

FUTURE OF HONG KONG

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FUTURE OF HONG KONG: REMARKS TO THE PRESS BY DENG XIAOPING.

1. TV AND RADIO NEWS BULLETINS IN HONG KONG AT LUNCH TIME TODAY (25 MAY) CARRIED AS THEIR MAIN ITEM REPORTS OF REMARKS MADE BY DENG XIAOPING TO HONG KONG AND MACAU JOURNALISTS IN PEKING COVERING THE CPPCC AND NPC, DURING WHICH DENG SAID THAT CHINA WOULD STATION TROOPS IN HONG KONG AFTER 1997. DENG'S REMARKS WERE RECORDED BY JOURNALISTS PRESENT AND BROADCAST VERBATIM. OUR TRANSLATION IS AS FOLLOWS:

'I WANT TO QUASH A RUMOUR. HUANG HUA AND GENG BIAO HAVE TALKED NONSENSE. (WHAT THEY SAID) IS NOT CENTRAL'S VIEW. THERE SHOULD BE TROOPS IN HONG KONG. HONG KONG IS CHINESE TERRITORY. WHY CANNOT CHINA STATION TROOPS THERE? THE BRITISH FOREIGN SECRETARY SAID THAT THEY (THE BRITISH) NATURALLY HOPED THAT CHINA WOULD NOT STATION TROOPS, BUT WOULD USE SOME OTHER METHOD. BUT THEY ALSO RECOGNISE THAT SINCE CHINA WILL RECOVER SOVEREIGNTY, CHINA HAS THE RIGHT TO STATION TROOPS. THIS IS EXTREMELY CLEAR. HOW CAN WE NOT HAVE THIS RIGHT? HOW (OTHERWISE) WOULD HONG KONG BE CHINESE TERRITORY?'

2. IN A NEWS REPORT CARRIED ON TVB'S CHINESE CHANNEL 'SOURCES' WERE QUOTED AS SAYING THAT DENG WAS TOLD AT HIS MEETING WITH HONG KONG AND MACAU DELEGATES TO THE NPC AND CPPCC THAT THERE WERE NOW

WERE QUOTED AS SAYING THAT DENG WAS TOLD AT HIS MEETING WITH HONG KONG AND MACAU DELEGATES TO THE NPC AND CPPCC THAT THERE WERE NOW ABOUT 7,000 BRITISH TROOPS IN HONG KONG. DENG SAID THAT IN FUTURE CHINA WOULD STATION ABOUT 3-5,000 TROOPS IN HONG KONG. THE PURPOSE WOULD BE TO MAINTAIN LAW AND ORDER AND PREVENT DISTURBANCES. THE TROOPS WOULD NOT INTERFERE IN INTERNAL ADMINISTRATION.

3. NCNA HAS ALSO CARRIED A DESPATCH (REFERENCE NO 052522) REPORTING REMARKS ON THE SAME SUBJECT MADE BY DENG AT THE MEETING WITH HONG KONG AND MACAU DELEGATES. THE RELEVANT PASSAGE FROM THE NCNA REPORT READS AS FOLLOWS:

"THE CHINESE GOVERNMENT HAS THE RIGHT TO STATION TROOPS IN HONG KONG AFTER RECOVERING CHINA'S SOVEREIGNTY THERE, DENG XIAOPING, CHAIRMAN OF THE CENTRAL ADVISORY COMMISSION OF THE CHINESE COMMUNIST PARTY, SAID HERE TODAY.

THIS IS A SYMBOL OF SAFEGUARDING THE TERRITORY OF THE PEOPLE'S REPUBLIC OF CHINA, AS WELL AS A SYMBOL OF SAFEGUARDING OUR STATE SOVEREIGNTY, HE ADDED.

