



Foreign and Commonwealth Office

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Dear John,

Future of Hong Kong: Recent Public Remarks by
Chinese Officials on China's Plan for Hong Kong
after 1997

The Prime Minister may find it helpful to have the attached note of some recent public remarks by Chinese officials on the Chinese plan for Hong Kong after 1997, before her meeting with the Governor and the EXCO Unofficials on 16 January.

Yours ever

Peter

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SECRET

RECENT REMARKS BY CHINESE OFFICIALS ON CHINA'S PLAN FOR HONG KONG
AFTER 1997

1. Considerable publicity has been given in the last few days to remarks by Ji Pengfei, Head of the State Council's Hong Kong/Macao Office and to a speech by Xu Jiatusun, Head of the New China News Agency in Hong Kong.

JI PENGFEI

2. Ji's remarks stem from an interview given to Dr Mun of the Chinese University of Hong Kong. Dr Mun spoke to the press on his return to Hong Kong on 7 January. According to the independent Hong Kong press Ji made three points of particular interest:

(i) In the future Government of Hong Kong there would be a "Consultative Council" with members comprising one third "pro-China", one third "pro-British" and one third "politically neutral". (?)

(ii) Hong Kong people could be defined under three categories:

(a) The 95% of the population who held either "Hong Kong passports" or certificates of identity would become Chinese subjects resident in Hong Kong. As such they would have the right to vote and to be voted for, not only in Hong Kong but also in mainland China.

(b) The second category contained Chinese holding foreign passports who had been in Hong Kong for a long time. They would have the right to vote but not the right to stand for election.

(c) The third category comprised foreigners living in Hong Kong. They would neither have the right to vote nor be voted for. Their children who were born in Hong Kong could choose to

become "Hong Kong residents".

(iii) The draft of the "Basic Law" of the SAR would take time. The views of the Hong Kong people would be sought on the draft. The final version would not be announced before the talks ended [no date specified].

3. A further gloss was added by the Communist New Evening Post in an editorial elaborating on Ji's remarks but not directly attributing them to him. The editorial described articles in China's existing constitution which deal with the relationship between the central authorities and local government, observing that the central government's leadership over a local government did not mean monopolising and intervening in everything. The editorial went on to say that while the NPC Standing Committee had powers to annul local statutes and decisions if they contravened the constitution, laws, decrees or resolutions, the "Basic Laws" for the SAR, would provide a basis for non-intervention from the central government so long as the local government acted within its powers.

XU JIATUN

4. Xu's remarks were made in a speech and question and answer session at Hong Kong University on 10 January. Communist papers used the full text under headlines stressing that Hong Kong's future was bright. For the most part Xu's speech contained the main, well-known elements of China's plan, much in line with the 12 points listed by Vice-Minister Yao in the formal talks. However, on several points Xu provided some elaboration as compared with earlier Chinese public statements:-

- (a) Expatriate and local civil servants in various government departments, and police officers, may keep their jobs. The definition of their specific duties will be a matter for the SAR Government to decide.
- (b) Local residents will enjoy the freedoms of speech, the press, assembly, association, (including the right to

trade union activity), communication and the right to move into and out of the territory.

- (c) The drafting committee on the "Basic Law" will be set up in Peking but it will invite representatives from Hong Kong.
- (d) The SAR will be able to issue its own travel documents.
- (e) Maintaining law and order will be the responsibility of the SAR government.

Xu also said that China's policies were aimed partly at looking after the interests of people from different quarters in Hong Kong. China would maintain Hong Kong's capitalist system for 50 years after 1997. Policies would be prescribed by law and be made known to the public. A draft Basic Law would be drawn up and then passed to Hong Kong compatriots for discussion. After amendment it would be submitted to the National People's Congress for approval and promulgation. It would take a relatively long time to complete. The SAR government would be able to handle independently its own future within the limits prescribed "by law."
affairs

Comment

5. Both these sets of remarks are clearly aimed at reassuring the people of Hong Kong. To some extent they may do so, though most people will remain sceptical. Chinese thinking in a number of areas is still not clear but as time goes by they seem to be revealing more of their plan for Hong Kong. One encouraging aspect is that they appear to be more aware of the need for continuity of systems eg in the civil service. We shall be considering separately the question of the relationship between the SAR and central government, as well as Ji's remarks about a Consultative Council. This appears to be a new idea. We do not think Ji is referring to this Council as the government of Hong Kong but as an adjunct to it, perhaps on the lines of the existing Chinese People's Political Consultative

Conference.

6. What is increasingly clear is that the more detail that can to be included in the Basic Law, especially on the SAR Government's specific powers, the better the chance of non-interference by China.