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# WITHDRAWAL SHEET

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**Collection Name** LAUX, DAVID: FILES

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CAS 6/10/2010

**File Folder** CHINA-FOREIGN RELATIONS-HONG KONG  
(5/18/836/15/83)

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M09-299/1

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COLLINGS

15

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
92429	CABLE	RE HONG KONG <b>D 12/20/2017 M299/1</b>	3	5/18/1983	B1 B3
92430	CABLE	RE HONG KONG <b>PAR 6/21/2012 M299/1</b>	3	6/9/1983	B1
92431	REPORT	RE GROUP <b>R 6/21/2012 M299/1</b>	10	ND	B1
92432	REPORT	IN CHINESE <b>R 6/21/2012 M299/1</b>	14	ND	B1
92433	REPORT	RE CHINA <b>R 6/21/2012 M299/1</b>	10	ND	B1
92434	REPORT	IN CHINESE <b>R 6/21/2012 M299/1</b>	8	ND	B1
92435	REPORT	RE HONG KONG <b>R 6/21/2012 M299/1</b>	7	ND	B1

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attacks on the prime minister for his remarks, which the newspapers believed moved Japan farther down the road towards militarism. Since then, Nakasone has assumed a noticeably lower profile on defence issues, stressing instead all manner of non-controversial stances. His recent policy speech at the press club reflected that shift of tone. Most analysts believe that it is only the tone, and not the philosophy, which has changed.

There was grudging praise in most newspapers about Nakasone's trip in early May to Southeast Asia. During that trip the Foreign Ministry and Prime Minister's Office took pains to keep Nakasone to a carefully prepared script which emphasised Japan's peaceful economic co-operation efforts in the region. Nakasone spoke of defence only to explain that government policy would remain strictly defensive in nature and that Japan would not threaten its neighbours.

One veteran *Asahi* employee divides the Japanese press into two groups in their coverage of Nakasone: *Asahi* and *Mainichi* leaven their reportage with suspicion, caution and criticism, while *Yomiuri*, *Nikkei* and *Sankei* report Nakasone's remarks in a more or less straightforward way. Another *Asahi* reporter believes that some of the correspondents who cover the prime minister on a daily or weekly basis genuinely do not like him, and feel Japan would be safer with a new cabinet in office.

As in most Western press establishments, there is a formal division in Japan between news coverage and editorial comment. And in Japan as elsewhere the division is sometimes honoured more often in the breach than in the observance. *Yomiuri*, for example, is in a particularly interesting posture regarding its coverage. Tsuneo Watanabe, the newspaper's editorial board chairman, first began covering Nakasone as a young reporter in the late 1940s in Gumma prefecture. There he saw the young former navy officer riding a bicycle with the Japanese national flag fluttering from the handlebars. That began a friendship which has persisted through to today.

After Nakasone's election, *Yomiuri* ran a front-page story predicting the make-up of the new cabinet. Every guess was correct, but *Yomiuri*'s scoop was roundly criticised by other newspapers as an insider's promotion, or a trial balloon, launched by Nakasone's friend, Watanabe.

Apparently the premier learned something about the press then, because he told no newspaper about his surprise state visit to Seoul. *Yomiuri*'s Kato observed that Watanabe has never given a directive on what type of news story might be needed or on the direction a reporter should take in a story. But he adds that "I might be telling a lie if I told you there was no influence at all."

Other Japanese newspapers also tend to coordinate editorial policy and daily news coverage. One long-time *Mainichi* reporter said that the man in the field "cannot write a completely opposite opinion [from the paper's editorial posture], but the reporter can write what he thinks, and the editorial-writer does the same."

As Nakasone has moderated his public remarks, so too has the Japanese press — with the exceptions of *Asahi* and *Mainichi* — softened its tone towards him. A public opinion poll conducted by *Asahi* in May showed that the ratio of non-supporters of the Nakasone administration fell to 40% in May from 43% in February, while supporters rose to 30% from 29%. However, the new phase for both newspaper coverage and popular support may be short-lived, and if Nakasone should revert to his hawkish rhetoric, he can expect more press criticism.

The prime minister himself was sincerely bewildered, aides said, by the rough treatment he has received from the Japanese press. He was unaware of how much importance his utterances as premier carried, and soon realised he could not mount soapboxes to drum up support for his cherished political preferences. Several Japanese journalists suggested that Nakasone will proceed much more cautiously in his public statements in the future. It seems likely, however, that at some point his outspokenness will again be demonstrated.

## HONGKONG

# Softening on hard issues

Both sides appear more flexible with the approach of fresh Sino-British talks

By Mary Lee



Substantive Sino-British negotiations on the future of Hongkong will probably begin after the British general election and China's

sixth National People's Congress, both of which take place this month. A clear indication of Peking's desire to get on with the bilateral talks was given by a top Chinese official, Xi Zhongxun, to a 12-member delegation of Hongkong businessmen and professionals in Peking recently: "We had hoped we could talk in May," Xi told the group, headed by industrialist and Legislative Councillor Allen Lee. "We are very anxious." Reflecting Britain's position, Hongkong Governor Sir Edward Youde said recently: "The talks are moving and are moving in the right direction."

Peking blames lack of progress in the talks so far on Britain's stubborn stand on the validity of the three unequal treaties of the 19th century, which led to the colonisation of Hongkong. As Xi described it, British Prime Minister Margaret Thatcher "made the wrong move in the chess game during her visit to Peking last September. She is now changing, starting anew, and we are urging her to get on with the resolution of the problem."

The softening on both sides effectively takes the Hongkong problem back to its starting point — before Thatcher's visit caused a backlash of Chinese indignation — which was a position of some optimism that a solution would be found.

Thatcher's stubbornness is well known, but equally Peking has resolutely refused to recognise that once Britain concedes sovereignty over the territory to China, the only legal basis for its official presence in Hongkong will be removed.

Peking's position, according to earlier Chinese statements, is that China's sovereignty over Hongkong is non-negotiable, but it would recover the territory in 1997 as a transition from British rule to self-rule if necessary.

But what has caused both sides to soften their stands and to emphasise maintenance of prosperity and stability rather than sovereignty? The answer appears to be the state of the Hongkong dollar, which fell steadily in May, bringing the trade-weighted index to a record low of 74.1 and closing at HK\$7.1:US\$1 on May 28. While both Peking and Hongkong leaders still insist publicly that 1997 jitters are not the





Xi and Lee: moving in the right direction.

on the government to abolish the 10% tax on Hongkong dollar deposits, and said that China's export earnings from Hongkong had fallen 20-30% as a result of the currency's slide.

Despite Xi's reference to a change in the British stance, however, it is unlikely that Thatcher has actually conceded the substantive issue of sovereignty. But Britain's acceptance that sovereignty is non-negotiable is im-

portant as it suggests that, in practice, the sovereignty hurdle may now have been cleared. Xi, who told the group at the outset that he was speaking on behalf of the Chinese Government, declared: "The problem of Hongkong's sovereignty is not a prerequisite. Sovereignty is non-negotiable. What is there to talk about? Hongkong is your home but it is also a part of China, now and forever."

However, there is a real danger that the local turbulence stirred up by the Hongkong dollar in recent weeks may well debase the real, if slow, progress which clearance of the sovereignty hurdle obviously signifies. Already, there is talk in some Hongkong circles that Britain is too ready to give in to China's demands in order to secure valuable deals, such as the sale of turbines to Guangdong's proposed nuclear power plant, and the award recently to a British Petroleum-led consortium of the first oil-exploration contract in the South China Sea. "By resolving this issue, not only would China feel honourable but [so would] Britain," Xi stated, "and it would also benefit friendly cooperation and economic development."

main cause of the local dollar's weakness, the currency's historic low not only threatens recovery of the manufacturing sector but will also fuel inflation — and therefore social unrest.

The general manager of the Bank of China's Hongkong branch, Jiang Wengui, was forced to make an unprecedented public demand on May 26 that the administration stabilise the local currency — whose fall, he said, was brought about by a small number of speculators. Jiang called

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However, there is a real danger that the local turbulence stirred up by the Hong-

Although Britain and China now appear ready to get on with substantive negotiations on the working arrangements necessary to maintain prosperity and stability, agreement will continue to be difficult. The solution, as analysts have long argued, must safeguard the continuation of free enterprise, market-determined pricing of goods and services, free movement of individuals, market access for Hongkong goods, freedom of information and of the press, an independent Hongkong dollar, freedom to speculate and an independent legal system and tax structure. Moreover, as former governor Lord MacLehose told a London audience recently, there is still the problem of maintaining Hongkong and international confidence that "acceptable arrangements,

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once made, will not be interfered with."

There is still no indication whether Britain's desire to continue administering Hongkong after sovereignty is conceded — be this in 1997 or before — is a realistic expectation. For its part, Peking has not changed its intention to turn Hongkong into a special administrative region (SAR) "with a large degree of autonomy." Xi told the Lee group: "We will not change [Hongkong's] capitalist system. If it were changed, it would not be an SAR, and Article 31 of the constitution [which provides for the setting up of such regions in China] would be empty words." Xi, however, did not mention the *gangren zhigang* (Hongkong self-administration) proposal. As publicised by Liao Chengzhi, director of the Hongkong-Macau office of the State Council, this calls for the removal of the British governor and flag — and in effect means the end of British administration. It is still not clear what will be the necessary elements in Xi's "honourable solution," but Xi indicated that there was room for discussion. "The negotiations have not begun and nothing concrete can be offered," he said. "We are very careful on the Hongkong issue and will not do or say anything to harm Hongkong." This last remark, analysts say, means that Peking will not announce the SAR plan for Hongkong — which is similar to that proposed to Taiwan in 1981 — at the June National People's Congress. The SAR plan, however, remains China's negotiating position, analysts said.

**W**hat of the British stand? Youde, who is expected to be a member of the British delegation, told an anxious audience on the anniversary of his first year in office on May 19: "The best thing for people to do is not to look at details of what might happen. What matters is what the Hongkong people are looking for — a continuation of the lifestyle they enjoy... and an assurance of continuity, and that is what we are looking for, too."

On that basis, some analysts say, Britain has a great deal of common ground with China. Youde said that he would "certainly be looking for progress in the talks in 1983."

The fragility of confidence in Hongkong's future must now be obvious to both sides. There is no doubt that the local publicity which Liao's comments on self-administration received only aggravated investment jitters. Many analysts now say Peking will probably stop inviting Hongkong delegations up to discuss the 1997 issue once substantive talks begin. A statement issued to a visiting group of local journalists in Peking recently — which outlined in general terms China's "long-term policy" towards Hongkong — clearly indicated that Peking was observing the need for confidence on the contents of the talks.

But it remains to be seen whether the much-acclaimed "underlying strength" of the local economy and the Hongkong dollar will revive while negotiators bargain in Peking on how to maintain Hongkong's prosperity and stability.

## RICHARD HUGHES



**N**orth and south of the border, news from Korea certainly varies sharply — all the better South, and all the worse in the North. For example, it was interesting to learn recently that South Korea is making it easier for its population to travel abroad as tourists — even if most of those allowed to leave will be more than 50 years old. Here is growing confidence in the future, despite concurrent warnings by a couple of army defectors from the North.

A study by the Pacific Area Travel Association (Pata) shows that every "vacation traveller" from South Korea must deposit Won 2 million (US\$2,564) in a bank for at least one year at a fixed interest rate. Nearly 30,000 Koreans have opened such accounts since last year and it is forecast that about 20,000 of the over-50s will travel as tourists in 1983, with 4,000 choosing Hongkong as a destination. The number of licensed travel

and apologetic visit to Pyongyang may be followed by an invited visit to China of senile President Kim Il Sung's son, Kim Jong Il (41). Kim Jr is obviously the one to watch as the communist but non-Marxist dynasty solidifies in Pyongyang.

A recent army defector from North Korea, Capt. Shin Chung Choi, who left behind a wife, a mother and two sons, stressed the burdens of life north of the border. In an underplayed interview in Seoul, he said that Kim Jong Il had seized complete control of military, political, economic and social life. Once called "the Army of the Party," the People's Army is now known as "the Army of Kim Il Sung and Kim Jong Il" and a political-military slogan is: "To be loyal to Kim Jong Il means being loyal to Kim Il Sung."

Shin said that a master-plan for the invasion of South Korea was drawn up in 1975 by the superintendent of the Kim Il

Sung military university, Gen. Kim Sun Il. (What a confounded nuisance these repetitive Korean names are.) It blueprints the conquest of all South Korea in five to seven days. In conformity with the plan, it is claimed, all tanks have been re-equipped and all field guns have become self-propelled.

"In February this year, Kim Il Sung proclaimed a 'quasi-war state' under which all military units have been placed on alert," said Shin. "In addition to maintaining millions of paramilitary forces, such as the workers' and farmers' Red Guards and Youth Guards, Kim Jong Il has recently organised the families of the military as yet another militia organi-

sation, giving them emergency mobilisation and shooting training once a week."

He claimed that increasing desertions — though not yet to the South — were being reported. Evidently there will be another tight security check following Shin's defection. He recalled that, after air force pilot Lee Ung Pyong's earlier escape to the South, "a sweeping loyalty check was conducted of all air force pilots and many were expelled from active duty, and even in my civil police unit four officers were discharged and six others reassigned from the sensitive border zone to ordinary infantry posts." However, Shin gave no prediction of further defections in his wake — nor did he comment on the possible fate of his deserted family.

The North Korean scenario remains confused and confusing, though of course always threatening. And, on the evidence, that threat will become stronger when Kim Jr takes over.



Lee: defections and desertions.

agencies in South Korea has risen from 23 to 47.

Pata researchers believe that the tourist total from South Korea will top 200,000 in 1986, while the business-travel total will rise from last year's 106,000 to 226,000 in 1986 and employment-related travel will total 243,000 in 1984. The records show that 1.6 million Koreans were living abroad in 1981. Invitations from these expatriates can promote visits from friends and families resident in Korea — South but not North, of course, though an estimated 10 million Korean families have been divided since the end (or postponement) of the war in 1953.