SINCE HONG KONG IS PART OF CHINA'S TERRITORY, WHY CAN'T WE SEND TROOPS THERE? HOW CAN HONG KONG BE DESCRIBED AS CHINESE TERRITORY IF WE DON'T HAVE THE RIGHT TO STATION TROOPS THERE? HE DEMANDED."

DENG WAS ALSO REPORTED TO HAVE SAID THAT THE HONG KONG ISSUE WOULD BE SETTLED IN A SATISFACTORY WAY PROVIDED THE CHINESE GOVERNMENT'S POLICIES IN THIS REGARD WERE FOLLOWED.

4. THE HANG SENG INDEX FELL BY 30 POINTS IMMEDIATELY FOLLOWING THE FIRST REPORTS OF DENG'S REMARKS AT NOON.

5. COMMENT: THE TV PICTURE SHOWED DENG DELIBERATELY WALKING OVER TO THE HONG KONG JOURNALISTS TO SPEAK TO THEM.

6. RESIDENT CLERK PLEASE INFORM CLIFT, HKD. WE SHOULD BE GRATEFUL IF CLIFT WOULD INFORM THE GOVERNOR BEFORE HIS DEPARTURE FOR HONG KONG THIS EVENING.

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FUTURE OF HONG KONG

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TELEGRAM NUMBER 1430 OF 25 MAY

INFO IMMEDIATE HONG KONG GOVERNMENT OFFICE LONDON, PEKING

INFO ROUTINE HK GOVT REPS WASHINGTON, CG NEW YORK, BRUSSELS,

UKMIS GENEVA

FUTURE OF HONG KONG: PRESS COVERAGE

SUMMARY:

1. AN OPINION POLL CONFIRMS STRONG PUBLIC SUPPORT (82 PERCENT) FOR UMELCO'S STANCE. CHINESE OFFICIALS IN PEKING CONTINUE TO MAKE REASSURING NOISES. WU XUEQIAN ON THE POSSIBILITY OF ANOTHER VISIT TO PEKING BY THE SECRETARY OF STATE? MORE PRESS SUPPORT FOR UMELCO VISITING PEKING. AN INDEPENDENT PAPER CALLS FOR MEASURES TO STABILIZE CIVIL SERVANTS' CONFIDENCE. ANOTHER SPECULATES ON A DIFFERENCE OF VIEWS BETWEEN THE GOVERNOR AND LONDON.

NEWS COVERAGE:

2. THE SOUTH CHINA MORNING POST (ENGLISH LANGUAGE) LET ITS FRONT PAGE WITH THE RESULTS OF A PUBLIC OPINION SURVEY CONDUCTED BY AN INDEPENDENT RESEARCH FIRM. 27 PERCENT OF RESPONDENTS SAID THEY WERE UNAWARE OF THE UMELCO STATEMENT. ON BEING REMINDED OF THE STATEMENT'S CONTENTS 41 PERCENT OF RESPONDENTS EXPRESSED FULL APPROVAL AND A FURTHER 41 PERCENT PARTIAL APPROVAL. ONLY 3 PERCENT DISAPPROVED. 45 PERCENT CONSIDERED THE STATEMENT'S WORDING WAS "JUST RIGHT" AND 23 PERCENT CONSIDERED IT OVER-CAUTIOUS. 13 PERCENT CONSIDERED IT TOO STRONGLY EXPRESSED.

3. CHINESE OFFICIALS CONTINUED TO DEVOTE ATTENTION TO HONG KONG DELEGATES TO THE NPC AND CPPCC AND TO HONG KONG JOURNALISTS COVERING

DELEGATES TO THE NPC AND CPPCC AND TO HONG KONG JOURNALISTS COVERING THESE MEETINGS. THEIR REMARKS WERE PROMINENTLY AND EXTENSIVELY REPORTED:

(A) VICE-PREMIER YAO YILIN SAID THAT BRITAIN AND CHINA WERE DISCUSSING HOW TO PRESERVE HONG KONG'S PROSPERITY AND STABILITY DURING THE TRANSITION PERIOD; UNANIMOUS VIEWS WERE NECESSARY FOR A GOOD TRANSITION, BUT CHINA WOULD NOT INTERVENE IN HONG KONG'S DOMESTIC AFFAIRS. HE SAID HONG KONG WOULD NOT BE TURNED INTO A SPECIAL ECONOMIC ZONE LIKE SHENZHEN AND IT COULD CONTINUE TO PARTICIPATE IN INTERNATIONAL ECONOMIC BODIES.

