

# TURMOIL IN CHINA; Britain Stands by Its Pledge To Cede Hong Kong to China

By **CRAIG R. WHITNEY** and **SPECIAL TO THE NEW YORK TIMES** JUNE 7, 1989

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Prime Minister Margaret Thatcher told Parliament today that despite "utter revulsion and outrage at the indiscriminate firing on people" in Beijing, Britain would abide by its commitment to hand over the colony of Hong Kong to China in 1997.

Mrs. Thatcher said Britain would "see what can be done" between now and 1997 to strengthen legal and constitutional rights for all 5.6 million people of Hong Kong after it becomes a special administrative region of China.

The Hong Kong stock market stabilized today, posting a small gain after its leading index plunged 22 percent Monday. But brokers predicted a further sell-off because of the violence in China and indications that the situation there will remain chaotic for some time, Reuters reported.

A general strike in Hong Kong has been called for Wednesday. British Refugees Out

The British Government made clear that though the confidence of the people of Hong Kong might be "very severely jolted," the 3.5 million Chinese holders of British passports in the colony would not be granted the option of seeking refuge in Britain.

As one Thatcher minister explained it, the thinking behind ruling out immigration was that a cold, overpopulated island of 57 million people was no place for a sudden influx of Chinese from the tropics.

In the early 1950's, he said, there were only 35,000 nonwhite residents of the British Isles. Now there are 2.5 million, mostly from India, Pakistan, Africa and the West Indies, absorbed only with great social and political strain. Agreement of 1984

"We could not easily contemplate a massive new immigration commitment which could more than double the ethnic minority population of the U.K.," the Foreign Secretary, Sir Geoffrey Howe, told the House of Commons today.

Britain agreed in 1984 to hand over Hong Kong to China when the lease on 92 percent of its territory expired on July 1, 1997.

The Foreign Secretary also said today that Britain would follow President Bush's example and ban all arms sales to China, but high Foreign Office officials said these were negligible. The Defense Ministry said it would not provide precise figures. Chinese Visits Canceled

The Foreign Secretary also said that high-level military contacts with Beijing would be suspended, and several visits by Chinese dignitaries have been canceled since the weekend crackdown by the army on students in Beijing.

But British Government officials said today that trade sanctions and withdrawal of diplomatic representation were not under consideration, either by Britain or by its European Community partners, who have been negotiating a concerted response for two days.

The Labor Party opposition criticized the Government's response to the crisis as "mealy-mouthed," and its leader, Neil Kinnock, called on Mrs. Thatcher to work with the Europeans "to bring concerted pressure on the Chinese Government to stop the killings."

Paddy Ashdown, leader of the small Social and Liberal Democrats party, said Mrs. Thatcher's policy toward British passport holders in Hong Kong would be viewed as "a matter of dishonor." Holding to Commitment

Government officials said today that once a semblance of normal government reappeared in China, they would hold it to its commitment under the 1984 agreement to let Hong Kong continue as a capitalist enclave with its own judicial and political system after the takeover in 1997.

Asked whether Britain could refuse to hand over Hong Kong island itself,

which is not covered under the lease that expires then, the Foreign Secretary said:

"It's always been recognized that the colony itself is so small when faced with the huge mass of China, its people and its army on the doorstep, that we have had to build the future of Hong Kong on cooperation and consent between them and the local people."

Since 1984, a committee appointed from Beijing, with a minority of Hong Kong representatives, has been drafting a basic constitutional law for Hong Kong after 1997, laying out a partly elective system of government and guarantees of civil and social rights. WESTERN MILITARY SANCTIONS

By The Associated Press - Britain and Switzerland joined the United States today in banning military sales to China, the toughest measures announced by the countries protesting Beijing's crackdown on unarmed pro-democracy demonstrators.

France, Holland and Sweden froze political relations, barring contacts involving Chinese Government officials.

Dutch Government officials canceled a state visit to China by Queen Beatrix.

In Singapore, many people lined up outside the Bank of China branch office to withdraw their money as a protest against the violence in China. A similar protest was conducted in Hong Kong.

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