The recent hijacking of the Chinese airliner across North Korea into South Korea and the subsequent "friendly negotiations" between Chinese and South Koreans in Seoul clearly, and not surprisingly, angered North Korea. Reports have suggested that Chinese Foreign Minister Wu Xueqian's hasty

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File  
HONG KONG

FROM : AMCONSUL HONG KONG

DATE: 06/09/83

SUBJECT : DOCUMENTS CONCERNING THE JANUARY 1983 MEETINGS  
BETWEEN LIAO CHENGZHI AND LEADERS OF THE HEUNG YEE KUK

REF : HONG KONG 6758

TAGS : PREL, CH, HK

E.O. 12356: DECL: OADR

DECLASSIFIED IN PART

NLRR M299 #92430

BY KML NARA DATE 6/2/12

INTRODUCTION/SUMMARY

(U) THE HEUNG YEE KUK (HYK - USUALLY TRANSLATED AS 'RURAL CONSULTATIVE COMMITTEE') IS A LONG-ESTABLISHED GROUP REPRESENTING TRADITIONAL LANDHOLDING INTERESTS IN THE NEW TERRITORIES (NT). LEADING MEMBERS OF THE HYK'S EXECUTIVE COMMITTEE VISITED BEIJING IN JANUARY 1983 FOR THE EXPRESSED PURPOSE OF EXPLORING OPTIONS FOR RESOLVING THE 1997 QUANDARY, WHEN BRITAIN'S LEASE OVER THE NT EXPIRES. THE GROUP MET THREE TIMES WITH NPC VICE CHAIRMAN LIAO CHENGZHI, THEN BEIJING'S PRINCIPAL SPOKESMAN ON HONG KONG'S FUTURE (REFTEL).

(C) ATTACHED ARE COPIES (IN ENGLISH AND CHINESE) OF THE MINUTES OF THE FIRST AND THIRD MEETINGS WITH LIAO AND A POSITION PAPER ON THE FUTURE OF HONG KONG PREPARED FOR THE HYK LEADERSHIP PRIOR TO THE TRIP.

ATTACHMENTS

- I. PORTIONS OF TRIP REPORT OF NEW TERRITORIES PEOPLE'S CHINA SIGI SEEING TOUR GROUP CONTAINING MINUTES OF GROUP'S FIRST MEETING WITH LIAO CHENGZHI (ENGLISH AND CHINESE)
- II. MINUTES OF HYK GROUP'S THIRD MEETING WITH LIAO CHENGZHI (ENGLISH AND CHINESE)
- III. POSITION PAPER ON HONG KONG'S FUTURE PREPARED BY CHARLES YEUNG FOR THE HYK LEADERSHIP (ENGLISH ONLY)

FORM 4-82 DS-323

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Sec. 3.3(b)(1),  
3.3(b)(6)

Drafted by:

POL:MWMARINE/LJ

Contents and Classification Approved by:  
ADPO:DGHARTER

Clearances:



(C) BOTH THE HYK LEADERSHIP AND LIAO CHENGZHI HAVE MAINTAINED THEIR RELATIVE HIGH VISIBILITY IN RECENT MONTHS. LIAO IS WIDELY TOUTED TO BE NAMED STATE VICE PRESIDENT (OR ONE OF THE VICE PRESIDENTS) DURING THE FIRST SESSION OF THE SIXTH NATIONAL PEOPLE'S CONGRESS WHICH IS PRESENTLY UNDERWAY IN BEIJING. LEADING LIGHTS IN THE HYK HAVE BEEN RUMORED IN THE HK PRESS TO BE AMONG THE PROMINENT HK CHINESE WHO POLITELY DECLINED TO BE DELEGATES TO THE SIXTH CHINESE PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE, WHICH IS ALSO CURRENTLY IN SESSION IN BEIJING. ALTHOUGH THE HYK GROUP IS SCHEDULED TO RETURN TO BEIJING IN LATE JUNE, IT IS DOUBTFUL IT WILL ATTAIN ITS PRINCIPAL OBJECTIVE -- DISCUSSIONS OF THE 1997 ISSUE WITH DENG XIAOPING AND ZHAO ZIYANG.

END INTRODUCTION/SUMMARY

#### BACKGROUND ON THE HEUNG YEE KUK

(U) THE HYK'S EXECUTIVE COMMITTEE WAS ESTABLISHED IN 1926 AND RECONSTITUTED AS A STATUTORY ADVISORY BODY UNDER A 1959 HONG KONG GOVERNMENT (HKG) ORDINANCE. IT FUNCTIONS AS THE APEX OF AN ELABORATE SYSTEM OF LOCALLY ELECTED VILLAGE ELDERS AND COUNCILS IN THE NT. THE LOWEST TIER IS FORMED BY MORE THAN 900 VILLAGE REPRESENTATIVES WHO ARE ELECTED OR APPOINTED ACCORDING TO LOCAL CUSTOM BY THE HEADS OF HOUSEHOLDS IN THE 650-ODD VILLAGES OF THE NT. THE 900 VILLAGE REPRESENTATIVES ARE GROUPED INTO 27 RURAL COMMITTEES. EVERY TWO YEARS EACH RURAL COMMITTEE ELECTS BY SECRET BALLOT AN EXECUTIVE COMMITTEE WITH A CHAIRMAN AND VICE CHAIRMAN. THE FULL COUNCIL OF THE HYK CONSISTS OF THE CHAIRMAN AND VICE CHAIRMEN OF THE 27 RURAL COMMITTEES, THE 18 UNOFFICIAL JUSTICES OF THE PEACE IN THE NT AND 21 SPECIAL COUNCILLORS WHO ARE ELECTED EVERY TWO YEARS BY THE CHAIRMEN, VICE CHAIRMEN AND THE JPS SITTING TOGETHER AS AN ELECTORAL COLLEGE. THE MOST IMPORTANT FUNCTION OF THE FULL COUNCIL IS TO ELECT ITS OWN EXECUTIVE COMMITTEE, WHICH CONSISTS OF A CHAIRMAN, TWO VICE CHAIRMEN, 15 ORDINARY MEMBERS FROM AMONG THE MEMBERS OF THE FULL COUNCIL, THE 27 RURAL COMMITTEE CHAIRMEN AND THE 18 JPS (63 IN ALL). THE EXECUTIVE COMMITTEE MEETS MONTHLY WITH THE HKG'S REGIONAL SECRETARY FOR THE NT TO DISCUSS MATTERS OF INTEREST AND TO GIVE ITS VIEWS ON BILLS WHICH ARE TO BE PRESENTED TO THE LEGISLATIVE COUNCIL (LEGCO). IT ALSO HAS SET UP SPECIALIZED SUB-COMMITTEES ON PUBLIC WORKS, EDUCATION, TRANSPORT, ETC., WHOSE CHAIRMEN MEET WITH THE HEADS OF THE DEPARTMENTS RESPONSIBLE FOR THESE AREAS ON A REGULAR BASIS.

(U) ACCORDING TO ITS CHARTER, THE HYK'S FUNCTIONS ARE TO PROMOTE MUTUAL COOPERATION WITHIN THE NT AND BETWEEN THE NT AND THE HKG, TO ADVISE HKG ON SOCIAL AND ECONOMIC DEVELOPMENTS, AND TO ENCOURAGE TRADITIONAL CUSTOMS AND ACTIVITIES. WHILE IT IS STILL TRUE THE HKG NEEDS THE PUBLIC ENDORSEMENT OF ITS POLICIES BY THE HYK IN ORDER TO ADMINISTER THE NT EFFECTIVELY AND ECONOMICALLY, THE INFLUENCE OF THIS INTEREST GROUP IS ON THE WANE. THE HYK IS STILL LARGELY RUN IN THE INTERESTS OF THE INDIGENOUS INHABITANTS WHOSE ANCESTRAL ROOTS IN THE NT GO BACK FOR GENERATIONS. IN

PRACTICE ONLY HEADS OF FAMILIES WHO HAVE LIVED IN A VILLAGE SINCE BEFORE WORLD WAR II ARE ALLOWED TO TAKE PART IN THE CHOICE OF THE VILLAGE REPRESENTATIVE, EFFECTIVELY DISENFRANCHIZING THE MAJORITY OF NT RESIDENTS. THE HYK CLAIMS THAT ITS PRIMARY CONSTITUENCY -- THE DESCENDANTS OF THE ORIGINAL LANDHOLDERS IN THE NT -- NOW NUMBER 400,000, ROUGHLY 1/3 OF THE TOTAL POPULATION OF THE NT. BASED ON THE RAPID POPULATION GROWTH RATE IN THE NT, IN PARTICULAR THE INFLUX OF FACTORY AND OFFICE WORKERS TO THE SATELLITE TOWNS, THE HYK MORE ACCURATELY REPRESENTS 15-20 PERCENT OF THE NT POPULATION. THE HYK CONSIDERS ITSELF TO BE MUCH MORE INFLUENTIAL REGARDING NT AFFAIRS THAN THE ELECTED OR APPOINTED REPRESENTATIVES ON THE URBAN, EXECUTIVE AND/OR LEGISLATIVE COUNCILS. HOWEVER, WITH THE CONTINUED DEVELOPMENT OF THE HKG'S DISTRICT ADMINISTRATION SCHEME, IT IS CLEAR THAT THE HYK WILL BE DEVOTING MORE OF ITS ENERGY TOWARD FURTHERING ITS SOCIAL-WELFARE AND CHARITY WORK GOALS. (IN MARCH 1982, DIRECT ELECTIONS SELECTED 56 MEMBERS -- OUT OF A TOTAL OF 165 SEATS -- ON 8 NT DISTRICT BOARDS.)

~~CUMMINGS~~

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HK-A-21  
page 1 of 49

92431

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NLRR M299 #92431

BY KML NARA DATE 6/21/12

SUBJ: TRIP REPORT OF NEW TERRITORIES PEOPLE'S CHINA SIGHT-SEEING TOUR GROUP

THE NEW TERRITORIES PEOPLE'S CHINA SIGHT-SEEING TOUR GROUP (NTPCSTG) LEFT HONG KONG FOR BEIJING ON 10 JANUARY 1983 BY FLIGHT NO. CA 172, THUS BEGINNING A SEVEN-DAY CHINA TOUR. IN THE COURSE OF THIS TOUR, NTPCSTG MET WITH SOME CHINESE LEADERS AND REPRESENTATIVES OF BUSINESS INSTITUTIONS TO DISCUSS PROBLEMS RELATING TO THE PRESENT AND FUTURE OF HONG KONG. FOLLOWING ARE BRIEF MINUTES OF THE DISCUSSIONS:

AT 10 A.M. ON 11 JANUARY, NTPCSTG CALLED AT [REDACTED] [REDACTED] THE CHINESE CIVIL AERONAUTICS ADMINISTRATION (CAA) AND WAS RECEIVED <sup>BY</sup> CAA DIRECTOR MR. {{SHEN}} TU. IN SUBSEQUENT TALKS, DIRECTOR SHEN STATED THAT DIRECT FLIGHTS BETWEEN FUJIAN PROVINCE AND HONG KONG WOULD BE INAUGURATED IN THE NEAR FUTURE. THE LEADER OF NTPCSTG PROPOSED A NEW AIRFIELD TO BE JOINTLY CONSTRUCTED BY CHINA AND HONG KONG IN THE DEEP BAY AREA NEAR SHENZHEN SPECIAL ECONOMIC ZONE (SEZ). {{CHEN}} RIXIN, DEPUTY LEADER OF NTPCSTG, ELABORATED ON THIS PROPOSAL AND THEN PRESENTED DIRECTOR SHEN WITH A PERSONAL OPINION PAPER. CONCERNING THIS PROPOSAL, DIRECTOR SHEN COMMENTED THAT IT WAS A MAJOR PROPOSAL WHICH WOULD BE CONSIDERED BY CHINA IF AND WHEN PRESENTED BY THE BRITISH, BUT THAT THE BRITISH HAD NOT YET MADE THE INITIATIVE. DIRECTOR SHEN NOTED THAT THE PROPOSAL AS YET WAS AN IDEA IN THE FORMATIVE STAGE AND POINTED OUT THAT IN ANY CASE CAA, AS ONE UNIT OF GOVERNMENT, WAS NOT IN A POSITION TO MAKE A DECISION BY ITSELF BUT MUST CONSULT WITH THE AUTHORITIES IN GUANGDONG PROVINCE AND SHENZHEN SEZ. THE TALKS WERE FOLLOWED BY A TEA RECEPTION, AFTER WHICH NTPCSTG TOOK ITS LEAVE.

AT SIX P.M. ON 11 JANUARY, NTPCSTG ATTENDED A ROAST DUCK BANQUET HOSTED BY THE ALL-CHINA FEDERATION OF INDUSTRIALISTS AND BUSINESSMEN (ACFIB) AT THE ACFTB CLUB HOUSE. (SEE ATTACHED NAMELISTS.)

AT 10.30 A.M. ON 12 JANUARY 1983, NTPCSTG CALLED AT THE

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CHINA EXTERNAL TRADE PROMOTION COUNCIL (CETPC) AND WAS RECEIVED BY CETPC VICE CHAIRMAN {{ZHENG}} HONGYE {6774/7703/2814}. IN SUBSEQUENT TALKS, NTPCSTG REQUESTED THAT CETPC HELP PERSUADE OFFICIAL CHINESE BANKS IN HONG KONG TO PROVIDE LONG-TERM LOW-INTEREST LOANS TO HONG KONG MANUFACTURERS WHO WERE BEING AFFECTED BY THE GLOBAL RECESSION. VICE CHAIRMAN ZHENG STATED THAT CETPC WOULD RAISE THE MATTER WITH BANK OF CHINA AT A LATER DATE.

