



HKSAR. Thus, the basic principles and policies regarding Hong Kong were translated into a national law with general binding effect, forming the basis for the operation of the HKSAR and for compliance by people all over the country. The enactment of the HKSAR Basic Law marked the completion of the transformation of “One Country, Two Systems” from a concept into a basic policy, and finally a national law.

The Establishment and Function of the Preliminary Working Commission, the Preparatory Committee, the Selection Committee and the Provisional Legislative Council

The CPG remained faithful to its position that China and Britain should fully cooperate to ensure a smooth transition for Hong Kong.

Having released the constitutional reform package, Governor Christopher Patten visited Beijing on 21 October 1992. During his visit, Patten and Lu Ping—Director of the Hong Kong and Macao Affairs Office of the State Council— held talks. But, the two sides failed to reach an agreement. (Photo courtesy Wen Wei Po.)

On 9 July 1992, the 28th Governor of Hong Kong, Christopher Patten, was sworn. In the section on “constitutional reform package” of his first policy address on 7 October, Patten proposed to introduce radical changes to the political system of Hong Kong by substantially increasing the number of directly elected seats in the Legislative Council and drastically amending many original laws of Hong Kong. The proposal violated the Sino-British Joint Declaration, the principles of continuity stipulated by the Basic Law, and the





memoranda and agreements reached between Chinese and British Foreign Ministers, thereby impeding the smooth transition and handover of Hong Kong. The CPG vehemently opposed these moves, and the already strained Sino-British relations deteriorated further. To remove these British Government-initiated impediments to the smooth transition, the Chinese side announced in March 1993 that it would “start a new path” in accordance with the principle of “dovetailing with the Basic Law” and make all necessary preparations for the smooth transition and handover of Hong Kong by forming the Preliminary Working Commission, the Preparatory Committee, and the Provisional Legislative Council.

President Jiang Zemin and Members of the Preliminary Working Commission during its third plenary meeting on 8 July 1994. (Photograph by Wang Xinqing, courtesy Xinhua News Agency.)

The Preliminary Working Commission of the Preparatory Committee of the Hong Kong Special Administrative Region

At the First Session of the Eighth NPC on 31 March 1993, the SCNPC was authorised to form a preliminary working body for the Preparatory Committee of the HKSAR. On 2 July, the Preliminary Working Commission, chaired by Vice Premier and Foreign Minister Qian Qichen, was formed, beginning a new phase in preparations for the handover of sovereignty.



Members who attended the last meeting of the Preliminary Working Commission at the Hong Kong Macao Centre in Beijing. (Photograph by Liu Jiansheng, courtesy Xinhua News Agency.)

Before the formation of the Preparatory Committee, the Preliminary Working Commission undertook the following tasks:

1. advising on issues relating to the formation of the Preparatory Committee of the HKSAR;
2. studying the methods of forming the first government and the first Legislative Council of the HKSAR and putting forward proposals in this regard;
3. studying the methods of advertising and promoting the Basic Law;
4. putting forward suggestions on the ways of handling the laws currently in force in Hong Kong that are not consistent with the Basic Law;
5. conducting research and advising on issues surrounding the 1997 handover which may have significant impact on the interests of the HKSAR;
6. conducting research and advising on other issues relating to China's resumption of the exercise of sovereignty over Hong Kong and the smooth transition; and
7. undertaking any other matters assigned by the NPC.

The Preliminary Working Commission was underpinned by five special sub-groups on administrative affairs, economy, law, culture, and social affairs and security. They conducted systematic and comprehensive research into their respective areas, as well as matters relating to the smooth transition and handover.

The Preliminary Working Commission completed its mission after the sixth plenary meeting on 8 December 1995. During their two and half years of operation, the five special sub-groups had put forward a host of proposals for consideration by the Preparatory Committee. As Chairman Qian Qichen said in his closing speech:

“...the Preliminary Working Commission is like an engine. It has mobilised people from all quarters of the Hong Kong community to focus on matters relating to the establishment of the HKSAR. It has rallied all the people who are patriotic to our nation and Hong Kong under the banner of “One Country, Two Systems”, forming a tremendous social force to safeguard Hong Kong’s smooth transition. The Preliminary Working Commission has displayed to Hong Kong residents, Chinese people, and the international community that the CPG has enough confidence and ability the exercise of sovereignty over Hong Kong on 1 July 1997.”

The Preparatory Committee for the HKSAR

The Preparatory Committee for the HKSAR was established in Beijing on 26 January 1996.

