONSIDERING THEM PROPERLY AND EXPRESSED THE HOPE THAT HIS REMARKS REFLECTED HIS PERSONAL VIEWS AND NOT THOSE OF THE BRITISH GOVERNMENT.

4. THE INDEPENDENT PRESS HAVE BEEN HITTING BACK AT EARLIER ATTACKS IN THE COMMUNIST PRESS ON OPINIONS WHICH SOUGHT TO CHALLENGE THE CHINESE PLAN. THE HONG KONG DAILY NEWS SAID THAT THE LEFT WING NEWSPAPERS SOUNDED LIKE THE GANG OF FOUR. IT WAS NOT TRUE THAT ENTRUSTING THE ADMINISTRATION OF HONG KONG TO BRITAIN WOULD BE A NATIONAL DISGRACE FOR CHINA. THE FINANCIAL DAILY SAID THAT CHINA'S OPEN DOOR POLICIES OF RECENT YEARS HAD NOT BEEN SUFFICIENT TO MAKE PEOPLE IN HONG KONG FORGET BAD MEMORIES OF EARLIER YEARS. THE EXPRESS (RIGHT WING) SAID A BRITISH CONCESSION ON SOVEREIGNTY IN RETURN FOR CONTINUING BRITISH ADMINISTRATION WAS THE BEST POSSIBLE SOLUTION TO THE PROBLEM.

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MY TELNOS 55 AND 56: FUTURE OF HONG KONG: PRESS COVERAGE

1. TODAY'S WEN WEI PO (COMMUNIST) HAS A REPORT FROM ITS CORRESPONDENT TRAVELLING WITH THE NEW TERRITORIES DELEGATION (NOW TOURING IN SHANDONG PROVINCE) WHICH MAKES IT CLEAR THAT THE DELEGATION HANDED OVER FIVE SPEARATE DOCUMENTS TO LIAO CHENGZHI. THE REPORT CONTAINS EXTENSIVE QUOTES FROM THE MEMORANDA SUBMITTED BY LAU WONG-FAT AND CHAN YAT SUN (A FORMER CHAIRMAN OF THE HEUNG YEE KUK).

2. THE CHINESE CHANNEL OF ATV CARRIED A REPORT ON 13 JANUARY FROM ITS CORRESPONDENT COVERING THE DELEGATION'S VISIT. THIS QUOTED A MEMBER OF THE DELEGATION AS SAYING THAT THE TALKS WITH LIAO HAD REVEALED THAT CHINA WAS NOT SATISFIED WITH PROGRESS IN THE NEGOTIATIONS ON HONG KONG'S FUTURE BUT HELD BRITAIN RESPONSIBLE FOR THIS.

3. THE VISIT HAS STIMULATED SOME EDITORIAL COMMENT IN THE INDEPENDENT PRESS. THE EDITORIALS ARE HIGHLY SPECULATIVE BUT FIND ENCOURAGEMENT IN LIAO'S REPORTED ASSERTION THAT THE BALL IS IN BRITAIN'S COURT, ON THE GROUND THIS INDICATES THAT THE NEGOTIATIONS ARE ALIVE AND IN PROGRESS.

4. THE NEW EVENING POST PUBLISHED AN EDITORIAL ON 13 JANUARY ON SIMILAR LINES TO THE TA KUNG PAO EDITORIAL MENTIONED IN PARA 3 OF MY TELNO 56. THE NEW EVENING POST MENTIONED THE URBAN COUNCIL CHAIRMAN BY NAME, AND THE TONE OF THE EDITORIAL WAS RATHER MORE HOSTILE. IT SAID THAT CHEONG-LEEN'S PROPOSALS WOULD BE TANTAMOUNT TO ASKING CHINA TO RENEW THE LEASE. THIS WAS OUT OF THE QUESTION BECAUSE IT WOULD BE AN AFFRONT TO CHINA'S NATIONAL DIGNITY AND A HUMILIATION WHICH THE CHINESE PEOPLE WOULD NEVER TOLERATE. A DIFFERENCE IN LIVING STANDARDS BETWEEN HONG KONG AND CHINA WAS NOT A REASON TO DELAY THE RECOVERY OF HONG KONG: THE LIVING STANDARD IN NORTHERN IRELAND WAS LOWER THAN THAT IN ENGLAND.

