



DAILY INFORMATION BULLETIN

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TUESDAY, DECEMBER 1, 1992

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GOVERNOR BRIEFS LEGCO ON OVERSEAS VISITS

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THE FOLLOWING IS A TRANSCRIPT OF THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, BRIEFING LEGISLATIVE COUNCIL MEMBERS ON HIS RECENT OVERSEAS VISITS TODAY (TUESDAY).

HONOURABLE MEMBERS, I WOULD LIKE TO MAKE A STATEMENT ON MY RECENT VISITS TO CANADA, THE UNITED KINGDOM AND JAPAN. I VISITED CANADA FROM THE 11TH-14TH NOVEMBER. THIS WAS THE FIRST OVERSEAS VISIT THAT I'VE MADE SINCE BECOMING GOVERNOR, APART FROM MY VISIT TO PEKING IN OCTOBER.

CANADA IS A TRUE AND STAUNCH FRIEND OF HONG KONG. OUR TRADE LINKS ACROSS THE OCEAN ARE ALREADY VERY SUBSTANTIAL AND THEY ARE GROWING ALL THE TIME. I WANTED TO MAKE CLEAR, PERSONALLY, HOW MUCH HONG KONG APPRECIATED CANADA'S SUPPORT AS A FRIEND AND AS A PARTNER. ON THE FIRST DAY OF MY VISIT TO CANADA, I OFFICIALLY CLOSED THE HONG KONG FESTIVAL IN CANADA, WHICH WAS ITSELF AN OUTSTANDING DEMONSTRATION OF THE STRONG LINKS BETWEEN HONG KONG AND CANADA. I'D LIKE TO TAKE THIS OPPORTUNITY TO THANK ALL THOSE WHO HELPED TO MAKE THE FESTIVAL SUCH A SUCCESS, ESPECIALLY THE SECRETARY FOR RECREATION AND CULTURE AND HIS TEAM, AND CANADA'S EXCELLENT COMMISSIONER IN HONG KONG, MR JOHN HIGGINBOTHAM.

WHILE IN CANADA I HELD DISCUSSIONS WITH THE CANADIAN PRIME MINISTER, BRIAN MULRONEY, AND THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, BARBARA MCDOUGALL. I TOOK THE OPPORTUNITY TO BRIEF THE PRIME MINISTER AND THE SECRETARY OF STATE ON DEVELOPMENTS IN HONG KONG.

DURING MY FOUR DAYS IN CANADA I MET MANY HONG KONG CANADIANS. I WAS DEEPLY IMPRESSED BY THE ADMIRATION AND GOODWILL THAT I FOUND FOR HONG KONG, AND FOR ITS PEOPLE, AND I SHOULD LIKE TO TAKE THIS OPPORTUNITY, PUBLICLY, TO THANK THE GOVERNMENT OF CANADA FOR THE VERY WARM RECEPTION WHICH THEY EXTENDED.

I VISITED LONDON FROM THE 16TH-20TH NOVEMBER, WHERE I HAD MEETINGS WITH THE PRIME MINISTER, THE FOREIGN SECRETARY AND OTHER MINISTERS AS WELL AS WITH OFFICIALS. I ALSO SPOKE AT A VERY SUCCESSFUL TRADE DEVELOPMENT COUNCIL DINNER, ADDRESSED THE BRITISH HONG KONG PARLIAMENTARY GROUP, AND HAD MEETINGS WITH OTHER PARLIAMENTARIANS AND WITH REPRESENTATIVES OF THE BUSINESS COMMUNITY.

LET ME SAY A FEW WORDS ON THE POLICY OF THE BRITISH GOVERNMENT. THE BRITISH GOVERNMENT REMAINS FULLY COMMITTED TO THE FULL IMPLEMENTATION OF THE CONCEPT OF ONE COUNTRY, TWO SYSTEMS, WHICH WAS SET OUT IN THE JOINT DECLARATION OF 1984. THAT POLICY WAS REAFFIRMED IN THE CONSERVATIVE PARTY'S MANIFESTO EARLIER THIS YEAR. IN CASE THERE SHOULD BE ANY DOUBT IN THE MINDS OF ANYONE IN THIS COUNCIL, OR OUTSIDE IT, LET ME CLEARLY STATE THIS AFTERNOON THAT THE BRITISH GOVERNMENT STANDS FOURSQUARE BEHIND THE HONG KONG GOVERNMENT'S PROPOSALS ON CONSTITUTIONAL DEVELOPMENT IN HONG KONG AND WILL CONTINUE TO DO SO. BOTH THE PRIME MINISTER AND THE FOREIGN SECRETARY REPEATED THAT SUPPORT PUBLICLY AND EXPLICITLY DURING MY VISIT.

/THE BRITISH

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THE BRITISH GOVERNMENT RESOLUTELY SUPPORTS THE HONG KONG GOVERNMENT'S POSITION THAT THE ARRANGEMENTS FOR THE 1995 ELECTIONS SHOULD BE FAIR, SHOULD BE OPEN, AND SHOULD BE ACCEPTABLE TO THE PEOPLE OF HONG KONG. THE BRITISH GOVERNMENT RESOLUTELY SUPPORTS THE HONG KONG GOVERNMENT'S FIRM CONVICTION THAT OUR PROPOSALS ARE FAIR AND OPEN. THEY HAVE BEEN WELL RECEIVED IN HONG KONG. AND THE BRITISH GOVERNMENT ALSO BELIEVES, AS I DO, THAT IF ANYONE ELSE HAS ANY BETTER PROPOSALS THAT ARE FAIR, OPEN AND ACCEPTABLE TO THE PEOPLE OF HONG KONG, THEN THEY SHOULD PUT THEM FORWARD. I HAPPEN TO BELIEVE THAT MY PROPOSALS ARE GOOD ONES. I WILL ARGUE FOR THEM ON THEIR MERITS. BUT IF ANYONE HAS ANY BETTER ARGUMENTS, OR BETTER PROPOSALS, THEN I'M WILLING TO CONSIDER THEM CAREFULLY AND SINCERELY, AND SO TOO, I IMAGINE, IS THIS COUNCIL.

IT IS A MATTER BOTH OF FACT AND PRINCIPLE THAT MY PROPOSALS WILL ULTIMATELY BE DECIDED UPON HERE IN HONG KONG. IT IS A MATTER OF FACT BECAUSE THE ARRANGEMENTS FOR THE 1995 ELECTIONS WILL REQUIRE LEGISLATION AND IT IS ONLY THE LEGISLATIVE COUNCIL WHICH CAN PASS SUCH LEGISLATION. IT IS A MATTER OF PRINCIPLE BECAUSE THE CABINET BELIEVES, JUST AS I DO, THAT IT MUST SUPPORT THE ASPIRATIONS OF THE PEOPLE OF HONG KONG AS REFLECTED BY THIS COUNCIL.

I VISITED JAPAN FROM THE 25TH-28TH NOVEMBER. THERE I MET THE PRIME MINISTER MR MIYAZAWA, THE FOREIGN MINISTER MR WATANABE, AND OTHER SENIOR POLITICAL LEADERS. I ALSO ATTENDED THE OPENING SESSION OF THE JAPAN-HONG KONG BUSINESS CO-OPERATION COMMITTEE AND MET A LARGE NUMBER OF JAPANESE BUSINESS LEADERS. TRADE LINKS BETWEEN HONG KONG AND JAPAN ARE STRONG AND GROWING AND I WAS DELIGHTED THAT MANY DISTINGUISHED HONG KONG BUSINESS AMBASSADORS ATTENDED THE JAPAN-HONG KONG BUSINESS CO-OPERATION COMMITTEE MEETING.

JAPAN AND HONG KONG HAVE SIMILAR PERSPECTIVES ON VITAL ISSUES SUCH AS FREE TRADE AND MFN STATUS FOR CHINA. WE'RE BOTH CONCERNED ABOUT THE POLITICISATION OF TRADE. I BRIEFED MY JAPANESE HOSTS ON HONG KONG'S ECONOMIC AND POLITICAL DEVELOPMENT.

MY VISITS ABROAD HAVE LEFT ME IN NO DOUBT HOW MANY FRIENDS HONG KONG HAS AROUND THE WORLD. THOSE FRIENDS ADMIRE HONG KONG'S ACHIEVEMENTS AND THEY WISH US WELL.

I AM PLEASED THAT IN MY ABSENCE THE REQUEST FOR FUNDING TO ENABLE THE AIRPORT SITE PREPARATION CONTRACT TO PROCEED WAS APPROVED BY THE FINANCE COMMITTEE LAST FRIDAY AFTER AN INTENSIVE AND LENGTHY DEBATE. THIS WAS A VITAL DECISION. IT ENABLES US TO TAKE AN IMPORTANT STEP FORWARD IN HONG KONG'S AIRPORT CORE PROGRAMME AND TO CONTINUE TO MEET OUR OBLIGATIONS UNDER THE MEMORANDUM OF UNDERSTANDING. THE DECISION ALSO GIVES US MORE TIME TO SEEK AGREEMENT WITH CHINA ON THE OVERALL FINANCING PLAN; REACHING THAT AGREEMENT HAS ALWAYS BEEN OUR PRIME AIM.

/ON CONSTITUTIONAL

ON CONSTITUTIONAL DEVELOPMENT, MEMBERS KNOW THAT I PROPOSE TO PUT LEGISLATIVE PROPOSALS TO THE LEGISLATIVE COUNCIL AS SOON AS POSSIBLE AFTER THE CHINESE NEW YEAR BREAK, WHICH IS LIKELY TO MEAN BEFORE THE END OF FEBRUARY. THE PRECISE SHAPE AND DETAIL OF THE DRAFT LEGISLATION WILL BE DECIDED BY THE EXECUTIVE COUNCIL. I AM, OF COURSE, AWARE THAT MANY MEMBERS OF THIS COUNCIL HAVE COME UNDER CONSIDERABLE PERSONAL PRESSURE OVER THESE AND RELATED MATTERS. I KNOW THAT MEMBERS WILL CONTINUE TO BE GUIDED BY THEIR OWN JUDGMENT OF WHAT IS BEST FOR HONG KONG AND THEIR RESPONSIBILITY TO THE PEOPLE OF HONG KONG. THAT IS HOW IT SHOULD BE.

I'M DISAPPOINTED THAT THE CHINESE SIDE HAVE THUS FAR BEEN UNWILLING TO ACCEPT MY OFFER OF DISCUSSIONS, OR TO PUT FORWARD THEIR OWN IDEAS. MANY PEOPLE ARE CALLING FOR A RETURN TO SENSIBLE, RATIONAL DIALOGUE. I HEARTILY ENDORSE THAT CALL. I HAVE BEEN TRYING TO ENCOURAGE THE CHINESE GOVERNMENT TO DO JUST THAT. THERE IS CERTAINLY NO UNWILLINGNESS ON MY PART TO ENTER SUCH A DIALOGUE.

AT THE END OF THE DAY, VIEWED FROM THE OUTSIDE WORLD, IT IS PLAIN THAT HONG KONG AND THE ASIA-PACIFIC REGION ARE VIRTUALLY THE ONLY GROWTH AREAS IN THE WORLD TODAY. THE GOVERNMENT WILL CONTINUE TO DO ALL IT CAN TO MAINTAIN BOTH THIS GROWTH AND THE PROSPERITY AND STABILITY OF THIS TERRITORY. WE LOOK FORWARD TO SUPPORT FROM THIS COUNCIL AS WE CONTINUE OUR ENDEAVOURS ON BEHALF OF THE PEOPLE WHOM WE ALL SERVE.

