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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.

HADDON-CAVE

FUTURE OF HONG KONG

LIMITED
HD/HKD
HD/FED
HD/PLANNING STAFF
HD/PUSD
PS
PS/LADY YOUNG
PS/MR LUCE
PS/PUS
SIR J BULLARD
MR GIFFARD
MR DONALD
MR WRIGHT

COPIES TO:

SIR I SINCLAIR LEGAL ADVISER
MR BURROWS LEGAL ADVISERS
MR MARTIN ASSESSMENTS STAFF
CABINET OFFICE
MR FLOWER PUSD
MR COLES NO 10 DOWNING ST
SIR A PARSONS " "
MR WALKER, RESEARCH DEPT (GOGGS)
MR ROBERTS NEWS D
HKGOT LONDON

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