

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

1 March, 1984

Dear John,

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f.a.

Hong Kong: Letter from Mr Robert Adley MP

Thank you for your letter of 20 February, enclosing a copy of a letter to the Prime Minister for Mr Robert Adley MP.

Occasionally the activities of backbench MPs are misinterpreted by the Chinese as indications of Government policy or the result of Government prompting. It may have been for that reason that Mr Michael Brown's Early Day Motion on the future of Hong Kong was greeted by hostile comment in the Communist press in Hong Kong.

We are, however, satisfied that the Chinese are aware that Mr Adley is not privy to our negotiating position. We doubt that his direct contacts with the New China News Agency will convey false signals to the Chinese. On balance we therefore advise that there is no need to raise the matter with Mr Adley.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

HONG KONG : Futune

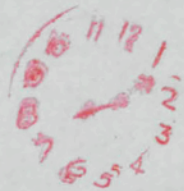
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HONG KONG



1 - MAR 1984



CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

20 February 1984

HONG KONG

I enclose a copy of a letter to the Prime Minister from Mr. Robert Adley, MP, together with a copy of the documents to which he refers.

Mr. Adley specified in his letter that no reply was necessary and we do not intend to send one. But I should be grateful to know whether you think there is any danger of direct contacts between Mr. Adley and, for example, the New China News Agency conveying false signals to the Chinese. Are they clear that he has no connection with Her Majesty's Government? If you think there is any danger of his activities being misinterpreted, do you advise that we or you should raise the matter with him?

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

JP

BE

me

From Robert Adley MP



HOUSE OF COMMONS
LONDON SW1A 0AA

15th February 1984

Margaret

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Prime Minister.

A.S.C. 17/2.

Following our recent discussion about Hong Kong I did, as you know, raise with the Chinese Ambassador the question of the "personality" of future Governors of Hong Kong. You have kindly acknowledged my letter to you wherein I mentioned that the Chinese Ambassador in London certainly was not aware of any suggestion or requirement made by his Government that the person should have to be an active member of the Communist Party.

I also took the liberty of raising this question, off my own bat, with Ji Shaoxiang of the New China News Agency in Hong Kong, and I thought you might be interested to see his reply. It seems to me inconceivable that an official spokesman for the Chinese Government could possibly be so precise in what he says if it was not intended to honour such a statement.

*P.S. No reply
necessary.*

The Right Honourable Mrs. Margaret Thatcher, MP,
Prime Minister and First Lord of the Treasury,
10 Downing Street,
London,
S.W.1.



cc 720 SH

10 DOWNING STREET

THE PRIME MINISTER

10 February 1984

Dear Robert,

Thank you very much for your letter of 8 February about your conversation with the Chinese Ambassador. I have noted what he said.

Yours sincerely

Margaret

Robert Adley, Esq., M.P.

JP

From Robert Adley MP

cc 720



HOUSE OF COMMONS
LONDON SW1A 0AA

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8th February 1984

Margaret

When last we spoke about Hong Kong in your office, you expressed to me your concern about the likelihood of the Chinese Government insisting that the first Chinese Governor would have to be an active member of the Communist Party. This was not a point that had been made to me in my contacts with the Chinese Government.

I thought, therefore, I would probe the position with the Chinese Ambassador, whom I met privately last week. He said that as far as he was aware, his Government had laid down no such stipulation, nor, as he put it, did he think it would make much sense for them so to do in the light of their avowed intent to maintain confidence and stability in Hong Kong. His Excellency appeared to recognize that such a stipulation would hardly be likely to encourage confidence.

I thought I would pass this information on to you. Please do not feel obliged to reply.

A large, stylized handwritten signature, likely of Robert Adley, consisting of a large 'U' shape followed by a horizontal line and a large loop.

The Right Honourable Mrs. Margaret Thatcher, MP,
Prime Minister and First Lord of the Treasury,
10 Downing Street,
London,
S.W.1.

