

China makes new pledge on stability

1997 solution 'is up to the people'

By VICTOR SU

It is up to the Chinese community, business leaders and the people of Hongkong to work out a solution, acceptable to both Peking and London, to the problem of 1997 and beyond.

This was stated yesterday by the vice-president of the Real Estate Developers' Association of Hongkong (REDAH), Mr Fong Yun-wah, following recent discussions in Peking with China's Director of Overseas Affairs, Mr Liao Chengzhi.

Mr Fong and several other business leaders and real estate developers, including another REDAH vice-president, Mr Lee Shu-kie, were the guests of the Chinese Government.

The problem of Hongkong beyond 1997 was raised in the discussions.

And Mr Liao, who is also a vice-chairman of the National People's Congress, stressed the importance China placed on its Hongkong compatriots, with their financial and professional capabilities.

Mr Liao assured the visiting business leaders of Hongkong's future stability (so long as it remains useful to China).

But he expressed concern over the weakness of the local dollar and the outflow of capital from Hongkong.

On the question of the lease, Mr Liao repeated that China did not recog-

nise any "unequal treaties" signed by Qing emperors and asked his guests what their proposals were for a solution when the 1997 problem was raised.

He also acknowledged Hongkong's entrepot facilities, particularly its wharfrage and communications, as well as its geopolitical position, which could play a part in eventual national unification (with Taiwan), according to Mr Fong.

The discussions, Mr Fong said, gave him a clear indication that there was positively no formula, at least not yet, to the solution of this historical problem of Hongkong and Macau.

Mr Fong felt that there was no sense of urgency emanating from London or Peking on the issue and that indecision could put long or even medium-term investment plans by local or foreign entrepreneurs in jeopardy.

The Hongkong Government was powerless to do anything as it legally ruled the Colony by Letters Patent from the Queen, based on the Treaty of Nanking of 1842 which ceded Hongkong; the Convention of Peking of 1860 which ceded a portion of Kowloon; and the 1898 New Territories lease.

These treaties and lease were publicly denounced at the United Nations by the present Foreign Minister, Mr Huang Hua, in the early 1970s, Mr Fong said.

Mr Fong said that he could not expect Britain to take the initiative on this issue, particularly after the recent passage of the Nationality Bill.

Senior Peking leaders, including the party Vice-Chairman, Mr Deng Xiaoping, had repeatedly told investors in Hongkong to be at ease as there were many cases of China signing trade and investment agreements with Hongkong and foreign investors in the special economic zones, especially in Shumchun, beyond 1997.

Many "test balloons" were also being flown, including suggestions for the building of an international airport on the Chinese side of the Lowu-Shumchun border in a joint venture with Hongkong. This venture would run beyond 1997, according to Mr Fong.

All these political moves indicated that China needed a stable and prosperous Hongkong in the long term.

The cultural revolution had destroyed much of China's educational system and the country needed at least 25 years to recover.

It needed time to train the necessary people to meet the demands for managerial and technological skills in a modern and efficient administration at all levels in order to cater for a population of about one billion, Mr Fong added.

Yet, Mr Fong said, the present Peking leaders, for obvious reasons, would not take the initiative in institut-

(Cont' on Page 24, Col 1)

1997

solution 'up to people'

(Cont'd from Page 1)

ing discussions or negotiations with London on the 1997 problem.

Nevertheless, he felt certain that Peking would respond positively to reasonable options or proposals without hurting national dignity.

Peking considered the initiative should start with assistance from local (Hongkong) Chinese business leaders in studying, with urgency, the various options.

While in Peking, Mr Fong also proposed the establishment of a University City (on the mainland) to accommodate 10,000 students and faculty members at the graduate school level.

This would be better than squandering millions in valuable foreign exchange training graduates in America, Europe or Japan.

Mr Fong suggested that medium and long-term academic programmes could be arranged with visiting professors and professors on sabbatical leave.

They could be invited to participate, at reasonable expense, while their wives and children could live and study in Hongkong with all the facilities necessary for them — an important incentive to attract professors and technologists.

Mr Liao had already given the question serious thought and had instructed the Guangdong provincial government to study the matter of a suitable site, Mr Fong said.

2000/10/1981

10/1981