AT FOUR P.M. ON 12 JANUARY, NTPCSTG WENT TO THE PEOPLE'S CONGRESS HALL FOR A MEETING WITH MR. {{LIAO}} CHENGZHI, ONE OF THE LEADERS OF CHINA. MR. LIAO WAS VICE CHAIRMAN OF THE CHINESE NATIONAL PEOPLE'S CONGRESS AND CHAIRMAN OF THE OVERSEAS CHINESE AFFAIRS COMMISSION. AFTER A GROUP PHOTOGRAPH WAS TAKEN, MR. LIAO DISMISSED THE MEDIA PEOPLE AND NEWS REPORTERS. AS THE TALKS BEGAN, THE LEADER AND DEPUTY LEADER OF NTPCSTG EACH PRESENTED MR. LIAO WITH A PERSONAL MEMORANDUM. AFTER THIS, NTPCSTG MEMBERS {{ZHANG}} RENLONG, {{YANG}} SHAOCHU AND {{HUANG}} YUANZHANG GAVE MR. LIAO ORAL SUMMARIES OF THEIR RESPECTIVE MEMORANDA. WHILE LISTENING, MR. LIAO TOOK NOTES OF THE POINTS RAISED. HE THEN RESPONDED AS FOLLOWS:

"HONG KONG ORIGINALLY BELONGED TO CHINA. EVERYBODY AGREES ON THIS POINT. JUST NOW, YOU SAID THAT CHINA SHOULD SEEK AN EARLY RESOLUTION OF THE HONG KONG QUESTION, AND YOU ALSO RAISED VARIOUS SPECIFIC QUESTIONS. I FEEL THAT WE SHOULD COVER SEVERAL QUESTIONS IN OUR TALKS TODAY, AND THE FIRST QUESTION IS: WILL CHINA'S PRESENT POLICIES CHANGE? OUR FOREIGN FRIENDS ARE ASKING THE-SAME QUESTION. CHINA IS NOW PURSUING AN OPEN-DOOR POLICY. THE PARTY CENTRAL COMMITTEE WILL GO ON HOLDING PLENA AND THE NATIONAL PEOPLE'S CONGRESS WILL GO ON MAKING A NEW PLAN EVERY FIVE YEARS. BUT THIS OPEN-DOOR POLICY IS A LONG-TERM POLICY. YOU MAY ALL REST ASSURED THAT CHINA WILL NOT GO BACK TO THE POLICIES OF 40 YEARS (SIC) AGO. I MYSELF WAS A VICTIM OF THE CULTURAL REVOLUTION, AND I WENT TO JAIL FOR MORE THAN FOUR YEARS. I AM NOW 75. I DON'T WANT EVER TO SEE A RETURN OF THOSE DAYS. AFTER MY OWN GENERATION PASSES AWAY, THE NEXT GENERATION WILL CONTINUE

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ALONG THIS COURSE OF FOUR MODERNIZATIONS.

"THE SECOND QUESTION: WHAT LIES AHEAD FOR CHINA? SINCE WE SWITCHED TO THE OPEN-DOOR POLICY, EVERY YEAR HAS BEEN GOOD. ASSUREDLY, THE ECONOMY HAS BEEN IMPROVING AT A FIVE PERCENT ANNUAL RATE. WE HAVE SO FAR LAUNCHED ONLY TWO NEW FIVE-YEAR PLANS, AND WE ALREADY HAVE ACHIEVED SUCH GOOD RESULTS. YOU NEED NOT HAVE ANY DOUBT THAT CHINA WILL MAKE MAJOR PROGRESS UNDER THE PLANS WE HAVE MADE FOR THE NEXT YEARS. YOU MUST BELIEVE THAT THE FUTURE OF CHINA WILL BE GOOD. CHINA WILL RUN ITS OWN NATIONAL AFFAIRS BETTER THAN FOREIGNERS CAN. I ASK YOU TO STOP WORRYING ABOUT THE IMPROBABLE. NOW, WHAT ABOUT HONG KONG?"

"YOUR POSITIONS ARE WELL TAKEN. THE KUOMINTANG DID NOT RECOGNIZE THE UNEQUAL TREATIES. NOR DOES THE COMMUNIST PARTY. THE BRITISH PRIME MINISTER PUBLICLY DREW OUR ATTENTION TO THOSE THREE TREATIES. I WONDER IF SHE WAS NOT TRYING TO MAKE A SHOW OF STRENGTH FOR OUR BENEFIT. WE WERE VERY DISPLEASED. HONG KONG SHOULD BE HANDED BACK TO US UNDER THE TERMS OF THE TREATIES. ONE DAY, {{LIAO}} YAOZHU, AN ATTORNEY-AT-LAW, SAID TO ME THAT, SINCE THE TREATIES WERE UNEQUAL, WE NEED NOT WORRY ABOUT THEM, AND WE WOULD BE JUSTIFIED IN SIMPLY GOING AHEAD TO RECOVER HONG KONG. I PERSONALLY FEEL THAT NATIONAL DIGNITY REQUIRES THAT WE RECOVER HONG KONG, AND KOWLOON, AND THE NEW TERRITORIES WHEN 1997 COMES. WE MUST. AFTER RECOVERING HONG KONG, WE WILL ESTABLISH A SPECIAL ADMINISTRATIVE REGION THERE UNDER ARTICLE 31 OF OUR CURRENT CONSTITUTION. THIS ARTICLE APPLIES TO THE ADMINISTRATION OF HONG KONG AS IT DOES TO THE ADMINISTRATION OF TAIWAN. WILL THE BRITISH BE ALLOWED TO EXERCISE ADMINISTRATIVE AUTHORITY? I THINK THAT'S VERY HARDLY POSSIBLE. WHAT IS POSSIBLE IS GOVERNMENT OF HONG KONG BY HONG KONG PEOPLE. THERE IS ROOM FOR THAT IN OUR CONSIDERATION. WE HAVE MADE A NINE-POINT PROPOSAL TO TAIWAN. THE SAME APPLIES MORE OR LESS TO HONG KONG. WHEN THE DAY COMES, THERE WILL BE SOCIALISM NORTH OF SHENZHEN RIVER, BUT SOUTH OF IT CAPITALISM MAY BE MAINTAINED. DIRECTOR {{SIC}} {{DENG}} XIAOPING HAS SAID THAT 'INVESTORS MAY REST ASSURED.'

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"IN REGARD TO HONG KONG'S CURRENT ECONOMIC PROBLEMS, I THINK, ON THE BASIS OF HONG KONG AND SHANGHAI BANKING CORPORATION STATISTICS, THAT THEY ARE DUE 54 PERCENT TO THE WORLD RECESSION, 37 PERCENT TO MISHANDLING BY THE HONG KONG GOVERNMENT ITSELF AND ~~16~~ 16 PERCENT TO THE PSYCHOLOGY OF HONG KONG PEOPLE. IF YOU WANT TO KNOW HOW CHINA MAY HELP, WE MAY POSSIBLY GIVE THOUGHT TO THE JOINT CONSTRUCTION OF AN AIRFIELD SUCH AS YOU HAVE PROPOSED. THE BRITISH PRIME MINISTER RAISED THE MATTER OF THE THREE TREATIES FOR PRIOR RESOLUTION. THAT REALLY MADE NEGOTIATION DIFFICULT FOR US. IN A WORD, THE BILATERAL TALKS ARE REMAINING DEADLOCKED. CONCERNING THE QUESTION OF SOVEREIGNTY, ONE PROPOSAL YOU MADE IS THAT IT BE RESOLVED SOON THROUGH NEGOTIATION. THAT IS A REASONABLE PROPOSAL. I FEEL THE SAME WAY. I HOPE THAT, AFTER YOU RETURN TO HONG KONG, YOU WILL PRESS THE BRITISH ABOUT THIS. WHAT WILL BE DONE ABOUT THE SPECIFIC PROBLEMS? IN SHORT, THERE IS ONE GENERAL PRINCIPLE. IT IS THAT HONG KONG WILL BECOME A SPECIAL ADMINISTRATIVE REGION. AS TO HOW HONG KONG WILL BE GOVERNED BY HONG KONG PEOPLE, WE ARE CONTINUING TO STUDY THIS QUESTION. IT ~~IS NOT~~ IS NOT ~~AN~~ A MATTER OF MY ~~DRAWING UP~~ DRAWING UP A NAMELIST. I HAVE TO SEEK FURTHER ADVISE FROM YOU CONCERNING THE QUESTION. YOU WANTED TO SEE DIRECTOR DENG XIAOPING. HE IS NOW VERY BUSY WITH OFFICIAL MATTERS. THE MEETING SHOULD BE POSTPONED UNTIL NEXT TIME, IF AN OPPORTUNITY SHOULD THEN ARISE. CONCERNING THE PERIOD OF TRANSITION, WE ARE STILL 14 YEARS FROM THE DEADLINE DATE. THAT IS NOT A SHORT PERIOD. MR. HUANG YUANZHANG ASKED FOR AN EXTENDED PERIOD OF TRANSITION OF BETWEEN 30 AND 40 YEARS. I CAN REALLY ASSUME UPON MYSELF TO ANSWER YOU IN THESE WORDS: 'THAT IS NOT POSSIBLE.' HONG KONG WILL BE RECOVERED BY 1997 AT THE LATEST. OUR NINE-POINT PROPOSAL TO TAIWAN WILL ALSO BE OUR BLUE-PRINT FOR THE FUTURE OF HONG KONG. AS TO HOW THE SPECIFICS OF THIS BLUE-PRINT SHOULD APPLY, THAT IS OPEN TO DISCUSSION BETWEEN US. THE MOST IMPORTANT ISSUE IS THE ISSUE OF SOVEREIGNTY. SOVEREIGNTY AND ADMINISTRATIVE AUTHORITY ARE INSEPARABLE. I HOPE

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YOU WILL PAY A VISIT TO QINGDAO. IS TAIWAN PRACTICING 'THE THREE PRINCIPLES OF THE PEOPLE'? I MYSELF WAS ONCE A MEMBER OF THE KUOMINTANG. I THINK THAT NOW TAIWAN IS PRACTICING CAPITALISM. HONG KONG WILL DEFINITELY BECOME A SPECIAL ADMINISTRATIVE REGION. IT WILL KEEP THE KIND OF FREEDOM THAT IT HAS NOW. BUT THE DETAILED REGULATIONS THAT WILL APPLY TO HONG KONG WILL HAVE TO BE GIVEN LONG AND CAREFUL THOUGHT. AS A SPECIAL ADMINISTRATIVE REGION, HONG KONG WILL HAVE ITS OWN LAWS AND THE POWER TO HANDLE SOME OF ITS OWN FOREIGN RELATIONS. FOR INSTANCE, IT MAY CONDUCT ITS OWN TRADE NEGOTIATIONS WITH FOREIGN COUNTRIES. I THINK THAT THE FUTURE OF HONG KONG WILL BE RATHER BRIGHT. FROM NOW UNTIL 14 YEARS LATER, CHINA WILL LAUNCH AND COMPLETE THREE FIVE-YEAR PLANS. BY THE END OF THAT PERIOD, CHINA WILL HAVE TAKEN A BIG LEAP FORWARD IN NATIONAL DEVELOPMENT AND BE ONLY THREE YEARS AWAY FROM THE ACHIEVEMENT OF THE FOUR MODERNIZATIONS GOAL SET FOR THE END OF THIS CENTURY. DURING THIS 14-YEAR PERIOD OF TRANSITION, WE WILL DO OUR WORK WELL. THE CANAL WILL BE READY WHEN <sup>THE</sup> WATER COMES TO IT, SO TO SPEAK. IT WILL NO LONGER MATTER IF THE BRITISH DO NOT COOPERATE WITH THE CHINESE. IF THEY WANT TO COOPERATE, WE WILL MAKE THEM WELCOME. HONG KONG MAY HIRE BRITISH PEOPLE WITH SPECIAL ADMINISTRATIVE EXPERIENCE. IT MAY HIRE BRITISH AS ADVISERS OR SECRETARIES GENERAL. BUT THE ~~THE~~ TITLE OF 'GOVERNOR' WILL DEFINITELY BE ABOLISHED.

"THE QUESTION ABOUT METHODS OF ECONOMIC COOPERATION IS INTERESTING. ~~FOR INSTANCE~~ FOR INSTANCE, THE SOUTH SEA OIL FIELD, THE INTERNATIONAL AIRPORT AND THE NUCLEAR PLANT MAY ALL COME UNDER ECONOMIC COOPERATION PLANS. FRANKLY, THREE YEARS AGO, THE CHINESE PEOPLE'S GOVERNMENT IN BEIJING ALREADY DECIDED ON A PLAN TO RECOVER HONG KONG. THE BRITISH PRIME MINISTER'S VISIT TO CHINA LAST YEAR CAUSED US DISPLEASURE. SHOULD THE BRITISH CONTINUE TO TALK ABOUT THE THREE TREATIES, THERE WOULD BE A BASIC RUPTURE OF SINO-BRITISH RELATIONS. WE HOPE THAT THE BRITISH WILL STOP INSISTING ON ADHERENCE TO THE THREE TREATIES. IF THE MATTER

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DRAGS ON, UNCERTAINTY WILL NOT BE IN HONG KONG'S INTEREST. CHINA HAS KICKED THE BALL INTO THE BRITISH COURT. HOW WILL THE BRITISH KICK IT BACK? YOU NEW TERRITORIES LEADERS SHOULD, JOINTLY WITH LEADERS OF HONG KONG AND KOWLOON, APPLY PRESSURE ON THE HONG KONG GOVERNMENT AND THE BRITISH, URGING AN EARLY START OF THE TALKS.

"I AM VERY APPRECIATIVE OF THE QUESTIONS YOU RAISED TODAY CONCERNING HONG KONG. BUT THERE ARE SOME POINTS ON WHICH WE DISAGREED. STILL, WE WILL SEEK COMMON GROUNDS ON THE MAJOR ISSUES WHILE LETTING MINOR DIFFERENCES REMAIN. WE ARE ALL CHINESE. WE MAY TAKE OUR TIME RESOLVING OUR DIFFERENCES THROUGH CONSULTATION. HONG KONG WILL ONE DAY BECOME A SPECIAL ADMINISTRATIVE REGION. THIS IS THE FUNDAMENTAL POINT THAT MUST BE ESTABLISHED. THE BRITISH SHOULD KNOW. WE ARE NO LONGER LIVING IN THE DAYS OF QUEEN VICTORIA. HONG KONG IS A PRECIOUS PLACE. WE WILL DO OUR UTMOST TO KEEP AND ENHANCE ALL THE STRONG POINTS THAT HONG KONG HAS. HABITS ARE ARTIFICIAL. YOU ALL SAID THAT, IF THE MOTHERLAND WAS A GOOD PLACE, PEOPLE WOULD MOVE THERE. REGARDING THE QUESTION OF THE STATUS OF NEW TERRITORIES IN THE SPECIAL ADMINISTRATIVE REGION THAT WILL BE ESTABLISHED, THIS IS A QUESTION ON WHICH I NEED YOUR COUNSEL.

"I WILL CAREFULLY READ THE FIVE MEMORANDA YOU JUST HANDED ME. REGARDING YOUR REQUEST FOR A MEETING WITH DIRECTOR DENG XIAOPING, HE IS VERY BUSY ATTENDING TO URGENT STATE BUSINESS. I AM SURE THAT AN OPPORTUNITY WILL ARISE NEXT TIME. HOWEVER, I DEFINITELY WILL BRING YOUR VIEWS TO HIS ATTENTION."