This Preparatory Committee, comprising 150 Members from the Mainland and Hong Kong, was an instrument of power established under the auspices of the highest institution of state power—the NPC. Its main task was to form the Selection Committee for Forming the First Government of the HKSAR in accordance with the Basic Law, which would select the first Chief Executive

The Preparatory Committee for the HKSAR was formed in Beijing on 26 January 1996. Jiang Zemin, Li Peng, and other national leaders met members at the inaugural ceremony of the Committee in the Great Hall of the People.





and form the Provisional Legislative Council. Besides, the Preparatory Committee would put forward suggestions on ways to deal with laws previously in force in Hong Kong under the British administration. The Preparatory Committee also put forward proposals on major economic issues relating to the smooth transition and handover, as well as matters relating to ceremonial and other celebratory activities relating to the handover. Preparations for establishing the HKSAR was in full swing.

1. Forming the Selection Committee for the First HKSAR Government

The primary task of the Preparatory Committee was to form the Selection Committee for the first Government of the HKSAR comprising 400 Hong Kong permanent residents. According to the Decision of the National People's Congress on the Methods for Forming the First Government and the First Legislative Council of the Hong Kong Special Administrative Region, the Selection Committee was to select the first Chief Executive before being appointed by the CPG. Forming the Selection Committee was regarded as the foremost among all the preparatory tasks to establish the HKSAR.

At its sixth plenary meeting, the Preparatory Committee elected the Members of the Selection Committee. Picture shows Lo Tak-shing and others casting their votes. (Photo courtesy China News Service.)

The Preparatory Committee held 16 consultations on the method to form the Selection Committee in Hong Kong. They invited 336 organisations and over 1,000 people from all walks of life in Hong Kong to these meetings. After giving due consideration to the views of Hong Kong people, the Preparatory Committee adopted the Method for Forming the Selection





Committee of the Hong Kong Special Administrative Region of the People's Republic of China. At the plenary meeting of the Preparatory Committee held on 2 November 1996, 340 members were elected by secret ballot from among 2,545 eligible candidates. The 340 members, along with 26 Hong Kong Deputies to the NPC and 34 representatives selected by consultation from among Hong Kong Members of the National Committee of the CPPCC, formed the Selection Committee for the First Government of the HKSAR.

Election of the Chief Executive at the Hong Kong Convention and Exhibition Centre. (Photo courtesy Wen Wei Po.)



Premier Li Peng granted Tung Chee-hwa the decree of the State Council at Diaoyutai Guest House, appointing him the Chief Executive. (Photograph by Liu Jianguo, courtesy Xinhua News Agency.)



2. Selecting the First Chief Executive of the HKSAR

The Preparatory Committee adopted the Method for Selecting the First Chief Executive of the HKSAR at its fifth plenary meeting. Accordingly, the first Chief Executive was to be selected from among candidates nominated after consultation. This meant that the selection of the first Chief Executive was divided into three stages—nomination, confirmation of candidates, and election.

On 15 November 1996, the candidates for the first Chief Executive were nominated during the first plenary meeting of the Selection Committee at the Hong Kong Convention and Exhibition Centre. Among eight eligible candidates, Tung Chee-hwa, Yang Ti-liang and Woo Kwong-ching were respectively nominated by more than 50 members of the Selection Committee as candidates for the first Chief Executive.

On 11 December 1996, the selection of the first Chief Executive was televised live in Cantonese, Putonghua and English. By secret ballot, 400 members of the Selection Committee voted for Tung Chee-hwa to be the first Chief Executive of the HKSAR. He won an overwhelming majority of 320 votes.

On 24 January 1997, Tung Chee-hwa announced the members of his first Executive Council. On 20 February, the State Council appointed to the first government 23 principal officials nominated by Tung Chee-hwa, forming the top echelons of the first Hong Kong Government, in preparation for reunification on 1 July.

The first meeting of the Sub-group of the Provisional Legislative Council under the Preparatory Committee was held in Beijing in March 1996. The meeting was chaired by conveners of the Sub-group Ke Zaishuo (centre), Leung Chun-ying (left), and Tam Wai-chu. (Photograph by Liu Jiansheng, courtesy Xinhua News Agency.)



