

4RS1500  
SECRET

SECRET

68A

Pa  
Sub  
35/12

DESKBY 291130Z  
FM HONG KONG 291025Z DEC 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 2034 OF 29 DECEMBER 1983  
INFO IMMEDIATE PEKING

M I P T

FUTURE OF HONG KONG: CONSTITUTIONAL AND GOVERNMENTAL  
DEVELOPMENT.

THE FOLLOWING IS THE TEXT OF THE DRAFT EXCO PAPER.

BEGINS :

INTRODUCTION

1. THIS PAPER IS DESIGNED TO PROVIDE A BASIS FOR A DISCUSSION ON THE CHANGE TO A MORE REPRESENTATIVE SYSTEM OF GOVERNMENT IN HONG KONG AND SETS OUT SOME OPTIONS FOR POSSIBLE REFORMS TO THE CONSTITUTIONAL AND GOVERNMENTAL STRUCTURE OF HONG KONG.

2. THE INCREASING INTEREST IN THE ISSUE

(A) IN RECENT YEARS, THERE HAS BEEN INCREASING INTEREST IN SOME GROUPS IN HONG KONG IN THE POSSIBILITY OF ELECTIONS TO THE LEGISLATIVE COUNCIL, OR AT LEAST HAVING THE MEMBERS OF THE LEGISLATIVE COUNCIL SELECTED ON A MORE FORMAL AND VISIBLY REPRESENTATIVE BASIS THAN THE PRESENT APPOINTED SYSTEM. THIS IS PARTLY THE RESULT OF THE INCREASING MATURITY OF HONG KONG SYSTEM, NOTABLY THOUGH THE EMERGENCE OF AN ARTICULATE PROFESSIONAL MIDDLE CLASS MANY OF WHOM WERE EDUCATED IN THE US, CANADA AND UK.

(B) THE APPROACH OF 1997 AND THE NEGOTIATIONS ON THE FUTURE HAVE ALSO STIMULATED PUBLIC DEBATE ON CONSTITUTIONAL AND GOVERNMENTAL ISSUES. THE CHINESE HAVE INDICATED PUBLICLY THEIR INTENTION OF CONSULTING THE PEOPLE OF HONG KONG ON THE MINI-CONSTITUTION FOR THE SPECIAL ADMINISTRATIVE REGION (SAR) WHICH THE CHINESE INTEND HONG KONG TO BECOME POST-1997.

(C) THE CHINESE SIDE IN THE TALKS HAVE ALSO EXERTED PRESSURE ON THE BRITISH SIDE TO PRODUCE IDEAS ON THE CENTRAL CONSTITUTIONAL ISSUES. THERE HAVE ALSO BEEN INDICATIONS THAT THE CHINESE UNDERSTAND THAT HONG KONG CANNOT REMAIN STATIC UP TO 1997 AND THAT THE QUESTION OF ITS DEVELOPMENT BETWEEN NOW AND 1997 WILL HAVE AN IMPORTANT BEARING ON THE SUCCESS OF ANY POST-1997 ARRANGEMENTS WHICH MAY BE AGREED.

SECRET

THE.

SECRET

THE PURPOSE OF CHANGE

3. THE PURPOSE OF CHANGE WOULD BE :

(A) TO KEEP PACE WITH THE NATURAL DEVELOPMENT OF HONG KONG SOCIETY.

(B) IF THE LINK OF AUTHORITY WITH THE U.K. IS TO BE SEVERED TO PROVIDE HONG KONG WITH AS STRONG AND STABLE INDIGENOUS SOURCE OF POLITICAL AUTHORITY AS POSSIBLE.

(C) TO ENSURE THAT ANY NEW SYSTEM WAS IN PLACE BEFORE THAT LINK OF AUTHORITY WAS SEVERED.

POSSIBLE COURSES OF ACTION

4. THERE ARE TWO POSSIBLE COURSES OF ACTION:

A. PROGRESSIVE DEVELOPMENT, BUILDING ON EXISTING INSTITUTIONS:

I. THE SELECTION OF THE UNOFFICIAL MEMBERSHIP OF THE LEGISLATIVE COUNCIL IN PART THROUGH ELECTIONS FROM AN ELECTORAL COLLEGE MADE UP OF PEOPLE WHO HAD THEMSELVES BEEN DIRECTLY ELECTED TO LOWER LEVEL BODIES (REGIONAL COUNCILS AND DISTRICT BOARDS) AND IN PART THROUGH ELECTIONS FROM IDENTIFIED FUNCTIONAL GROUPS SUCH AS INDUSTRIAL ASSOCIATIONS, THE UNIVERSITIES, THE MEDICAL PROFESSION, LABOUR BOARDS AND SO ON. THE RELATIONSHIP WITH THE ADMINISTRATION WOULD BE RETAINED BY THE MEMBERSHIP ON THIS COUNCIL OF A FEW KEY OFFICIALS.