A MEMBER OF NTPCSTG ASKED: IF THE HEUNG YEE KUK (NEW TERRITORIES RURAL COMMITTEE) IS ABLE TO PERSUADE THE BRITISH TO GIVE UP SOVEREIGNTY OVER HONG KONG AND TO OFFER FAVORABLE TERMS TO CHINA IN CONNECTION WITH SUCH AS THE INTERNATIONAL AIRPORT PROJECT, WHAT NEGOTIATING ATTITUDE WILL CHINA THEN TAKE?

LIAO ANSWERED: OFF THE RECORD, IF THE BRITISH CHANGE THEIR ATTITUDE IN REGARD TO THE THREE TREATIES, ARE WILLING TO SURRENDER SOVEREIGNTY AND MAKE <sup>OFFERS OF</sup> FAVORABLE TERMS TO CHINA, CHINA MAY REVIEW



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THE CURRENT SITUATION AND MAKE A CHANGE.

A MEMBER OF NTPSCTG THEN SAID: THE HEUNG YEE KUK ALWAYS CHAMPIONS OF THE CAUSES OF NEW TERRITORIES PEOPLE. SOME TIME AGO, A HEUNG YEE KUK DELEGATION HEADED BY ZHANG RENLONG AND YANG SHAOCHU WENT TO BRITISH TO MAKE REPRESENTATIONS AGAINST THE HONG KONG GOVERNMENT'S UNFAIR POLICIES TOWARD THE NEW TERRITORIES. THE HEUNG YEE KUK OFTEN HOLDS BILATERAL TALKS WITH THE HONG KONG GOVERNMENT. BEFORE HONG KONG BECOMES A SPECIAL ADMINISTRATIVE REGION, AND BEFORE GOVERNMENT OF HONG KONG BY HONG KONG PEOPLE BEGINS, LIVING STANDARDS AND PUBLIC SERVICES IN SHENZHEN SEZ SHOULD BE IMPROVED AS MUCH AS POSSIBLE SO THAT THEY MAY BE SIMILAR TO THOSE IN HONG KONG. THIS WILL MAKE THE SPECIAL ADMINISTRATIVE REGION MORE READILY ACCEPTABLE.

LIAO RESPONDED: THAT'S A GOOD POINT. I WILL CONSIDER IT. THE BRITISH NOW WANT TO TALK ABOUT PROSPERITY FIRST, WHILE CHINA WANTS TO TALK ABOUT SOVEREIGNTY FIRST. THIS HAS CAUSED THE SITUATION IN WHICH "THE TWO SIDES ARE NOT BEING DRAWN CLOSER CLOSER TO EACH OTHER." AT ONE TIME, LORD {{CARRINGTON}} OF BRITAIN CAME TO CHINA FOR A VISIT, AND DIRECTOR DENG XIAOPING RAISED THE QUESTION OF HONG KONG WITH HIM. CARRINGTON WAS ASKED IF HE WOULD CONSIDER THE APPLICABILITY OF CHINA'S NINE-POINT PROPOSAL TO TAIWAN. LATER, IN HONG KONG, HE REPLIED THAT WE SHOULD NOT EVEN MENTION THE POINT. AS TO JOINT CONSTRUCTION OF AN INTERNATIONAL AIRPORT, THAT WILL BE POSSIBLE. AN EXISTING CEMENT FACTORY IN HONG KONG HAS ALREADY SET A GOOD PRECEDENT. THE NEW TERRITORIES QUESTION IS THE MOST COMPLEX. WE DON'T KNOW MUCH ABOUT THE NEW TERRITORIES. WE'LL NEED YOUR HELP THERE. THE BRITISH DON'T WANT TO LOSE FACE; NOR DO WE INTEND TO MAKE THINGS DIFFICULT FOR THEM. WE ASSUREDLY WILL ENABLE THEM TO BEAT AN HONORABLE RETREAT. I MOST CERTAINLY DON'T BELIEVE THAT A DAY WILL COME WHEN HONG KONG'S ECONOMY WILL FALL APART. I WAS IN HONG KONG THREE YEARS AGO. THE THEN HONG KONG GOVERNOR SIR MURRAY {{MCLEHOSE}} AND HIS POLITICAL ADVISER HAD A TALK WITH ME. MCLEHOSE WONDERED WHY CHINA, EARNING MORE THAN U.S.\$4 BILLION

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IN HARD CURRENCIES A YEAR FROM HONG KONG, WAS STILL NOT SATISFIED. I RESPONDED THAT HE SHOULD REALIZE THAT, WHILE THIS HARD CURRENCY EARNING WAS INDEED BENEFICAL TO CHINA, IT WAS WELL BEGOTTEN BY THE CHINESE PEOPLE IN RETURN FOR THEIR SWEAT AND TOIL. CHINA'S HARD CURRENCY EARNING FROM HONG KONG IS NOW IN THE REGION OF BETWEEN U.S. \$5 BILLION AND U.S. \$6 BILLION A YEAR. 14 YEARS FROM NOW, CHINA WILL BE STRONGER THAN IT IS TODAY. NO MATTER HOW STRONG IT GROWS, CHINA WILL NOT ALTER ITS POLICY IN RESPECT OF HONG KONG COME 1997. IT IS HOPED THAT THE CANAL WILL BE READY, SO TO SPEAK, WHEN THE WATER COMES. HONG KONG WILL BECOME A SPECIAL ADMINISTRATIVE REGION.

BY THIS TIME, IT WAS ALREADY 6.15 P.M. NTPCSTG ASKED VICE CHAIRMAN LIAO FOR GUIDANCE ON PRESS BRIEFINGS CONCERNING THE TALK THAT HAD JUST CONCLUDED. LIAO SAID, "I HAVE ALREADY INSTRUCTED THE CHINESE PRESS TO CONFINE ITSELF TO CONVEYING THE CORDIAL, FRANK AND SINCERE ATMOSPHERE OF THE TALK. YOU MAY TELL THE PRESS WHATEVER YOU WANT. I WON'T INTERFERE." {SEE ATTACHED NAMELIST.}

NAMELIST OF PERSONS PRESENT AT THE BANQUET HOSTED BY ACFIB IN HONOR OF NTPCSTG:

CENTRAL UNITED FRONT WORK DEPARTMENT:

{LI} DING {2621/1353}, DEPUTY DIRECTOR.

{MA} ZHENGXIN {7456/2973/0207}, BUREAU CHIEF.

HONG KONG AND MACAU STAFF OFFICE:

{LI} HOU {2621/0683}, DEPUTY DIRECTOR.

{ZHENG} QIANG {6174/1730}.

CETPC:

ZHENG HONGYE.

HEAD OFFICE OF CHINA TRAVEL SERVICE:

{ZHUANG} YANLIN {8369/3508/2651}, DIRECTOR.

ACFIB:

<sup>Qi</sup>  
{SUN} MENG {1327/6386/1322}, VICE CHAIRMAN; MEMBER OF

STANDING COMMITTEE AND DEPUTY SECRETARY GENERAL OF THE NATIONAL

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COMMITTEE OF CHINESE PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE  
{CPPCC}.

{SUN} XIAO<sup>UN</sup> {1327/2556/2625}, MEMBER OF STANDING  
COMMITTEE; MEMBER OF STANDING COMMITTEE AND DEPUTY SECRETARY  
GENERAL OF THE NATIONAL COMMITTEE OF CPPCC.

{HUANG} JIERAN {7806/3775/3544}, MEMBER OF STANDING  
COMMITTEE AND SECRETARY GENERAL; MEMBER OF NATIONAL COMMITTEE  
OF CPPCC.

{HUANG} LIANGCHEN {7806/10404/11057}, MEMBER OF STANDING  
COMMITTEE; MEMBER OF NATIONAL COMMITTEE OF CPPCC.

{TANG} <sup>CONG</sup> LIE {3282/1783/10441}, FIRST DEPT Y SECRETARY  
GENERAL.

{FAN} TAOZHAI {2868/7118/17872}, PERMANENT DEPUTY  
SECRETARY GENERAL.

{YE} RAOSHAN {5509/1405/3790}, DEPUTY SECRETARY  
GENERAL; MEMBER OF THE NATIONAL COMMITTEE OF CPPCC.

{SUN} FULING {1327/1318/10407}, DEPUTY SECRETARY  
GENERAL; MEMBER OF THE NATIONAL COMMITTEE OF CPPCC; CHAIRMAN  
OF BEIJING MUNICIPAL FEDERATION OF INDUSTRIALISTS AND BUSINESSMEN.

{CHEN} NAICHANG {7115/10035/12490}, VICE CHAIRMAN OF  
LIAISON COMMITTEE; MEMBER OF THE NATIONAL COMMITTEE OF CPPCC.

{XING} LU {6717/16424}, PERMANENT VICE CHAIRMAN OF  
LIAISON COMMITTEE.

{QIU} QINGMING {6726/1987/16900}, VICE CHAIRMAN OF  
LIAISON COMMITTEE; MEMBER OF THE NATIONAL COMMITTEE OF CPPCC.

{XU} XIUZHEN {1776/4423/3791}, WIFE OF {ZHANG} JINGLI  
{1728/2417/4409}, PERMANENT VICE CHAIRMAN; VICE CHAIRMAN OF  
WOMEN'S COMMITTEE.

{YING} YILI {2019/10122/10448}, WIFE OF {WANG} GUANGYING  
{3769/10342/5391}, MEMBER OF STANDING COMMITTEE; VICE CHAIRMAN  
OF WOMEN'S COMMITTEE.

{CAI} JINSHENG {5591/16855/3932}, CADRE OF LIATSON  
COMMITTEE.

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NAMELIST OF PERSONS PRESENT WITH VICE CHAIRMAN LIAO CHENGZHI  
AT TALK WITH NTPCSTG:

LI DING, DEPUTY DIRECTOR, CENTRAL UNITED WORK FRONT  
DEPARTMENT.

LI HOU AND ZHENG QIANG, DEPUTY DIRECTORS OF THE HONG KONG  
AND MACAU STAFF OFFICE.

ZHUANG YANLIN, DIRECTOR OF HEAD OFFICE OF CHINA TRAVEL SERVICE.

SUN MENGQI, MEMBER OF STANDING COMMITTEE AND DEPUTY SECRETARY  
GENERAL OF THE NATIONAL COMMITTEE OF CPPCC; VICE CHAIRMAN OF  
ACFIB.

SUN XIAOCUN, MEMBER OF STANDING COMMITTEE AND DEPUTY  
SECRETARY GENERAL OF THE NATIONAL COMMITTEE OF CPPCC; MEMBER OF  
ACFIB.

{{ZENG}} XIANG {{2582/4382}}, REPRESENTATIVE OF THE HONG KONG  
OFFICE OF NEW CHINA NEWS AGENCY.

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新界人士中國觀光訪問團

本團於一九八三年正月十日乘中旅 CA 102 班機  
由香港飛北京到中國觀光和訪問在  
七天行程中曾與中國郵政總局及  
有關工商機構相談有關香港目前  
之前途問題之簡略記錄

一九八三年壹月十日午十時訪問中國民航  
局由該局局長沈圖先生接見局長臨致歡  
迎詞外並提及為增強為香港航運服務  
臨現已開辦航線不日會增加福建至香  
港航線

本團團長答詞致謝外並建議中港合  
作在深圳特區附近沿海建設新機場  
副團長隨日行踪補述該意見外並以  
其本人意見為面言沈局長  
局長認為此建議是太問題現尚不見英國  
方面提出初步意見即由本團後表提出

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NLRR M299 # 92432

BY KML NARA DATE 6/21/12

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國會於此事研究目前尚係想像期  
 其民既意向不一單信未能作出任何決  
 定本局一定要先向廣東省方面及深圳  
 特區方面極力討多謝你們對此事關心同  
 時更多謝貴團此次來京亦乘坐中航  
 飛機歡迎各位對中旅提出批評以便改善  
 服務——會談完畢本會以此告辭

五三年事月十一日下午六時本團接受  
 全國工商聯會在會所設鴻安會

出席人員名單

- 中央統戰部 李定副部長 馬正信局長
- 港澳辦公室 李俊副主任 鄧強副主任
- 實促會 鄭鴻基副主任
- 中旅總社 社長 庄夫林
- 全國工商聯 孫起孟政協常務委員兼副秘書長
- 孫曉村政協常務委員副秘書長
- 黃斯然政協常務委員秘書長

亦有十名名單另列

全国工商联接待“香港新界人士参观访问团”

出席人员名单

中央统战部

李定 副部长

马正信 局长

港澳办公室

李后 副主任

邓强

贸促会

郑均业 副主任

中旅总社

庄炎林 社长

全国工商联

孙起孟 政协全国委员会常务委员、副秘书长

全国工商联副主任委员

孙晓村 政协全国委员会常务委员、副秘书长

全国工商联常务委员

黄玠杰 政协全国委员会委员

全国工商联常务委员、秘书长

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(11)E-4

- 袁东生 政协全国委员会委员
- 全国工商联常务委员
- 杨从列 全国工商联第一副秘书长
- 樊陶斋 常务副秘书长
- 叶宝珊 政协全国委员会委员
- 全国工商联副秘书长
- 孙孚凌 政协全国委员会委员
- 全国工商联副秘书长
- 陈乃昌 北京市工商联主任委员
- 邢路 政协全国委员会委员
- 全国工商联联络委员会常务副主任委员
- 邱庆铭 政协全国委员会委员
- 全国工商联联络委员会副主任委员
- ~~卓碧玉 (全国工商联办公室主任)~~
- ~~政协全国委员会委员~~
- ~~全国工商联妇女委员会副主任委员~~
- 徐秀珍 (全国工商联张敬礼常务副主委夫人)
- 全国工商联妇女委员会副主任委员
- 应伊利 (全国工商联王光荣常务委员夫人)
- 全国工商联妇女委员会副主任委员

全国工商联联络委员会副主任委员

蔡金生 全国工商联联络委员会干部



CONFIDENTIAL

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中國對外貿易促進會由該會副主任  
 鄭鴻業接見各方際時中國及世界各  
 國經濟問題作出廣泛交換意見外  
 本團亦曾提出請貿促會出面協助謀  
 求使香港之中資銀行方面對香港之  
 商界特別廠商在目前世界經濟衰退  
 環境影響下作出低息長期貸款扶助該  
 會表示歡迎此種建議若應日後會向中  
 國銀行方面提出研討