I'M SURE THAT HONOURABLE MEMBERS MAY HAVE QUESTIONS ON WHAT I HAVE JUST SAID, OR CONCEIVABLY ON OTHER MATTERS.

CHIM PUI-CHUNG: MR PRESIDENT, COULD I ASK YOU TO CHANGE THE WAY YOU ALLOW MEMBERS TO ASK QUESTIONS, SO THAT ALL MEMBERS SITTING HERE WOULD HAVE A CHANCE TO ASK QUESTIONS? THIS IS THE SPIRIT OF DEMOCRACY.

GOVERNOR: I'M DELIGHTED TO ENCOURAGE THE HONOURABLE MEMBER TO THE CLUB. I'M AWARE OF THE FACT THAT THE PRECISE ARRANGEMENTS FOR QUESTION AND ANSWER SESSIONS SUCH AS THIS WILL NEED TO BE CONSIDERED IN THE LIGHT OF CHANGES TO STANDING ORDERS WHICH I HOPE WILL BE SECURED VERY SOON. I HAVE TO SAY THAT I DON'T, MYSELF, REGARD IT AS DESIRABLE THAT THE PERSON WHO ANSWERS THE QUESTIONS SHOULD CHOOSE WHO ASKS THE QUESTIONS AND I VERY MUCH HOPE THAT WHEN THE COUNCIL CONSIDERS ITS REVISION OF STANDING ORDERS, IT WILL ENSURE THAT THAT ONEROUS RESPONSIBILITY IS LIFTED FROM THE SHOULDERS OF THE GOVERNOR. THIS IS THE LAST TIME THAT I'LL BE ANSWERING QUESTIONS THIS YEAR - I IMAGINE. I HOPE THAT IN THE NEW YEAR WE'LL HAVE NEW STANDING ORDERS, OR SHORTLY AFTER THE NEW YEAR, AND THAT THOSE ARRANGEMENTS WILL BE SATISFACTORY TO ALL HONOURABLE MEMBERS, INCLUDING THE HONOURABLE MEMBER WHO PUT THAT POINT OF ORDER. I DON'T HAVE, I'M AFRAID, THE WHOLE OF THE AFTERNOON, BUT I WILL ATTEMPT AS I HAVE BEFORE, TO SPEND FOUR TIMES AS LONG ANSWERING QUESTIONS IN THE LEGISLATIVE COUNCIL AS THE PRIME MINISTER WOULD IN THE HOUSE OF COMMONS.

LEONG CHE-HUNG: THANK YOU, GOVERNOR. AS I'M GIVEN THE FIRST CHANCE TO ASK A QUESTION I HAVE TO SAY THAT I'M SURE MY COLLEAGUES WILL AGREE WITH ME THAT IF IT IS YOUR CHOICE, YOU WILL BE MORE THAN WELCOME TO ANSWER QUESTIONS AGAIN WITHIN THIS YEAR.

SIR, IN THE LAST FEW DAYS, AS YOU HAVE MENTIONED JUST NOW YOURSELF THAT THERE ARE A LOT OF SHARP WORDS, OR 'WAR' WORDS, MAINLY FROM THE CHINESE SIDE, DOES THE HONG KONG GOVERNMENT OR THE BRITISH GOVERNMENT HAVE ANY PLANS TO THAW THE ICE, AS IT WERE?

GOVERNOR: I THINK IT'S FAIR TO SAY TO THE HONOURABLE MEMBER, IN RESPONSE TO A QUESTION WHICH IS ON MANY PEOPLE'S LIPS, THAT THOUGH THERE HAVE BEEN SOME SHARP WORDS, THERE HAVE BEEN NO SHARP WORDS FROM THE GOVERNOR OF HONG KONG OR FROM THE GOVERNMENT OF HONG KONG. I REMAIN RESOLUTELY DETERMINED TO BE CALM AND RATIONAL, AND TO SET OUT FOR THE COMMUNITY WHAT THE PROPER ARRANGEMENTS ARE FOR CONSIDERING, AS WE MUST, HOW TO PREPARE FOR THE 1995 ELECTIONS. I CONTINUE TO SAY, AND TO MEAN, THAT I BELIEVE MY PROPOSALS ARE FAIR AND OPEN, THAT I BELIEVE THEY'VE RECEIVED A GOOD WELCOME IN HONG KONG, AND I CONTINUE TO SAY THAT IF THERE ARE THOSE WHO HAVE PROPOSALS WHICH THEY REGARD AS BEING MORE FAIR AND MORE OPEN AND MORE ACCEPTABLE, THEN I HOPE THAT THEY WILL PUT THEM FORWARD.

I HONESTLY DON'T BELIEVE THAT THE RIGHT WAY FOR ME TO RESPOND IN PRESENT CIRCUMSTANCES, IS TO ABANDON A POSITION WHICH I BELIEVE TO BE RATIONAL, TO ABANDON A POSITION WHICH HAS COMMENDED ITSELF TO THE LEGISLATIVE COUNCIL ON MORE THAN ONE OCCASION, BUT I REPEAT THAT I REMAIN KEEN ON DIALOGUE, KEEN ON RATIONAL DISCUSSION, AND KEEN ON MOBILISING AS MUCH CONSENT AS POSSIBLE FOR THE ARRANGEMENTS THAT WILL NEED TO BE IN PLACE FOR 1995. THE GOVERNMENT OF HONG KONG, THE BRITISH GOVERNMENT, HAVEN'T, EITHER OF THEM, IMAGINED THE NECESSITY OF PUTTING IN PLACE ARRANGEMENTS FOR 1995, SINCE NO SUCH ARRANGEMENTS AT PRESENT EXIST.

TAM YIU-CHUNG: THANK YOU, GOVERNOR. THE QUESTION THAT I'M GOING TO RAISE IS NOT A POLITICAL ISSUE BUT IT'S RELATED TO PEOPLE'S LIVELIHOOD. BEFORE I CAME TO THIS MEETING TODAY I HAD A YOUNG FRIEND WHO ASKED FOR MY HELP. HE HOPED THAT THROUGH ME HE WOULD BE ABLE TO RAISE A QUESTION WITH YOU, GOVERNOR. TODAY AND YESTERDAY, UP TO THIS MORNING, THE STOCK MARKET HAS PLUMMETED BY 500 POINTS AND HE HAS LOST A MAJOR PART OF THE MONEY THAT HE WOULD HAVE SPENT ON HIS WEDDING AND THEREFORE HE IS VERY UNHAPPY. GOVERNOR, COULD YOU IN ANY WAY TRY AND MAKE HIM HAPPIER AND PUT HIS HEART AT EASE.

GOVERNOR: I WOULD VERY MUCH LIKE TO PUT ANYBODY'S HEART AT EASE, WHETHER SOMEBODY ABOUT TO GET MARRIED AND CONCERNED ABOUT LOOKING AFTER HIS NEW FAMILY PROPERLY, OR ANYONE ELSE WHO IS INVESTING ON THE STOCK MARKET. I WOULD POINT OUT TO ANYONE IN THAT POSITION THAT STOCK MARKETS DO HAVE A HABIT OF GOING UP, AND INDEED DOWN. THAT THE HANG SENG INDEX, I BELIEVE I'M RIGHT IN SAYING, STANDS ABOUT THREE TIMES AS HIGH TODAY AS IT DID THREE YEARS AGO, AND THAT THAT REPRESENTS THE UNDERLYING STRENGTH OF THE HONG KONG ECONOMY. I DON'T THINK IT WOULD BE SENSIBLE FOR THE GOVERNOR OF HONG KONG TO ATTEMPT TO TAKE CREDIT WHEN THE HANG SENG INDEX WENT UP, AS IT HAS BEEN OVER THIS YEAR, I THINK BY A VERY SUBSTANTIAL MARGIN SINCE THE BEGINNING OF THE YEAR. I THINK THAT IT'S UNWISE TO COMMENT ON MOVEMENTS UP AND DOWN IN THE HANG SENG INDEX BUT I DO BELIEVE THAT THE FUNDAMENTALS OF THE HONG KONG ECONOMY ARE AS SOUND AS THOSE OF ANY ECONOMY IN THE WORLD AND THAT THE HONOURABLE MEMBER'S YOUNG FRIEND WILL FIND, AS WILL OTHERS, THAT INVESTING IN HONG KONG IS PROBABLY BETTER THAN INVESTING ANYWHERE ELSE IN THE WORLD.

MARTIN LEE: MR PRESIDENT, DO YOU FEEL THAT WE SHOULD STAND UP TO ASK OUR QUESTIONS OR WOULD YOU MUCH RATHER WE SIT DOWN?

GOVERNOR: ... IN A MANNER OF SPEAKING, IN YOUR HANDS.

MARTIN LEE: USUALLY, A BARRISTER THINKS MORE CLEARLY WHEN HE'S STANDING UP, THEREFORE I WILL ASK MY QUESTION STANDING UP. SINCE 1991, DEMOCRACY WAS ONE OF THE MAJOR ISSUES AND AT THAT ELECTION THOSE WHO ARE FOR DEMOCRACY WON. AND HERE, OUT OF THE 18 PEOPLE IN THE DEMOCRATIC CAMP, 17 SUPPORT YOUR PROPOSALS. SO COULD YOU THEREFORE GUARANTEE TO US THAT SHOULD MOST OF THE DIRECTLY ELECTED MEMBERS CONTINUE TO SUPPORT YOU, YOU WILL NOT BACK-PEDAL OR ABANDON YOUR ORIGINAL PROPOSALS?

GOVERNOR: MY POSITION REMAINS AS I DESCRIBED IT EARLIER. I THINK THE PROPOSALS THAT I PUT FORWARD ARE GOOD ONES. THE PROPOSALS I PUT FORWARD HAVE THE SUPPORT OF THE BRITISH GOVERNMENT. THE PROPOSALS THAT I'VE PUT FORWARD HAVE BEEN, I THINK SO FAR, WELL RECEIVED IN HONG KONG. I REMAIN OPEN TO DISCUSS PROPOSALS WHICH ANYBODY ELSE PUTS FORWARD WHICH THEY REGARD AS BETTER THAN MINE. BY BETTER I MEAN MORE OPEN, MORE FAIR AND MORE ACCEPTABLE TO THE PEOPLE OF HONG KONG. BUT I HAVEN'T BEEN OVERWHELMED THUS FAR BY SUCH PROPOSALS, THOUGH I'M DELIGHTED THAT, I THINK THREE OR FOUR, HONOURABLE MEMBERS HAVE BEGUN TO PUT FORWARD THEIR OWN IDEAS.

LET ME THEN TURN TO THE POINT WHICH THE HONOURABLE MEMBER MADE ABOUT THE DIFFERENT SORTS OF MANDATE IN THIS COUNCIL. THE LEGISLATIVE COUNCIL IS AS IT IS. IT WOULD BE WRONG OF ME TO MAKE DISTINCTIONS BETWEEN DIFFERENT HONOURABLE MEMBERS. THE COMMUNITY KNOWS WHAT HAPPENED IN THE ELECTIONS IN 1991 AND DOUBTLESS THE COMMUNITY MAKES CERTAIN JUDGMENTS AS A RESULT OF THOSE ELECTION RESULTS. BUT IT WOULD BE WHOLLY WRONG OF ME TO MAKE DISTINCTIONS BETWEEN HONOURABLE MEMBERS, ACCORDING TO THE BACKGROUNDS FROM WHICH THEY CAME. THOSE BACKGROUNDS WILL OF COURSE CHANGE IN 1995, 1999 AND IN SUBSEQUENT ELECTIONS TO THE COUNCIL.