II. THE UNOFFICIAL MEMBERSHIP OF THE EXECUTIVE COUNCIL COULD, FOLLOWING THE SAME PRINCIPLE OF PROGRESSIVE DEVELOPMENT BASED ON EXISTING INSTITUTIONS, BE PARTLY ELECTED BY THE LEGISLATIVE COUNCIL FROM AMONG THEIR OWN MEMBERS: TO RETAIN A LINK WITH THE ADMINISTRATION THREE OR FOUR EX-OFFICIO MEMBERS FROM THE SENIOR CIVIL SERVICE AS AT PRESENT WOULD BE USEFUL. THERE WOULD ALSO BE ADVANTAGE IN HAVING ONE OR TWO RESERVED SEATS FOR FUNCTIONAL BODIES (E.G. THE NOTE ISSUING BANKS OR A REPRESENTATIVE OF OVERSEAS COMPANIES IN HONG KONG). - SEE PARA 6(E)

III. THE POST OF GOVERNOR OR CHIEF EXECUTIVE TO BE FILLED THROUGH A CONSULTATIVE PROCESS, CONFIRMED BY ELECTION, AGAIN ON AN ELECTORAL COLLEGE BASIS SIMILAR TO THAT PROPOSED FOR THE LEGISLATIVE COUNCIL.

B. TO MOVE DIRECTLY TO THE INTRODUCTION OF A FULLY ELECTIVE SYSTEM BASED ON ADULT SUFFRAGE INVOLVING:

(I) DIRECT ELECTIONS OF ALL UNOFFICIAL MEMBERS OF THE LEGISLATIVE COUNCIL:

(II) UNOFFICIAL MEMBERS OF THE EXECUTIVE COUNCIL TO BE ELECTED BY THE LEGISLATIVE COUNCIL:

SECRET

/(11)

(111) THE GOVERNOR TO BE DIRECTLY ELECTED.

5. ONCE A SYSTEM OF INDIRECT ELECTION TO THE LEGISLATIVE AND EXECUTIVE COUNCILS FROM A BODY OF CANDIDATES WHO HAD THEMSELVES BEEN DIRECTLY ELECTED TO LOWER LEVEL BODIES HAD BEEN ESTABLISHED, THE WAY WOULD STILL BE OPEN TO MOVE TOWARDS FULL DIRECT ELECTIONS AT A LATER DATE IF THIS COURSE WAS FAVOURED BY THE HONG KONG COMMUNITY.

FACTORS TO BE TAKEN INTO ACCOUNT

6. IN ASSESSING THE RELATIVE MERITS OF THE ABOVE OPTIONS, THE FOLLOWING FACTORS NEED TO BE TAKEN INTO ACCOUNT:

(A) THE ELECTIVE SYSTEM IN HONG KONG IS IN ITS INFANCY. OF THE 2.7 MILLION QUALIFIED TO REGISTER ONLY 33 PER CENT HAVE DONE SO AND OF THOSE ONLY 39 PER CENT PARTICIPATED IN 1981/82 URBAN COUNCIL AND DISTRICT BOARD ELECTIONS.

(B) IT IS LIKELY TO TAKE TIME FOR A SUFFICIENTLY LARGE BODY OF SUITABLY QUALIFIED CANDIDATED FOR ELECTION TO EMERGE.

(C) THE ATTITUDE OF THE CHINESE GOVERNMENT. THIS HAS ALWAYS BEEN CONSIDERED A MAJOR OBSTACLE TO THE INTRODUCTION OF A MORE REPRESENTATIVE SYSTEM OF GOVERNMENT IN HONG KONG. THE CHINESE HAVE NOW INDICATED THAT THEY ENVISAGE SOME FORM OF ELECTIVE OR CONSULTATIVE PROCESS FOR THE ELECTION OF THE GOVERNOR/CHIEF EXECUTIVE POST - 1997. THE CHINESE HAVE ALSO SUPPORTED CALLS BY GROUPS IN HONG KONG FOR A GREATER DEGREE OF DEMOCRACY. DURING HIS MEETING WITH SIR P CRADOCK ON 19 DECEMBER, JI PENGFEI SPECIFICALLY SAID THAT QUOTE DEMOCRACY SHOULD BE PROMOTED UNQUOTE BUT APPEARED TO BE OPPOSED TO THE IMMEDIATE INTRODUCTION OF ELECTIONS IN HONG KONG. HOWEVER, THE CHINESE WOULD NOT NECESSARILY SEEK TO FRUSTRATE ALL MOVES IN THE DIRECTION OF GREATER DEMOCRACY.

(D) IT WILL BE NECESSARY TO AVOID A RAPID POLARISATION OF THE COMMUNITY, WITH THE DANGER OF POLITICAL RIVALRIES (E.G. PRO-CHINA AND PRO-TAIWAN) IRRELEVANT TO HONG KONG'S REAL CONCERNS.

(E) THE ADVANTAGE IN TERMS OF STABILITY IN BUILDING AS FAR AS POSSIBLE ON EXISTING INSTITUTIONS.