會談完畢

一九八三年五月十二日下午四時本團往人  
 民大會堂會議廳會晤中國領導人之一  
 中國人民代表大會副委員長廖承志先生  
 (廖氏亦是中國僑務委員會委員長)  
 其體躬相留念後揖退傳播界及新聞  
 記者會談先由本團土副團長將其個人備  
 忘錄意見提出然後由團員張人記揚少初  
 及黃源章先後將其本人之備忘錄內容

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作出簡短報告程序在於聽報告時曾  
以筆記各人提出各異意見然此作否以

下

香港原屬中國此語大家共同的今日各  
位提出我國應該早日解決香港問題及其  
他具體問題我覺得今日我們見面相談  
有關第一問題中國現行政策會唔會變  
外國朋友亦有作出此問法中國現行開放  
政策三中全會及人大會五年一計劃是  
長期性大家不必擔心中國不會再變回  
四十年前政策我本人亦曾受過文化革  
命摧殘而入獄四年多今年已七十五歲  
我唔肯再見有變化我這一代完下一代一樣  
要踏回現代化走的

第二個問題中國前途如何自改更開放  
政策每年好肯定有5%經濟好轉向上頭  
兩項五年計劃已有此成績今後十年計  
劃中國大有發展不必有任何疑問俾大家  
要相信中國將來一定好我們中國管理團

(19)

家比外國人管理國家會更好請大家向  
 作北人愛天至於香港問題點辦呢？  
 大家意見非常好國民黨不承認不平等  
 條約而我們共產黨也是一樣不承認的英  
 國首相向我們發表三三三條約不知她是  
 否向我們示威我們極感不滿香港應依  
 約交回我國有一日廖瑞球律師曾對我說  
 過既然是不平等條約何須考慮此條約  
 收回就得拉本人認為民族尊嚴我們要到  
 一九九七年時一定收回香港及九龍新界收  
 回後會根據國家現行憲法第卅一條設  
 立特別行政區既可治港亦適用於治台  
 灣至於治權是怎可以由英國人管理我  
 認為甚難了只有一個可能性由香港人治  
 理香港或者者考慮鐘地除我曾向台灣  
 提出九條問題方案將來香港也是差不  
 多如此做法將來深圳以北是社會主義  
 而深圳河以南可以繼續資本主義自由  
 可以維持鄧小平主任曾說過投資者可

(18)

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(CH) I-2

放心 香港目前經濟我估計香港匯豐  
 銀行統計百分之五十四是受世界經濟影  
 响百分之三十是香港政府自己措施失當  
 而高錕之百分之十六係香港人自己心理  
 影响香港方面若問中國用何辦法協助  
 你們所提出合作建議機構或可以考慮我們  
 對英首相以三個字約為前提實使我們  
 談判困難一向說雙方談判依舊僵持中  
 主權問題其中之一你們提出早日解決談  
 判好合道理我也有因感希望各位回港  
 後向英方作出催促具體問題點辦？  
 總而言之根據一個原則香港會變特別  
 行政區至於香港人治港我們在研究中  
 並不是由我本人為單這一個問題我還要  
 向各位請教對於要見鄧小平主任他現  
 在公事很忙可以押後下次相談機會見  
 面有間過渡時間亦有十四年此期限也不  
 是短至於黃鵬章先生要求三十至四十年  
 延長為過渡期我可以實在負責答覆一

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白「做得到」至遲一九九七年收回香港如何將  
 來會把收回香港九條方案作藍本此藍本  
 我們可以相討至重要問題是主權但主  
 權與治權是不能分開希望你們到青  
 島歸一聯合體是行三民主義我亦曾為  
 國民黨黨員我認為台灣現行是「資本主  
 義香港將來一定改為特別行政區依然會  
 維持目前一樣自由但詳細規章會從詳  
 計劃特別行政區有自己法律有外交權  
 利一部條例對外互涉貿易等我認為  
 香港前途相當光明十四年後我國已有  
 三十五年計劃國家發展一定大大躍進  
 與中國四化到此世紀末期實現日期只差  
 三年而已目前我們要在十四年內做好過渡  
 時期工作到時希望使水到渠成英國人  
 是否和中國人合作是之很歡迎但將來  
 不用英國有特別行政經驗人士為我們之  
 作我們可以請其為顧問及秘書長但總  
 督名詞一定要取消至於點樣進行經

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濟合作係一個有越問題例如南海由  
田國際機場核電廠都可以在計劃之  
內坦白說北京中國人民政府三年前  
曾已決定收回香港方案英首相去  
年到來我國後引起我們不滿若英國  
繼續談三條約中英關係基本決裂衣  
希望英國不要堅持三條約如此抱不  
去局勢不明朗對香港有好處中國  
方面已將个波踢過俾英國睇他們如  
何打番過來你地新界領袖們要聯  
同香港及九龍方面領袖一齊向香港  
政府提出迫使他們和英國方面十日  
談判今日提出有同香港問題你們  
所有提出我亦非常贊賞但有部份  
我們聽不同意但我們求大同存小異  
因是中國人可以慢慢商量香港沒有  
一天會變特別行政區這個是基本問  
題必須確定英國應該知道的且現已不  
是誰多利亞女皇時代香港地方實

(21)

貴各優點我們會盡量維持及發揚  
 習慣問題都係人為者你們都說祖國  
 做得好人民會踴躍任來至於新界問題  
 將來在特別行政區內又怎辦呢？我  
 要向你們請教剛才交我五份備忘錄我  
 會小心閱讀有困難求會見鄧小平主任  
 他因我國百廢待興之作甚忙下次我們  
 一定有機會但我必向他及影你們意見  
 本團問假如我地鄉議局有機會可  
 以說服英國人放棄主權及作出多予  
 面有利中國條件例如國際機場等中  
 國談判態度如何？  
 廖副委員長答：不知道英國如果能改  
 變三條約態度肯交出主權及作出有利  
 中國條件我國可能有轉變檢討目前  
 形勢

本團再表示：鄉議局一向為新界民衆  
 爭取權益曾組團由張人龍揚少初領  
 導訪英不涉港府對新界不平等政策

(22)

且經中央直接與港府舉行雙方談判  
 香港若向多特別行政區而要港人治港  
 應先將現時之深圳特區人民生活及一切  
 措施盡量拉近使能與香港相似人民易  
 於接受  
 廖副委員長答：你們說得合理我會考  
 慮英國現在要先談一筆生意而我國就要  
 先講一主權這成目前一拉唔埋一段  
 當日英國卡靈頓熟習到中國訪問  
 時鄧小平主任曾向他提出對付香港  
 問題就以中國對台灣所提之九條方案  
 可以考慮嗎但他一回到香港之後回復  
 我們根本不提有關國際機場合作建  
 設是可以弄進例如香港現有之英坭廠  
 是個好例子新界問題更為複雜我們  
 對新界亦不甚了解今尚要借助你們  
 英國人要面子我國也不想令他們難為  
 一定使他們有 Honorable Retreat 我決不相信香  
 港經濟會崩潰的一日三年前我曾到過



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香港當日港督麥理浩爵士及其政  
 治顧問曾與我商談麥氏提出香港  
 每年已有四十多億美元外匯有利於  
 中國保衛遠未感滿足嗎當時我答他  
 此筆外匯確是有利中國但你要知  
 道這是中國人民血汗爭取得來現在  
 已有五十幾六十億美元之數了十四年後  
 中國會更強大就算如何強大香港  
 方針是不變一九九七年那時候會水  
 到渠成而成爲特別行政區  
 會議至此已是下午六時十五分本團即  
 席請問廖副委員長我們今日之會  
 談意如何向記者及傳播界交代請  
 予指導廖氏答我已囑咐我國新聞  
 界只登會議進行熱烈坦誠和親切氣  
 氛至於貴團怎樣告訴記者或傳播界  
 我不會干涉——會議完畢——

此次陪同廖副委員長出席會議  
 名單另列

(24)

陪同廖承志副委員長出席粵本團  
生談名單

李定先生 中央統戰部副部長

李右 港澳辦公室副主任

鄧強 中國旅行社社長

庄炎林先生 政協全國委員會常務委員

孫起孟先生 全國工商聯合會副主任

孫曉村先生 政協全國委員會常務委員

曾祥先生 全國工商聯合會委員

香港新華社代表

(B)

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DECLASSIFIED

NLRR M299 #92433

BY KML NARA DATE 6/21/12

THE NEW TERRITORIES PEOPLE'S CHINA SIGHT-SEEING TOUR GROUP (NTPCSTG) HOSTED A BANQUET IN BEIJING PEOPLE'S CONGRESS HALL FROM 6 P.M. ON 17 JANUARY 1983. THE BANQUET WAS IN HONOR OF {{LIAO}} CHENGZHI, VICE CHAIRMAN OF THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS, AND REPRESENTATIVES OF BUSINESS ORGANIZATIONS WHO HAD MET WITH AND ENTERTAINED NTPCSTG. BEFORE FOOD WAS SERVED, NTPCSTG AND LIAO HELD THEIR THIRD TALK. THE FOLLOWING ARE MINUTES OF THIS TALK:

LIAO: THERE WERE SOME MISTAKES IN HONG KONG NEWSPAPER REPORTS OF 13 JANUARY. SPECIFICALLY, I'M REFERRING TO A REPORT IN "THE ORIENTAL DAILY" WHICH, NOTING MY REMARK ABOUT "THE BALL BEING NOW IN THE BRITISH COURT," CONSTRUED THAT I HAD RAISED SEVERAL POINTS AND MADE SEVERAL PROPOSALS. 首先 IN POINT OF FACT, THAT "BALL" I MENTIONED REFERRED TO ONLY ONE POINT, I.E., THE POINT ABOUT RECOVERY OF SOVEREIGNTY. NOR WAS IT ANY PROPOSAL. 其次 I ASK YOU ALL TO SET THE RECORD STRAIGHT FOR ME.

LIAO (IN ANSWER TO A QUESTION FROM NTPCSTG): I AGREE WITH THE PRESS REPORTS WHICH SAY THAT I AGREED WITH SOME OF THE VIEWS OF YOUR GROUP AND DISAGREED WITH THE OTHERS, AND THAT WE WERE SEEKING COMMON GROUNDS ON THE MAJOR ISSUES WHILE LETTING MINOR DIFFERENCES REMAIN.

LIAO (COMMENTING ON A NTPCSTG EXPRESSION OF SKEPTICISM CONCERNING THE FEASIBILITY OF GOVERNMENT OF HONG KONG BY HONG KONG PEOPLE): CONCERNING THE PROPOSAL OF GOVERNMENT OF HONG KONG BY HONG KONG PEOPLE, IT IS THAT ARTICLE 31 OF THE CHINESE CONSTITUTION ... THE FACT THAT, IF NEED BE, HONG KONG MAY BECOME A SPECIAL ADMINISTRATIVE REGION IS DEDUCED FROM OUR NINE-POINT PROPOSAL TO TAIWAN. THAT NINE-POINT PROPOSAL APPLIES TO TAIWAN AND HONG KONG. TAIWAN MUST RETURN TO CHINA'S EMBRACE. AFTER IT DOES SO, THERE WILL BE NO CHANGE MADE IN ITS POLITICAL SYSTEM OR IN THE LIFE STYLE OF ITS PEOPLE SUCH AS EXISTS TODAY. IT WILL CONTINUE TO HAVE ITS OWN ARMY, AND THERE WILL BE SAFEGUARDS FOR ALL FOREIGN INVESTORS THERE.

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PREMIER {{ZHAO}} ZHIYANG, NOW ON AN AFRICAN TOUR, HAS ISSUED A PUBLIC STATEMENT THERE, REITERATING THAT, AFTER HONG KONG IS RECOVERED, ITS STATUS QUO WILL BE MAINTAINED. HONG KONG WILL BE A FREE PORT, A WORLD FINANCIAL CENTER AND A WORLD TRADING CENTER; AND ITS CAPITALIST POLITICAL SYSTEM {{SIC}} WILL NOT BE CHANGED; AND ITS LAWS WILL REMAIN THE SAME. BUT CHINA WILL LEGITIMATELY MAKE SLIGHT CHANGES IN HONG KONG'S PRESENT ORDINANCES. REFERENCES TO "HER MAJESTY" WILL BE DELETED. AN AMERICAN ASKED US WHETHER, BY KEEPING LIFE STYLE IN HONG KONG UNCHANGED, HE MEANT THAT THERE WOULD CONTINUE TO BE HORSE RACES, CASINOS AND BROTHELS. HIS QUESTION SHOWED THAT HE REALLY DID NOT UNDERSTAND HONG KONG SUCH AS IT IS TODAY. THERE ARE HORSE RACES IN HONG KONG NOW, BUT PROSTITUTION AND GAMBLING ARE BANNED.

LIAO {{IN ANSWER TO A QUESTION FROM {{CHUANG}} YUANZHANG {{780613293/4545}} OF NTPCSTG}}: WE HAVE GIVEN NO THOUGHT TO WHICH WOULD HAPPEN SOONER, THE RECOVERY OF TAIWAN OR THAT OF HONG KONG. HOWEVER, THE RECOVERY OF HONG KONG SHOULD HAPPEN BY 30 JUNE 1997 AT THE LATEST. THERE CAN'T BE ANY QUESTION OF POSTPONEMENT.

IF BRITAIN SHOULD BE <sup>u</sup>INCOOPERATIVE, CHINA WOULD MAKE REPRESENTATIONS BY PEACEFUL MEANS. CHINA HAS ALREADY DRAFTED A PROPOSAL. IT IS BEING REVIEWED AND HAS NOT BEEN PRESENTED TO BRITAIN. OUR BASIC POLICY LINE POINTS TO A SPECIAL ADMINISTRATIVE REGION. GUANGZHOU-STYLE ADMINISTRATION WILL NOT BE APPLIED TO AND IMPOSED ON HONG KONG. AS TO BASIC METHODS OF GOVERNMENT, HONG KONG WILL ENJOY A HIGH DEGREE OF AUTONOMY. IN OTHER WORDS, HONG KONG WILL BE GOVERNED BY HONG KONG PEOPLE. CONCERNING THIS QUESTION, WE ARE SOLICITING THE COMMENTS OF MANY QUARTERS. BEIJING WILL NOT DRAW UP A NAMELIST AND SAY THE PEOPLE ON THAT LIST WILL BE APPOINTED TO OFFICE. RATHER, IT WILL LET THE PEOPLE OF HONG KONG DISCUSS AMONG THEMSELVES AS TO WHAT SHOULD BE DONE. WILL THE ELECTION METHOD BE USED? WE HAVE NOT YET GIVEN THOUGHT TO ALL SUCH SPECIFICS. THE PEOPLE OF HONG KONG SHOULD DISCUSS

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AMONG THEMSELVES. NOR NEED THEY CONSULT THE BRITISH, FOR THE BRITISH WILL HAVE CEASED TO HAVE SOVEREIGNTY. AS FOR THE NEW TERRITORIES, IT MAY WELL BE THAT THE NEW TERRITORIES WILL BE GOVERNED BY THE PEOPLE OF THE NEW TERRITORIES.