3. Forming the Provisional Legislative Council of the HKSAR

The constitutional reforms put forward by Governor Chris Patten in 1992 resulted in the failure of the 1995 Legislative Council Election Method to dovetail with the constitutional framework agreed between China and Britain after signing the Sino-British Joint Declaration. To secure the smooth transition and handover of Hong Kong to China in 1997, China formed the Provisional Legislative Council. At its plenary meeting in March 1996, the Preparatory Committee decided to form the Provisional Legislative Council of the HKSAR, whereby a Provisional Legislative Council composed entirely of Hong Kong permanent residents would be formed. This provisional legislature would replace the last term of the Legislative Council under the British administration on 1 July 1997. As a temporary measure before forming the first Legislative Council, the Provisional Legislative Council was formed to ensure the smooth transition and effective operation of the HKSAR.

4. Studying the significant economic issues related to a smooth transition and handover

(i) About smooth transition and handover of sovereignty

With regard to the 1997-98 Budget, the Economic Affairs sub-group of the Preparatory Committee proposed a number of principles to the Budget Expert Group under the Sino-British Joint Liaison Group, namely, to keep expenditure within the limits of revenue, to strive for fiscal balance, to avoid

The Economic Affairs sub-group of the Preparatory Committee held its fourth meeting in July 1996 in Beijing. During the meeting, the Secretary for Transport of the British Hong Kong Government Siu Kwing-chue (second from right, front row) and president of Hong Kong Kowloon-Canton Railway Co. Kevin Hyde (third from right, front row) introduced the plan of building the Western Corridor Railway to members. (Photo courtesy Xinhua News Agency.)





deficit, to keep the budget in line with GDP growth, to serve Hong Kong's long-term economic development, and to keep the social welfare spending in line with economic development. Also, the Economic Affairs sub-group proposed a number of specific suggestions on budget expenditure, revenue policy and the fund for the establishment of the SAR. Eventually, both the Chinese and British sides agreed on these issues and drew up a budget for the 1997/98 financial year which covered the period of Hong Kong's reunification with the Motherland, thus safeguarding the regular operations of the SAR.

The Preparatory Committee also advised on other issues such as maintaining Hong Kong's financial stability, consolidating Hong Kong's status as an international financial centre, determining the scope and method of handing over government assets, and further consolidating Hong Kong's economic base after reunification.

(ii) About major infrastructure and long-term development

To ensure continuity of infrastructure construction straddling 1997 and to pre-estimate the financial burden and long-term interests of the HKSAR after the handover, the Economic Affairs sub-group studied the plan to build the second runway at the new airport and the Kowloon Canton Railway Corporation's Western Corridor Railway. Eventually, the Preparatory Committee helped the New Airport Commission under the Sino-British Joint Liaison Group speed up the decision to build the second runway and presented suggestions for the Western Corridor Railway plan, estimated to cost HK\$ 100 billion.

In addition, the Economic Affairs sub-group presented to the Hong Kong Government its research report on the directions to develop Hong Kong's economy as well as to maintain economic prosperity and social stability.

5. Implementation of nationality laws and laws previously in force in Hong Kong

Due to historical reasons, the question of nationality in Hong Kong is complicated. How the Law on Nationality of the People's Republic of China should be applied to determine the nationality of Hong Kong residents after reunification drew a great deal of interest in Hong Kong and internationally.

Based on the relevant provisions in the Basic Law and the Law on Nationality, the established policy of the CPG on the nationality of Hong Kong residents and the historical factors and current situation in Hong Kong, the Preparatory Committee presented a flexible proposal to the SCNPC. This is contained in its Proposal Requesting Interpretation on the Implementation of the Law on Nationality in the HKSAR. Also, the Preparatory Committee studied the eligibility of Hong Kong permanent residents (Article 24 (2), the Basic Law) and put forward the Comments on the Implementation of Article 24 (2) of



the Basic Law of the HKSAR for reference by the Hong Kong Government to formulate implementation.

On 15 May 1996, based on the proposal by the Preparatory Committee, the SCNPC adopted the Interpretation of Some Questions by the Standing Committee of the National People's Congress Concerning the Implementation of the Law on Nationality of the People's Republic of China in the HKSAR. The successful resolution of the question of nationality and permanent resident status boosted people's confidence and provided a basis to consider related matters and prepare for the establishment of the HKSAR.

The Preparatory Committee examined over 640 Ordinances and over 1,100 Subordinate Legislations previously in force in Hong Kong and put forward the Proposal for Treatment of Issues Relating to the Laws Previously in Force in Hong Kong, which covered the proposed ways to handle the following three types of situations involving laws previously in force in Hong Kong which contravene the Basic Law, namely, (1) laws embodying British colonial rule over Hong Kong, (2) provisions in ordinances and subordinate legislations that are in contravention of the Basic Law, and (3) general expressions and names appearing widely in the laws which are in contravention of the Basic Law.

