

FUTURE OF HONG KONG - ADVANCE COPIES

71



PS
PS/PJS
PS/MR DUCE
~~PS/MSDN~~
ED/ED
ED/ED
PS | LADY YOUNG
SIR W HARDING
RESIDENT CLERK

COPIES TO:
^{POWELL}
MR COLES, NO. 10 DOWNING ST
MR ROBERTS, NEWS DEPT
SIR PERCY CRADOCK

J. J. J.

GRS 1100

Summary only.

RESTRICTED
DESKBY 031000Z
FM HONG KONG 030900Z AUG 84
TO IMMEDIATE FCO
TELEGRAM NUMBER 2229 OF 3 AUGUST
INFO IMMEDIATE PEKING
INFO ROUTINE HONG KONG GOVERNMENT OFFICE LONDON, H.K. REPS
WASHINGTON, NEW YORK, BRUSSELS, GENEVA

MT

FUTURE OF HONG KONG : PRESS COVERAGE.

SUMMARY:

1. FURTHER POSITIVE REACTIONS TO THE SECRETARY OF STATE'S VISIT.
A FEW MORE CAUTIONARY NOTES FROM THE INDEPENDENT PRESS. NCNA
SAY THAT EVEN IF THE SINO/BRITISH AGREEMENT IS CALLED A JOINT
DECLARATION IT WILL STILL BE BINDING. SPECULATION ABOUT THE PROBLEMS
OF LAND, NATIONALITY AND CIVIL AVIATION. CIVIL SERVANTS
ENCOURAGED BY THEIR TALKS IN PEKING: TALENT, NOT POLITICAL BELIEFS,
TO BE THE CRITERION FOR FUTURE ADMINISTRATORS? LEGCO DEBATES THE
GREEN PAPER. A COMMUNIST NEWSPAPER SUGGESTS THAT THE BASIC LAW
MIGHT BE READY BY 1988.

NEWS COVERAGE:

2. SECRETARY OF STATE'S VISIT: MOST PAPERS CONTINUED TO GIVE VERY
PROMINENT COVERAGE TO REPORTS LINKED TO THE SECRETARY OF STATE'S

NEWS COVERAGE:

2. SECRETARY OF STATE'S VISIT: MOST PAPERS CONTINUED TO GIVE VERY PROMINENT COVERAGE TO REPORTS LINKED TO THE SECRETARY OF STATE'S VISIT TO PEKING AND HONG KONG. THE 67 POINT RISE IN THE HANG SENG INDEX WAS GENERALLY INTERPRETED AS A DIRECT RESPONSE TO THE VISIT, AND THE CUT IN INTEREST RATES ANNOUNCED ON 2 AUGUST WAS EXPECTED TO ENCOURAGE FURTHER MARKET RECOVERY.

3. TITLE OF AGREEMENT: AN MCNA(HONG KONG) SPOKESMAN WAS REPORTED TO HAVE CLARIFIED THE APPARENT DISCREPANCY BETWEEN THE SECRETARY OF STATE'S REFERENCE TO A SINO/BRITISH "AGREEMENT" AND THE MFA REFERENCE TO A "JOINT DECLARATION". THE SPOKESMAN SAID THAT THE DOCUMENT'S NAME WOULD BE MADE KNOWN AFTER IT WAS INITIALLED, AND SAID THAT "NO MATTER WHAT IT IS GOING TO BE CALLED IT WILL HAVE EQUAL BINDING EFFECTS ON BOTH SIDES." EXCO AND LEGCO MEMBERS DECLINED TO COMMENT ON THE POINT. BUT THE SOUTH CHINA MORNING POST (SCMP) CITED A LEADING ACADEMIC ON INTERNATIONAL LAW AS SAYING THAT THE NAME OF THE PAPER DID NOT MATTER, PROVIDED THAT IT CONSTITUTED A BINDING AGREEMENT.

4. UNRESOLVED ISSUES/LAND: THE ORIENTAL DAILY (INDEPENDENT) SUGGESTED THAT IF THE ISSUES ON LAND, NATIONALITY AND CIVIL AVIATION WERE NOT RESOLVED BEFORE SEPTEMBER, THE JOINT LIAISON GROUP WOULD CONTINUE TO DISCUSS THEM. ON LAND IT QUOTED SOURCES AS SAYING THAT BRITAIN AND CHINA HAD AGREED THAT THE HONG KONG GOVERNMENT COULD SELL 100 HECTARES OF LAND PER YEAR ON LEASES EXTENDING BEYOND 1997, BUT THAT THEY HAD NOT YET AGREED ON HOW TO SHARE THE REVENUE. THE FINANCIAL DAILY (INDEPENDENT) REPORTED THAT ALL NEW TERRITORY LEASES WOULD BE EXTENDED FOR 50 YEARS AFTER 1997, BUT THAT ARRANGEMENTS FOR PAYING THE PREMIUM WERE STILL UNDER NEGOTIATION.