HUANG YUANZHANG OF NTPCSTG: THE STABILITY AND PROSPERITY OF HONG KONG WILL BE ATTAINABLE ONLY IF THE PEOPLE OF HONG KONG HAVE CONFIDENCE. MOREOVER, CONTINUED PROSPERITY PRESUPPOSES COOPERATIVENESS ON THE PART OF THE BRITISH GOVERNMENT AND THE HONG KONG GOVERNMENT. THE HONG KONG GOVERNMENT HAS NOW ANNOUNCED A ONE- TO TWO-YEAR DELAY IN MAJOR PUBLIC WORKS PROJECTS PROPOSED FOR THE NEW TERRITORIES. FOR INSTANCE, THE FREEWAY FROM KU TUNG, SHEUNG SHUI TO THE BORDER WILL NOW HAVE FOUR LANES INSTEAD OF THE TEN THAT WERE ORIGINALLY PROPOSED. {LIAO: THE HONG KONG MASS TRANSIT RAILWAY HAS SUSPENDED ITS PLANNING FOR THE CHEUNG KUN O SECTION.} A POSSIBLE EXPLANATION FOR SUCH CHANGES IS FINANCIAL DIFFICULTY, FOR THE AVAILABLE RESERVE OF ABOUT HONG KONG \$40 BILLION IS FOR USE TO SAFEGUARD PAYMENT OF PENSION TO RETIRED CIVIL SERVANTS, PAYMENT OF SEVERANCE MONEY AND PAYMENT OF COMPENSATION TO BRITISH INVESTORS SHOULD THEY LOSE THEIR INVESTMENTS IN HONG KONG. MOREOVER, BECAUSE LEGAL LAND TENURE IS RESTRICTED TO A MAXIMUM OF 14 YEARS, AS IS ALSO THE TENURE OF LEGAL CONTRACTS, THE HONG KONG GOVERNMENT CANNOT BORROW MONEY FROM FOREIGN OR INTERNATIONAL BANKS FOR LARGE DEVELOPMENT PROJECTS AND OTHER PROJECTS. WITHOUT SUCH PROJECTS, HONG KONG WILL NOT BE ABLE TO REMAIN PROSPEROUS, AND, WORSE STILL, INVESTORS AND THE ORDINARY FOLK OF HONG KONG WILL LOSE THEIR CONFIDENCE. THIS IS A VERY IMPORTANT MATTER.

LIAO: THE PEOPLE OF HONG KONG SHOULD FORM THEIR OWN IDEAS AND PRESENT THEM TO THE BRITISH. THE MATTER OF SOVEREIGNTY MUST BE RESOLVED QUICKLY. THE HONG KONG GOVERNMENT SHOULD NOT NOW CUT BACK ON PUBLIC CONSTRUCTIONS. {LIAO ALSO NOTED THAT THE SUSPENSION OF SOME OF THE MASS TRANSIT RAILWAY PROJECTS WAS NEEDLESS.}

{ZHANG} RENLONG {1728/0086/7893} OF NTPCSTG: VENERABLE LIAO,

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STNCE YOU MENTIONED THE KOWLOON-GUANGZHOU RAILWAY, I CAN TELL YOU THAT, ON THE HONG KONG SIDE, DOUBLE TRACK FOR ELECTRICAL TRAINS WILL BE READY BY MID-JULY THIS YEAR. WHEN WILL DOUBLE TRACK BE READY ON THE CHINESE SIDE, WHEN WILL RAILWAY ELECTRIFICATION BE ACCOMPLISHED?

LIAO: WITHIN THREE YEARS, DOUBLE TRACK BETWEEN GUANGZHOU AND SHENZHEN WILL BE READY, BUT IT WON'T BE ELECTRIFIED RAILWAY.

{(HE)} XINQUAN {0199/2450/2438} OF NTPCSTG: ALTHOUGH NOMINALLY HONG KONG WILL BE GOVERNED BY HONG KONG PEOPLE, HONG KONG WILL ACTUALLY HAVE TO TAKE ORDERS FROM BEIJING.

LIAO: THE PEOPLE OF HONG KONG ARE TO WORK OUT AMONG THEMSELVES A PLAN FOR GOVERNMENT OF HONG KONG BY HONG KONG PEOPLE. THIS PLAN MUST THEN BE SUBMITTED TO THE NATIONAL PEOPLE'S CONGRESS FOR ITS RECORD. AFTER THAT, IT MAY BE PUT INTO ACTION.

LIAO {IN ANSWER TO A QUESTION FROM {(LIU)} HUANGFA {0419/14106/14099} OF NTPCSTG AS TO THE APPLICABILITY OF THE MACAU MODEL TO HONG KONG}: IN RESPECT OF MACAU, PORTUGAL HAS LONG ACKNOWLEDGED CHINESE SOVEREIGNTY OVER MACAU. SO FAR, PORTUGAL IS CONTINUING TO HANDLE ITS ADMINISTRATION. LET ME TELL YOU THAT MACAU WILL IN DUE COURSE SHARE THE SAME FATE AS HONG KONG.

LIAO {IN RESPONSE TO A COMMENT FROM {(CHEN)} RIXIN {7115/2480/2450} OF NTPCSTG TO THE EFFECT THAT THE HONG KONG DOLLAR IS AN INTERNATIONALLY ACCEPTED CURRENCY NOW BECAUSE IT IS SUPPORTED BY BRITAIN}: I HAVE NOT YET GIVEN ANY THOUGHT TO THE KIND OF CURRENCY HONG KONG WILL HAVE.

LIAO {IN RESPONSE TO A QUESTION CONCERNING ADMINISTRATIVE AUTHORITY}: ADMINISTRATIVE AUTHORITY AND SOVEREIGNTY ARE INSEPARABLE. HONG KONG WILL BE GOVERNED BY HONG KONG PEOPLE. THE BRITISH CANNOT CONTINUE HOLDING ADMINISTRATIVE POWER.

WHAT CONCERNS ME THE MOST IS THAT, AS A RESULT OF WORLD RECESSION, HONG KONG'S ECONOMY HAS BEEN DECLINING STEADILY. WILL HONG KONG BE ABLE TO MANAGE? THIS REALLY MAKES ONE WORRY. I HOPE THAT THE PEOPLE OF HONG KONG WILL CONTINUE TO WORK HARD AND KEEP THINGS GOING.

LIAO {IN ANSWER TO A QUESTION FROM HE XIQUAN OF NTPCSTG

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AS TO WHETHER OR NOT, SUPPOSING THAT BRITAIN SURRENDERS ITS SOVEREIGNTY OVER HONG KONG, CHINA CAN POSSIBLY COOPERATE WITH BRITAIN ~~IN THE~~ IN THE ACTUAL ADMINISTRATION OF HONG KONG AND CAUSE THINGS TO BE DONE IN THE INTERESTS OF ALL THREE PARTIES: WHETHER BRITISH PEOPLE CAN CONTINUE HOLDING ADMINISTRATIVE POSITIONS IN HONG KONG AFTER BRITAIN SURRENDERS SOVEREIGNTY OVER HONG KONG IS A MATTER THAT THE PEOPLE OF HONG KONG SHOULD DECIDE FOR THEMSELVES.

LIU HUANGFA: I AM A BUSINESSMAN, A RESTAURATEUR. I'LL USE A RESTAURANT FOR ILLUSTRATION. NOW, I AM THE PROPERTY OWNER OF A RESTAURANT AND ALSO ITS BOARD CHAIRMAN, AND I HIRE SOMEBODY TO MANAGE IT FOR ME. I COLLECT A RENT AND ALSO SHARE IN THE PROFIT OF THE RESTAURANT. WHAT'S WRONG WITH THAT?

LIAO: AS FAR AS MANAGEMENT JOBS ARE CONCERNED, YOU MAY HIRE BRITISH ADMINISTRATORS, SECRETARIES OR CLERKS. THE HONG KONG POLICE WILL BE MANAGED BY HONG KONG PEOPLE. THE WORD "ROYAL" IN THE TITLE OF "ROYAL HONG KONG POLICE" WILL BE DELETED. THE CHINESE PEOPLE'S LIBERATION ARMY WILL DECIDEDLY STATION NO TROOPS IN HONG KONG BUT WILL BE MILITARILY RESPONSIBLE FOR HONG KONG'S DEFENSE. THE HIGHEST ADMINISTRATOR OF HONG KONG MUST BE A CHINESE.

LIAO (IN RESPONSE TO A COMMENT FROM HUANG YUANZHANG TO THE EFFECT THAT IN HONG KONG THERE WILL BE A QUESTION OF CONFIDENCE IF CHINA IS TO CALL THE SHOTS): BRITISH ARE OUT OF THE QUESTION. IN RESPECT OF TAIWAN, I THINK THAT, SHOULD MR. {{CHIANG}} CHING-KUO LIVE TO BE A HUNDRED, HE MIGHT CONTINUE ADMINISTERING TAIWAN THE WAY HE DOES NOW.

THERE ARE POLITICAL, ECONOMIC AND FINANCIAL EXPERTS IN HONG KONG. THEY ARE DO<sup>(2)</sup> MANAGEMENT WORK IN THE ADMINISTRATION OF HONG KONG. CONCERNING HONG KONG'S DEFENSE (SUPPOSING THAT JAPAN SHOULD ATTACK HONG KONG), IN WAR TIME, THE MATTER WILL BE THE RESPONSIBILITY OF THE CHINESE CENTRAL GOVERNMENT. AS A SPECIAL ADMINISTRATIVE REGION, HONG KONG CAN HANDLE SOME OF ITS FOREIGN AFFAIRS, SUCH AS THE SIGNING OF ECONOMIC TREATIES,

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FINANCIAL TREATIES AND TRADE TREATIES.

CHEN RIXIN: I'M AFRAID HONG KONG WILL BECOME LIKE GUANGZHOU UNLESS IT IS GIVEN A HIGH DEGREE OF POLITICAL POWER.

HUANG YUANZHANG: A RELATED PROBLEM IS THE CONFIDENCE OF THIRD PARTIES.

LIAO: I GUARANTEE THAT HONG KONG WILL NOT BECOME ANOTHER GUANGZHOU. I FURTHER GUARANTEE THAT HONG KONG WILL BE GIVEN A HIGH DEGREE OF POLITICAL POWER.

{YANG} SHAOCHU {2799/1421/0443} OF NTPCSTG: THE MAJORITY OF THE PEOPLE OF HONG KONG WANT THE STATUS QUO TO BE MAINTAINED. WHAT IS TO BE DONE ABOUT THIS? CHINA DOES NOT RECOGNIZE THOSE THREE TREATIES. THIS BEING SO, THE QUESTION OF 1997 IS, TO QUOTE THE WORDS OF {LIAO} YAOZHU {1675/13852/3796}, ATTORNEY-AT-LAW, A NON-QUESTION. WHY, THEN, CAN'T THE WISH OF THE PEOPLE OF HONG KONG BE COMPLIED WITH?

VENERABLE LIAO, SINCE YOU MENTIONED NOT FORCING THE PEOPLE TO DO ANYTHING, I WOULD LIKE TO ASK YOU THIS: SUPPOSING THAT 1997 HAS ALREADY ARRIVED AND CHINA WANTS "GOVERNMENT OF HONG KONG BY HONG KONG PEOPLE," WHAT HAPPENS IF THE PEOPLE OF HONG KONG HAVE NO CONFIDENCE IN THEIR OWN ADMINISTRATION AND WANT TO ASK THE BRITISH GOVERNMENT TO STAY SO THAT THEY MAY HAVE TIME LEARNING ABOUT ADMINISTRATION? WHAT WOULD HAPPEN IF THAT SHOULD BE THE WISH OF THE PEOPLE OF HONG KONG?

LIAO: ADMINISTRATIVE AUTHORITY WILL BE GIVEN TO HONG KONG PEOPLE BUT NOT TO BRITISH.

YANG SHAOCHU: WHAT IF HONG KONG PEOPLE ASK THE BRITISH TO ADMINISTER HONG KONG FOR THEM?

LIAO: THE BRITISH CAN'T EVEN HANDLE BRITAIN'S OWN ECONOMIC AFFAIRS WELL. WHY WOULD HONG KONG PEOPLE ASK THEM TO ADMINISTER HONG KONG?

YANG SHAOCHU: BRITAIN IS DIFFERENT FROM HONG KONG. THEIR POLITICAL SYSTEMS ARE DIFFERENT. THERE ARE ELECTIONS IN BRITAIN. MEMBERS OF PARLIAMENT THINK IN TERMS OF WINNING VOTES FOR THE NEXT ELECTION. THE HONG KONG GOVERNMENT IS NOT ELECTED. IT IS



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FREE TO DO WHATEVER IT THINKS IS THE BEST FOR HONG KONG. THIS IS A HUMBLE OPINION WE HAVE. I WONDER IF I SAID SOMETHING WRONG.

YANG SHAOCHU: THERE ARE OTHER AREAS OVER WHICH CHINA IS YET TO RECOVER SOVEREIGNTY? WHY BEGIN WITH HONG KONG?

LIAO: HISTORICAL QUESTIONS ARE QUITE COMPLEX. EASTERN TERRITORIES OF THE SOVIET UNION BELONG TO CHINA. THAT IS AN OLD ACCOUNT WHICH CANNOT<sup>BE</sup> SETTLED NEATLY. SHOULD CHINA FAIL TO RECOVER HONG KONG WHEN 1997 COMES, THAT WOULD BE TANTAMOUNT TO RECOGNITION OF UNEQUAL TREATIES. WHAT ARE WE TO SAY TO THE PEOPLE?

