



PM/84/9

PRIME MINISTER

Future of Hong Kong: Constitutional and Governmental Development

- See pt 10 .

1. At the OD(K) meeting on 13 December it was decided that a paper should be prepared examining the scope for increasing self-government in Hong Kong up to 1997. I now attach a paper that the Governor of Hong Kong discussed with the Executive Council on 5 January. You may wish to discuss this at the OD(K) meeting on 11 January (I am minuting separately on other points which might be covered at that meeting).

2. In presenting the paper, the Governor emphasised that it had been designed to provide a basis for members' discussions with Ministers and should not be taken to represent any commitment on HMG's part to any particular course of action. Members of the Council unanimously considered that progressive development, building on existing institutions, was the right course. No-one favoured moving directly to the introduction of a fully elective system, and some thought that this might be interpreted in Hong Kong as an indication that the British were pulling out. There was a generally favourable reaction to the proposed collegiate system. Members were cautious about the timing of the introduction of any changes. They thought it was important not to be rushed but agreed on the need to have in place by 1997 a self-sustaining system which would continue thereafter.

3. The Governor's discussion with EXCO was useful. The Unofficials clearly appreciate the importance of devising a machinery of government which should be firmly in place by 1997 and which would help Hong Kong to withstand Chinese interference after that date. We must now consider carefully

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how the electoral process should be developed in order to avoid a constitutional vacuum in 1997. I think that the step by step approach is the right one. We have to watch Chinese reservations on the subject and I have some anxieties about the risk that elections might stir up conflict in Hong Kong itself. At the same time I would see merit in keeping open the possibility of direct elections in Hong Kong before 1997, for example as the last stage in a process that involved an earlier collegiate system. If feasible, such a system would have a number of advantages: it would provide the most credible way of demonstrating that the will of the people of Hong Kong was reflected in the Government; and if a fully elective system were in place, it might help to pre-empt attempts by the Chinese to manipulate a collegiate arrangement to their advantage.

4. We need to clear our minds on the next steps before meeting EXCO Unofficials. While we may well thereafter need to keep in close touch with them in some detail as the situation evolves, we should try to agree quickly on the main principles including the way in which the Governor or Chief Executive might eventually be appointed or elected. On that basis we would be able to produce a working paper for the Chinese with our views on the essentials of Hong Kong's future constitutional structure. Obviously, we should need to secure Chinese acquiescence in any measures which we might take in order to establish a full autonomous local structure before 1997, but as with all questions falling within the agenda item on the period up to 1997 we will need to be careful not to imply that Peking has any veto on our actions.

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5. I am copying this minute to the other members of OD(K) and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office
9 January 1984

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HONG KONG: CONSTITUTIONAL DEVELOPMENT UP TO 1997

INTRODUCTION

1. This paper is designed to provide a basis for a discussion on 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.

THE INCREASING INTEREST IN THE ISSUE

2. In recent years, an increasing interest has been taken by 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 the Hong Kong system, notably through the emergence of an articulate professional middle class many of whom were educated in the US, Canada and UK.

3. 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.

4. 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 constitutional development and Government organisation between now and 1997 will have an important bearing on the success of any post-1997 arrangements which may be agreed.

THE PURPOSE OF CHANGE

5. 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 UK 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

6. There are two possible courses of action, some features of which would be interchangeable. One such approach would be to concentrate on indirect elections: another would be to move more quickly to direct elections for central government institutions, viz.

- (a) Progressive development, building on existing institutions, that is to say:-
 - (i) The election 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 legal and medical profession, Labour Boards and so on. The relationship with the administration would be retained by a few key officials being members of this Council.

elected.

7. 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

8. In assessing the right features for any new system, 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% have done so and of those only 39% participated in 1982/83 Urban Council and District Board elections.
- (b) It is likely to take time for a sufficiently large body of suitably qualified candidates 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) The need to avoid a rapid polarisation of the community, with the danger of political rivalries (eg pro-China and pro-Taiwan) irrelevant to Hong Kong's real concerns.

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- (e) The advantages in terms of stability in building as far as possible on existing institutions.
- (f) The need to devise a system which can credibly be represented as giving expression to the wishes of the people of Hong Kong.

POSSIBLE NEXT STEPS

9. Members are considering XCX(84)4 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 levels. The same constituencies, or combinations of them, could be 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 paragraph 6(a)(i) 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.

10. In deciding the future Government structure, careful consideration would need to be given to the relationship of the Governor or Chief Executive with the Executive Council. Under most likely systems 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

11. Whichever method or combination of methods were chosen, any new system should be implemented during the course of the next decade.

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This would ensure that changes were brought about in good time before 1997, although the link of authority with the UK could remain unbroken until that date. The Urban Council and District Board elections in 1985 and 1986 could be a first step in widening the role of elections in the territory. Measures to extend the elective process to the Legislative Council, the Executive Council and the Governorship could follow progressively thereafter.

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