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電話: 5-756633

XINHUA NEWS AGENCY

HONGKONG BRANCH
387, QUEEN'S ROAD, EAST,
HONG KONG
TEL.: 5-756633

7th February, 1984

Mr. Robert Adley MP
House of Commons
London SW1A 0AA

Dear Mr. Adley,

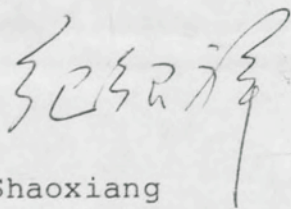
Thank you very much for your letter dated 12th January 1984 and a copy of your letter to Mr. Hilton Cheoing-Leen. I am also grateful to you for introducing me to your colleague Mr. Hugh Dykes, with whom my wife and I had a very interesting discussion on matters of our mutual concern.

As to the question you raised in your letter that the Chinese Government would in the future insist that the "Governor" of Hong Kong after 1997 would have to be an active member of the Communist Party, to the best of my knowledge, this sort of fear is totally groundless and does not tally with China's intentions. Though detailed arrangements are yet to be made as how the future "Governor" of Hong Kong is elected or appointed after 1997, it is absolutely untrue that China has ever imposed any party affiliation on the "Governorship" of Hong Kong, to say nothing of the insistence that the Governor must be an active member of the Communist Party. Enclosed herewith is a copy of the speech made by Mr. Xu Jiatusun, Director of Xinhua News Agency (Hong Kong) at an ordinary meeting of the University of Hongkong Convocation held on January 10, 1984, which you may find helpful in understanding China's position on the Hong Kong question.

I have read your letter to Mr. Hilton Cheong-Leen with avid interest and endorsed your reasoned criticism of his speech. The proposal he made was simply distracting people's attention from what ought to be done, as most people here--both local Chinese and expatriates--have all realised that China will resume in 1997 the exercise of its sovereignty over the entire region of Hong Kong and at the same time maintain its stability and prosperity. So his suggestion strikes me as wholly inopportune and very ill advised, and such efforts could only be counterproductive.

My best regards to you and Jane.

Yours sincerely,

A handwritten signature in black ink, appearing to be '纪绍祥' (Ji Shaoxiang), written in a cursive style.

Ji Shaoxiang

THE FUTURE AND OUR HOPES

-A speech made by Mr Xu Jiatun, Director of Xinhua News Agency (Hong Kong) at an ordinary meeting of the University of Hongkong Convocation held on January 10, 1984.

The University of Hongkong is a celebrated institute of learning with a long history. During the more than 70 years since its founding, it has trained a large number of talented people. In the spheres of learning and research, its brilliant achievements have contributed immensely to the progress and prosperity of the Hongkong community. This evening I feel very glad to have the opportunity to attend your ordinary meeting.

Present at this gathering one finds renowned scholars, professors, specialists and professionals working on various posts in this society. All of you, I am sure, have studied and are well versed in the social conditions here. And in this respect I have a great deal to learn from you. Today I shall limit myself to my personal views on questions concerning the future of Hongkong and the role the local intellectuals can play.

At present, Hongkong faces a historic turning point marked mainly by the fact that China will resume in 1997 the exercise of its sovereignty over the entire region of Hongkong, and at the same time maintain its stability and prosperity. This is our government's well-founded principle and firm position. In the past year and more, our government and leaders have again and again expounded our principles and policies concerning the resumption of sovereignty over Hongkong which are being recognized and accepted by an ever increasing number of people. In general these principles and policies include the following aspects: in accordance with the stipulation in Article 31 of the Constitution, a Special Administrative Region shall be set up. A basic law shall stipulate that the Special Administrative Region be governed by a government composed by local people; the Chinese and expatriate administrative and police personnel in the various departments of the original Hongkong Government may be asked to continue their service; the Special Administrative Region shall be invested with a high degree of autonomous power, independent judicial power and the

power of passing final judgement; the social and economic systems shall remain unchanged; the present law shall remain basically unchanged; Hongkong's status as a free port and an international financial centre shall be maintained, and the Hongkong dollar shall remain in circulation and keep its free convertibility; its residents shall enjoy the freedoms of speech and expression, of publication, of assembly, of association, of correspondence, of entry and exit, and of religion; the Region shall give due consideration to the economic interests of Britain and other countries in Hongkong; the Region shall maintain and continue to develop its economic and cultural relations with other countries and international organizations concerned, and shall be empowered to issue travelling documents and entry and exit visas; the order and security of the Hongkong community shall be the responsibility of the government of the Special Administrative Region; etc.

