

OFFICIAL REPORT OF PROCEEDINGS**Thursday, 20 December 1984****The Council met at seven o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR EDWARD YOUDE, G.C.M.G., M.B.E.

THE HONOURABLE THE CHIEF SECRETARY
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P. .

THE HONOURABLE THE FINANCIAL SECRETARY
SIR JOHN HENRY BREMRIDGE, K.B.E., J.P. .

THE HONOURABLE THE ATTORNEY GENERAL
MR. MICHAEL DAVID THOMAS, Q.C. .

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.
SECRETARY FOR HOME AFFAIRS.

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR DISTRICT ADMINISTRATION.

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE ALEX WU SHU-CHIH, C.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, C.B.E., J.P.

THE HONOURABLE LYDIA DUNN, C.B.E., J.P.

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.
SECRETARY FOR TRANSPORT.

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES.

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY.

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, O.B.E., J.P.

THE HONOURABLE ANDREW SO KWOK-WING, O.B.E., J.P.

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E., J.P.
SECRETARY FOR HOUSING.

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.

THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

THE HONOURABLE CHEUNG YAN-LUNG, M.B.E., J.P.

THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, J.P.

THE HONOURABLE MARIA TAM WAI-CHU, J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE CHAN NAI-KEONG, J.P.
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, J.P.
COMMISSIONER FOR LABOUR

THE HONOURABLE CHAN YING-LUN

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.

THE HONOURABLE YEUNG PO-KWAN, C.P.M.

THE HONOURABLE JAMES NEIL HENDERSON, O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE KIM CHAM YAU-SUM, J.P.

THE HONOURABLE KEITH LAM HON-KEUNG, J.P.

THE HONOURABLE CARL TONG KA-WING

THE HONOURABLE JOHN WALTER CHAMBERS, J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
DIRECTOR OF EDUCATION

ABSENT

THE HONOURABLE LO TAK-SHING, C.B.E., J.P.

IN ATTENDANCE

THE RIGHT HONOURABLE THE PRIME MINISTER
MRS. MARGARET THATCHER, M.P.

THE RIGHT HONOURABLE SECRETARY OF STATE
SIR GEOFFREY HOWE, Q.C., M.P.

THE HONOURABLE THE COMMANDER BRITISH FORCES
MAJOR GENERAL DEREK BOORMAN, C.B.

THE HONOURABLE SIR SZE-YUEN CHUNG, C.B.E., J.P.

THE HONOURABLE OSWALD VICTOR CHEUNG, C.B.E., Q.C., J.P.

THE HONOURABLE LI FOOK-WO, C.B.E., J.P.

THE HONOURABLE MICHAEL GRAHAM RUDDOCK SANDBERG, C.B.E., J.P.

THE HONOURABLE LEE QUO-WEI, C.B.E., J.P.

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LI WING

HIS EXCELLENCY THE PRESIDENT:—Honourable Members, I welcome the Prime Minister, the Right Honourable Mrs. Margaret THATCHER to this Council and have much pleasure in inviting her to address you.

THE PRIME MINISTER:—Your Excellency, Honourable Members of the Executive and Legislative Councils, this evening I speak to you on a momentous occasion. Yesterday in Peking Premier ZHAO Ziyang and I signed the Sino-British Joint Declaration on Hong Kong.

It is fitting that this historic document should have been signed by two Prime Ministers. These signatures testify to the total commitment at the highest level of our two Governments to implement the agreement.

Those signatures were also the culmination of a process which began two years ago when I visited Peking and Hong Kong. During those two years we have conducted taxing and complex negotiations. And I pay tribute to Sir Geoffrey HOWE and his able team of advisers.

The aim agreed between the British and Chinese Governments was to preserve Hong Kong's stability and prosperity. For us on the British side this had a very special meaning.

Throughout the negotiations my first concern was the future well-being of Hong Kong and her people.

Britain has been responsible for Hong Kong for nearly 150 years. It is an association which is a source of justifiable pride to us all. And British administration has provided the necessary legal and constitutional foundation for what has been achieved.

But Hong Kong's growth and success—especially in the post-war years, even in difficult times—has been due above all to the remarkable talents and energy of the people who live here. Their character, their achievement has been so striking that our prime commitment could only be to them.

We were determined to do all we could to preserve what they have built by their own endeavour. We sought a realistic framework, one which took account of Chinese interests.

But against that background we sought arrangements which would provide the fullest possible assurances that Hong Kong people could continue to develop their talents and apply their energy: that what I would call Hong Kong's genius could continue to flourish and that it could make a significant contribution to the development and modernisation of China as a whole.

I believe we have secured such arrangements and that the agreement is a good one.

It provides in considerable detail and in binding form for the maintenance of those things which are essential to your unique society.

As a result, the people of Hong Kong can, I believe, face the future with confidence.

The assessment has shown that they regard the agreement as a whole acceptable. The process of assessment was real and it is important. Parliament would have expected no less before approving the intention of the Government to sign the agreement.

I welcome the fact that the Assessment Office Report has given a clear account of the reservations and concerns which people quite understandably feel on individual points. This will be of great value to us when we begin the task of putting the agreement into effect.

The success of any international agreement of course depends upon the goodfaith and commitment of the signatories.

I bring to you the strongest possible commitment on the part of Her Majesty's Government. We shall do our utmost to ensure that the agreement works.