HUANG YUANZHANG: VENERABLE LIAO, YOU JUST SAID THAT THERE WILL BE 14 MORE YEARS AND THAT BY THEN CHINA WILL HAVE MADE A GREAT DEAL OF PROGRESS AND THAT HONG KONG PEOPLE SHOULD HAVE CONFIDENCE. FOR MY PART, HOWEVER, I THINK THAT HONG KONG INVESTORS ARE BEING MADE TO MAKE DECISIONS WITHIN A SHORT TIME. IF THEY SHOULD FAIL TO KEEP INVESTING THIS YEAR, HONG KONG'S ECONOMY WOULD FALL APART A YEAR OR TWO LATER. IT IS IMPERATIVE THAT THE SINO-BRITISH TALKS PRODUCE A CLEAR OUTCOME THIS YEAR. FAILING THIS, CAPITAL WILL START LEAVING HONG KONG AND PERSONS WITH PROFESSIONAL OR TECHNICAL TRAINING WILL START EMIGRATING TO OTHER COUNTRIES BEFORE THE YEAR IS OUT. HONG KONG WILL THEN CEASE TO BE WHAT IT IS NOW. WHATEVER PROSPERITY MIGHT REMAIN WILL BE DIFFERENT FROM THE KIND OF PROSPERITY THAT HONG KONG NOW ENJOYS. COOPERATING WITH THE BRITISH GOVERNMENT IS THEREFORE IMPORTANT.

IT IS REQUESTED THAT CHINESE LEADERS GIVE MORE THOUGHT TO ALL THE STRONG POINTS THAT HONG KONG NOW SHOWS. HONG KONG'S PROSPERITY IS DUE TO MANY CAUSES: IMPARTIALITY OF THE LAW, POLITICAL STABILITY, ~~THE~~ LOW TAX RATES AND FREE PORT STATUS. MOST COUNTRIES AROUND HONG KONG ARE POLITICALLY UNSTABLE. MONEY FROM THERE COMES TO HONG KONG AND IS INVESTED THERE. BY THE SAME TOKEN, CAPITAL DEFINITELY WILL FLEE HONG KONG. HONG KONG TRADES WITH CHINA AND HAS A STABLE CURRENCY. POLITICAL INSTABILITY WILL CAUSE THE HONG KONG DOLLAR TO LOSE ITS VALUE. THIS WILL

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AFFECT THE YUAN AND CAUSE IT TO LOSE ITS VALUE ALSO. THIS WILL HAPPEN BECAUSE CHINA EARNS HONG KONG DOLLARS AND CONVERTS INTO U.S. DOLLARS OR YUAN.

HE XINQUAN: CONCERNING THE FUTURE OF HONG KONG, LET ME USE AN ANALOGY. I OWN A SHOP SPACE CONSISTING OF THE GROUND FLOOR OF A BUILDING AND THE COCKLOFT. IT IS A LEGACY FROM MY GRANDFATHER. I RUN A WON TON SOUP BUSINESS IN THE GROUND FLOOR SPACE. THE COCKLOFT IS LEASED TO A TENANT WHO USES IT AS A NOODLE FACTORY. THE LEASE HE HAS WAS OBTAINED BY HIS GRANDFATHER AT GUN POINT FROM MY GRANDFATHER. THAT WAS MANY YEARS AGO. THE ORIGINAL LEASE STIPULATED A ANNUAL RENTAL OF FIVE CENTS. IT WAS OF COURSE AN UNEQUAL LEASE. TWO YEARS BEFORE THE EXPIRY OF THE LEASE, THIS TENANT'S NOODLE-MAKING BUSINESS WAS MAKING MONEY. HIS FATHER AND GRANDFATHER HAD BOTH DIED. SO HAD MY FATHER AND GRANDFATHER. SO HE CAME TO SEE ME, BRINGING GIFTS OF TWO BOTTLES OF LIQUOR AND TWO CHICKENS. HE SAID, "LET'S FORGET WHAT HAPPENED BETWEEN OUR GRANDFATHERS. I ACKNOWLEDGE THAT THE LEASE I HAVE IS UNEQUAL. I'M NOW READY TO DECLARE IT NULL AND VOID IN BLACK AND WHITE. I WILL ALSO PROPOSE A PARTNERSHIP BETWEEN THE TWO OF US. I WILL MANAGE THE NOODLE FACTORY IN THE COCKLOFT. ANY PROFIT MADE WILL BE DIVIDED EQUALLY BETWEEN US, OR PERHAPS 60 PERCENT OF IT WILL GO YOU, AND 40 PERCENT TO ME. FURTHERMORE, IF YOU NEED TO BUY NOODLES FOR YOUR WON TON SOUP SHOP ON THE GROUND FLOOR, I'LL SELL THEM TO YOU AT A 20 PERCENT DISCOUNT." VICE CHAIRMAN LIAO, UNDER THE CIRCUMSTANCES, I FELT THAT MY HONOR WAS SATISFIED AND THERE WAS A BENEFIT TO BE GAINED. SHOULDN'T I SIT DOWN WITH THE TENANT AND DISCUSS WITH HIM STEPS FOR ANNULING THE OLD LEASE, ARRIVING AT A NEW LEASE AGREEMENT AND EFFECTING THE PARTNERSHIP?

LIAO: DISCUSSION OF THAT QUESTION SHOULD BE THE SECOND STEP.

LATER, IN THE COURSE OF THE MEAL, HE XINQUAN REPEATED THE SAME ANALOGY AND ASKED, "CAN'T WE RUSH THE TENANT TO GIVE UP THE ORIGINAL LEASE AND MAKE A REASONABLE OFFER?" LIAO ANSWERED;

"WE CAN."

ZHANG RENLONG, USING A DIFFERENT ANALOGY FROM THAT USED BY HE XINQUAN, SAID, "IN TERMS OF CHINA'S ANATOMY, HONG KONG IS THE LUNGS. THROUGH HONG KONG, CHINA BREATHES IN FRESH AIR. THIS MEANS TAKING IN NEW TECHNOLOGIES AND LOTS OF HARD CURRENCIES, WHICH ARE GOOD FOR CHINA. BECAUSE OF THE DESTRUCTIVE CULTURAL REVOLUTION, CHINA LOST AT LEAST MORE THAN 20 YEARS OF ITS TIME. BECAUSE OF THAT STEP BACKWARD, CHINA IS LIKE A SICK MAN IN NEED OF NOURISHMENT. THE EXISTENCE OF HONG KONG IS LIKE THE EXISTENCE OF A SOURCE OF NOURISHMENT. HONG KONG HAS GOOD LAWS AND ENJOYS SOCIAL AND POLITICAL STABILITY. MONEY FROM ALL COUNTRIES COMES TO HONG KONG. HONG KONG IS VERITABLY AN ASSEMBLY OF 10,000 MERCHANTS. THIS IS THE REASON FOR ITS PROSPERITY. SHOULD CHINA RECOVER HONG KONG, WOULDN'T HONG KONG BECOME JUST ANOTHER SHANGHAI? VICE CHAIRMAN, I THINK YOU WILL AGREE IF I SAY THAT HONG KONG IS MUCH MORE PROSPEROUS THAN SHANGHAI. HONG KONG HAS A VERY LARGE POPULATION. MANY OF ITS PEOPLE FLED TO HONG KONG FROM CHINA, AT THE RISK OF LIFE. IF CHINA DOES ITS THINGS PROPERLY, PEOPLE WILL FLEE BACK TO CHINA FROM HONG KONG. I DON'T KNOW WHETHER YOU LIKE TO LISTEN TO SUCH TALK OR NOT. I'M SAYING IT ANY WAY. MOREOVER, I HOPE THAT YOU WILL MENTION MY VIEWS TO {{DENG}} XIAOPING, SO THAT HE, TOO, MAY KNOW."

HUANG YUANZHANG EMPHASIZED ONCE MORE THAT IT WAS IMPERATIVE THAT THE SINO-BRITISH TALKS PRODUCE A CLEAR OUTCOME THIS YEAR.

YANG SHAOCHU SAID, "IN ADDITION TO RICH PEOPLE LEAVING HONG KONG, YOUTHS WITHOUT MONEY ALSO WANT TO LEAVE HONG KONG FOR THE SAKE OF THEIR OWN FUTURE. THERE WAS A GIRL WORKING FOR ME. BOTH SHE AND HER HUSBAND WERE COLLEGE GRADUATES. THEY WERE BY NO MEANS RICH. NEVERTHELESS, FOR THE REASON I MENTIONED, THEY BOTH EMIGRATED TO CANADA. I AM A LAWYER. MANY OF MY CLIENTS USE MY SERVICE IN CONNECTION WITH IMMIGRATION PAPERS THEY WANT TO FILE."

IN REGARD TO A POSSIBLE MEETING WITH DIRECTOR (SIC) DENG

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XIAOPING, NTPCSTG WAS TO RETURN TO HONG KONG FOR NOW. SHOULD DIRECTOR DENG BE ABLE TO SPARE THE TIME LATER AND WANT TO TALK WITH THE NEW TERRITORIES GROUP, LIAO WOULD SO NOTIFY THE HONG KONG OFFICE OF NEW CHINA NEWS AGENCY. THIS OFFICE WOULD THEN NOTIFY THE NEW TERRITORIES GROUP IN TURN. THE GROUP WOULD THEN MAKE ANOTHER TRIP TO BEIJING TO EXCHANGE VIEWS WITH CHINESE LEADERS.

THE PRE-DINNER TALK LASTED UNTIL 7.15 P.M. AT THAT MOMENT, FEARING THAT THE GUESTS MIGHT BE HUNGRY, THE LEADER OF NTPCSTG ASKED LIAO TO PROCEED TO THE DINNER TABLE. BY THEN, THE OTHER GUESTS HAD BEEN WAITING OUTSIDE THE CONFERENCE ROOM FOR OVER AN HOUR.

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一九八三年一月十七晚十午六時由本團假座北  
市人民大會堂歡迎宴承志副委員長及  
有關曾接見及招待本團之工商機構代表  
叔子在宴會前將第三次會議談話錄

廖也首先向本團發表香港報界於本月十  
三日報章有此錯誤特別是東方日報報載  
我從波巴示英國方面解釋波庫義是若干  
條方案查實我從那個波巴示收回主權一條  
並不表示任何方案請大家注意與也

齊氏答廖厚詢詞

我同意向新聞界報導我對貴國意見有部  
份同意亦有部份不同意我們只求大同存小  
異從也

當本團代表對港人治港方案可行性有懷疑時

港人治港方案是我國憲法第三十一條必要時  
香港行政局特別行政區是引用我們向台灣提  
出之九章方案這九章方案是通用台灣和香港  
台灣必須回歸中國懷抱回歸後台灣現行政制  
人民民主方式不變可以繼續存有其軍隊在台  
資所有外資都有保障

趙紫陽總理現在那州對外發表談話重申  
收回香港後對香港維持現狀是自由港，世界  
金融中心，世界貿易中心，資本主義政制不變  
法律也遵照舊律但中國今後目前倒果加此  
情形行並北京陛下宮的曾有个美國人問我們  
如果香港老區維持不變是否繼續有跑馬  
有賭場有妓院等事情這此話地與此不明  
向香港現狀因為香港總歸跑馬外是保持賭禁此  
由齊氏答廖厚詢詞

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BY KML NARA DATE 2/12/97

NLRR M299 # 65434

DECLASSIFIED

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

### 團員黃鴻章提出

香港安定和繁榮要港人有信心才可能  
 同時又要英國政府及香港政府合作才可能  
 繼續繁榮現港府已宣佈部份在新界五要之  
 程及計劃已逾期一兩年進行例如由上水至同  
 往邊區之高速公路由原定十條改為四條等  
 等(黃鴻章)說香港地缺財將軍與那路暫時  
 停止計劃其理由不能是經濟問題因為現有  
 之約四百億港幣儲備金是要保障公務員  
 之退休金或解散基金及補償某項在港投  
 資之損失等同時祇有十四年有效法定地權  
 或合約香港政府是否可能向外國或國際  
 銀行借貸未發展大工程或其他計劃  
 如果沒有此舉工程或計劃進行香港  
 不可能維持繁榮更令投資者及一般  
 香港人失去信心這是很重要的

我們未考慮收回公營及收回香港誰是在先  
 誰走在後但對香港收回主權而設最後限期  
 應在九七年六月廿日首有再延遲期問題  
 發生  
 英國在不合作我國實外用和平方式而中國  
 已有草案在改革中未及英國我們之基本方針  
 針是特別行政區不是照搬廿式搬到香港施政  
 基本方針有高程度自治性就是港人自治時這  
 問題我們曾多方徵求意見北京亦曾提出名單委  
 任是讓香港人自己協商如何做法是否用選舉方  
 式一而詳細規章需未考慮港人自己應自己談不必  
 英國人商量因英國人已有了主權至於新界方  
 西方可將新界人治新界也未定

INTERNATIONAL

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港人要有自己主意而英國人提出主權安快解決

總府目前不應減少興建各種公共設施

### 團員張人龍提及

廖公你提及九廣鐵路問題我可告訴你  
香港方面震氣比火車在今年七月中可以  
完成双軌未知中國方面火車双軌何時  
可以完成或亦是震氣化呢(即此套三年內  
會完成廣州廣州双軌但不是震氣化)

何新雅說此是這柱港人港港也察在已論何新雅亦此答

港人治港才第由香港人出協商之必須交由全國  
人民大會輪籌備當然亦可以實施

答劉生基提出澳門與中國亦未對香港是否可行

澳門方面葡國早已承認主權是歸於國目前  
仍是由葡國處理行政我若你係澳門將來是與  
香港同一命運

答陳日輝子提出有關香港現行的貨幣同得英國的支持而英國亦應

九龍是時序論  
我尚未想過未來與中

廖生答有關治權亦即時說

治權與主權是不應分開港人治港英國人不應連  
續有治權

我兼關心香港經濟世界經濟不善氣物  
而日趨低落者港能否維持下去？真是令人擔心  
希望香港人繼續努力維持下去

何新雅問如果英國主權則中國英國可以不可合作  
答陳日輝香港經濟不盛之責而歸於香港人答說

英國將主權交回英國人而不應繼續管治香港人  
應自己解決

CONFIDENTIAL

(2)

我信商人經營酒樓生意就以酒樓為例  
 樓物業是我甚事長不是我但我要請人去  
 替我管理我有租收又有利益分帳何樂  
 而不為呢？

亨氏說 管治香港英國人做行政人員或秘書  
 即帶香港物業由港人管治及館皇家兩個字

我們解散軍決不派駐香港但軍事上有責任

恢復香港主權香港最高人物一定是中國人

香港前途亦與中國話事香港是有信心問題

英國人有得傾公序方面我悲將終國元生長命

百歲以現狀管理也博

香港有政治經濟金融專家均可管理以香港

國問題如日本打香港(時戰爭時中國中央

在時引區中

解決香港可以有新法外之則如簽訂經濟合約

金融條件及貿易條件等

陳日新表示以香港放棄原有一林際排

能不高度政治權力

黃源辛亦說這也有問題本三者以信心

保能香港不愈變成廣州且保證有高

度政治權力

本國問題：香港大多數人思想維持現狀有

點評

12-11-77

(王)