(B) JIANG WENGUI, HEAD OF THE BANK OF CHINA IN HONG KONG, SAID THAT THE MAIN PURPOSE OF HIS BANK WAS TO CONTRIBUTE TO HONG KONG'S PROSPERITY AND STABILITY AND TO CHINA'S MODERNIZATION. A STABLE FINANCIAL MARKET WAS ESSENTIAL AND THIS REQUIRED CAREFUL MONITORING BY THE LOCAL AUTHORITIES; HE SUGGESTED THAT THE HONG KONG GOVERNMENT SHOULD "PLUG THE LOOPHOLES FOR SPECULATION".

(C) STATE COUNCILLOR JI PENGFEI WAS QUOTED AS SAYING THAT ZHAO ZIYANG'S STATEMENT ON HONG KONG'S FUTURE HAD BEEN FAVOURABLY RECEIVED IN HONG KONG AND ABROAD, HAD CONTRIBUTED TO HONG KONG'S PROSPERITY AND STABILITY AND HAD STRENGTHENED HONG KONG PEOPLE'S CONFIDENCE.

(D) XU JIATUN (NCNA, HONG KONG) WAS QUOTED AS SAYING THAT THERE WAS A VERY HIGH CHANCE OF A UK/CHINA AGREEMENT IN SEPTEMBER. HE THOUGHT THE "ONE NATION TWO SYSTEMS" POLICY WOULD BE MAINTAINED FOR A LONG TIME BECAUSE IT WOULD HELP CHINA'S MODERNIZATION, BECAUSE THE PURGE OF EXTREME LEFTISTS IN THE COMMUNIST PARTY WOULD ASSURE CONTINUITY, AND BECAUSE CHINA WAS ESTABLISHING THE RULE OF LAW. HE SAID THAT CHINA WOULD NOT INTERFERE WITH HONG KONG'S AFFAIRS OR PLAY AN ADVISORY ROLE IN THE NEXT 13 YEARS. BUT PEKING WOULD CONSIDER ANY REQUESTS FOR CHINA'S INVOLVEMENT IN MAJOR DEVELOPMENT PROJECTS IN HONG KONG.

4. THE CHINESE FOREIGN MINISTER, WU XUEQIAN WAS QUOTED BY TIN TIN DAILY NEWS (PRO-CHINA) AS SAYING THAT THE SECRETARY OF STATE WOULD REVISIT PEKING AFTER THE AGREEMENT ON HONG KONG'S FUTURE WAS REACHED; HE HIMSELF MIGHT NOT REPEAT NOT BE ABLE TO VISIT LONDON THIS YEAR.

5. ALL PAPERS REPORTED THAT UMELCO WOULD MEET ON 25 MAY TO REVIEW ITS DELEGATION'S TRIP TO LONDON AND DECIDE ON FUTURE STRATEGY INCLUDING A POSSIBLE TRIP TO PEKING. AN UNNAMED LEGCO UNOFFICIAL WAS QUOTED AS SAYING THAT IF THE VISIT DID NOT TAKE PLACE IN THE NAME OF UMELCO, ITS SIGNIFICANCE WOULD BE REDUCED. UMELCO WOULD ALSO WANT TO TAKE INTO ACCOUNT WHICH CHINESE OFFICIALS THEY WOULD BE ABLE TO MEET.