And I bring from my talks in Peking with the most senior Chinese leaders a similar commitment. They assured me for their part that the agreement would be faithfully implemented. Indeed Premier ZHAO Ziyang assured me yesterday in Peking that it was the tradition of the Chinese nation to act in good faith, to live up to its international commitments and that China would prove its words with its deeds. Chairman DENG Xiaoping confirmed this.

Of course you still have your concerns. And I understand them.

On nationality questions for instance. But we have found a way to allow *all* Hong Kong British Dependent Territories citizens born before 1 July 1997 to continue to travel on British passports and to enjoy British consular protection in third countries.

I know you are anxious that other countries may not accept the new British passports after 1997. The British Government regards it as part of its continuing responsibility for Hong Kong to explain to all the countries concerned that there will be no justification for imposing new restrictions on the freedom of entry of Hong Kong people holding the new form of passport.

And I believe we shall receive the necessary co-operation: indeed I am very struck by the warm international reception which has been given to this agreement.

Another concern is the Basic Law. I fully agree about its importance. The terms of the agreement stipulate that the very full and detailed provisions in the Joint Declaration and its first annex will be embodied in the Basic Law.

My discussions in Peking have confirmed that the Chinese Government are fully aware of the importance of the Basic Law, and of the concern in Hong Kong that people here should be consulted about it.

Premier ZHAO Ziyang told me that in the drafting of the Basic Law, the views of the Hong Kong people would be solicited on a wide basis, and that the Basic Law would be drafted and promulgated not later than 1990.

Until 1997 Britain remains fully responsible for the administration of Hong Kong.

We feel, as we have always felt, a deep commitment to the people of the territory. Now that the agreement is signed, I pledge Her Majesty's Government's earnest efforts in the years to 1997 to ensure that Hong Kong continues to have a stable and responsive Government, administering the territory in accordance with the interests and the wishes of its people.

During that time you will want and need movement towards more representative government. Hong Kong people must be able to assume responsibility for running their own affairs within the framework of the agreement. At the same time we must avoid sudden and dramatic changes which might have a disturbing effect. We need to build, but to build carefully and securely.

Hong Kong, more than most places, looks outwards for its livelihood. It finds ready markets in the developed world. It is natural that traders and investors should have watched carefully the negotiations and their outcome. They wanted to be assured that their investments would be protected, their sources of supply would remain reliable, and their freedom to move funds freely in and out would remain untrammelled.

All these have been taken care of in the agreement. Indeed, the Governments of Hong Kong's major trading partners have already welcomed the agreement—for example the United States, the European Community, Japan, Canada and Australia,—and in many cases these Governments pledged themselves to help in its implementation.

The agreement preserves the essentials for Hong Kong's international and economic relationships:

- Hong Kong's freedom to pursue its own economic policies in accordance with its own needs;
- The free enterprise system, free trade policies and the free port;
- Hong Kong's ability to retain its separate position within the GATT and other multilateral trade arrangements: and its freedom to develop its own economic and trade relations with all states and regions;
- A freely convertible currency;
- Freedom to pursue prudent budgetary policies determined by Hong Kong in accordance with Hong Kong's own needs;
- The right of companies and individuals to own and dispose of property: and the protection of these rights in law;
- And above all, individual rights and freedoms which are the essence of your way of life.

I can assure Hong Kong's partners around the world that the free and dynamic business environment which has attracted them in such large numbers for so many years will continue to flourish. Hong Kong is a going concern with a future stretching into the next century and beyond.

We could not have achieved such a good agreement without the support and advice of many people in Hong Kong, and speaking here tonight among so many old friends, I should like to express my thanks.

I should like to pay tribute to the Governor for the firmness of his leadership and the wisdom of his advice.

The Members of the Executive and Legislative Councils, under the distinguished guidance of Sir S. Y. CHUNG have played a crucial role throughout this difficult period in Hong Kong's history. The advice offered by the Executive Council throughout the negotiating process was of the greatest value. I can recall many occasions over the past two years in the cabinet room at 10 Downing Street when we discussed the crucial issues together.

All Members of UMELCO made known their own hopes and fears and those of the people of Hong Kong as reflected to them. Your frankness, determination and sense of public duty was of great value in the negotiations.

I should also like to pay warm tribute to the exemplary manner in which the Hong Kong public service continued to perform its duties, and to the patience and forbearance of the people of Hong Kong as a whole. It cannot have been easy to live with the knowledge that the whole future of the territory and its people was being discussed, as it had to be, in conditions of confidentiality.

We felt deeply the responsibilities of the trust they placed in us. One task has been completed with the signing of the Joint Declaration. But this is not the end.

The agreement on its own cannot ensure a successful future for Hong Kong. So much lies, as it has always done, in your own hands.

You, the Hong Kong people, have earned the respect of the entire world for the astonishing success story which you have written. You have contributed resilience, imagination and sheer hard work. Above all you have shown the courage to adapt to changing circumstances.

We have over 12 years to prepare together for the changes which lie ahead. I believe you will rise to the challenge and that the spirit, the enterprise and the prosperity of Hong Kong will flourish and will endure.

HIS EXCELLENCY THE PRESIDENT:—Honourable Members, on behalf of the Members of both Councils I should like to thank the Prime Minister most warmly for her address.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday 9 January 1985.

Adjourned accordingly at eighteen minutes past seven o'clock.