This set of principles and policies is not conceived out of thin air. It is based on Hongkong's historical development and present reality, on the aim of achieving the unification of our motherland, on the needs of our socialist modernization, on the need to win broad international and domestic support for maintaining Hongkong's stability and prosperity, and also proceeds from the desire to respect the wishes of the vast majority of the people in Hongkong. In other words, it is based on a respect for history and reality, and the consideration given to the interests of all the sections in the Hongkong community.

This set of principles and policies is not an expediency, but a long-term strategic policy decision made only after taking into consideration all the factors involved. Precisely on account of such perceptions, we have laid down the rule that the present capitalist system in Hongkong shall remain unchanged for 50 years after the recovery of sovereignty over Hongkong in 1997. We all know that, from now to 1997, there will be a transitional period of a little over 13 years. Adding this to the 50 years already mentioned there will be over sixty years, or more than a half century. In the matter of humanity, this will be equivalent of two to three generations. That means, for a long, long period we shall be able to carry

out in full the economic and cultural exchanges between Hongkong and the mainland, China and the rest of the world, and the east and the west. They can exchange what they have for what they need and thus develop alongside each other. This not only corresponds with the conditions in our country, but also take into consideration to the greatest extent the wish of our Hongkong compatriots.

This set of principles and policies was not put together by a few of our leaders. It is laid down after a long period of careful investigation and study made by the Party Central Committee and the State Council. Incorporated in these principles and policies are also the rational and constructive opinions put forward by various sections of people in Hongkong. Therefore, it is representative of the views of a broad section of the people and is practicable and feasible.

This set of principles and policies will be codified into law form and published. This is what has been known to all as the basic law of the Hongkong Special Administrative Region to be drawn up. We shall, after wide-ranging canvassing of the opinions of our Hongkong compatriots, set up a group to write its first draft. It will then be put before our Hongkong compatriots for discussion so that they can suggest revisions through fully democratic channels. The revised draft will then be submitted for adoption and promulgation by the National People's Congress. Since the basic law of the Special Administrative Region has to go through this democratic process, its completion will take a fairly long time. This basic law will give Hongkong very great autonomous power. Within the scope of this basic law the Government of the future Special Administrative Region will be in a position to deal with its own affairs.

It is known to all that, since the Third Plenum of the 11th Central Committee of the Communist Party of China, we have re-established the ideological line of seeking truth from facts and firmly set the political line of concentrating on the Four Modernizations to build socialism with Chinese Characteristics. We have put through a series of important policies for

opening up to the outside world and vitalizing our domestic economy. Our principles and policies concerning the Hongkong question is precisely the dynamic implementation of the line laid down by the Third Plenum.

Thanks to our correct policies, remarkable changes have taken place on the domestic scene. The various nationalities of the Chinese nation have scored important achievements in bringing about a new situation of socialist modernization. In 1983, the third year of the current sixth five year plan, we reached and surpassed industrial and agricultural targets set for 1985 in terms of output value. This impressive growth rate shows that the path we have chosen is one which reinvigorates the economy. As Deng Xiaoping, Chairman of Central Advisory Committee of CPC, said recently when he received the famous American physicist, Professor C. N. Yang of the New York State University, 'The results of the economic policies pursued by China in the past five years show that we are on the right track.' He also said that 'we are highly hopeful that we shall attain the goal of quadrupling the annual gross industrial and agricultural output by the year 2000, as set forth by the 12th National Congress of the Chinese Communist Party held last year.'

The country's future is very bright, so is Hongkong's future. Given the continued progress in the Sino-UK talks, the rapid development of the motherland's economy, and its active support for Hongkong, there should be no question about Hongkong's future stability and prosperity. To be sure, the decisive factor remains to be the concerted effort of Hongkong compatriots and leading members of all circles. We trust in the creative ability and management skill of the Hongkong compatriots, as amply demonstrated by the remarkable achievements of Hongkong. Surely, they will be able to work greater wonders under the new historical conditions which give them the status of being their own masters. We are fully confident of Hongkong's future.

Ladies and gentlemen, I witness with great pleasure and appreciation of the precursory role played by Hongkong's intellectuals at this historic juncture.