6. THREE CIVIL SERVANT'S UNIONS WERE REPORTED TO BE PLANNING TO SEND A JOINT DELEGATION TO LONDON, PERHAPS IN JULY, AND ALSO TO PEKING TO EXPRESS THEIR VIEWS ON THE HONG KONG QUESTION.

7. HU YAOBANG WAS REPORTED TO HAVE FOLLOWED HIS VISIT TO SHENZHEN WITH ONE TO THE ZHUHAI SPECIAL ECONOMIC ZONE BORDERING MACAU.

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COMMENTARIES:

8. THREE INDEPENDENT PAPERS AGAIN URGED UMELCO TO VISIT PEKING AND OPEN A DIALOGUE. ONE (WAH KIU YAT PO) SUGGESTED THAT THEY SHOULD PRESENT CHINESE LEADERS WITH A MORE SUBSTANTION POSITION PAPER THAN THE STATEMENT ISSUED BEFORE THEIR DELEGATION LEFT FOR LONDON.

9. THE HONG KONG DAILY NEWS (INDEPENDENT), COMMENTING ON THE COMMONS ADJOURNMENT DEBATE DUE ON 25 MAY, ARGUED THAT THE MORALE AND EFFICIENCY OF THE CIVIL SERVICE WERE VITAL IF HONG KONG WAS TO REMAIN STABLE AND PROSPEROUS; THE AUTHORITIES MUST COME UP WITH MEASURES TO STABILIZE CIVIL SERVANTS' CONFIDENCE.

10. MING PAO (INDEPENDENT) SAID THAT THE HOSTILE BRITISH REACTION TO UMELCO WAS DUE TO THE DEMAND FOR ARRANGEMENTS TO RESETTLE BRITISH PASSPORT HOLDERS; EVEN IF BRITAIN WERE TO ACCEPT SUCH A DEMAND, IT WOULD DAMAGE UK/CHINA RELATIONS AND NOT LEAD TO A SATISFACTORY AGREEMENT ON HONG KONG'S FUTURE.

11. THE ECONOMIC JOURNAL (INDEPENDENT) SUGGESTED THAT THERE WAS A DIVERGENCE OF VIEWS BETWEEN THE GOVERNOR AND LONDON; BRITISH MINISTERS FELT THAT THE GOVERNOR HAD FAILED TO RESTRAIN THE UMELCO GROUP. LONDON WAS CONCERNED ABOUT THE RISK OF FURTHER SPLITS, AND IT WAS HIGHLY POSSIBLE THAT THE GOVERNOR WOULD RETIRE SOON AFTER THE UK/CHINA AGREEMENT WAS SIGNED. THE PAPER ALSO URGED UMELCO TO CONCENTRATE ON PERSUADING THE BRITISH PEOPLE RATHER THAN MP'S.

12. THE NEW EVENING POST (COMMUNIST) REITERATED THAT THE DRAFTING OF THE BASIC LAW COULD NOT BEGIN UNTIL THE UK/CHINA AGREEMENT WAS SIGNED; THERE COULD BE A SPECIAL NPC SESSION TO RATIFY THE AGREEMENT IF NECESSARY. A COMMENTATOR IN THE SAME NEWSPAPER SAID THAT IT WAS POSSIBLE UMELCO MEMBERS WOULD VISIT PEKING BUT THAT THIS MIGHT NOT HAPPEN IN THE NEAR FUTURE.

13. CHING PO (PRO-CHINA) SAID THAT THE BRITISH GOVERNMENT AND MP'S SHARED A UNANIMOUS VIEW ON HONG KONG AND UMELCO HAD RUN INTO A BRICK WALL. HONG KONG PEOPLE SHOULD REALIZE THAT CHINA'S PRESENT POLICIES WERE THE ONLY WAY OUT FOR THEM. TIN TIN DAILY NEWS (PRO-CHINA) AGAIN QUESTIONED UMELCO'S CLAIM TO REPRESENT PUBLIC OPINION.

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