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MIPT : FUTURE OF HONG KONG : PRESS COVERAGE

IN ADDITION TO THE COVERAGE OF THE N.T. DELEGATION VISIT, REPORTED IN MIPT, THERE HAVE BEEN A NUMBER OF OTHER ARTICLES AND EDITORIALS ON THE FUTURE. THE YANG CHENG EVENING NEWS, A CANTON PAPER WIDELY AVAILABLE IN HONG KONG, PUBLISHED AN ARTICLE ON AN INSIDE PAGE IN ITS 13 JANUARY EDITION ON THE FAMILIAR THEME THAT HONG KONG'S PRESENT PROSPERITY IS DUE TO THE HARD WORK OF ITS PEOPLE AND THE SUPPORT OF CHINA RATHER THAN TO THE BRITISH CONNECTION. THE ARTICLE ADDED NOTHING TO POINTS ALREADY MADE IN MANY SIMILAR ARTICLES IN THE HONG KONG COMMUNIST PRESS, BUT THIS IS THE FIRST TIME TO OUR KNOWLEDGE THAT THIS THEME HAS BEEN TAKEN UP BY THE OFFICIAL PRESS.

2. THE SOUTH CHINA MORNING POST (SCMP) PUBLISHED AN EDITORIAL ON 13 JANUARY COMMENTING ON THE YANG CHENG EVENING NEWS ARTICLE. THE SCMP SAID THAT THE LAST THING HONG KONG WANTED TO GET INVOLVED IN AT THIS STAGE OF DISCUSSIONS WITH CHINA ON HONG KONG'S FUTURE WAS A GAME OF CHAUVINISTIC ONE-UPMANSHIP. IT WAS TRUE THAT HONG KONG'S SUCCESS OWED MUCH TO THE ENDEAVOUR OF ITS PEOPLE AND TO THE SUPPORT RECEIVED FROM CHINA, BUT BRITAIN HAD PROVIDED THE BASIC CONSTITUTIONAL AND ECONOMIC FRAMEWORK IN WHICH IT HAD BEEN ABLE TO GROW AND PROSPER. ABOVE ALL, BRITAIN HAD ENSURED THE BASIC FREEDOMS ESSENTIAL TO HONG KONG'S DEVELOPMENT. THE EDITORIAL ALSO SAID THAT UNDER CHINESE SOVEREIGNTY, IT WOULD BE DIFFICULT TO ENSURE THAT CHINESE POLITICS WOULD NOT AFFECT HONG KONG.

3. THE COMMUNIST TA KUNG PAO PUBLISHED AN EDITORIAL ON 13 JANUARY ATTACKING REMARKS MADE BY THE CHAIRMAN OF THE URBAN COUNCIL, HILTON CHEONG-LEEK, AT THE ANNUAL URBAN COUNCIL DEBATE, ALTHOUGH CHEONG-LEEK WAS NOT MENTIONED BY NAME. CHEONG-LEEK HAD CALLED FOR A CONTINUATION OF THE PRESENT "THREE-LEGGED TABLE" ARRANGEMENTS FOR 30-50 YEARS. THE TA KUNG PAO SAID THAT SUCH AN IDEA WOULD AMOUNT TO ALLOWING BRITISH ADMINISTRATION TO CONTINUE AND THAT IT IMPLIED DISAPPROVAL OF CHINA'S PLAN TO RECLAIM SOVEREIGNTY OVER HONG KONG.

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4. THE WEN WEI PO PUBLISHED AN EDITORIAL ON 13 JANUARY ATTACKING THE PRIME MINISTER'S VISIT TO THE FALKLANDS ON SIMILAR LINES TO THE NEW EVENING POST EDITORIAL OF 6 JANUARY REPORTED IN MY TELNO 35. THE EDITORIAL SAID THAT THE WORLD WAS MOVING TOWARDS DECOLONISATION AND PEACEFUL SETTLEMENT OF SOVEREIGNTY DISPUTES. IT WOULD BE WISER TO FOLLOW THIS TREND THAN TO DWELL ON PAST GLORIES OF THE IMPERIALIST ERA. IF THE PRIME MINISTER STUBBORNLY PERSISTED IN A HAWKISH STAND ON THIS ISSUE, SHE WOULD MEET A SOLID WALL OF OPPOSITION.