With the exception of a certain period which as marred by mistakes of our own, the Chinese Communist

Party has always respected and relied on the country's intellectuals. After setting the wrongs right and clearing up the confusion since the 3rd Plenum of the 11th Central Committee of the CPC held towards the end of 1978, we have firmly adopted a correct attitude towards intellectuals. We have come to understand in a profound manner the indispensability of intellectuals not only to the modernization effort but also to the socialist material and spiritual civilization which we have embarked to build. The hope for the development of science, culture and economy lies mainly in the efforts of the intellectuals.

Hongkong is a highly developed capitalist society. It is a place where an advocacy about maintaining prosperity while disregarding modern technology, scientific management and the devotion of skilled personnel trained in all the different fields would be nothing but empty talk. The same applies to cultural, educational and other social undertakings. Needless to say, the need for intellectuals would only be greater after 1997 when Hongkong will be ruled by Hongkong people themselves, and particularly relying on the intellectuals. As they have made important contributions to Hongkong's prosperity in the past, Hongkong's intellectuals certainly can make even greater contributions in the future. As I have said, the future development of Hongkong depends mainly on the people of Hongkong themselves of whom intellectuals form the backbone. Boundless opportunities will emerge to them so as to bring their talents and aspirations into full play. The Chinese people, Hongkong compatriots included, have placed great trust and expectations in Hongkong's intellectuals, and I am sure they will prove to be trustworthy.

Down the ages, the Chinese nation has also had its share of men of lofty ideals, who were imbued with an intense love of the country, who never gave up in their search for truth, and who never flinched from giving their utmost. They have left us with a most precious legacy.

The great poet Qu Yuan of Ancient China once sang: Born in the South, I have never wavered in the trust I have been honoured with; my roots strike deep and I have always kept my aspirations aligned. These lines reveal

the poet's unerring love for his country. Qu Yuan was a great poet but he was primarily a patriot. Down the ages, he has won the respect and fond memory of not only the Chinese people but throughout the literary world.

The intellectuals of Hongkong also have a glorious tradition. After his graduation from the medical school of Hongkong University, the great democratic revolutionary, Dr Sun Yat-sen, for a number of years used Hongkong as a base where he carried out important activities and he was supported by other Hongkong intellectuals. More Hongkong intellectuals came to the fore to serve the revolutionary cause in succeeding years of this century. In pursuance of this tradition, many of the younger generation of Hongkong's intellectuals have joined patriotic ranks and have begun to take an interest in the motherland's destiny and social progress, also in Hongkong's future and social progress. Many useful activities have been launched in this regard which constitute the most encouraging and valuable developments here.

A spirit that pervades all the patriotic traditions is the linking of one's personal future to that of the nation's, as indeed only when this is done can it be truly said that a person has a future ahead of him. It was Dr Sun Yat-sen who, in an address given on February 20, 1923, to the 11th Class of Hongkong University, advised them to take an interest in developments in the motherland. He believed that, only after we have built up our country can we say that we have discharged our duties and attained our goal. The warmth of his feelings for the country is overflowing from his utterances. Let me also quote from some recent remarks made by your vice-chancellor, Dr Rayson Huang. He said that Hongkong is China's territory, and thus in serving Hongkong, students of Hongkong University are also rendering services to China. He went on to say that we should call on the students to be concerned with the future of Hongkong and see their social responsibilities.

An intergration of the future of the motherland, of Hongkong and that of one's own serves to articulate the hopes of elder patriotic-minded intellectuals towards the youth. Allow me to say that I have the greatest respect for such sentiments.

It is my hope that Hongkong intellectuals will carry forward the patriotic traditions, with the utmost exer-

tion of their capabilities, and contribute to the cause of the motherland's unification, to the smooth execution of the historic change of Hongkong, to Hongkong's stability and prosperity, and to the motherland's modernization goal. It is also my hope that all of you, especially those holding responsible and prestigious posts in educational and cultural circle, will actively participate and play a leading role in the current discussions on the basic law for the Special Administrative Region of Hongkong.

Allow me, finally, to wish this meeting success and the staff and students of Hongkong University fresh achievements in the current academic year. Thank you.



With the Compliments of
Hilton Cheong-Leen, OBE, JP
Chairman
Urban Council
Hong Kong

10/22
h.a.

Speech by Mr. Hilton Cheong-Leen
Chairman, Urban Council,
at the Urban Council Meeting
on Tuesday, 14th February, 1984

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Introduction

This year's Annual Conventional Debate has been very lively, covering a wide range of subjects. It has been even more interesting than ever because it was the first time that several new members who joined the enlarged Urban Council last year have had the opportunity to speak on matters outside the statutory scope of the Urban Council.