ELSIE TU: SIR, AS A TEACHER, I WOULD LIKE TO STAND UP. I HAVE CORRESPONDENCE HERE TO PROVE THAT IN 1978, BRITAIN REFUSED TO BEGIN GRADUAL PROGRESS TOWARDS DEMOCRACY IN HONG KONG ON THE GROUNDS THAT CHINA WAS OPPOSED TO IT AND THAT THE BRITISH GOVERNMENT'S OVERRIDING CONCERN WAS TO MAINTAIN STABILITY AND PROSPERITY IN HONG KONG. SINCE YOUR GOVERNMENT WOULD NOT DE-STABILISE HONG KONG UNDER BRITISH ADMINISTRATION, WHY IS IT PREPARED TO SEE HONG KONG DE-STABILISED BY A FASTER PACE OF DEMOCRACY NOW THAT THE BRITISH ARE LEAVING?

/GOVERNOR: WELL,

GOVERNOR: WELL, I'M SURE THAT THE HONOURABLE LADY WOULD FIRST OF ALL WANT TO CONFIRM THAT WHATEVER I MAY BE RESPONSIBLE FOR, WHAT MINISTERS SAID IN 1978, OR WHAT OTHERS SAID IN 1978, OR WHAT GOVERNORS SAID IN 1978, ISN'T ENTIRELY MY RESPONSIBILITY. IF THE HONOURABLE LADY IS SAYING THAT IT HAS BEEN ARGUED IN THE PAST THAT THERE COULD BE NO GREATER PROGRESS TO DEMOCRACY BECAUSE CHINA WOULD OBJECT TO THAT, THEN I'M INTERESTED TO HEAR HER PUTTING THAT ARGUMENT. IT'S PERFECTLY CLEAR UNDER THE JOINT DECLARATION THAT THERE SHOULD BE ORDERLY PROGRESS TOWARDS GREATER DEMOCRACY. THAT IS PLAIN IN THE JOINT DECLARATION. IT'S ALSO PERFECTLY CLEAR THAT YOU CANNOT FIND IN THE BASIC LAW, ANSWERS TO THE QUESTIONS WHICH I HAVE TRIED TO TACKLE IN THE PROPOSALS THAT I'VE PUT FORWARD FOR THE 1995 ELECTIONS. BOTH THOSE PROPOSITIONS ARE CLEAR, AND I THINK THAT THE HONOURABLE LADY WOULD REGARD ME AS FAILING IN MY DUTY IF I DIDN'T PUT FORWARD MY OWN PROPOSALS. I ASSUME THAT THE HONOURABLE LADY REGARDS THE CRITERIA THAT I'VE SET OUT AS BEING ACCEPTABLE ONES.

WELL, THE CRITERIA, THE HONOURABLE LADY WILL RECALL, ARE THAT THE ELECTIONS SHOULD BE FAIR AND OPEN AND ACCEPTABLE TO THE PEOPLE OF HONG KONG. I THINK IT'S DIFFICULT TO PUT AN ARGUMENT FOR THE CONTRARY PROPOSITIONS. SO I'VE DONE WHAT I'M OBLIGED TO DO SINCE THERE ARE GAPS IN THE PRESENT ARRANGEMENTS, AND I'VE DONE SO IN A WAY WHICH I THINK RECOGNISES NOT WHAT EVERY POLITICAL GROUP OR COMMUNITY GROUP HAS BEEN PRESSING FOR IN THE COMMUNITY, BECAUSE THE POSITION WHEN I CAME WAS THAT PEOPLE WERE PRESSING FOR A GREAT DEAL MORE DEMOCRACY THAN THE MODEST STEPS ALLOWED FOR IN MY PROPOSALS.

JIMMY MCGREGOR: GOVERNOR, YOU WILL COME TO A POSITION, I'M SURE QUITE SOON, WHEN YOU'LL BE ABLE TO ASSESS WHAT KIND OF SUPPORT YOU HAVE FOR YOUR PROPOSALS EXTENSIVELY ACROSS THE COMMUNITY AND AT THE SAME TIME WHERE THE DISAGREEMENT WITH YOUR PROPOSALS WILL ALSO RISE. I'M SORRY TO SAY THAT IN BUSINESS THERE IS AN INCREASING CONCERN WITH THE ATTITUDE TAKEN BY CHINA AND A VERY SUBSTANTIAL CONCERN WITH THE CONTINUATION OF DIALOGUE WITH CHINA. AT SOME POINT FAIRLY SOON, AND BEFORE YOUR LEGISLATION COMES BEFORE THIS COUNCIL, WHEN REALLY YOU'VE REACHED A POINT ALMOST OF NO RETURN I WOULD THINK, AT LEAST YOU'RE PUTTING INTO THE COUNCIL DECISIONS AT THAT STAGE WHICH COULD POSSIBLY HAVE BEEN MADE BEFORE THE LEGISLATION IS ACTUALLY DRAFTED - THE DRAFTING PROCESS HAS FINISHED. DO YOU HAVE A SITUATION WHERE YOU ARE WILLING TO CONSIDER SUBSTANTIAL CHANGE TO ANY OF THE PRINCIPAL PROPOSALS THAT YOU HAVE MADE - AND I REALLY REFER TO THE TWO WHICH ARE CAUSING THE GREATEST SINGLE CONCERN IN HONG KONG, AND IN CHINA - ARE YOU IN A SITUATION WHERE THE GOVERNMENT IS WILLING TO DISCUSS WITH THIS COUNCIL BEFORE LEGISLATION GOES FORWARD, IS DRAFTED, CHANGES WHICH MIGHT BE MADE TO THE PRINCIPAL PROPOSALS?

GOVERNOR: THERE ARE TWO POINTS TO THAT QUESTION. FIRST OF ALL THE HONOURABLE MEMBER IS, I THINK, ENTIRELY RIGHT IN SAYING THAT OF THE SEVEN PROPOSALS THAT I PUT IN MY LEGISLATIVE COUNCIL SPEECH IN EARLY OCTOBER, CONTROVERSY FOCUSES PRINCIPALLY ON TWO. AND I WOULD HAVE THOUGHT THAT EVEN THOUGH THERE WOULD BE ARGUMENT IN THE COUNCIL ABOUT SOME OF THE OTHERS, AS THERE HAS BEEN IN THE PAST, THAT THAT ARGUMENT WOULD BE - HOW CAN I PUT IT? - EASILY CONTAINED WITHIN THE BOUNDS OF DECORUM.

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AS FOR THE OTHER TWO PROPOSALS, I CAN ONLY REPEAT WHAT I'VE SAID EARLIER, IF PROPOSALS COME FORWARD FROM THIS COUNCIL, OR IF PROPOSALS COME FORWARD FROM ANYWHERE ELSE IN THE COMMUNITY, WHICH IN MY JUDGMENT, AND IN THE COUNCIL'S, ARE MORE FAIR, ARE BETTER, ARE BASED ON BETTER PREMISES THAN THE PROPOSALS THAT I'VE MADE, I REMAIN OPEN-MINDED AND I REMAIN READY TO CONSIDER THEM. IF I HADN'T BEEN IN THAT STATE OF MIND, WHEN I SPOKE TO THE COUNCIL ON THE 7TH OCTOBER I WOULD HAVE ANNOUNCED THE DECISIONS THAT I WAS MAKING, NOT THE PROPOSALS THAT I WAS PROPOSING. SO I HOPE THAT WITHOUT COMPLICATING MATTERS TOO MUCH, THE POSITION IS CLEAR TO THE HONOURABLE MEMBER AND TO OTHER HONOURABLE MEMBERS.

I WOULD ONLY ADD THIS. THERE HAVE, I THINK, BEEN TWO SUBSTANTIVE DEBATES ON THE PROPOSALS THAT I PUT FORWARD IN OCTOBER. IN BOTH THOSE DEBATES THERE WERE FAIRLY SUBSTANTIAL MAJORITIES FOR THE GENERAL APPROACH WHICH I HAD TAKEN. AND I'M SURE THAT IN CONSIDERING PROPOSALS AND THAT IN CONSIDERING THE WAY FORWARD, HONOURABLE MEMBERS WOULD WANT TO TAKE ACCOUNT OF THAT.

SELINA CHOW: SIR, GIVEN THE LATEST TURN OF EVENTS AND THE BREAKDOWN OF DIALOGUE BETWEEN YOUR GOOD SELF AND THE CHINESE GOVERNMENT, WHAT ARE YOU GOING TO DO TO ENSURE THAT AS WELL AS THE "ONE COUNTRY, TWO SYSTEMS" CONCEPT WHICH YOU'VE MENTIONED EARLIER, THAT THE SMOOTH TRANSITION PROMISED TO THE HONG KONG PEOPLE IN THE JOINT DECLARATION BY THE TWO GOVERNMENTS WILL BE ACHIEVED?

GOVERNOR: THE SMOOTH TRANSITION ISN'T, I WOULD ARGUE, BEING THREATENED BY AN ATTEMPT TO HAVE A RATIONAL DIALOGUE. I CAN'T DO MORE THAN HOLD MYSELF READY TO TALK TO ANYBODY OR TO CONSIDER ANY REASONABLE IDEAS. IT'S EXTREMELY DIFFICULT TO KNOW WHAT OTHER POSTURE THAT ONE SHOULD GET INTO. IF IRRATIONAL THINGS ARE SAID BY OTHERS, SHOULD ONE RESPOND BY BEING IRRATIONAL ONESELF? IT DOESN'T SEEM TO ME THAT THERE IS VERY MUCH OF A CASE FOR THAT. BUT I'M AS CONCERNED AS THE HONOURABLE MEMBER THAT WE SHOULD HAVE THE SMOOTH TRANSITION. I'M NOT SURE THAT WE WOULD HAVE A SMOOTH TRANSITION, FOR EXAMPLE, IF I WAS TO PUT FORWARD PROPOSALS TO THIS LEGISLATIVE COUNCIL FOR THE 1995 ELECTIONS WHICH WERE REGARDED AS BEING UNFAIR BY THE COUNCIL.

LET ME GIVE THE HONOURABLE MEMBER AN EXAMPLE OF THE SORT OF THING I MEAN. THERE WERE NEGOTIATIONS ON THE COURT OF FINAL APPEAL. THE OUTCOME OF THOSE NEGOTIATIONS CAME TO THIS COUNCIL. THIS COUNCIL HAD A GOOD DEAL OF DIFFICULTY WITH THE OUTCOME OF THOSE NEGOTIATIONS. IT'S COMMON TO ALL OF US THAT WE WANT A COURT OF FINAL APPEAL, BUT THUS FAR THIS COUNCIL HAS HAD SOME DIFFICULTY WITH THE ARRANGEMENTS THAT WERE PUT FORWARD. I WOULD NOT LIKE TO BE IN THAT POSITION OVER THE ELECTORAL ARRANGEMENTS FOR 1995, AND I DON'T THINK THAT IF I WERE, IT WOULD BE GOOD FOR THE POLITICAL STABILITY OF HONG KONG OR FOR A SMOOTH TRANSITION.