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MY TELNO 39 : VISITORS TO PEKING : NEW TERRITORIES REPRESENTATIVES'
MEETING WITH LIAO CHENGZHI

1. ALL PAPERS TODAY REPORT PROMINENTLY THE MEETING BETWEEN A NEW TERRITORIES REPRESENTATIVE DELEGATION, LED BY HEUNG YEE KUK CHAIRMAN LAU WONG FAT, AND LIAO CHENGZHI. ALL PAPERS, INCLUDING THE COMMUNIST PRESS, REPORT LAU WONG FAT AS HAVING SAID TO JOURNALISTS AFTER THE MEETING THAT LIAO CHENGZHI HAD TOLD HIM 'CHINA HAS KICKED THE BALL TO BRITAIN AND CHINA OBVIOUSLY HAS TO WAIT FOR BRITAIN TO KICK THE BALL BACK AGAIN. CHINA CANNOT GO CHASING AFTER THE BALL'. THIS IS UNIVERSALLY INTERPRETED AS MEANING THAT THE CHINESE SIDE HAD MADE PROPOSALS ON THE FUTURE TO WHICH A BRITISH RESPONSE WAS AWAITED. THE COMMUNIST WEN WEI PO SAYS THIS EXPLICITLY IN ITS HEADLINE. THE HONG KONG STANDARD AND REUTERS FROM PEKING QUOTE 'DIPLOMATIC ANALYSTS' AS SAYING THAT PUBLIC STATEMENTS BY CHINESE LEADERS ON THE HONG KONG QUESTION WERE SOMETIMES MADE FOR PROPAGANDA REASONS AND THAT THE BRITISH WOULD NOT NECESSARILY AGREE WITH MR. LIAO'S VIEW

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2. WIDE COVERAGE IS ALSO GIVEN TO THE FACT THAT THE DELEGATION GAVE LIAO WRITTEN SUGGESTIONS ON THE SUBJECT OF HONG KONG'S FUTURE. LAU WONG FAT IS QUOTED AS SAYING THAT DETAILS OF THESE DOCUMENTS WERE CONFIDENTIAL. HOWEVER, REPORTS IN THE COMMUNIST PRESS GIVE THE IMPRESSION THAT A FOUR POINT WRITTEN PROPOSAL IN THE NAME OF THE WHOLE DELEGATION WAS HANDED OVER. ACCORDING TO THE WEN WEI PO THE FOUR POINTS WERE:-

1. EARLY AGREEMENT BETWEEN BRITAIN AND CHINA AND AN EARLY ANNOUNCEMENT WERE REQUIRED.
2. CHINA SHOULD SPEED UP THE DEVELOPMENT OF THE SPECIAL ECONOMIC ZONES IN ORDER TO BOOST THE CONFIDENCE OF THE PEOPLE IN HONG KONG.

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3. ECONOMIC CO-OPERATION BETWEEN HONG KONG AND CHINA SHOULD BE PROMOTED.
4. HONG KONG SHOULD BECOME A LOGISTIC BASE FOR SOUTH CHINA SEA OIL EXPLORATION.

THE WEN WEI PO REPORTS THAT LIAO CHENGZHI WAS "PLEASED" TO RECEIVE THE WRITTEN PROPOSALS.

3. THE CHINESE CHANNEL OF COMMERCIAL RADIO AND SOME NON-COMMUNIST NEWSPAPERS GIVE A RATHER DIFFERENT ACCOUNT OF THE WRITTEN PROPOSALS, INDICATING THAT A NUMBER OF SEPARATE DOCUMENTS WERE SUBMITTED BY MEMBERS OF THE DELEGATION CONTAINING WIDELY DIFFERING VIEWS.

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