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FM HONG KONG 040850Z JUL 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 946 OF 4 JULY 1983

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

mt
Read in full

MY TELNO 937: FUTURE OF HONG KONG: PRESS COVERAGE OF THE ANNOUNCEMENT
OF A SECOND PHASE OF TALKS

1. THE ANNOUNCEMENT AND THE VISIT BY THE GOVERNOR AND UNOFFICIALS
TO LONDON CONTINUE TO BE THE LEAD STORY IN VIRTUALLY ALL PAPERS.
A TOTAL OF 17 NEWSPAPERS HAVE NOW COMMENTED EDITORIALY ON THE
ANNOUNCEMENT. OPINION IS UNANIMOUS THAT THE ANNOUNCEMENT IS AN
ENCOURAGING DEVELOPMENT AND THAT REAL PROGRESS IN THE TALKS MAY
NOW BE EXPECTED. THERE HAS BEEN NO (NO) GENERAL TENDANCY TO INTERPRET
THE ANNOUNCEMENT AS IMPLYING THAT BRITAIN HAD ALREADY MADE A CON-
CESSION ON SOVEREIGNTY. THE SPECULATIVE STORY IN THE LONDON SUNDAY
TELEGRAPH ON 3 JULY SUGGESTING THAT THE PRIME MINISTER HAD AGREED
TO CONSIDER FAVOURABLY A CHINESE PLAN FOR HONG KONG TO BECOME A
SPECIAL TRADE ZONE WITH A HONG KONG FLAG AND A HONG KONG CHINESE
GOVERNOR INEVITABLY ATTRACTED SOME ATTENTION IN THE LOCAL PRESS ON
4 JULY. BUT ALL PAPERS GAVE EQUAL PROMINENCE TO THE GOVERNMENT
SPOKESMAN'S COMMENT THAT THERE WAS NO BASIS IN FACT FOR THE STORY.

2. THE INDEPENDENT MING PAO HAS AGAIN LED THE WAY IN SENSIBLE
COMMENT. IN AN EDITORIAL ON 4 JULY, MING PAO SAID THAT THE PRIME
MINISTER WOULD NOT BE SO UNWISE AS TO CONCEDE SOVEREIGNTY OVER
HONG KONG AS READILY AS HAD BEEN REPORTED BY SOME HONG KONG AND
BRITISH NEWSPAPERS. COMMON SENSE INDICATED THAT SOVEREIGNTY WAS
ONE OF THE ONLY THREE CARDS BRITAIN HAD TO PLAY (OF WHICH THE
OTHER TWO WERE THE DESIRE OF HONG KONG RESIDENTS TO MAINTAIN THE
STATUS QUO, AND HONG KONG'S ECONOMIC VALUE TO CHINA).

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3. THE COMMUNIST PRESS HAVE SO FAR AVOIDED SEEKING TO CONVEY THE IMPRESSION THAT SOVEREIGNTY HAS ALREADY BEEN CONCEDED. (THERE HAS BEEN NO EDITORIAL COMMENT IN THE COMMUNIST PRESS BEYOND THAT REPORTED IN TUR.) THE NEW NCNA DIRECTOR, MR. XU JIATUN, IS BEING BESIEGED BY THE LOCAL PRESS EVERY TIME HE VENTURES OUT. SO FAR HE HAS RESPONDED CAUTIOUSLY TO THEIR ENQUIRIES. AT AN EXHIBITION OF CHINESE MARTIAL ARTS ON 3 JULY, MR. XU SAID THAT THERE WERE STILL DIFFERENCES BETWEEN THE CHINESE AND BRITISH SIDES BUT THAT HE WAS CONFIDENT THESE COULD BE RESOLVED IN THE NEGOTIATIONS.

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FUTURE OF HONG KONG

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MR ROBERTS NEWS D
HKGOT LONDON

GR 700

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FM HONG KONG 02040Z JUL 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 937 OF 2 JULY

INFO IMMEDIATE HONG KONG GOVERNMENT OFFICE LONDON, PEKING,
WASHINGTON (FOR HK GOVT REP), CG NEW YORK (FOR HK GOVT REP), UKMIS
GENEVA (FOR HK GOVT REP), BRUSSELS (FOR HK GOVT REP)

FUTURE OF HONG KONG: PRESS COVERAGE OF JOINT STATEMENT.

THE JOINT STATEMENT WAS FRONT PAGE NEWS IN ALL THREE ENGLISH LANGUAGE NEWSPAPERS, IN ALL THE COMMUNIST NEWSPAPERS AND MOST OF THE MORE SERIOUS INDEPENDENT CHINESE LANGUAGE PAPERS ON 2 JULY. IT HAS ALSO BEEN THE LEAD STORY ON T.V. AND RADIO NEWS BULLETINS SINCE LAST NIGHT. ALL PAPERS ALSO REPORTED PROMINENTLY THAT THE GOVERNOR WILL ATTEND THE TALKS BEGINNING ON 12 JULY. THE AGREED FORMULATION FOR USE IN ANSWER TO QUESTIONS WAS ALSO CARRIED IN FULL BY MOST NEWSPAPERS TOGETHER WITH AN ASSORTMENT OF NEWS AGENCY REPORTS FROM LONDON AND PEKING QUOTING SIMILAR ANSWERS TO QUESTIONS GIVEN BY SPOKESMEN AT THE FCO, THE BRITISH EMBASSY AND THE CHINESE MFA. ONE OR TWO NEWSPAPERS CARRIED, WITH NO GREAT PROMINENCE, A REUTERS REPORT FROM PEKING QUOTING "DIPLOMATIC SOURCES HERE AND IN LONDON" SAYING THAT BRITAIN AND CHINA HAD BEEN SEEKING "A FRAMEWORK OF UNDERSTANDING OVER CHINA'S INTENTION TO RESUME SOVEREIGNTY OVER ALL OF THE TINY BUT WEALTHY BRITISH COLONY ON CHINA'S SOUTHERN TIP."