/RONALD ARCULLI:

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RONALD ARCULLI: SIR, YOU'VE STATED ON MANY OCCASIONS THAT YOUR PROPOSALS FOR CONSTITUTIONAL REFORM WILL HAVE TO BE DECIDED IN THIS COUNCIL. WOULD IT THEREFORE NOT BE FAIR AND ACCEPTABLE TO THE PEOPLE OF HONG KONG THAT WHEN THAT HAPPENS, THE CHIEF SECRETARY, THE ATTORNEY GENERAL AND THE FINANCIAL SECRETARY, SHOULD ABSTAIN FROM VOTING ON YOUR PROPOSALS, SO THAT WHETHER OR NOT SUCH PROPOSALS ARE PASSED WILL IN FACT BE DECIDED BY THE PEOPLE OF HONG KONG AND NOT BY CIVIL SERVANTS? PARTICULARLY, WOULD IT NOT BE GROSSLY UNFAIR TO THE PEOPLE OF HONG KONG IF THOSE PROPOSALS WERE PASSED BY THREE OR LESS VOTES?

GOVERNOR: FIRST OF ALL, I WOULD CERTAINLY TAKE ISSUE WITH THE SUGGESTION THAT CIVIL SERVANTS WEREN'T THE SAME AS THE PEOPLE OF HONG KONG, PARTICULARLY WHEN ONE IS TALKING ABOUT CIVIL SERVANTS WHO'VE DEDICATED THEIR LIVES TO THE SERVICE OF THE COMMUNITY. SECONDLY, WE GO STRAIGHT BACK TO THE POINT THAT I WAS ANSWERING IN RESPONSE TO AN EARLIER MEMBER. IF I WERE TO TAKE THE HONOURABLE MEMBER'S ADVICE, HOW WOULD I RESIST THE PROPOSAL WHICH WOULD DOUBTLESS COME FROM OTHER HONOURABLE MEMBERS SHORTLY AFTERWARDS, THAT I SHOULD SOMEHOW DEVALUE THE VOTE OF THOSE WHO WERE APPOINTED RATHER THAN ELECTED TO THE COUNCIL? EXACTLY THE SAME SORT OF ARGUMENTS WOULD BE APPLIED, AND I DON'T THINK THAT WOULD BE SENSIBLE, I DON'T THINK IT WOULD GIVE THIS HONOURABLE BODY THE CREDIT WHICH IS ITS DUE. SO I'M CERTAINLY NOT GOING TO PUT MYSELF IN A POSITION IN WHICH I DISTINGUISH BETWEEN ONE SORT OF HONOURABLE MEMBER AND ANOTHER.

BUT OBVIOUSLY, I VERY MUCH HOPE THAT WE CAN HAVE AS BROAD A BASE OF SUPPORT FOR THE POLITICAL DEVELOPMENT OF HONG KONG AS IS POSSIBLE. THAT IS MY INTENTION, THAT HAS BEEN MY INTENTION. I'M GLAD THAT ON, I THINK THE 11TH NOVEMBER, THE BODY OF SUPPORT SEEMED PRETTY BROAD, EVEN WITHOUT I THINK THE CHIEF SECRETARY'S VOTE, AND I HOPE THAT WHATEVER IS FINALLY AGREED BY THIS COUNCIL CAN HAVE AS MUCH SUPPORT IN THIS COUNCIL AS POSSIBLE, AND CAN BE A FOUNDATION FOR THIS COUNCIL WORKING MORE SUCCESSFULLY TOGETHER IN THE FUTURE. I DON'T THINK IT'S SURPRISING THAT THESE ISSUES AROUSE PASSIONS IN THIS COUNCIL, THEY'RE EXTREMELY IMPORTANT ISSUES AND IT WOULD BE SURPRISING IF THEY WEREN'T DEBATED PASSIONATELY. BUT WE DO HAVE TO LOOK TO, NOT JUST THE NEXT FOUR-AND-A-HALF YEARS BUT THE NEXT FIFTY-FOUR-AND-A-HALF YEARS, AND HOPE THAT OUT OF ALL THIS CAN COME NOT ONLY A MORE MATURE AND MORE SELF-CONFIDENT LEGISLATIVE COUNCIL, BUT ALSO ONE WHICH DEVELOPS THE HABIT, WHEREVER POSSIBLE, OF WORKING CO-OPERATIVELY IN THE INTERESTS OF THE PEOPLE OF HONG KONG.

MR GILBERT LEUNG: GOVERNOR, ABOUT THE POLITICAL PACKAGE IN YOUR POLICY ADDRESS, THEY HAVE BEEN CRITICISED BY MANY PEOPLE. THE UDHK OPPOSES RETAINING THE EX-OFFICIO SEATS IN THE DB'S AND THE UC, RC. THE DB MEMBERS ARE AGAINST SCRAPPING THE APPOINTED SEATS. AS FOR THE DEFINITIONS OF THE FUNCTIONAL CONSTITUENCIES AND THE FORMATION OF THE ELECTION COMMITTEE, THERE ARE VARIOUS VIEWS. NOW, MR GOVERNOR, CAN YOU CONSIDER PROMPTLY RETRACTING YOUR POLITICAL PACKAGE SO THAT YOU CAN RECONSIDER THE VIEWS OF ALL SECTORS, THEN YOU CAN NEGOTIATE WITH THE CHINESE FRANKLY AND OPENLY SO THAT YOU CAN REACH A PACKAGE ACCEPTABLE TO HONG KONG PEOPLE?

/GOVERNOR: I

GOVERNOR: I THINK THIS COUNCIL WOULD BE SURPRISED IF PROPOSALS WHICH IT GAVE BROAD APPROVAL TO ONLY A FEW WEEKS AGO, WERE SUDDENLY WHIPPED OFF THE TABLE. I THINK THE COUNCIL WOULD FIND THAT AN ASTONISHING PIECE OF BEHAVIOUR BY THE GOVERNMENT. WHAT, ON THE OTHER HAND, I THINK THIS COUNCIL WOULD EXPECT THE GOVERNOR AND THE GOVERNMENT TO DO IS TO LISTEN INTENTLY IN CASE THERE ARE ANY BETTER PROPOSALS AVAILABLE. I HAVE TO SAY ONCE AGAIN THAT SO FAR I HAVEN'T BEEN KNOCKED-OVER IN A STAMPEDE OF PEOPLE COMING FORWARD WITH PROPOSALS WHICH THEY THOUGHT WERE BETTER. IN MY EXPERIENCE, WHEN PEOPLE THINK THEY HAVE PROPOSALS WHICH ARE BETTER THAN ONES THAT ONE HAS PUT FORWARD ONESELF, WHEN PEOPLE THINK THEY HAVE PROPOSALS WHICH THEY THINK MAY BE MORE POPULAR THAN ONES THAT ONE HAS PUT FORWARD ONESELF, THEY'RE NOT ON THE WHOLE, BY AND LARGE, UNWILLING TO SUGGEST WHAT THOSE PROPOSALS MIGHT BE. AND THAT, I FANCY, IS THE POSITION WE'RE IN AT THE MOMENT.

MISS CHRISTINE LOH: ... THE CHINESE GOVERNMENT DELIVERED A FORMAL ULTIMATUM TO THE BRITISH GOVERNMENT ON THE REFORM PROPOSALS, ACCOMPANIED BY A SPECIFIC DECLARATION OF INTENDED RETRIBUTIVE ACTION?

GOVERNOR: NO, THAT HASN'T BEEN DONE - HASN'T BEEN DONE IN PUBLIC, HASN'T BEEN DONE IN PRIVATE. THE LATEST STATEMENT THAT WAS MADE WAS THE ONE MADE YESTERDAY EVENING BY THE HONG KONG AND MACAU AFFAIRS OFFICE. A STATEMENT WAS PUT OUT BY THE GOVERNMENT YESTERDAY EVENING ABOUT THAT. AS THE HONOURABLE MEMBER WILL DOUBTLESS KNOW, CONTRACTS WHICH ARE VALIDLY LEGALLY ENTERED INTO BEFORE 1997 UNDER OUR COMMON LAW, ACCORDING TO BOTH THE JOINT DECLARATION AND THE BASIC LAW, SURVIVE THE TRANSITION TO 1997, PROVIDED THAT THEY DON'T CONTRAVENE THE BASIC LAW, AND IT'S RATHER DIFFICULT TO IMAGINE A CONTRACT THAT WOULD CONTRAVENE THE BASIC LAW. WE'VE BEEN PURSUING THAT PERFECTLY, SENSIBLY AND CONSTRUCTIVELY OURSELVES BY HAVING REGULAR DISCUSSIONS IN THE JOINT LIAISON GROUP ABOUT FRANCHISES WHICH MIGHT COVER 1997, AND WE'LL CONTINUE TO DO SO. IN DOING SO, WE'LL TAKE ACCOUNT OF WHAT THE CHINESE GOVERNMENT SAID YESTERDAY, WHEN IT REMARKED AT THE END OF ITS STATEMENT THAT IT WOULD TAKE A POSITIVE ATTITUDE IN EXAMINING AND APPROVING CONTRACTS. IT SAID THAT IT WANTED TO MAINTAIN AND DEVELOP LONG TERM PROSPERITY AND STABILITY IN HONG KONG. PERHAPS I SHOULD UNDERLINE THOSE WORDS. THE CHINESE GOVERNMENT REITERATED THAT INVESTMENTS IN HONG KONG BY PRIVATE CAPITAL FROM BOTH CHINESE AND FOREIGNERS SOURCES REMAINS WELCOME. I ENDORSE THAT AS WELL. BUT APART FROM THAT STATEMENT, WE HAVEN'T RECEIVED ANY OTHER COMMUNICATION IN THE LAST FEW DAYS, SUCH AS THE HONOURABLE LADY WAS REFERRING TO.

MR MARTIN BARROW: SIR, COULD YOU OUTLINE ANY PLANS FOR OVERSEAS VISITS IN 1993, AND IN PARTICULAR TO THE UNITED STATES, AND WOULD YOU CONSIDER INVITING A FEW HONG KONG BUSINESSMEN TO JOIN YOU IN WASHINGTON FOR A JOINT EFFORT ON MFN RENEWAL?

/GOVERNOR: THIS

GOVERNOR: THIS IS A SUBJECT WHICH I'VE BEGUN TO DISCUSS WITH REPRESENTATIVES OF THE BUSINESS COMMUNITY. I TOUCHED ON IT BRIEFLY WITH MY BUSINESS COUNCIL AT ITS FIRST MEETING. I DISCUSSED IT BRIEFLY WITH REPRESENTATIVES OF THE AMERICAN CHAMBER OF COMMERCE YESTERDAY. I HOPE TO BE ABLE TO VISIT WASHINGTON AND THE UNITED STATES IN THE NEW YEAR, AS SOON AS A NEW ADMINISTRATION HAS SHAKEN DOWN AND AS SOON AS A NEW ADMINISTRATION HAS THE TIME TO SEE THE GOVERNOR OF HONG KONG IN THE GAPS AVAILABLE FROM CONFIRMATION HEARINGS AND SO ON. WHAT I WILL WANT TO SAY, AND IT'S AN ARGUMENT THAT I THINK WILL BE ALL THE STRONGER IF I CAN BE SUPPORTED IN SAYING IT BY REPRESENTATIVES OF THE BUSINESS COMMUNITY IN HONG KONG, IS THAT THE POLITICISATION OF TRADE IS ALWAYS, ALWAYS, ALWAYS, DAMAGING. THAT IT IS IN THE INTERESTS OF HONG KONG TO HAVE THE FREEST MOST OPEN TRADE BETWEEN THE UNITED STATES AND CHINA, THAT I DO NOT BELIEVE THAT TRADE FRICTION WOULD DO OTHER THAN UNDERMINE GROWTH, DESTROY JOBS AND PUT UP PRICES. THAT'S AN ARGUMENT THAT I WILL BE PUTTING AND I WILL BE TRYING TO APPLY THE PRINCIPLES AND THE IMPLICATIONS FOR HONG KONG, AND IN CONTACTS WITH A NEW US ADMINISTRATION. BUT I REPEAT THAT I'LL WANT TO DISCUSS WITH THE BUSINESS COMMUNITY HOW WE CAN BEST CO-ORDINATE OUR ACTIVITIES. IT'S EXTREMELY IMPORTANT, WHEN WE PUT THOSE ARGUMENTS IN WASHINGTON AND ELSEWHERE, THAT WE HAVE AS MUCH CREDIBILITY AS POSSIBLE.