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議員楊少初提出、

MEMORANDUM

既然中國不承認這三條合約則一九九七問題正如廖瑞珠律師所說便不存在為什麼不能依照港人的志願去做呢

廖公既然說不會強迫人民在這方面我想請問到了一九九七年中國要港人治港如果香港人自己沒有信心管理而想請英國政府繼續管然後慢慢學習管理如果這是港人的志願又怎樣？

廖公答：治權在香港人也不交英國人假如香港人請英國人以辦事又如何？廖公答：英國人攬自己國家經濟也攬唔唔為什麼要英國管呢

本團答：英國與香港不同因為政制不同英國有選舉制度議員要做到選舉勝利但香港未有所以香港政府可以自由做牠認為對香港有益的事這是我們淺見不知有無說錯

本團問：尚有其他地方中國未收回主權點解先要向香港收回主權呢？

廖公答：歷史問題相當麻煩蘇聯以東地方是中國的這筆舊帳無法清算一九九七年中國若果唔收回香港等於承認不平等條約無法向人民交代

團員黃澤章再提及

拆公保說有十四年屆時中國已有大進步港人應有信心但我認為香港投資者要短時間內作出決定如果他們這一年不繼續投資香港經濟一兩年後會崩潰中

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國和英國雙方談判在今年一定要有利明  
化否則資金在今年底之前調離香港  
專業人員及技術人員會移民他去屆  
時香港不是現時的香港而所謂繁榮也  
不會是現時的香港式繁榮所以與英  
國政府合作是重要的

請中國領導人多考慮香港目前一切  
優點香港繁榮有好多因素法律公平  
保障政治穩定稅收低自由港香港鄰  
近國家因大多數政治不穩定而將資金  
投入香港若相反資金一定外逃香港必

國貿易港元穩定如政治不穩港元依  
舊亦是影響人民幣價值港因為中國吸  
收港元兌換美元或人民幣

本團團員何新標向廖正提出一個比喻  
說：關於香港前途問題讓我作個比喻我是  
一個地下舖位連同一個閣仔的業主這此物  
業是我祖父遺下給我的我現在在地下舖位  
經營賣雲吞麵生意而閣仔現由一個租客  
經營製造麵地持有的租約是他的祖父在  
很多年前用手槍指着我祖父迫他簽字的  
租金是每年五個仙當然這是不平等的而  
該租約還有兩年才到期他的製麵生意  
是賺錢的該租客祖父及父親都已去世而  
我祖父及父親亦已去世如他現在到來找我  
並且帶埋兩枝酒及兩隻鷄來作禮物來到  
見我時說：我們祖先之間的事不要去談了  
我承認我的租約是不平等的我現在願意以  
白紙黑字簽字聲明將該租約取銷同時我  
們以合作在閣仔經營製麵生意由我主

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Hong Kong



理經濟志願倒錢我們大家分甚至保留六歲  
 而我之能四歲而能在地不經濟層在都所用的  
 類由我以八折價錢特別平波給與所副委員  
 長，我在此階級下我既有面子又有利益  
 我是否應該跟這個推案坐下來談如何取  
 儲蓄的另三折約及以此繼續合作呢  
 廖比卷，這個問題要昨第三步來談  
 查此進舉時團員何種權又重提上述比  
 喻，我何是否可向該推案作何取銷能得及  
 提出合作建議  
 廖比再卷：可以  
 隨着何新權比論本團員強人記也提  
 出另一個比喻說：香港等如中國五臟之脾  
 為中國吸入新鮮空氣卻是該吸入新科技和  
 大量外匯才有利中國我國在文化大革命  
 摧殘而今中國前估計算最少二十多年  
 這個倒止等如中國是生病需要滋補  
 有香港存在等如有滋養香港有招法律  
 和社會政治穩定各國議員大大所謂是  
 萬商富貴才有今日之繁榮若如以四堂  
 不是同上海一樣我相信委員長同意我  
 說香港是比上海繁榮得多香港現在人  
 這麼多本身教是由中國方面自生命危險  
 進不香港中國若做得好香港人會逃返中國  
 以此這話我認知為喜歡聽或不喜歡聽  
 那也要講重希望性能反影鄧小平主任知

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本團員高厚章提出中國和英國談判在午一走明此否則香港外國及有錢人之資金在午夜前調離香港專事人員及技術人員會設在窩港地者屬時香港不是目前香港港將來以繁榮也不失她目前以繁榮一極

本團團員楊少初說：香港除了有錢的人外還有錢的青年也為前途憂慮香港我有一職員她跟丈夫都是大學生他們都不是富人因為她甘巴拉移民加拿大去我是不律師好幾香港人托我辦移民手續

張八龍提出

廖心蘭于會見鄧小平主任事本團返港後若鄧主任有時間想因我們會供情報閣下通知香港社華社轉知我們亦有會意即與東北高和子們予換意見為

雙方會議至此已下午七時十五分團長為怕嘉賓肚餓邀請序入席且在會儀室之外尚有其他構機構嘉賓在外久候了一小時多

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BY KML NARA DATE 6/21/12

THE PERSONAL VIEW ON THE TRIPARTITE SINO-BRITISH-HONG KONG RELATIONSHIP AND THE FUTURE OF HONG KONG OF CHARLES YEUNG, A MEMBER OF THE EXECUTIVE COMMITTEE OF THE NEW TERRITORIES HEUNG YEE KUK AND A MEMBER OF THE LEGISLATIVE COUNCIL OF HONG KONG.

The Hong Kong situation is best tackled from a wider context than from the angle of Hong Kong alone. The pragmatic question is how the Hong Kong solution will benefit Sino-British in particular and the world in general, the will of the people being of paramount importance.

The fact is that 98% or 5 million of the Hong Kong population is Chinese by descent and most of them are immigrants from China after the War. The premise is that nearly all people will like to live under a government of their own kind unless there are cogent reasons to perforce them to opt the otherwise. Lack of immutable legal protection of human lives and human rights, insecure future of themselves and their children, uncompromisable difference of belief and faith and fear of loss of freedom and liberty are but a few of the causative factors.

In other words, many Chinese people emigrated to Hong Kong because they have confidence of the guarantee of protection of their human rights fortified by the time-honoured rule of law of the British administration which was not available to them in China then.

After the War China has undergone a few drastic changes and now a new administrative policy emerges whereby the Chinese people both in China and outside are able to cherish a bright and secured future.

It therefore imaginable that when China has established a track record of providing her people with a consistent government in the present benevolent form all Chinese will aspire to claim Chinese citizenship. The door to success having been found the key to unlock it is benevolence, time and patience.

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The history of the New Territories serves to prove the point. When the New Territories was leased to the British in 1898, the indigenous villagers took up arms to stage a forelong resistance of the British take-over. 80 years of British consistent administration according to the rule of law as modified by good Chinese customs and traditions bears fruit and now the indigenous people find that the British system of government offers them the assurance of personal safety, security of property and freedom and they wish to be continuously under the British rule for the time being amidst a world of change and uncertainty.

When the new enlightened policy has been well-tested by time and borne fruit in China the people of Hong Kong will then feel confident of a secured, happy and contented life under the protection of China.

It is noted that the new policy has been etched in the new constitution of China intending for the assurance of future consistency. Many Chinese people whether within or outside China are willing, able and prepared to volunteer and to contribute to the success of the new policy and to take pride in joining the four modernisation programme to strengthen China. This national spirit and enthusiasm thus generated has already assured the beginning of the future success.

This same national spirit and enthusiam will also provide the best economic prosperity and national defence for China.

Despite the advent of modern science and technology in warfare, a united people is still the citadel of defence of a nation. The bondage of unity is the resolute will of the people and the will is created not by rule of force but by rule of love.

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When the 1,000 million Chinese people are so bonded together China will have 1,000 million dedicated defenders. Furthermore, mutual trust and love of neighbouring states will provide her with a shield of defence. Even the risk of war with hostile countries may be minimised if the heart of the people of the enemy countries is won as they may dissociate with their own government in aggression against China. What better and lasting defence can China have!

The effect of benevolent policy can also be felt in the immediate future and in a more tangible way. The new national policy and the four modernisation programme in China have already produced effect on the people of China as they are now more contented and selfmotivated to improve productivity. Farmers are producing more food and factories are turning out more goods. Science and technology are progressing. Productivity and economy are the basic strength of defence. Technology and science are the basic strength of weaponry.

In order to achieve mutual aid with the neighbouring countries not only their fear of China should be allayed but also a desire must be created in them to see China strong in defence with which their own security may depend. This can only be attained by their trust and confidence. The best way to achieve it is by examples. In this respect, Hong Kong can serve China aptly.

Hong Kong is an industrial city, a commercial free port and an international financial centre and by its very special nature as a modern cosmopolitan city under British administration, practising capitalism supported by China and rule by law it has developed very rapidly into a haven of entrepreneurs, industrialists, hard working labour force,

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managers and technocrats and has automatically become a focal point of all kinds of information and intelligence. All these are at China's door step easily accessible to China. From the strategic point of view, China can use Hong Kong in its present political form as a vital link for multi-national defence shield against the possible hostility of Russia and her Far East allies. The shield stretches from Alaska, Korea and Japan in the North along the West Pacific Rim of Guam, Taiwan, Hong Kong, Macau to the ASEAN member countries and possibly extending to Australia and New Zealand. The presence of U.S., U.K. and Portugal along the China coastline will armour the shield. For example, with the British garrison in Hong Kong, any attack on Hong Kong will be a war on U.K. which will certainly create international repercussion and condemnation. The strength of the advance military technological equipment and the most sophisticated electronic telecommunication system in Hong Kong of the British will therefore be of benefit to China as Hong Kong is less vulnerable to attack. Of course, history has shown Hong Kong and Macau serving as an effective back door for supply and information during times of armed conflict between China and other countries.

It is common knowledge that the prosperity and stability of Hong Kong will have definite beneficial contribution to the science, technology, economy and the four modernisation programme of China. It will, therefore, suffice to single out only a few relatively outstanding ones for noting.

The citizens of Hong Kong do appreciate the care and assistance rendered to them by China. What they eat and drink every day are from China and most of what they wear and use are from China. These necessities are supplied at a reasonable



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and consistent price and in a continuous and sufficient quantity. These are the basic requisites for prosperity and stability of Hong Kong. It is true to say that China has also obtained a valuable source of foreign exchange which will enrich Chinese economy and enhance her modernisation programme. However, this is what China should rightly and legitimately claim as reward for her toil.

On the other hand, a very large number of the people of Hong Kong have received high education and advanced professional and vocational training as well as having the opportunity of acquiring experience in scientific and managerial field. Hong Kong has attracted many financial and business men and highly qualified expatriates. Their combined effort has made Hong Kong a success story and their expertise and know-how will certainly be an invaluable contribution to China's modernisation programme.

The success and prosperity of the people of Hong Kong have enabled them access to the international monetary market and high financial circle. With the wealth they have already generated and stored and the income potential properly laid in Hong Kong they have been able to raise with great ease high equity and loan for further development locally and expansion to oversea countries and China in general and the Chinese Special Economic Zones in particular.

Unfortunately Hong Kong has also inherited the concomitant weakness of the capitalistic system in economy. It is very volatile and fragile as it survives on hope and confidence. The prosperity generated within its system may suddenly disappear when hope and confidence evaporate, causing deluge of capital and brain-

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drain, thus, paralysing business and production. There are many and various reasons for loss of hope and confidence. Political, social, religious, racial, legal, hostility and war are a few examples. A fatal blow may also be dealt to it by protectionism, discrimination, shortage of resource or energy and weak economy of the export and consumer markets.

The world recession and protectionism of oversea markets have already weakened the economic base of Hong Kong and the recent Sino-British political issue on Hong Kong has the effect of precipitating the economic crisis. It is most unfortunate and the brain-drain and outflow of capital are debilitating to the future of Hong Kong.

To achieve this goal of unity and modernisation patience and time are required. China is proud of her very long history and Chinese traditionally has also known for working and planning towards a very long future. China has therefore by history always had patience and can always afford time to accomplish the goal. By the time when the goal is achieved, it will certainly be the wish of all Chinese to be re-united. But it will take time to train and educate the people, time to gain experience, time to advance in technology, time for experiment, time to build factories and communication, time to manufacture aeroplanes and ships, time to explore resources, time to make friends and time to build confidence and track record. Therefore it is a real test for patience.

Hong Kong Government has required over 100 years to build the track record of consistency and confidence, U.S.A. has 200 years and U.K. a few centuries. Though Singapore has only 20 years' history and it has been doing well but Singapore does not

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enjoy the same level of prosperity and confidence as Hong Kong. It has its latent worry of future insecurity which only time can cure, even though it is an independent sovereign state and it prospers within the British Commonwealth.

On the point of the wish of the people of Hong Kong, it is believed what is stated above is their wish. However, if they have no choice and if they feel that the matter is a fait accompli, they will understandably not be prepared to speak up their true wish for fear of retribution or consequence of being invidious to the Chinese Government. If their real wish is sought, the people must be given a choice first as in the case of Puerto Ricco when the U.S.A. Government declared that the people may choose to be independent, or to be a state of U.S.A. or to maintain the status quo. The resolution of the people of Puerto Ricco, motivated by the benefit of its people alone as it has lower living standard than the U.S.A., opted to let U.S.A. manage the defence and external affairs, but its people may enjoy the U.S. citizenship without the full liability of paying the U.S. Federal tax. In other words, the affected people choose what they think is the best for them but there are options open to them to choose from.

In conclusion, knowing what the people in Hong Kong will choose when the time is ripe and knowing how Hong Kong in its present situation can be utilised by China in the mean time, and knowing that any change of form of government now will unsettle the confidence in Hong Kong and knowing that uncertainty will affect the stability and prosperity of Hong Kong, it is, therefore, respectfully submitted that the most appropriate way is to strengthen the Sino-British tie on the one hand and to leave the choice as to the time for the change of form of administration to the people of Hong Kong on the other hand and to lift the uncertainty before it is too late.