All the various points raised by members which are outside Council's scope of responsibilities have already been referred to Government for detailed consideration.

A number of Select Committees and Sub-Committees Chairmen reported on the work of their committees during the past 12 months.

Other Councillors gave their views on various aspects of Council's responsibilities which are being studied by the Urban Services Department for consideration by the Select Committees concerned.

In my Right of Reply at this Year's Annual Conventional Debate, I am taking the opportunity to amplify on some of the valuable points raised by Councillors.

Squatter Areas

Mr. Tong Kam-biu spoke eloquently about the need to improve environmental hygiene, cleansing services and the collection of refuse in squatter areas. I fully share his concern on the importance of the Urban Council doing everything possible to improve the living environment of urban squatters who number about 170,000. Co-operating with the Housing Authority, the Council will continue to provide in urban squatter areas more refuse collection points and improve refuse collection services, and also provide more toilets and bathhouses and sitting out areas. This year the Council is spending \$8.3 million in squatter areas for cleansing services, plus another \$2 million paid annually to the Housing Authority for related services under the Squatter Improvement Pilot Scheme.

Action is being taken to replace all wooden toilets in squatter areas with fibre glass ones which will not only look better but be easier to clean. It is planned to provide a total of 706 fibre glass toilet compartments in the urban squatter areas at a current cost of nearly \$2 million.

Both Dr. Kim Cham and Mr. Howard Young made reference to the proposal of the Keep Hong Kong Clean Committee to implement a trial scheme to privatise the cleansing services in one squatter area in the Eastern District. This should ensure that the best possible cleansing service for the residents in that area can be provided for the amount of money spent. Should this pilot scheme of privatisation in cleansing services be successful, the Council will study to what extent the system can be introduced selectively in other squatter areas.

Keep Hong Kong Clean

Mr. Kenneth Lo raised the subject of the trial scheme which was recently initiated in the Wan Chai District to use plastic bags for holding refuse collection. The results of this pilot scheme have still to be assessed but should the scheme be regarded as having been a success, it should then be possible to see how the scheme can be developed further on a larger scale in the Wan Chai District. Also, other urban districts will be encouraged to find out how much further the use of plastic bags can be promoted for purposes of refuse disposal.

Mr. Stephen Lau spoke about the problem of eliminating the odour from open nullahs and the problem of collection of flotsam in the harbour. A special working group in Government has been formed to clean up a number of the more popular beaches in time for the on-coming swimming season. I recall about a year ago when I paid a visit to the Repulse Bay Beach with several Urban Councillors, the flotsam was so heavy that it was surprising that there were so many bathers swimming there.

A consultancy report on the extent to which land pollution is a cause of marine flotsam is expected to be ready shortly and it is hoped that certain recommendations will be made to reduce the flotsam not only at the more popular beaches but in the harbour itself. No doubt, the Environmental Hygiene Select Committee and the "Clean Hong Kong" Committee under the chairmanship of Dr. Denny Huang and Mr. Howard Young respectively will be examining this problem in greater depth very shortly.

I would like to remind both Councillors and members of the public that there is an Urban Council Clean Hong Kong Campaign telephone hotline -

5-95555 - not only for recording litter complaints but to receive complaints and suggestions on all Council and Urban Services Department activities.

Furthermore, should any member of the public wish to bring a suggestion or complaint to my personal attention, he or she should so advise the officer answering the hotline.

Recreation and Sports

The Chairman of the Recreation Select Committee, Mr. Kenneth Lo, gave a good overview on the extent of the role of the Urban Council in providing sporting facilities and recreational open spaces. He quite rightly pointed out that the Council is under considerable pressure from all the District Boards to provide more recreational and sporting facilities in the respective districts, and I am happy to say that already the Council has been able to advance several such projects in its works programme, and that in the new financial year work will begin on a large project at Kowloon Bay for the use of Kwun Tong residents, plus other important improvements in Wanchai, Kowloon City and Kowloon Park.

The pressure from all the ten urban districts to expedite the provision of such facilities is an immense challenge to the Urban Council and within the resources and capabilities of the Council, we shall do everything we can to meet their aspirations.