MR EDWARD HO: SIR, AS AN ARCHITECT IT WOULD BE NEGLIGENT OF ME IF I DRAW UP A PLAN WITHOUT THINKING OF THE STRUCTURE. YOUR PROPOSAL IS A PLAN WHICH MAY BE BEAUTIFUL TO SOME PEOPLE, BUT IT LACKS STRUCTURE, THE STRUCTURE BEING THE BASIC LAW WHICH IS TO BECOME EFFECTIVE AFTER 1997. AND I THINK THAT YOU HAVE NOT EMPHASISED THIS POINT TO BOTH THE PEOPLE OF HONG KONG AND TO THE WESTERN COMMUNITY, THAT IS, THE EXISTENCE OF THE BASIC LAW. OF COURSE, YOU HAVE SAID THAT YOUR PROPOSALS ARE CONSISTENT WITH THE BASIC LAW. IF IT IS SO, THEN THERE IS NO PROBLEM OF CONVERGENCE. BUT ON THE OTHER HAND, GOVERNMENT MEMBERS IN THIS COUNCIL HAVE VOTED AGAINST AN AMENDMENT TO MISS CHRISTINE LOH'S MOTION WHICH BROUGHT IN THE ELEMENT OF CONVERGENCE. IN OTHER WORDS, GOVERNMENT BY ITS VOTE, HAS INDICATED THAT CONVERGENCE IS NOT AN IMPORTANT ELEMENT. I WOULD HOPE THAT YOU CAN CLARIFY THAT.

GOVERNOR: I'D BE DELIGHTED TO CLARIFY THAT - AND PERHAPS OTHER HONOURABLE MEMBERS WILL EXCUSE ME IF I DO THIS - I'LL DO THE CLARIFICATION IF THE HONOURABLE MEMBER WILL TELL ME WHERE MY PROPOSALS BREACH THE BASIC LAW.

EDWARD HO: I THINK SIR, I DON'T WANT TO OPEN A DEBATE. I THINK IT WILL TAKE A LONG TIME TO DEBATE WHERE THE BASIC LAW AND YOUR PROPOSAL WOULD OR WOULD NOT BE CONSISTENT. MY POINT IS IF YOU THINK THAT IT IS CONSISTENT WITH THE BASIC LAW THEN YOU CAN SUPPORT CONVERGENCE. WHAT HAPPENED WAS THAT GOVERNMENT DID NOT SUPPORT CONVERGENCE BECAUSE WHEN CHIM PUI-CHUNG PUT UP AN AMENDMENT TO MISS CHRISTINE LOH'S MOTION ALL HE BROUGHT IN WAS THE ELEMENT OF CONVERGENCE AND GOVERNMENT MEMBERS WERE AGAINST IT.

TUESDAY, DECEMBER 1, 1992

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GOVERNOR: I AM IN FAVOUR OF AS SMOOTH A TRANSITION THROUGH 1997 AS POSSIBLE. I'M ALSO IN FAVOUR OF ARRANGEMENTS FOR EXAMPLE FOR THE 1995 ELECTIONS WHICH ARE DECENT, WHICH ARE ACCEPTABLE TO THE COMMUNITY. I SUPPOSE THAT THE HONOURABLE MEMBER COULD CONCEIVE OF ARRANGEMENTS FOR THE 1995 ELECTIONS WHICH MIGHT TRANSFER SMOOTHLY THROUGH 1997 BUT WOULD NOT BE ACCEPTABLE TO THE PEOPLE OF HONG KONG. I CERTAINLY COULD. SO THE PROBLEM WE HAVE TO ADDRESS IS ONE OF BALANCE, THAT'S WHAT I TRIED TO ADDRESS IN THE PROPOSALS THAT I BROUGHT FORWARD ON THE 7TH OF OCTOBER, AFTER, DESPITE WHAT I THINK ONE OR TWO HONOURABLE MEMBERS HAVE SAID, AFTER PROTRACTED DISCUSSIONS WITH LARGE NUMBERS OF MEMBERS OF THIS COUNCIL AND WITH OTHERS OUTSIDE AS WELL. SMOOTH TRANSITION CERTAINLY, BUT SMOOTH TRANSITION OF ARRANGEMENTS WHICH ARE FAIR AND OPEN AND ACCEPTABLE.

TIK CHI-YUEN: MR GOVERNOR, YOU MENTIONED TIME AND AGAIN THAT YOU WANT A SENSIBLE, RATIONAL DIALOGUE WITH THE CHINESE AUTHORITIES TO SOLVE THE PROBLEMS. FROM NOW TILL THE BEGINNING OF NEXT YEAR, DO YOU HAVE ANY CONCRETE PLANS IN THE PIPELINE TO EFFECT SENSIBLE RATIONAL DIALOGUE AND DO YOU ENVISAGE ANY DIFFICULTIES IN TRYING TO DO SO?

GOVERNOR: I DON'T HAVE ANY DIFFICULTIES IN DOING SO. WHEN I WAS IN PEKING ONE OF THE SUGGESTIONS THAT WAS PUT FORWARD WAS THAT THE JOINT LIAISON GROUP COULD PROVIDE A FORUM FOR DISCUSSIONS. I'VE MADE IT PERFECTLY CLEAR, OUR AMBASSADOR TO THE JOINT LIAISON GROUP HAS MADE IT PERFECTLY CLEAR THAT THAT IS ABSOLUTELY FINE BY US. WE THINK THAT WOULD BE A PERFECTLY SENSIBLE WAY TO MOVE FORWARD. IF CHINESE OFFICIALS HAVE ANY OTHER PROPOSALS I WILL BE VERY HAPPY TO CONSIDER THEM BECAUSE I'VE MADE IT PLAIN THAT I WILL GO ANYWHERE AT ANY TIME TO TALK TO ANY ONE IN THE HOPE THAT WE CAN HAVE AS SENSIBLE AND CALM DISCUSSIONS OF THESE MATTERS AS POSSIBLE, BUT PERHAPS I CAN JUST REITERATE ONE THING AGAIN. SOMETIMES PEOPLE SUGGEST THAT FOR ME TO GO ON SAYING THAT I AM VERY HAPPY TO HAVE A RATIONAL DIALOGUE IS SOMEHOW BANGING MY HEAD AGAINST A BRICK WALL. THE POINT WAS MADE ALMOST IN THOSE TERMS IN ONE OF OUR NEWSPAPERS THIS MORNING. BUT WHAT IS MORE SENSIBLE THAN ASKING FOR A SENSIBLE DIALOGUE? I'M NOT SURE WHAT IS. I REPEAT ONCE AGAIN, AND MEAN ONCE AGAIN, THAT IF THERE ARE ANY BETTER PROPOSALS FROM ANYWHERE I WILL BE VERY HAPPY TO SEE THEM.

EMILY LAU: GOVERNOR, WHEN YOU WERE IN JAPAN LAST WEEK YOU SPOKE ABOUT BRITAIN'S MORAL RESPONSIBILITY FOR THE HONG KONG PEOPLE AFTER 1997, YOU SAID, FOR A FEW YEARS. YESTERDAY YOUR REMARKS WERE CRITICISED BY A VICE DIRECTOR OF XIN HUA NEWS AGENCY WHO SAID BRITAIN SHOULD NOT HAVE ANY RESPONSIBILITY FOR THE HONG KONG PEOPLE AFTER 1997. MY VIEW IS EXACTLY THE OPPOSITE. I THINK BRITAIN IS MORALLY, FIRMLY, MORALLY RESPONSIBLE FOR US FOR FIFTY YEARS AFTER 1997, THE PERIOD COVERED BY THE JOINT DECLARATION. SO WILL YOU PLEASE TELL US, AND THE PEOPLE OF HONG KONG, WHAT EXACTLY DO YOU MEAN WHEN YOU SAY BRITAIN IS MORALLY RESPONSIBLE FOR US AFTER 1997, AND HOW MANY YEARS THAT RESPONSIBILITY EXTENDS?

/GOVERNOR: WELL,

GOVERNOR: WELL, I WAS SURPRISED BY THE REMARKS OF THE VICE DIRECTOR OF THE NCNA SINCE THEY SEEMED TO OVERLOOK THE FACT THAT THE JOINT DECLARATION WAS SIGNED BY THE UNITED KINGDOM AS WELL AS CHINA, AND WAS AN EXPLICIT AFFIRMATION OF OUR CONTINUING CONCERN FOR FIFTY YEARS FOR THE SYSTEM IN HONG KONG WHICH IS PART OF ONE COUNTRY TWO SYSTEMS. AS I'VE SAID ON OTHER OCCASIONS, NOT ONE COUNTRY ONE-AND-A-HALF SYSTEMS, OR ONE COUNTRY ONE-AND-A-QUARTER SYSTEMS BUT ONE COUNTRY TWO SYSTEMS. OUR WAY OF LIFE IN HONG KONG, OUR PROSPERITY AND STABILITY AND THE RELATIONSHIP BETWEEN THOSE THINGS AND THE FREEDOMS THAT WE CHERISH, WHETHER FREEDOM OF SPEECH OR FREEDOM OF ASSEMBLY OR OTHER SORTS OF FREEDOM, THOSE THINGS ARE SET OUT IN THE GREATEST DETAIL IN THE JOINT DECLARATION. THEY WERE PART OF AN AGREEMENT BETWEEN BRITAIN AND CHINA AND AN AGREEMENT WHICH IS BINDING FOR FIFTY YEARS. SO, I REALLY CAN'T UNDERSTAND HOW ANYBODY CAN SAY THAT OUR INTEREST IN, OR COMMITMENT TO HONG KONG ENDS ON THE 30TH OF JUNE 1997, WHEN THE 28TH BRITISH GOVERNOR TAKES HIS LEAVE. THE BEST WAY, OR ONE OF THE BEST WAYS IN MY JUDGEMENT IN WHICH WE CAN ENSURE THAT WE DISCHARGE THAT RESPONSIBILITY IS BY GOVERNING HONG KONG IN THE NEXT 4-1/2 YEARS AS WELL AS POSSIBLE. AND, BY TRYING TO ENSURE THERE ARE ARRANGEMENTS IN PLACE IN HONG KONG, ARRANGEMENTS WHICH ARE IN LINE WITH THE JOINT DECLARATION AND THE BASIC LAW, ARRANGEMENTS WHICH HELP TO SECURE HONG KONG'S WAY OF LIFE AFTER 1997, BECAUSE UNLESS WE ARE PREPARED TO TRY TO SECURE HONG KONG'S WAY OF LIFE AFTER 1997 BEFORE 1997, IT IS RATHER GOING TO BE RATHER MORE DIFFICULT TO DO SO AFTER 1997.