5. NATIONALITY: SEVERAL NEWSPAPERS SUGGESTED THAT THE QUESTION OF A NEW PASSPORT FOR HONG KONG BTDC'S HAD BEEN DISCUSSED DURING THE SECRETARY OF STATE'S VISIT TO PEKING. THE CHINESE HAD AGREED TO HONG KONG RESIDENTS' HAVING DUAL NATIONALITY.

6. CIVIL AVIATION: SING PAO (INDEPENDENT) SPECULATED THAT THE MAIN ISSUES OUTSTANDING ON CIVIL AVIATION CONCERNED AIR SERVICES TO TAIWAN AND UK AIRLINE'S LANDING RIGHTS IN HONG KONG.

7. MINISTERIAL VISITS: IT WAS REPORTED THAT THE PRIME MINISTER HAD NO PRESENT PLANS TO VISIT CHINA IN SEPTEMBER OR FOR THE SIGNING OF THE AGREEMENT LATER. IT WAS REPORTED THAT THE SECRETARY OF STATE WOULD MEET THE CHINESE FOREIGN MINISTER AT THE UNITED NATIONS IN SEPTEMBER.

8. CIVIL SERVICE: COMMENTS BY THE HONG KONG CHINESE CIVIL SERVANTS' ASSOCIATION DELEGATION ON ITS DISCUSSIONS IN PEKING WERE WIDELY REPORTED. THE DELEGATION WAS REPORTED TO HAVE BEEN SATISFIED WITH THE ASSURANCES IT RECEIVED. JI PENGFEI REPORTEDLY TOLD THE DELEGATION THAT THERE HAD BEEN A MISUNDERSTANDING ABOUT THE IDEA THAT HONG KONG'S FUTURE LEGISLATURE WOULD BE EQUALLY DIVIDED AMONG PRO-BRITISH, PRO-PEKING AND NEUTRAL HONG KONG RESIDENTS: IN FACT POLITICAL TENDENCIES WOULD NOT BE TAKEN INTO ACCOUNT, AND HONG KONG'S

THAT HONG KONG'S FUTURE LEGISLATURE WOULD BE EQUALLY DIVIDED AMONG PRO-BRITISH, PRO-PEKING AND NEUTRAL HONG KONG RESIDENTS: IN FACT POLITICAL TENDENCIES WOULD NOT BE TAKEN INTO ACCOUNT, AND HONG KONG'S ADMINISTRATORS WOULD BE SELECTED ON THE BASIS OF INDIVIDUAL TALENT. THE SCMP QUOTED THE LEADER OF THE DELEGATION AS SAYING THAT JI HAD CLARIFIED THE DEFINITION OF THE HONG KONG PEOPLE WHO WOULD RULE HONG KONG AFTER 1997, BY DENYING THAT PATRIOTISM WOULD BE A CRITERION AND SAYING THAT HONG KONG PEOPLE WOULD BE PEOPLE WHO HAD LIVED IN HONG KONG FOR A LONG TIME. JI ALSO DENIED THAT DENG XIAOPING HAD SAID THAT HONG KONG'S CIVIL SERVANTS WERE OVERPAID, AND HE REASSURED THEM THAT THE PAY AND CONDITIONS OF SERVICE WOULD REMAIN THE SAME AFTER 1997. CIVIL SERVANTS WOULD NOT BE TRANSFERRED TO THE MAINLAND UNLESS THEY WANTED TO BE. JI ALSO INDICATED THAT THOSE OFFICERS OF BRANCH SECRETARY AND HIGHER RANK, INCLUDING THE CP AND GOVERNOR WHO COULD NOT REMAIN IN THEIR POSTS AFTER 1997 WOULD BE APPOINTED AS ADVISERS. BUT THE DELEGATION WAS UNCLEAR WHETHER AN EXPATRIATE WHO WAS A PERMANENT HONG KONG CITIZEN COULD OCCUPY THESE SENIOR POSTS: IT WOULD SEEK FURTHER CLARIFICATION FROM NCHA. JI ALSO REPORTEDLY UNDERTOOK TO CONSIDER INCLUDING A PROVISION IN THE BASIC LAW TO PROTECT MEMBERS OF HONG KONG'S DISCIPLINED FORCES FROM POST-1997 PURGES AND REPRISALS.