International Youth Year

Mr. Howard Young's suggestion to commemorate the International Youth Year in 1985 on a territory-wide basis has been passed on to Government. I am sure the Urban Council in co-operation with the Government will be prepared to perform a substantial role to commemorate this auspicious year through its many facilities and services, and already an Ad Hoc Committee under the chairmanship of Mr. Stephen Lau was appointed for the purpose.

Let us not forget, however, that two other areas in which the Urban Council has played an increasing role relate to providing more recreational and cultural facilities for the elderly and the handicapped. The Council's policy is to take full cognizance of and to cater for the needs of both the young as well as the senior citizens, and for the handicapped sections of our community.

Culture and Entertainment

Mr. F.K. Hu spoke at length on the wide range of cultural services provided at the various Urban Council entertainment venues. Members are aware that the larger venues, such as the City Hall, Queen Elizabeth Stadium, Coliseum and Ko Shan Theatre are available to residents and groups on a territory-wide basis. There are also district-based cultural venues which are being planned. The feedback from the District Boards has led to the Urban Services Department undertaking a review as to whether future Urban Council district complexes should have a cultural hall with a seating capacity of about 450 to 600 persons. It seems evident that for larger districts, a hall with a seating capacity of 1,000 persons or more will be more useful. If the Urban District Complex cannot provide for a hall with such increased seating capacity, then other alternatives must be found.

The library development programme which was touched upon by Mrs. Grace Ho continues apace, and the Libraries Select Committee which is chaired by Mrs. Elsie Elliott, is pushing ahead with plans to provide branch and mini libraries wherever they are required. It is interesting to note that the Urban Council library system has issued library membership cards to one-third of the urban population in Hong Kong, i.e. 1.3 million membership cards.

The Council adopts a balanced approach in supporting both the performing arts as well as fine arts. The Council Vice-Chairman, Mr. Forsgate, mentioned on behalf of Dr. Philip Kwok, Chairman of the Hong Kong Philharmonic Society, about the pleasing progress made by the Orchestra. As the Urban Council is the major financial supporter of the Hong Kong Philharmonic, we could take pride in the high standard of performance and the growing international recognition achieved by the Orchestra.

The other performing companies which include the Chinese Orchestra, the Repertory Theatre, the Hong Kong Dance Company and the Hong Kong Chorus are supported wholly by the Urban Council and the development of these companies is being carefully monitored. These four companies which come under the Performing Companies Sub-Committee, ably chaired by Mrs. Selina Chow, are performing not only in the urban areas but also in the New Territories as well through the Cultural Services Department of the USD.

The Council's programme to expand museum services has shown good progress as well. Last month, we opened the New Flagstaff House Museum of Tea Ware. The Chairman of the Science Museum Sub-Committee, Mr. Lawrence Fung, also mentioned the construction of a "temporary Museum of Science & Technology". This museum, when completed in about two years' time, will occupy a total floor area of 50,000 sq. ft. and will prove a valuable substitute until funds are obtained to build a permanent Museum of Science & Technology and a permanent Museum of History on a site adjacent to the Hong Kong Polytechnic.

During the 'Science in Action' Exhibition held recently at the City Hall, there was a total attendance of 93,000 persons with a daily attendance rate of 5,800. In the light of the success of this Exhibition, the Urban Services Department is considering having it shown at other venues such as Queen Elizabeth Stadium and also in the New Territories.

Relationship with District Boards

On Council's relationship with District Boards, I am confident that there will be closer interaction between members of the ten urban District Boards and the Urban Council in enabling the Council to fulfil its statutory responsibilities to our nearly four million urban residents.

This year, the Urban Council has been consulting the District Boards on their views regarding the various capital works items which are in active progress or are being planned for each district. We have already drawn upon this valuable feedback from the District Boards to revise our works programme and with continued goodwill on both sides will in future be able to better plan our priorities in the completion of the various capital works items, as well as to ensure that the services provided will meet the needs and wishes of the district residents.

The City Services Department has its representatives sitting on District Board Committees and Area Committees. Furthermore, the Cultural Services Department has regional offices which keep in close touch with the cultural and sports associations which work together with District Boards in the planning of district sports and cultural festivals. I am happy to note that practically all the District Boards have been organising sports and cultural festivals on their own initiative. The Urban Council will continue to give its full support to these community-building initiatives on the part of district cultural and sports associations.