POSSIBLE NEXT STEPS

7. MEMBERS ARE CONSIDERING XCX(83)..... ON THE FURTHER DEVELOPMENT OF THE DISTRICT ADMINISTRATION SYSTEM. THE PROPOSAL TO EXTEND THE ELECTIVE SYSTEM AT URBAN COUNCIL LEVEL THROUGH THE ESTABLISHMENT OF A SECOND REGIONAL COUNCIL WITH AT LEAST HALF ITS MEMBERS DIRECTLY ELECTED WOULD CREATE A TERRITORY-WIDE CONSTITUENCY BASED ELECTIVE SYSTEM AT BOTH DISTRICT BOARD AND URBAN COUNCIL LEVEL. THE SAME CONSTITUENCIES, OR COMBINATIONS OF THEM, COULD BE

# SECRET

THE BASIS FOR DIRECT ELECTIONS. ALTERNATIVELY MEMBERS ELECTED FROM THESE CONSTITUENCIES TO REGIONAL COUNCILS AND DISTRICT BOARDS COULD PROVIDE THE MEMBERSHIP OF THE ELECTORAL COLLEGE MENTIONED IN PARA 5(B)1 ABOVE. REPRESENTATIVE ORGANISATIONS FOR INDUSTRY, COMMERCE AND THE PROFESSIONS ALREADY EXIST. IT MIGHT BE NECESSARY TO ARRANGE FOR SOME COLLABORATION AMONG THEM FOR THE PURPOSE OF ELECTING MEMBERS TO THE LEGISLATIVE COUNCIL.

8. WHATEVER METHOD IS ADOPTED THERE WOULD NEED TO BE A CHANGE IN THE GOVERNOR'S RELATIONSHIP WITH THE EXECUTIVE COUNCIL. HE WOULD STILL CHAIR THE COUNCIL BUT AS CHIEF EXECUTIVE OF THE GOVERNMENT HE WOULD BE BOUND TO ACCEPT AND IMPLEMENT THE COUNCIL'S DECISIONS, UNLESS THERE WERE AREAS RESERVED FOR HIS PERSONAL DECISION BY LAW. SINCE NO GOVERNOR HAS GONE AGAINST THE ADVICE OF THE EXECUTIVE COUNCIL IN LIVING MEMORY THIS WOULD ONLY FORMALISE AN EXISTING SITUATION.

## TIMESCALE

9. WHICHEVER METHOD OR COMBINATION OF METHODS IS CHOSEN, THE NEW SYSTEM SHOULD BE IMPLEMENTED DURING THE COURSE OF THE NEXT DECADE. THIS WOULD ENSURE THAT CHANGES WERE BROUGHT ABOUT WHILE THE PRESENT ADMINISTRATION ENJOYED FULL AUTHORITY TO ACT. THE LINK OF AUTHORITY WITH THE UK COULD NEVERTHELESS REMAIN UNBROKEN UNTIL 1997. THE URBAN COUNCIL AND DISTRICT BOARD ELECTIONS IN 1985 AND 1986 PROVIDE A READY MADE OPPORTUNITY FOR LAUNCHING THE FIRST STEP IN A SEQUENCE OF WIDENING THE ROLE OF ELECTIONS IN THE TERRITORY. MEASURES TO EXTEND THE ELECTED PROCESS TO THE LEGISLATIVE COUNCIL, THE EXECUTIVE COUNCIL AND FINALLY TO THE SELECTION OF THE GOVERNOR COULD FOLLOW PROGRESSIVELY THEREAFTER.

ENDS.

YOUDE

FUTURE OF HONG KONG  
LIMITED  
HD/HKD  
HD/FED  
HD/PLANNING STAFF  
HD/PUSD  
D/HD/PUSD (MR FLOWER)  
RES.D. (MR WALKER)  
LEGAL ADVISER (SIR IAN SINCLAIR)  
PS  
PS/LADY YOUNG  
PS/MR LUCE  
PS/PUS  
SIR J BULLARD  
MR GIFFARD  
MR DONALD  
MR WRIGHT  
SIR C TICKELL

COPIES TO:  
BUCKINGHAM PALACE  
PS/LORD PRESIDENT OF THE COUNCIL  
PS/HOME SECRETARY  
PS/CHANCELLOR OF THE EXCHEQUER  
PS/LORD PRIVY SEAL  
PS/SECRETARY FOR TRADE & INDUSTRY

COPIES TO: (VIA ADR)  
MR ROBERTS NEWS D  
MR BURROWS LEGAL ADVS  
MR COLES NO 10 DOWNING ST  
SIR A PARSONS NO 10 DOWNING ST.  
MR MARTIN ASSESSMENT STAFF CABINET OFFICE  
MR GOODALL CABINET OFFICE  
MR BRENNAN CABINET OFFICE  
PS/S OF S FOR DEFENCE D  
PS/ATTORNEY GENERAL

4  
SECRET