

Editorial

BLR Changes

As our readers will note, we have been making some changes to the *Business Law Review*. We have increased our coverage of interesting and important cases and put them in a separate section "Case Notes". We have redesigned the contents page to include the names of our authors and to make it easier to see exactly what the issue contains. And in this issue, we have started "Eurobrief" which is intended to give a wider coverage of information issued by the Institutions of the European Communities.

As we approach 1992, or more to the point, January 1, 1993, we should find that European Community information no longer needs a separate heading, but for the next few years we shall cover progress towards the completion of the internal market of the European Community in "Eurobrief". To that end, Mark Brealey and Conor Quigley (authors of *Completing the Internal Market of the European Communities: 1992 Handbook*) have joined the Editorial Advisory Board. They have written an article in this issue giving us some idea of what 1993 will mean to the business lawyer.

We expect our City commentator to return shortly and look forward to the next City Newsletter. We shall have Newsletters from the US, Australia and Ireland in the near future and articles ranging from the financial effects of strikes in Britain to construction law in Japan.

We hope that the changes outlined will make the *Business Law Review* more attractive to readers and would welcome your views. We should be very happy to have a regular "Letters to the Editor" column!
[SN]

As Hong Kong Enters the Year of the Snake

In early February we entered the Year of the Snake. How will people in Hong Kong be celebrating? At present people in Hong Kong are not sure whether to look to the future with optimism or whether to despair of what they see as manoeuvring between London and Beijing.

The establishment is full of words of comfort. The colony's Governor, Sir

David Wilson, has said "if the arrangements [between Britain and China] are successful then Hong Kong will be a place which is a gateway between China and the rest of the world, a source of capital and managerial skills for China, a place which by then will be part of China but will have its own lifestyle which is different from China and it will only be successful if it is both part of China and yet subtly different from the rest of China".

The true concerns of people in the colony centre upon the degree to which Hong Kong will be allowed to be different from China. It is true that for reasons of economic necessity and also with a view to sending a message to Taiwan which it covets, China very much needs Hong Kong and needs a Hong Kong not dissimilar from the one that exists now. Deng Xiao Ping has promised fifty years of one country with two systems and much of the Hong Kong establishment is bullish about the future, but there is a small but vociferous pro democracy group within Hong Kong with a *de facto* leader in Barrister, Martin Lee that views the future with concern.

The pro democracy group is concerned that too many decisions are being taken in Whitehall after close consultation with China and no contact with Hong Kong. At present, political interest is running high in Hong Kong and is no longer confined to the middle class professional groups within the Colony. Opinion Polls have been taken in Hong Kong and show a clear majority is in favour of universal franchise. There are no immediate plans for elections in Hong Kong.

Of course, there can be no guarantee of democracy even under any firm proposals that are made from China. A proposal has been made that a referendum might be held in the year 2011 to decide whether the Chief Executive and the entire legislature of Hong Kong should be elected by the people of Hong Kong. However, it is accepted that the complicated formulae set down makes a ballot extremely unlikely. The pro democracy campaigners in Hong Kong point out that this appears to be a far cry from the statement of Mr Richard Luce, the then Foreign Office Minister, in the House of Commons when he said "we all fully accept that we should build up a firmly based democratic administration in Hong Kong in the years between now and 1997".

Whatever the political doubts and concern about the people of Hong Kong, mainland China is gradually building a strong presence in Hong Kong. £1.5 billion worth of property is held by the Republic of China in Hong Kong. In addition to that it is believed that between £3.8 and £6.6 billion worth of Chinese assets are held there. Furthermore, Hong Kong is easily the largest foreign outside investor in China. In China itself about 6,600 of the 7,800 foreign registered enterprises are from Hong Kong. It is largely these economic factors which encourage the establishment in Hong Kong to hope that China will not want to kill the goose that lays these golden eggs. Others who are less sanguine point to Shanghai in 1949 to 1950 when China killed precisely such a goose.

Inconsistent messages are emanating from Hong Kong. Rumours abound of masses of people emigrating to Australia, Canada, America and elsewhere. Many talk of much longer queues waiting to obtain passports to travel and live overseas. All this seems a odds with vibrant economic activity in the Colony and establishment confidence about the future with China. Clearly much is in the lap of the gods. To a large degree what happens when Hong Kong reverts to China is going to be dependent upon the personal chemistry between the leaders of China and those establishment figures in Hong Kong who are now obtaining political and economic power within the Colony. This as much as any negotiations between Whitehall and Beijing will determine the future pattern of life in Hong Kong.

Nicholas Bourne

Trade Secrets and Confidence in Commerce: The Key Legal Issues

Tuesday April 18, 1989, The Churchill Hotel, London W1

This conference will explain the implications of the law of confidence which is changing rapidly. It will look at the standards of behaviour expected between competitors and will be of particular interest to lawyers, corporate and private practice; professionals in all fields; all employers, but particularly those in areas of fierce competition.

Contact: European Study Conference
Tel: (0536) 204224 Fax: (0536) 204218.