SIMON IP: GOVERNOR, WHEN YOU CAME TO HONG KONG, IN YOUR INAUGURAL SPEECH YOU SAID THAT THE MOST IMPORTANT TASK YOU HAVE TO FACE IN THE NEXT FIVE YEARS IS TO BUILD TRUST AND UNDERSTANDING WITH CHINA. CLEARLY, TRUST AND UNDERSTANDING ARE TWO COMMODITIES WHICH ARE IN VERY SHORT SUPPLY AT THE MOMENT AND WE'VE SEEN A VERY GREAT DETERIORATION OF RELATIONSHIP BETWEEN CHINA AND HONG KONG AND CHINA AND BRITAIN. HOW DO YOU AIM TO RESTORE OR BUILD TRUST AND UNDERSTANDING AND, ARE YOU WILLING TO SACRIFICE TRUST AND UNDERSTANDING FOR YOUR POLITICAL REFORM PACKAGE?

GOVERNOR: I SUSPECT THAT IT WAS ALWAYS GOING TO BE DIFFICULT TO AGREE ON ARRANGEMENTS FOR THE 1995 ELECTIONS WHICH WERE REGARDED AS WIDELY ACCEPTABLE TO PEKING, TO LONDON AND TO HONG KONG. I SUSPECT IF THERE HADN'T BEEN A PROBLEM IT WOULD HAVE BEEN ONE THAT WOULD HAVE BEEN TACKLED SUCCESSFULLY AND BEFORE JULY THIS YEAR. WHAT I DON'T THINK WOULD BE AN ACCEPTABLE BASIS FOR TRUST AND UNDERSTANDING WITH ANYONE WAS IF THE PRICE THAT THE GOVERNMENT OF HONG KONG HAD TO PAY WAS SACRIFICING THE TRUST AND UNDERSTANDING OF THE PEOPLE OF HONG KONG. IT SEEMS TO ME THAT WHAT I HAVE TO SEEK TO DO IS TO RECONCILE THE TRUST AND UNDERSTANDING OF THE PEOPLE OF HONG KONG WITH A BETTER WORKING RELATIONSHIP WITH PEKING AND CHINESE OFFICIALS AND I VERY MUCH HOPE THAT AS WE MOVE THROUGH THESE PERHAPS INEVITABLY CHOPPY WATERS WE'LL FIND THAT THERE IS SMOOTHER SAILING THE OTHER SIDE, BUT UNLESS ONE WAS TO RUN THE RISK OF SACRIFICING TRUST AND UNDERSTANDING IN HONG KONG I SUSPECT THAT ONE WAS GOING TO FIND ONESELF WITH AN ARGUMENT SIMILAR TO THIS SOME TIME OVER THE NEXT FEW YEARS WHENEVER ONE ADDRESSED THE PROBLEM OF HOW BEST TO ORGANISE THE 1995 ELECTIONS.

HOWARD YOUNG: SIR, BEFORE I ASK MY QUESTION I WOULD JUST LIKE TO MENTION THAT YOUR QUESTION DIRECTED TO MY COLLEAGUE IN CRC, HONOURABLE EDWARD HO, ON YOUR PACKAGE AND THE BASIC LAW, I DID MENTION TO YOU MY VIEWS ON THE 13TH OF OCTOBER WHEN WE SPOKE PRIVATELY AND ALSO 14TH AND 22ND OCTOBER AND THEN CULMINATING ON THE 5TH NOVEMBER IN A LETTER TO YOU AND I SHALL NOT ELABORATE. SIR, I WOULD LIKE TO ASK WHY DO YOU THINK IT IS NECESSARY TO SOLICIT SUPPORT FROM UNITED STATES, CANADA, AUSTRALIA AND EVEN JAPAN FAR AWAY FOR THE CONSTITUTIONAL REFORM PACKAGE, WHICH AT THE LEAST A DOMESTIC ISSUE, OR AT THE MOST IS AN ISSUE BETWEEN CHINA AND BRITAIN? BECAUSE, YOURSELF SIR, BEING A GREAT SCHOLAR OF HISTORY, BEARING IN MIND THE HISTORY OF HOW HONG KONG CAME ABOUT, WOULD IT NOT RISK UNNECESSARILY AROUSING NATIONALISTIC SENTIMENT WHICH WILL BE DIVISIBLE IN HONG KONG AND ALSO DIVISIVE BETWEEN HONG KONG AND CHINA?

GOVERNOR: I THINK THAT WITH RESPECT TO THE HONOURABLE MEMBER WHICH I MEAN, I THINK THAT ONE SHOULDN'T NECESSARILY BELIEVE THAT THE ATTACKS ON THE GOVERNOR OF HONG KONG FOR DOING THIS OR THAT ARE ALWAYS ACCURATE. I HAVEN'T ATTEMPTED TO SOLICIT SUPPORT; I HAVE FOUND AROUND THE WORLD A GREAT DEAL OF INTEREST IN WHAT IS HAPPENING IN HONG KONG, BUT THE COUNTRIES WHICH I HAVE RECENTLY VISITED, CANADA AND JAPAN, I ASSUME THE HONOURABLE MEMBER WOULD LEAVE THE UNITED KINGDOM OUT OF THE PICTURE BECAUSE THAT, AFTER ALL, IS THE PRESENT SOVEREIGN POWER. IN CANADA AND JAPAN, THE GOVERNMENTS RECOGNISE THAT THE SUCCESSFUL IMPLEMENTATION OF THE JOINT DECLARATION IS ABOVE ALL A MATTER FOR HONG KONG, FOR CHINA AND FOR THE UNITED KINGDOM. BUT THEY ARE ACTUALLY INTERESTED IN THAT SUCCESSFUL IMPLEMENTATION. WHEN I WAS IN JAPAN, I WAS ASKED ON SEVERAL OCCASIONS BY JOURNALISTS WHETHER I WAS DISAPPOINTED THAT JAPAN HADN'T ENDORSED MY PACKAGE. I POINTED OUT THAT BEFORE I WENT TO JAPAN I HAD SAID THAT I DIDN'T EXPECT THAT FROM JAPAN OR SEEK THAT FROM JAPAN. SO, IF YOU HAVEN'T EXPECTED SOMETHING TO HAPPEN OR ASKED FOR SOMETHING TO HAPPEN YOU CAN'T BE DISAPPOINTED THAT IT DIDN'T HAPPEN, IF THE HONOURABLE MEMBER SEES WHAT I MEAN. I DON'T SEEK TO SOLICIT SUPPORT FROM THE OUTSIDE WORLD FOR THE PROPOSALS WHICH THE GOVERNMENT OF HONG KONG HAS PUT FORWARD, BUT I'M NOT SURPRISED THAT THERE IS INTEREST IN THE OUTSIDE WORLD IN WHAT IS HAPPENING IN HONG KONG SINCE HONG KONG IS ONE OF THE GREATEST INTERNATIONAL FINANCIAL AND COMMERCIAL CENTRES IN THE WORLD, AND SINCE IT'S IN THE INTERESTS OF THE WORLD THAT HONG KONG SHOULD REMAIN PRECISELY LIKE THAT AND WHAT DO I THINK OF THE MAIN CONDITIONS FOR HONG KONG REMAINING LIKE THAT? I'LL TELL THE HONOURABLE MEMBER. I THINK THAT THE MAIN CONDITIONS ARE TO RETAIN AN OPEN MARKET ECONOMY AND THE RULE OF LAW AND THOSE ARE MY MAIN OBJECTIVES.

PETER WONG: I WISH TO FOLLOW UP YOUR ANSWER TO THE HONOURABLE COLLEAGUE'S QUESTION ON THE VOTING THE THREE OFFICIAL MEMBERS OF THIS COUNCIL. EACH OF US, THE UNOFFICIAL MEMBERS, ARE FREE TO VOTE ACCORDING TO OUR OWN WISH OR CONSCIENCE. WE ACCORD THE SAME FREEDOM TO THE THREE OFFICIALS SO THEY CAN VOTE ACCORDING TO THEIR OWN CONSCIENCE.

GOVERNOR: OF COURSE, BUT IT WOULD BE SURPRISING IF MEMBERS, OFFICIAL MEMBERS OF THE HONG KONG EXECUTIVE, DIDN'T AGREE WITH THE HONG KONG EXECUTIVE'S POLICIES. SO, I FIND IT A SLIGHTLY CURIOUS QUESTION, BUT MY SENIOR OFFICIALS HAVE, LIKE THE HONOURABLE MEMBERS, PRINCIPLES TO WHICH THEY ADHERE VERY STRONGLY. I THINK THAT BETTER BE THE LAST ONE, I'M SORRY.

TUESDAY, DECEMBER 1, 1992

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S T TANG: SIR, IN THE PRESENT CONFUSED SITUATION ABOUT HONG KONG'S POLITICAL REFORMS, DO YOU THINK THAT YOUR PRESENTATION OVERSEAS CAN HELP THE FOREIGNERS OF HAVE A FAIR EVALUATION AND UNDERSTANDING OF HONG KONG WITHOUT KNOWING CHINA'S POSITION?

GOVERNOR: IN MY EXPERIENCE CHINA HAS NOT BEEN SLOW TO MAKE HER POSITION CLEAR. I HAVE THE DISTINCT IMPRESSION BEFORE EACH OF MY VISITS THAT CHINESE OFFICIALS, AS IS DOUBTLESS THEIR JOB, HAVE BEEN DOING THAT VERY VIGOROUSLY. LAST QUESTION.

SZETO WAH: MR GOVERNOR, WHEN YOU WERE IN LONDON YOU SAID, YOU TALKED ABOUT EMPTY THREATS AND IT LED TO SOME MISUNDERSTANDING. AT THAT TIME, WHY DID YOU USE THE TERM EMPTY THREATS, BECAUSE IN THE LAST TWO DAYS IF YOU WERE TO USE ANOTHER ADJECTIVE, WOULD YOU USE ANOTHER ADJECTIVE? IF SO, WHAT WILL THAT NEW ADJECTIVE BE?