9. GREEN PAPER: LEGCO'S DEBATE ON THE GREEN PAPER WAS WIDELY REPORTED. UNOFFICIALS GENERALLY WELCOMED THE GRADUALIST APPROACH TO REFORM, BUT SOME ARGUED FOR A LONGER CONSULTATION PERIOD, AND SOME DOUBTS WERE EXPRESSED ABOUT THE PROPOSED FUNDAMENTAL CONSTITUENCIES. MISS LYDIA DUNN ARGUED FOR THE EARLY INTRODUCTION OF A SYSTEM OF CONFERRING QUASI-MINISTERIAL RESPONSIBILITIES ON ELECTED REPRESENTATIVES.

COMMENTARIES:

10. SINO/BRITISH TALKS: MANY INDEPENDENT NEWSPAPERS CONSIDERED THE RISE IN THE HANG SENG INDEX TO SHOW PUBLIC WELCOME FOR THE SECRETARY OF STATE'S DISCLOSURES AND AN INCREASE IN CONFIDENCE. KUNG SHEUNG DAILY NEWS (PRO-TAIPEI) SAID THAT IT WAS THE SPEAKER NOT THE MESSAGE WHICH BOOSTED LOCAL CONFIDENCE: IF THE SECRETARY OF STATE'S STATEMENT HAD BEEN MADE BY A PEKING OFFICIAL, HONG KONG WOULD HAVE REACTED SCEPTICALLY.

11. MING PAO (INDEPENDENT) SAID THAT PEOPLE COULD MONITOR PEKING'S PERFORMANCE OVER THE NEXT FEW YEARS IN A NUMBER OF AREAS SO AS TO ASSESS THE LIKELIHOOD OF ITS HONOURING THE SINO/BRITISH AGREEMENT AFTER 1997.

12. THE DAILY NEWS AND SING TAO WAN PAO (BOTH INDEPENDENT) URGED THE EARLIEST POSSIBLE RESOLUTION OF THE LAND PROBLEM.

13. THE EXPRESS (INDEPENDENT) WAS NOT MUCH CHEERED BY WHAT HAD BEEN AGREED ON THE JOINT LIAISON GROUP: THE SECRETARY OF STATE HAD PICKED UP A SESAME SEED BUT LOST A WATER-MELON. SING TAO JIH PAO (INDEPENDENT) SAID THAT IT REMAINED TO BE SEEN WHETHER CHINA WOULD ADHERE TO THE AGREEMENT. THE ECONOMIC JOURNAL (INDEPENDENT) SAID THAT THE CONFIDENCE CRISIS HAD BEEN CONTAINED BUT NOT ELIMINATED. MORE LOCAL PEOPLE WOULD TRY TO CURRY FAVOUR WITH PEKING:

13. THE EXPRESS (INDEPENDENT) WAS NOT MUCH CHEERED BY WHAT HAD BEEN AGREED ON THE JOINT LIAISON GROUP; THE SECRETARY OF STATE HAD PICKED UP A SESAME SEED BUT LOST A WATER-MELON. SING TAO JIH PAO (INDEPENDENT) SAID THAT IT REMAINED TO BE SEEN WHETHER CHINA WOULD ADHERE TO THE AGREEMENT. THE ECONOMIC JOURNAL (INDEPENDENT) SAID THAT THE CONFIDENCE CRISIS HAD BEEN CONTAINED BUT NOT ELIMINATED. MORE LOCAL PEOPLE WOULD TRY TO CURRY FAVOUR WITH PEKING; A KEY QUESTION WAS WHETHER NCMA AND OTHER SUCH ORGANIZATIONS WOULD ENCOURAGE THEM.

14. PRO-PEKING NEWSPAPERS CONTINUED TO URGE OPTIMISM. THE NEW EVENING POST (COMMUNIST) AND OTHER PAPERS CONTINUED TO CRITICIZE UMELCO'S ATTITUDES.

15. BASIC LAW: NEW EVENING POST (COMMUNIST) ARGUED THAT IT WOULD BE DESIRABLE TO DRAW UP THE BASIC LAW AS SOON AS POSSIBLE, PREFERABLY BY THE DAY THE JOINT LIAISON GROUP CAME TO BE LOCATED IN HONG KONG, 1 JULY 1988.

YOUDE

NNNN