



Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

Content will working
paper enclosed with this
letter?

Yes. mb.

31 January 1984

A.F.L. $\frac{36}{1}$

Dear John,

Future of Hong Kong: Working Paper on the Public Service

Sir Geoffrey Howe's minute of 9 January referred to the preparation of working papers on the key issues relating to Hong Kong's future and emphasised that they would need very careful study. FCO officials have subsequently been preparing these papers in close cooperation with Hong Kong and Peking. Mr Luce also discussed them in general terms at a meeting with the Governor and the Unofficial Members of EXCO on 17 January.

I enclose a draft working paper on the public service that has been agreed at official level with the Governor and the Ambassador. It places great emphasis on the need for the maximum possible continuity in the public service in Hong Kong after 1997, for example in such areas as appointments, conditions of service, promotions and codes of discipline. One particularly important point for us is that the Government of the Hong Kong SAR should assume responsibility for paying all public service pensions and gratuities, including those to retired officers. The paper also noted that some changes will be required, e.g. by the replacement before July 1997 of Colonial Regulations affecting the public service by laws enacted by the Hong Kong Government and the removal of the words 'Royal' and 'Crown' from public service bodies and institutions.

The normal means of preserving continuity in the public service when dependent territories attain independence would be for the successor government as one of its first acts, to sign a Public Officers Agreement with HMG whereby it agreed to continue to employ members of the public service on the terms and conditions laid down therein. If the Chinese agree to the general proposals in this working paper, something of the kind would probably be required for Hong Kong. One other important point would be before 1997 to convert the Public

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S E C R E T



Service Commission by stages into a body with full executive powers relating to appointments, promotions and discipline. This evolution would provide some kind of guarantee against political interference in these areas and is again a standard feature in other dependent territories approaching independence. Paragraph 11 of the working paper has been drafted so as to allow for this.

I should be grateful to know if the Prime Minister is content with the working paper. We will then put it formally to the Executive Council. Unless they have any unforeseen objections to it, we will be able to hand it over to the Chinese before the next round of talks.

I am copying this letter and the draft working paper to the Private Secretaries of members of OD(K) and to Sir Robert Armstrong.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

S E C R E T

WORKING PAPER ON THE PUBLIC SERVICE

THE CHINESE PLAN

1. The Hong Kong SAR would enjoy a high degree of autonomy and would be vested within the power of legislation. The laws, decrees and regulations currently in force would remain basically unchanged. The Government of the Hong Kong SAR would be composed of local inhabitants. Chief officials would be nominated by the SAR Government and appointed by the central government. ~~Other officials would be appointed by the central government.~~ Other officials would be appointed by the SAR Government. Overseas officers not holding a Hong Kong identity card could serve as advisers at and above the rank of secretary. Those holding a Hong Kong identity card could serve as officials up to the highest level of the public service.

IMPLICATIONS

2. The stability of Hong Kong up to and beyond 1997 cannot be assured without maintaining the continuity and efficiency of the public service. Serving officers must feel encouraged to remain in the service: men and women of ability must feel attracted to join it. Standards must be maintained.
3. The loyalty of all officers regardless of origin would be to the Government of the Hong Kong SAR. Arrangements would be made for the existing contractual responsibilities for and by members of the public service to be transferred to the government of the Hong Kong SAR.
4. The concept of a single unified service performing both central and local government functions would be maintained, at the discretion of the SAR government acting on its own authority.
5. All members of the public service would continue to be subject to the laws of Hong Kong and their actions would continue to be subject to challenge in the courts.
6. Officers currently serving, both local and overseas, and those

recruited in the future would, subject to continuing good conduct and performance, be able if they wish to complete a full career in Hong Kong on terms and conditions of service not less favourable than present terms, except where these are modified on the authority of the bodies listed in paragraph 12 below.

7. All vacancies in the public service which cannot be satisfactorily filled by a serving officer would continue to be advertised publicly, and to be filled on the basis of merit from among those qualified candidates who meet the advertised requirements. The Government of the SAR would continue to be free to advertise vacancies outside Hong Kong, and to appoint suitable candidates from outside Hong Kong on appropriate terms and conditions of service, where it was unable to fill vacancies locally with suitably qualified candidates.

8. All vacancies in ranks above the basic recruitment rank would normally continue to be filled by the promotion of serving officers on the basis of qualifications, experience and merit.

9. In addition to participation in training courses within the SAR, members of the public service would continue to be able to participate in training courses outside Hong Kong, and the existing arrangements by which certain public service training courses allow public officers to become eligible to obtain qualifications recognised overseas would be retained.

10. All members of the public service would continue to be subject to codes of discipline laid down by the SAR government incorporating provisions comparable with those now provided for in existing regulations.

11. The government of the SAR would assume responsibility for paying all public service pensions and gratuities no less favourable than currently existing and in accordance with the law, including those of officers who had retired prior to 1 July 1997, regardless of the recipient's place of residence.

12. The composition of the following public bodies and the functions

that they discharge with regard to public service appointments, discipline, pay and conditions of service would continue as immediately prior to 1 July 1997:

The Public Service Commission.

The Standing Commission on Civil Service Salaries and Conditions of Service.

The Standing Committee on Directorate Salaries and Conditions of Service.

Any change in the status or duties of these bodies would only be effected with the approval of the legislature of the SAR. Advice from these bodies having financial implications would continue to be subject to their acceptance by the legislature of the SAR.

13. The post of Chief Secretary should be retained within the public service and would be responsible for its central administration and direction and for carrying out the recommendations of the above bodies.

14. Prior to 1 July 1997, Colonial Regulations affecting the public service would be replaced by laws enacted by the Hong Kong Government. The present requirement to refer certain questions to the Secretary of State for Foreign and Commonwealth Affairs in London would cease.

15. On 1 July the word 'Royal' and 'Crown' would be removed from the titles of those bodies and institutions in the public service that now carry them (eg the Royal Hong Kong Police Force, the Royal Observatory).

APPOINTMENT OF CHIEF OFFICIALS

16. The Chief Officials of the Government (ie the Chief Secretary, the Financial Secretary and the Attorney-General) should be appointed according to procedures in force immediately prior to 1 July 1997. These appointments should be reported to the Central

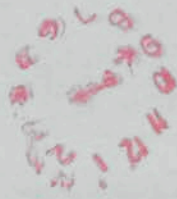
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Government. [The appointments should be considered to have been confirmed unless formal objections were received from the latter within () days].

Hong Kong Department
January 1984

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