GOVERNOR: THE CONFUSION TO WHICH THE HONOURABLE MEMBER REFERS IS SOMETHING THAT PERHAPS I COULD EXPLAIN TO THOSE MEMBERS OF THE COUNCIL WHO AREN'T AWARE OF IT. I USED THE WORD EMPTY THREATS, ACTUALLY I THINK I USED IT IN CANADA, NOT IN THE UNITED KINGDOM, AFTER A STATEMENT HAD BEEN MADE DENOUNCING THIS LEGISLATIVE COUNCIL FOR HAVING THE TEMERITY TO DO WHAT IT'S SUPPOSED TO DO UNDER THE BASIC LAW. THAT IS, TO VOTE ON LEGISLATIVE ARRANGEMENTS. I USED THE WORD EMPTY THREATS IN RELATION TO THE STATEMENT THAT WAS MADE I THINK BY THE NCNA ABOUT THAT VOTE AND IT WAS TRANSLATED BY ONE OF THE AGENCIES, MAKING I'M SURE A RARE ERROR, AS BEING EMPTY-HEADED RATHER THAN EMPTY THREATS. I WOULDN'T OF COURSE ACCUSE ANYONE FOR BEING EMPTY-HEADED UNDER ANY CONCEIVABLE CIRCUMSTANCES, BECAUSE AS THE HONOURABLE MEMBER WILL KNOW, I AM A MAN OF GREAT FORBEARANCE. THAT WAS THE CONFUSION AND EVEN THOUGH THERE WAS THE REACTION TO WHICH THE HONOURABLE MEMBER REFERRED, IT WAS ROOTED IN WHAT THE AGENCY SAID RATHER THAN WHAT THE GOVERNOR OF HONG KONG SAID. I DON'T WANT TO USE ADJECTIVES, THERE ARE A LOT OF ADJECTIVES BEING USED AT THE MOMENT, THEY ARE NOT BEING USED BY THE GOVERNMENT OF HONG KONG. WHAT I WILL SAY IS JUST THIS. THOSE WHO TALK, AS WE ALL DO, ABOUT SECURING THE PROSPERITY AND STABILITY OF HONG KONG SHOULD IN MY JUDGEMENT MAKE EVERY EFFORT TO ACHIEVE THAT OBJECTIVE AND SHOULD BE MINDFUL OF THE EFFECT THAT WORDS SOMETIMES HAVE IN A CONTRARY DIRECTION. I HOPE THAT WE CAN ALL WORK FOR THE BEST INTERESTS OF THE PEOPLE OF HONG KONG. I THINK THE PEOPLE OF HONG KONG DESERVE BETTER THAN TO HAVE ANYTHING SAID ABOUT THEIR PROSPECTS WHICH MIGHT UNDERMINE THEIR PROSPERITY AND STABILITY. THERE IS EVERY REASON TO BE ENORMOUSLY CONFIDENT ABOUT THE FUTURE OF HONG KONG AND THAT WAS, IS, AND REMAINS MY POSITION AND I'M SURE THAT THAT WILL BE THE BASIS ON WHICH THIS COUNCIL AFTER, AS I SAID EARLIER, AN INEVITABLY HEATED DEBATE WILL BE ABLE TO WORK TOGETHER IN THE FUTURE.

IN ACCORDANCE WITH STANDING ORDERS MAY I NOW ADJOURN THE COUNCIL UNTIL 2.30 P.M. ON WEDNESDAY, 2ND OF DECEMBER 1992.

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DOMESTIC EXPORT STATISTICS CLASSIFIED BY INDUSTRIAL ORIGIN
FOR 3RD QUARTER 1992

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IN THE THIRD QUARTER OF 1992, THE THREE MAJOR INDUSTRY GROUPS OF TEXTILES, WEARING APPAREL AND CONSUMER ELECTRICAL AND ELECTRONIC PRODUCTS TOGETHER ACCOUNTED FOR 59% OF HONG KONG'S TOTAL DOMESTIC EXPORTS OF MANUFACTURED GOODS, ACCORDING TO STATISTICS RELEASED TODAY (TUESDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

DOMESTIC EXPORTS OF TEXTILES INCREASED BY 6% TO \$15.6 BILLION IN THE THIRD QUARTER OF 1992 AS COMPARED WITH THE SAME QUARTER LAST YEAR. THIS INCREASE WAS MAINLY DUE TO A GROWTH IN THE DOMESTIC EXPORTS OF KNITTED WEARS.

ON THE OTHER HAND, DOMESTIC EXPORTS OF WEARING APPAREL DECREASED BY 2% TO \$11.7 BILLION IN THE THIRD QUARTER OF 1992. DOMESTIC EXPORTS OF CONSUMER ELECTRICAL AND ELECTRONIC PRODUCTS ALSO DROPPED BY 5% TO \$9.8 BILLION.

AS FOR THE OTHER MANUFACTURING INDUSTRIES, SIGNIFICANT INCREASES IN THE VALUE OF DOMESTIC EXPORTS WERE RECORDED IN THE INDUSTRY GROUPS OF MACHINERY, EQUIPMENT, APPARATUS, PARTS AND COMPONENTS (+\$844 MILLION OR +14%); PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING (+\$301 MILLION OR +16%); AND TOBACCO MANUFACTURES (+\$136 MILLION OR +26%).

ON THE OTHER HAND, SIGNIFICANT DECLINES IN THE VALUE OF DOMESTIC EXPORTS WERE REGISTERED IN PLASTIC PRODUCTS (-\$446 MILLION OR -20%); NON-METALLIC MINERAL PRODUCTS (-\$44 MILLION OR -31%); AND FOOTWEAR (-\$37 MILLION OR -24%).

THE ABOVE STATISTICS ON DOMESTIC EXPORTS ANALYSED BY INDUSTRIAL ORIGIN ARE DERIVED BY RE-GROUPING THE MERCHANDISE EXPORT ITEMS ORIGINALLY GROUPED UNDER THE EXTERNAL TRADE CLASSIFICATION SYSTEM ACCORDING TO THE INDUSTRIES IN WHICH THESE MERCHANDISE ITEMS ARE NORMALLY PRODUCED. TRANSACTIONS IN GOLD AND SPECIE ARE EXCLUDED.

THE INDUSTRIAL CLASSIFICATION USED IS THE HONG KONG STANDARD INDUSTRIAL CLASSIFICATION (HSIC). THE HSIC IS TO BE DISTINGUISHED FROM THE UNITED NATIONS STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC) USED IN THE REGULAR TRADE STATISTICS REPORTS.

IN COMPARISON, THE HSIC IS MORE RELATED TO PRODUCTION PROCESSES WHEREAS THE SITC IS MORE GEARED TO END USES OF PRODUCTS.

CAUTION SHOULD BE TAKEN WHEN REFERRING TO THESE DOMESTIC EXPORT STATISTICS CLASSIFIED BY INDUSTRIAL ORIGIN. THERE MAY BE SEVERAL INTERMEDIATE PROCESSING STAGES IN THE PRODUCTION OF CERTAIN MERCHANDISE EXPORT ITEMS.

IN COMPILING THE ABOVE STATISTICS, THE TOTAL VALUE OF SUCH AN ITEM HAS HOWEVER BEEN WHOLLY RELATED TO THE INDUSTRY IN WHICH THE ITEM IS FINALLY PRODUCED.

DOMESTIC EXPORT STATISTICS OF A PARTICULAR INDUSTRY PRODUCED ABOVE MAY INCLUDE PRODUCTS WHICH ARE PRODUCED AS SECONDARY PRODUCTS BY ESTABLISHMENTS BELONGING TO OTHER INDUSTRIES.

Domestic exports of manufactured goods classified by industrial origin
for the third quarter of 1992

(Value in HK.\$'000)

Industrial origin of the commodities exported	Merchandise domestic exports			
	1992 3rd qtr.	1991 3rd qtr.	Value change	% change
Food	538,525	509,969	+28,556	+5.6
Beverages	132,153	115,608	+16,545	+14.3
Tobacco manufactures	661,712	526,208	+135,504	+25.8
Textiles (including knitting)	15,573,067	14,632,326	+940,741	+6.4
Wearing apparel, except footwear	11,698,486	11,916,493	-218,008	-1.8
Leather and leather products, except footwear and wearing apparel	430,037	384,735	+45,302	+11.8
Footwear, except rubber, plastic and wooden footwear	116,703	153,530	-36,827	-24.0
Wood and cork products, furniture and fixtures	120,288	117,320	+2,968	+2.5
Paper and paper products, printing and publishing	2,134,612	1,834,012	+300,600	+16.4
Chemicals and chemical products	1,695,053	1,718,779	-23,726	-1.4
Products of petroleum and coal	3,654	5,432	-1,778	-32.7
Rubber products	29,503	26,761	+2,742	+10.2
Plastic products	1,782,231	2,228,529	-446,297	-20.0
Non-metallic mineral products, except products of petroleum and coal	98,112	142,284	-44,172	-31.0
Basic metals and fabricated metal products	2,469,584	2,425,864	+43,720	+1.8
Machinery, equipment, apparatus, parts and components	6,834,432	5,990,903	+843,529	+14.1
Consumer electrical and electronic products	9,769,359	10,305,361	-536,002	-5.2
Transport equipment	62,331	52,230	+10,101	+19.3
Professional and optical equipment	4,805,611	4,840,823	-35,212	-0.7
Other manufacturing industries	3,620,857	3,589,938	+30,919	+0.9
Total	62,576,310	61,517,105	+1,059,205	+1.7

Notes : 1. Individual entries of a column may not add up exactly to the corresponding total due to rounding. All percentage changes are calculated from unrounded figures.

2. The above statistics are derived by re-grouping the merchandise export items under the external trade classification system according to the industries in which these items are normally produced. As from 1992, the Third Revision of the Standard International Trade Classification (SITC R3) has been adopted in place of the Second Revision (SITC R2) for the classification of trade statistics. To facilitate year-on-year comparison, statistics for the same period in 1991 have been re-compiled in terms of SITC R3 as far as possible. The above statistics may not be strictly comparable with those published for earlier years due to the change in trade classification.

\$78 BILLION EARMARKED FOR PUBLIC WORKS PROGRAMME

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HONG KONG HAS EMBARKED UPON A SERIES OF MAJOR PROGRAMMES OF INFRASTRUCTURE DEVELOPMENT WITH \$78 BILLION AT MARCH 1992 PRICES ALREADY EARMARKED FOR PUBLIC WORKS PROGRAMME IN THE NEXT FIVE YEARS, THE SECRETARY FOR WORKS, MR JAMES BLAKE, SAID TODAY (TUESDAY).

THIS IS IN ADDITION TO \$43 BILLION AT MARCH 1991 PRICES, FOR THE SEVEN GOVERNMENT-FUNDED AIRPORT CORE PROGRAMME PROJECTS, AND REPRESENTS A 44 PER CENT GROWTH IN REAL TERMS OVER SPENDING ON PUBLIC WORKS DURING THE PAST FIVE YEARS.

ADDRESSING THE 1992 COMPLETION CEREMONY OF THE CONSTRUCTION INDUSTRY TRAINING AUTHORITY TODAY (TUESDAY), MR BLAKE SAID: "WITHOUT MODERN AIRPORT AND PORT FACILITIES, HIGHWAYS AND TRANSPORTATION, COMMUNICATION AND INSTITUTIONAL SUPPORT, WE COULD NOT MAINTAIN OUR STATUS AS THE BUSINESS HUB OF ASIA."

"IN BUILDING FOR OUR FUTURE, THERE IS ALWAYS SCOPE FOR PRIVATE SECTOR PARTICIPATION IN MAJOR INFRASTRUCTURE PROJECTS, SUCH AS THOSE RELATED TO THE PORT AND AIRPORT DEVELOPMENT."

MR BLAKE SAID THE LARGE-SCALE GOVERNMENT PROJECTS, TOGETHER WITH DEVELOPMENTS IN THE PRIVATE SECTOR, WOULD PLACE A STRONG DEMAND ON THE CONSTRUCTION WORK FORCE OF MORE THAN 60,000 SKILLED AND SEMI-SKILLED WORKERS.

APART FROM ACTIVELY PROMOTING THE TRAINING OF ITS TECHNICIANS AND PROFESSIONALS, MR BLAKE SAID THE GOVERNMENT WAS ALSO STRONGLY ENCOURAGING CONTRACTORS TO PROVIDE THE NECESSARY TRAINING TO THEIR EMPLOYEES THROUGH LEGISLATION AND ADMINISTRATIVE PROCEDURES.

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GOVT COMMITTED TO IMPROVING ELDERLY SERVICES

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THE SPENDING OF \$445 MILLION ON ELDERLY SERVICES, AND \$3.38 BILLION ON THE PAYMENT OF OLD AGE ALLOWANCES AND PUBLIC ASSISTANCE TO THE ELDERLY THIS FINANCIAL YEAR INDICATES THE GOVERNMENT'S STRONG COMMITMENT TO FURTHER IMPROVING ELDERLY SERVICES.

