

PRIME MINISTER

BILATERAL WITH THE FOREIGN AND COMMONWEALTH SECRETARY

You have a bilateral with the Foreign and Commonwealth Secretary tomorrow afternoon. Subjects which he wants to discuss are:

- Modernisation of NATO's nuclear weapons

He wants to look at the position we have reached and discuss the line he should take with Herr Genscher next week. You will want to encourage him to get an early message to the State Department about the need for the Americans to weigh in with Chancellor Kohl, preferably before the Germans reach their decision.

- Gorbachev's Visit

He wants to look ahead to the programme for Gorbachev's visit. We do not yet have many details. But the Soviet Ambassador has indicated that the Russians hope we can follow very much the same programme as planned for December. Does this suit us? Or are there changes we want to make, e.g. do we want to press him to travel outside London or to do a Press Conference?

- Hong Kong

You should be aware of the editorials in today's Financial Times and the Wall Street Journal (copies in the folder). The impression is being cultivated in some circles that we are weakening in our commitment to preserving a free enterprise system in Hong Kong.

- Death on the Rock

The Windlesham Report is out later this week and will not be very satisfactory, in effect exonerating Thames Television. The Foreign and Defence Secretaries feel that we should express our dissatisfaction publicly but not get involved in detailed argument about it.



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They advise against Ministers going on television but propose to brief Michael Mates fully to do so.

- Expulsion of members of the Soviet Embassy  
There may be points from this afternoon's discussion which you will wish to pick up.

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CHARLES POWELL

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# The future of Hong Kong

**TIME IS running out for the British and Hong Kong Governments to demonstrate that they have either the inclination or determination to fight to safeguard the interests of Hong Kong's 5.5m inhabitants before the colony is returned to Chinese sovereignty.**

The British approach — that quiet diplomacy is the only way forward — has produced few fruits so far. Admittedly, once the reversion of Hong Kong to China in 1997 had been agreed, Britain was always going to be negotiating the modalities from a weak position. It is not surprising, given this tactical reality and the effective and eloquent lobbying campaign conducted by concerned residents of Hong Kong, that the British Parliament's Foreign Affairs Committee should start, however belatedly, an urgent inquiry into the Government's handling of the matter. Its intervention may even be welcome, if it throws some public light on negotiations that have been conducted behind closed doors.

## Basic Law

The critical issue is the Basic Law covering the colony's administration for 50 years from the hand-over in 1997. This will be promulgated as soon as early 1990. The first draft, published last year and described in Hong Kong as a tree full of rotten apples, did depart significantly in both content and spirit from the principles of the 1984 Sino-British Joint Declaration agreeing the transfer of sovereignty. The British and Hong Kong Governments insisted, however, that they could get it improved. The drafting committee finished its proposals for the second draft in Guangdong last week. After it is published next month, there will then be only one last chance for consultation and amendment before the final version is published next year.

The more worrying departures from the Joint Declaration in the first draft concerned the independence of the judiciary, the degree of autonomy of the Hong Kong Special Administrative Region and the method of selecting the chief executive. These concerns remain. Informed leaks from Guangdong suggest the proposed second draft would, for example, allow the Chinese

National People's Congress to be the interpreter of Hong Kong's laws and would deny Hong Kong full autonomy in the management of the economy.

In some instances, there seems to have been an even greater move away from the spirit of the 1984 Joint Declaration. Direct elections for Hong Kong's chief executive and Legislative Council could now be postponed until at least 2,012. Even then, the introduction of full direct elections would be subject to a referendum and, in a further watering down of democratic intent, the Peking supporters dominant on the drafting committee have pushed through a clause stating that a referendum would only be held if China and the Legislative Council of the time agreed.

## Diplomatic effort

The onus on the British and Hong Kong Governments now is to demonstrate that quiet diplomacy really is being exerted to protect the interests of the people of Hong Kong. It might help to remind China publicly that Hong Kong is an asset, not a liability, that it possesses a well of skills and entrepreneurial vigour which will quickly dry up under heavy-handed political and economic controls. The Chinese seem to be forgetting the understandings which lay behind the 1984 Joint Declaration, particularly with regard to the evolution of democratic processes.

There is also still something that Britain itself can do for the people of Hong Kong, which is to open its doors to more of them. As it stands, only the privileged few will be allowed residence in Britain. Portugal, on the other hand, has granted passports to the ethnic Chinese in Macau, which returns to Chinese sovereignty in 1999. Thus Macanese will, under European Community law, be able to live and work in Britain while "British" subjects from Hong Kong will not. Lord Glenarthur's comment that this might seem unfair but that "many things in this world are unfair" encapsulates much that has been wrong in the style and content of Britain's handling of the colony since 1984. It is not quite too late to change.



## Maggie's Honor

Britain's acquiescence in communist China's increasingly restrictive plans for capitalist Hong Kong come 1997 is baffling given Prime Minister Thatcher's commitment to free markets and opposition to communism. Yet a chance is emerging for Mrs. Thatcher to save face. The Commons is sending members to Hong Kong to look into whether Britain has honored the terms of the 1984 Sino-British Joint Declaration, the treaty by which London agreed to hand over Hong Kong to Peking in 1997. Had Britain been living up to its obligations there would be no call for such an investigation.

Earlier, the Peking-appointed committee that is drafting the Basic Law—the mini-constitution to govern post-1997 Hong Kong—approved a constitutional model that if adopted would rule out democracy in the territory for decades, perhaps forever. Under the model the people of Hong Kong would not be permitted to elect their own chief executive until at least 2012, when half of their legislature would also still be appointees. Democratic elections for chief executive and the legislature after that would be contingent on a referendum in 2011.

China has attached conditions that make it likely Hong Kong will never see democracy. Even the terms of the referendum are stacked: It would have to have the approval of a non-elected chief executive, a legislature only half-elected (whose appointed members risk losing their seats if they agree to elections), and, as the clincher, the Standing Committee of the National People's Congress. Jeffersonian it is not.

All this is light-years away from the terms and spirit of the Joint Declaration, which itself came between Green

and White Papers from the Hong Kong government promising democracy in Hong Kong before 1997. Indeed, on Dec. 5, 1984, after the Joint Declaration was initialed, Mrs. Thatcher's minister for Hong Kong, Richard Luce, assured Parliament that "we all fully accept that we should build up a firmly-based, democratic administration in Hong Kong in the years between now and 1997." The Joint Declaration specifies that Britain was to be able to do this with no interference from China.

Today no parliamentary committee is necessary to show that Britain has failed to live up to these promises. The promises have been betrayed by a process of revisionism, whereby terms are redefined and conditions dropped once they serve their political purposes. The Joint Declaration itself has been quietly relegated to history. Instead of ensuring that the Chinese-drafted Basic Law lives up to its terms, the new official line in Hong Kong is that all political arrangements after 1997 must be compatible with the Basic Law, which as last week's model shows is getting less democratic by the hour. Hong Kong people have been voting with the only vote they have: their feet.

If the parliamentary delegation is serious about its mission, there will have to be a confrontation with China. As a signatory to the Joint Declaration Britain has an obligation to see that its terms are enforced. If China refuses to comply, the only honorable recourse would be for Mrs. Thatcher to announce that Britain would be re-vamping its nationality laws to give its subjects in Hong Kong an insurance policy on an agreement imposed on them without their consent and violated against their wishes.