At its 24th Session held on 23 February 1997, the SCNPC adopted the Decision on Treatment of the Laws Previously in Force in Hong Kong in accordance with Article 160 of the Basic Law of the HKSAR. According to the Decision, except for very few ordinances declared to be in contravention of the Basic Law and should therefore not be adopted, the vast majority of the remaining ordinances and subordinate legislations could be adopted as the laws of the HKSAR after prescribing principles of interpretation and application and substitution of names and expressions.

The Sub-group on Legal Issues under the Preparatory Committee held its first meeting in Beijing. (Photograph by Liu Jiansheng, courtesy Xinhua News Agency.)



At its fourth plenary meeting in Shenzhen, the Selection Committee elected 60 Members of the Provisional Legislative Council of the HKSAR. (Photograph by Liu Jiansheng, courtesy Xinhua News Agency.)



6. Arrangements for celebratory activities

The Preparatory Committee formulated the general plan for non-governmental activities celebrating reunification by the Hong Kong community and formed the Commission for Celebrating Hong Kong's Reunification. The Commission was chaired by the presidium and led by the executive committee. Under the arrangements made by the Preparatory Committee, the Commission rallied people from all sectors of the Hong Kong community, encouraged them to attend a series of activities celebrating the reunification, and ensured these activities would be implemented in an orderly manner.

To commemorate the historic moment of Hong Kong's reunification with the Motherland, the Preparatory Committee decided to erect a monument to be built by the Hong Kong Government in Hong Kong.

The Preparatory Committee adopted the Interim Measures for Using the Regional Flag and Regional Emblem of the Hong Kong Special Administrative Region, giving guidelines for the use of the regional flag and emblem by the Hong Kong community before the establishment of the HKSAR.

Additionally, the Preparatory Committee made decisions and commented on some issues of wide concern relating to the smooth transition. For instance, the Committee adopted the Decision of the Preparatory Committee on Textbook Used in the HKSAR, enunciating the basic principles for textbook-writing in the HKSAR after 1997. The Committee also adopted the Proposal of the Chairman's Council of the Preparatory Committee on the Arrangements for Public Holidays in the Second Half of 1997, proposing that public holidays in the HKSAR should include the National Day of the PRC and the Establishment Day of the HKSAR.



The Selection Committee for Forming the First HKSAR Government

At its third plenary meeting on 25 May 1996, the Preparatory Committee adopted the Decision on the Principled Considerations regarding the Formation of the Selection Committee. Later, at its plenary meeting on 2 November 1996, 340 members were elected by secret ballot. These 340 members, together with 26 Hong Kong Deputies to the NPC and 34 representatives selected by consultation from among Hong Kong members of the National Committee of the CPPCC, constituted the Selection Committee for forming the First Government of the HKSAR.

The 400 members of the Selection Committee were Hong Kong permanent residents who would select the first Chief Executive and form the Provisional Legislative Council.

At the plenary meeting of the Preparatory Committee held on 2 November 1996, 340 members were elected by secret ballot from among 2545 eligible candidates. The 340 members, along with 26 Hong Kong Deputies to the NPC and 34 representatives selected from among Hong Kong Members of the National Committee of the Chinese People's Political Consultative Conference, formed the Selection Committee for the First Government of the HKSAR. (Photograph by Wang Xinqing, courtesy Xinhua News Agency.)



Some female members of the Selection Committee: Elsie Leung (third from left, front row), Cammy Chan (second from right, front row) and Rita Fan (third from right, front row).



Members of the Provisional Legislative Council and Chief Executive Tung Chee-hwa.

The Provisional Legislative Council of the HKSAR

On 21 December 1996, at the fourth plenary meeting of the Selection Committee in Shenzhen, members of the Provisional Legislative Council were elected. Among the 130 candidates vying for the positions were eminent people from all social levels and sectors of the Hong Kong community. More than half of the Legislative Council Members under the British administration were in the running. Finally, 60 candidates were elected, among them representatives from the industrial and commercial community as well as labour and grassroots sectors. It is worth noting that 33 of 34 then Legislative Council Members were elected. The wide representation of the Provisional Legislative Council was hence assured. In January 1997, 60 members of the Provisional Legislative Council held their first meeting in Shenzhen, at which members elected by secret ballot Rita Fan as president.

When the first Chief Executive of the HKSAR was elected, the Provisional Legislative Council was formed. Its major task was to enact laws necessary for the normal operation of the Hong Kong Government and to approve all necessary human resources. The term of the Provisional Legislative Council was to cease upon the establishment of the first Legislative Council, not later than 30 June 1998.