The Entertainment Sub-Committee of the Culture and Entertainment Select Committee, under the chairmanship of Mr. Shum Choi-sang, has been giving much encouragement to district initiative in the setting up of district entertainment activities, and traditional festivals, such as Lantern Festivals, and in so doing, to enhance a sense of district involvement and community building.

The work of the Urban Council has a close relationship with the district strategy plan of all the District Boards, in the environmental field, that is sanitation and hygiene, hawker matters, street management and other types of environmental improvements.

In the community-building field, the Urban Council's input covers recreational and sports activities and facilities, providing cultural facilities and the promotion of cultural activities, and making a contribution towards the development of a district identity.

The Urban Services Department has been organising visits by District Board members jointly with the Urban Councillors who sit on each District Board to inspect the various Urban Council facilities and also to take a look at the Urban Council projects in the planning.

We are in an evolving situation in our relationship with the District Board system and we should identify and expand the range of those activities which District Board leaders would like to do themselves and to give them every support possible. This means we should encourage the district cultural and sports associations to take the initiative in organising district entertainment, cultural activities, sports and recreational activities. The Council stands ready to assist all District Boards whether by way of material or financial resources for which they will have to be accountable to the Council, since such resources are paid for out of public funds.

Expansion of the Urban Council in the New Territories

During the Debate, many Councillors spoke in favour of having the statutory responsibilities of the Urban Council being extended to the New Territories.

With hardly any exception, members of the Urban Council are in favour of the Council's responsibilities, which basically cover environmental hygiene, culture and entertainment, sports and recreational matters, being extended to serve the New Territories residents as well.

An extension of the Council's jurisdiction into the New Territories would definitely boost cultural and recreational activities there in terms of quality and quantity.

Again, with hardly any exception, Urban Councillors believe that expanding the Council's role to cover the New Territories has greater merit in the long run, especially in view of the 1997 situation, rather than the setting up of a separate New Territories Council.

Naturally, if the Urban Council were able to elect a number of its members to the Legislative Council, in addition to those Urban Councillors appointed by the Governor, such an expanded territory-wide Council would be able to make its voice even more effectively heard in the Central Government Administration.

And of course, in the light of its experience with the urban District Boards, the Urban Council could co-operate closely with the eight New Territories District Boards. Also, it would seem desirable that there should be some form of relationship between the Heung Yee Kuk and the Urban Council which could take place when consideration is given by Government to the list of nominated Urban Councillors from the New Territories.

Urban Council's Image

Mr. Walter Sulke called for stronger leadership on the part of senior members of the Urban Council. Because of the narrow range of matters for which this Council is responsible as compared to the responsibilities of other cities, such as Osaka, Shanghai, Brisbane, Birmingham, Manchester, Hamburg or San Francisco, it is all too easy for the Urban Council Chairman to play too dominant a role both within and outside the Council. When such a situation takes place it does not leave much room for other members of the Council to have their potentiality developed and to be given the opportunity to be seen to participate in the work of the Council for which they have specific responsibilities.

The Council should be seen by the public as a corporate team leadership where its various functions and activities are implemented by the committee chairmen and the members of such committees. In the circumstances, the public would come to realize and quite rightly that what has been accomplished to improve the living standards of the community is in terms of the Council as a whole rather than as the accomplishment of just one or only a few individual Councillors.

For the immediate future, the Urban Council will:

- (a) Firstly, as a statutory authority, remain firmly independent of the Central Government;
- (b) Secondly, play its complementary role as part of the Hong Kong Government to serve the people in the larger context of Hong Kong as a free port and international financial centre; and
- (c) Thirdly, seek and press ahead with what has to be done in the future self-administration of Hong Kong.

Hong Kong 1997

The Prime Minister, Mrs. Margaret Thatcher, has given an assurance that Britain's aim "is to agree with China, through negotiations, and to reach an agreement that will maintain the stability and prosperity of Hong Kong in a way acceptable to the people of Hong Kong, to this parliament (British) and to the people of China".

Hong Kong community leaders would do well to study whatever information is available on the progress of the negotiations and to come forward with suggestions on preserving the Hong Kong life-style, and to ensure that the Hong Kong economic, political and social systems evolve between now and 1997, and for 50 years after 1997, in a manner:

Firstly, that is acceptable to Hong Kong people;

Secondly, that will promote China's modernization under her unique form of socialism with Chinese characteristics; and

Thirdly, that will preserve Hong Kong's international status as a free enterprise city and free port.