2. ALL PAPERS SOUGHT REACTIONS FROM THE USUAL SELECTION OF PUBLIC FIGURES AND ACADEMICS. THEY UNANIMOUSLY WELCOMED THE ANNOUNCEMENT AS A SIGN THAT THE NEGOTIATIONS WERE ENTERING A SUBSTANTIVE PHASE AND SAID THAT THIS REPRESENTED A MAJOR STEP FORWARD. THE GOVERNOR'S PARTICIPATION WAS ALSO WELCOMED. A NUMBER OF COMMENTATORS SAID THAT ALTHOUGH FORMALLY PART OF THE BRITISH TEAM HE WOULD BE ABLE TO REFLECT THE VIEWS OF HONG KONG PEOPLE. OF THOSE INTERVIEWED ONLY ONE OR TWO SUGGESTED THAT THE ANNOUNCEMENT MEANT THAT QUESTION OF SOVEREIGNTY MIGHT HAVE ALREADY BEEN RESOLVED. MOST PROMINENT AMONGST THESE WERE MR HO SAI-CHU AND MR T.K. ANN, BOTH OF WHOM WERE DELEGATES TO THE CPPCC. THE SOUTH CHINA MORNING POST (SCMP), IN A SUBSIDIARY ARTICLE, REVIEWED THE RECENT SPATE OF RUMOURS THAT BRITAIN MIGHT HAVE CONCEDED SOVEREIGNTY AND RECALLED THAT THE HONG KONG AND BRITISH GOVERNMENTS HAD DISMISSED THESE STORIES ALTHOUGH THE SUGGESTION HAD NOT BEEN EXPLICITLY DENIED.

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3. SIX PAPERS PUBLISHED EDITORIAL COMMENT, INCLUDING THE TWO MAJOR COMMUNIST PAPERS WEN WEI PO AND TA KUNG PAO. THE WEN WEI PO SAID THAT THE SECOND PHASE MEANT THE TALKS WERE MOVING IN THE DIRECTION OF SOLVING THE PROBLEM OF HONG KONG'S FUTURE. A SOLUTION COULD NOT AVOID THE SOVEREIGNTY ISSUE. TO TALK ABOUT CONTINUED PROSPERITY WITHOUT TOUCHING ON SOVEREIGNTY WOULD RUN COUNTER TO THE MODERN TREND TOWARDS ENDING COLONIALISM AND NATIONAL INDEPENDENCE. IF THE ASSERTION THAT THE BRITISH POSITION ON SOVEREIGNTY WAS "WELL KNOWN" MEANT THAT BRITAIN HAD GIVEN UP ITS CLAIM TO SOVEREIGNTY, THE PROBLEM WAS HALF SOLVED. SOVEREIGNTY AND ADMINISTRATION WERE NOT SEPARATE ISSUES. AFTER SOVEREIGNTY WAS SOLVED, OTHER QUESTIONS COULD BE NEGOTIATED.

4. TA KUNG PAO DESCRIBED THE ANNOUNCEMENT IN THE SECOND PHASE AS A MAJOR BREAK THROUGH. IT APPEARED THAT OBSTACLES HAD BEEN OVERCOME AND THAT SUBSTANTIVE TALKS WOULD NOW BEGIN. THE SECOND PHASE WOULD TAKE SOME TIME. IT WAS BELIEVED THAT THE PEOPLE AND GOVERNMENTS OF BOTH COUNTRIES HAD ALL THE NECESSARY CONDITIONS FOR REACHING A SATISFACTORY SETTLEMENT WHICH WOULD BRING HONOUR AND BENEFIT TO THE TWO COUNTRIES. THE FIRST PHASE HAD LASTED NINE MONTHS. THE DELAYS HAD BEEN DUE TO A DIFFERENCE IN THE STANCE OF BOTH COUNTRIES ON SOVEREIGNTY.

5. THE HONG KONG ECONOMIC JOURNAL, THE MING PAO AND THE FINANCIAL DAILY (ALL INDEPENDENT) WELCOMED THE ANNOUNCEMENT AND GOVERNOR'S PARTICIPATION AND CALLED ON PEOPLE TO REFRAIN FROM PANIC OR SPECULATION. THE MING PAO SAID THAT THE NEWS MEANT THAT THE FIRST PHASE HAD BEEN SATISFACTORILY COMPLETED. THE TIN FUNG DAILY (FRINGE LEFT-WING) SAID THAT BRITAIN WAS EXPECTED TO MAKE CONCESSIONS DURING THE SECOND PHASE AND RECOGNISE CHINA'S SOVEREIGNTY IN EXCHANGE FOR EXTENDED ADMINISTRATION.

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