As mentioned by Mrs. Selina Chow during the Debate, the time is ripe for Britain to progressively lift the cloak of confidentiality on proposals for the Sino-British solution for Hong Kong's future after 1997. Hong Kong's 5½ million people should not be presented with a fait accompli where they will have no other choice but to accept virtually everything that is disclosed to them at the final stage of the negotiations when it will be too late for any meaningful changes to be considered or accepted. After all, what is at stake is the future of Hong Kong people in the wider context of China's modernization and China's future.

From various "official" and "unofficial" leaks emanating from London and Beijing, it appears that Britain will be prepared to return sovereignty of the whole

territory to China by 1997 and that China would allow the Hong Kong way of life and the Hong Kong system to continue for another 50 years after 1997. If this is the scenario of the future, Hong Kong people will from now on have to think and plan more in terms of responsible democratic self-administration.

Hong Kong people are well-known for their pragmatism and hard-headed realism. Most of them do not want to leave Hong Kong and are adopting a wait-and-see attitude as to the details of the agreement which will be worked out between Britain and China. It is essential that both China and Britain should co-operate closely in preserving the confidence of Hong Kong people. The level of the Hang Seng Index on the stock exchange or the current prices on the real estate market may be some indication of investment confidence in Hong Kong but these do not represent the entire picture. What is equally vital is the building of a sense of long-term commitment by Hong Kong people themselves. We cannot lose faith in ourselves or in our resilience to change, or our ability to surmount any unforeseen shoals and turbulences of the transition from British colonial rule to Special Administrative Region status under China's socialist rule.

As it appears likely that a Sino-British agreement accepting the principle of "Hong Kong people governing Hong Kong" will result from the negotiations, the Hong Kong Government should be planning for progressive changes in administrative structure between now and 1997. I am sure that members will not disagree with the view that people can only learn to govern themselves if they are given the opportunity to actually do so in sufficiently good time.

In the final analysis, the future stability and prosperity of Hong Kong will rest in large measure on Hong Kong people themselves. The earlier they can be involved in the process of self-administration before 1997, the greater confidence they will have in the future beyond that

date. They will have to set their sights high if they are to have genuine self-administration after 1997, and aim for higher standards of living, for a Hong Kong style democracy, preservation of the rule of law, personal freedom, and fundamental human rights.

There have been suggestions about having what has been described as adequate "international guarantees", which may take a variety of forms, such as a formal declaration by the parties concerned at various United Nations and other international forums. Apart from the agreement between China and Britain being recognised as another form of international guarantee, there could be provision for some form of mutual consultation between China and Britain, and perhaps with several of Hong Kong's major economic partners, for an indefinite period after 1997. This type of consultation process could sustain the confidence of Hong Kong people in the future and make sure that Hong Kong will endure as a free port, and a centre for international trade and finance under the free enterprise system.

Confidence in Hong Kong will be further sustained if China continues to invest substantially in Hong Kong's infrastructure such as the development of the New Towns, further MTR expansion into the New Territories, the cross harbour tunnel expansion or a cross harbour bridge, etc. By so doing, our own people would be further encouraged in turn to invest in Hong Kong's future of the 90's and the 21st century as a dynamic citadel of the free enterprise system with the second highest standard of living in Asia.

Today, Hong Kong seeks to diversify its economy and upgrade its existing industries to produce more technological intensified products so as to strengthen its international competitiveness. Hong Kong cannot afford to stand still as should we ever begin to falter there are other cities in Asia which aspire to replace Hong Kong's free port status by the beginning of the 21st century.

Hong Kong has another unique status as a centre where there is expertise in organising capital ventures, and where there is a pool of entrepreneurial skills which could be made available to launch joint commercial and capital ventures in the modernization of China.

With this year of the Rat, which is the commencement of the new zodiac cycle of 60 years, Hong Kong should for a long time to come be able to make a substantial contribution to the economic development of Guangdong Province and other Provinces in China. It will undoubtedly also give positive support to socialist China's "open door" policy so that living standards in China can be raised to what has today already been achieved in Hong Kong through the free enterprise system.