THIS WAS STATED TODAY (TUESDAY) BY THE DEPUTY DIRECTOR OF SOCIAL WELFARE, MRS ROSE GOODSTADT, WHEN ADDRESSING A CHARITY NIGHT OF THE ARTISTE TRAINING ALUMNI ASSOCIATION.

"IT IS ENCOURAGING TO TAKE NOTE OF THE DEVELOPMENTS OF LOCAL SOCIAL WELFARE SERVICES," SHE SAID.

THE WHITE PAPER ON SOCIAL WELFARE PUBLISHED IN 1991 SET OUT PROPOSALS FOR THE WAY AHEAD AND POLICIES IN FUTURE, SHE SAID.

THE GOVERNOR ANNOUNCED AT THE OPENING OF THE CURRENT SESSION OF THE LEGISLATIVE COUNCIL THAT THE GOVERNMENT WOULD MAKE AN IMMEDIATE CAPITAL INJECTION OF \$2.3 BILLION INTO THE LOTTERIES FUND TO IMPLEMENT KEY TARGETS SET OUT IN THE DOCUMENT, SHE ADDED.

FOLLOWING THE GOVERNMENT'S FINANCIAL SUPPORT, MEMBERS OF THE COMMUNITY SHOULD REACT POSITIVELY BY ACTIVELY TAKING PART IN VOLUNTEER SERVICES.

"IN DOING SO, WE CAN JOIN ANY WELFARE ESTABLISHMENTS, OR SIMPLY DONATE FUNDS FOR CHARITY. WE MAY ALSO FOLLOW THE GOOD EXAMPLE OF ARTISTE TRAINING ALUMNI ASSOCIATION TO HOLD CHARITY FUNCTIONS SO AS TO BUILD A CARING COMMUNITY," SHE ADDED.

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TWO DEBATES IN LEGCO
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THE LEGISLATIVE COUNCIL WILL HAVE TWO DEBATES AT ITS MEETING TOMORROW (WEDNESDAY).

THE HON PETER WONG WILL MOVE A MOTION URGING THE ADMINISTRATION TO REVIEW THE PRIORITIES OF ITS ENVIRONMENTAL PROTECTION PROGRAMMES AND TO DRAW UP A COMPREHENSIVE CONSERVATION POLICY WITH A TARGET TOWARDS ACHIEVING SUSTAINABLE DEVELOPMENT.

DR THE HON C H LEONG WILL MOVE AN AMENDMENT TO HIS MOTION.

THE HON TIK CHI-YUEN WILL MOVE AN ADJOURNMENT DEBATE ON THE OBJECTIVE OF SCHOOL EDUCATION.

MEMBERS WILL ALSO ASK A TOTAL OF 20 QUESTIONS AND CONSIDER FIVE FILLS.

THE BILLS ARE SUPREME COURT (AMENDMENT) BILL 1992, TRUSTEE (AMENDMENT) BILL 1992, PENSIONS MODIFICATION BILL 1992, PENSIONS ORDINANCES AND REGULATIONS (MISCELLANEOUS AMENDMENTS) BILL 1992 AND HONG KONG INDUSTRIAL TECHNOLOGY CENTRE CORPORATION BILL.

THEY WILL BE INTRODUCED FOR FIRST AND SECOND READINGS. DEBATES ON THEM ARE DUE TO BE ADJOURNED.

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE PROCEEDINGS OF THE MEETING FROM THE PUBLIC GALLERIES OF THE LEGISLATIVE COUNCIL CHAMBER. THEY MAY RESERVE SEATS BY CALLING 869 9492.

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YOUTHS URGED TO TAKE PART IN COMMUNITY ACTIVITIES

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THE REGIONAL SECRETARY FOR NEW TERRITORIES, MR ALBERT LAM, SAID TODAY (TUESDAY) THAT IT WAS OF PARAMOUNT IMPORTANCE THAT YOUNG PEOPLE BE WELL-INFORMED, SENSIBLE AND RESPONSIBLE WITH HIGH SOCIAL AWARENESS AND THE ABILITY TO DISTINGUISH RIGHT FROM WRONG.

SPEAKING AT THE SPEECH DAY OF KIANGSU-CHEKIANG COLLEGE IN SHA TIN, MR LAM SAID YOUNG PEOPLE WERE THE FUTURE PILLARS OF SOCIETY. THE WAY THEY DEVELOP WOULD, TO A LARGE EXTENT, SHAPE THE FUTURE OF THE TERRITORY.

THEREFORE, HE SAID IT WAS IMPORTANT FOR THEM TO PARTICIPATE IN COMMUNITY ACTIVITIES.

HE SAID THESE ACTIVITIES WILL ENABLE THEM TO LEARN THE WAYS TO GET ALONG WITH OTHER PEOPLE AND DEVELOP TEAM SPIRIT.

THESE ACTIVITIES CAN ALSO HELP TO BUILD UP YOUNG PEOPLE'S CONFIDENCE AND A SENSE OF RESPONSIBILITY, HE ADDED.

MR LAM SAID YOUTHS WERE PROVIDED WITH ABUNDANT OPPORTUNITIES TO DEVELOP THEMSELVES.

APART FROM THOSE SCHOOL CLUBS, SOCIETIES AND INTEREST GROUPS, THEY MAY ALSO JOIN SOCIAL SERVICE BODIES SUCH AS BOY SCOUTS AND GIRL GUIDES, JUNIOR POLICE CALL, COMMUNITY YOUTH CLUB, THE DUKE OF EDINBURGH AWARD SCHEME AND THE ROAD SAFETY PATROL.

"THESE BODIES GIVE PARTICIPANTS A CHANCE TO LEARN ABOUT DISCIPLINE AND TO SERVE THE COMMUNITY."

FOR EXAMPLE, HE SAID THE STUDENT FIGHT CRIME AMBASSADORS SCHEME LAUNCHED BY THE SHA TIN DISTRICT FIGHT CRIME COMMITTEE HELPS YOUNG PEOPLE DEVELOP CIVIC AWARENESS AND COMMUNITY SPIRIT.

HE BELIEVED THAT ALL THESE ACTIVITIES WOULD HELP YOUNG PEOPLE ORGANISE EVENTS, BROADEN THEIR HORIZONS, AND BETTER UNDERSTAND THE NEEDS OF THE PEOPLE.

MR LAM SAID SOCIETY GAVE YOUNG PEOPLE A CHANCE TO RECEIVE GOOD EDUCATION.

"YOU CERTAINLY OWE SOCIETY YOUR EFFORTS FOR ITS WELL-BEING WITH WHAT YOU HAVE LEARNED, AND TO MAKE YOUR CONTRIBUTION," HE SAID.

ON PEOPLE'S LIVELIHOOD, MR LAM SAID HONG KONG ENJOYED A HIGHER STANDARD OF LIVING FOLLOWING AN IMPRESSIVE ECONOMIC PERFORMANCE WHICH MADE IT POSSIBLE TO HAVE BIG INCREASES IN GOVERNMENT SPENDING ON EDUCATION, SOCIAL WELFARE AND HOUSING.

"IN FACT, HONG KONG OWES ITS SUCCESS TO THE HARD WORK OF ITS PEOPLE.

"THEREFORE, IT IS THE RESPONSIBILITY OF EACH AND EVERYONE OF US TO SEE TO IT THAT STABILITY AND PROSPERITY CAN AND WILL BE MAINTAINED," HE SAID.

POSITIVE APPROACH ON AIDS URGED

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MEMBERS OF THE PUBLIC SHOULD TAKE THE INITIATIVE AND ADOPT A POSITIVE APPROACH IN DEALING WITH AIDS.

SPEAKING AT THE OPENING CEREMONY OF THE AIDS FOUNDATION'S EDUCATION AND SERVICE CENTRE AT THE SHAU KEI WAN JOCKEY CLUB CLINIC TODAY (TUESDAY), THE DIRECTOR OF EDUCATION, MR DOMINIC S W WONG, SAID THE HEALTH DEPARTMENT HAD BEEN ACTIVELY EDUCATING THE PUBLIC ON AIDS SINCE 1983.

THE EDUCATION DEPARTMENT, TOGETHER WITH THE HEALTH DEPARTMENT, HAD ALSO BEEN PROMOTING ANTI-AIDS EDUCATION IN SCHOOLS.

"HOWEVER, WE HAVE TO MOBILISE COMMUNITY SUPPORT TO COUNTERACT THE DAMAGE WHICH IS BEING DONE TO US AND OUR NEXT GENERATIONS BY THE DEADLY DISEASE," HE SAID.

THE NEWLY OPENED EDUCATION AND SERVICE CENTRE HAS A WIDE COLLECTION OF INFORMATION AND EQUIPMENT FOR EDUCATIONAL PURPOSE. IT ALSO PROVIDES COUNSELLING SERVICES AND RUNS TRAINING COURSES.

MR WONG URGED MEMBERS OF THE PUBLIC, PARTICULARLY STUDENTS AND YOUTHS, TO MAKE FULL USE OF THE CENTRE.

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HK YOUTH SYMPHONIC BAND RECRUITS MEMBERS

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THE HONG KONG YOUTH SYMPHONIC BAND (HKYSB) OF THE MUSIC OFFICE IS RECRUITING NEW MEMBERS FOR NEXT YEAR.

THE HONG KONG YOUTH SYMPHONIC BAND WAS FORMED IN 1978 WITH THE PRINCIPAL AIM OF PROVIDING TRAINEES OF THE MUSIC OFFICE WITH SYMPHONIC BAND TRAINING SO AS TO CREATE A WIDER INTEREST AND RECEPTION OF BAND MUSIC IN HONG KONG.

OVER THE YEARS, THE HKYSB HAS HELD REGULAR CONCERTS IN HONG KONG, AS WELL AS PERFORMING OVERSEAS SUCH AS IN JAPAN AND HAWAII.

THE BAND ALSO HAD THE PRIVILEGE OF PERFORMING WITH A NUMBER OF DISTINGUISHED GUEST MUSICIANS AND BANDS BOTH LOCALLY AND IN OTHER COUNTRIES.

APPLICANTS SHOULD BE UNDER 25 YEARS OF AGE AND HAVE ATTAINED GRADE SIX OR ABOVE IN THE ROYAL SCHOOLS OF MUSIC EXAMINATION, OR EQUIVALENT.

DURING THE TRAINING, REHEARSAL WILL BE HELD EVERY FRIDAY FROM 5 PM TO 8 PM AT YAU MA TEI MUSIC CENTRE.

/THE DEADLINE

TUESDAY, DECEMBER 1, 1992

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THE DEADLINE FOR APPLICATION IS DECEMBER 15 AND QUALIFIED APPLICANTS WILL BE INVITED TO ATTEND AN AUDITION AT A LATER STAGE.

APPLICATION FORMS ARE NOW AVAILABLE AT HONG KONG AND YAU MA TEI MUSIC CENTRES OF THE MUSIC OFFICE. COMPLETED FORMS SHOULD BE RETURNED TO HONG KONG MUSIC CENTRE, HONG KONG ARTS CENTRE, 2 HARBOUR ROAD, NINTH FLOOR, WAN CHAI.

FOR FURTHER INFORMATION, PLEASE CALL 802 0657.

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HONG KONG GOVERNMENT EXCHANGE FUND
TENDER RESULTS
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TENDER DATE	1 DEC 92	1 DEC 92
PAPER ON OFFER	EF BILLS	EF BILLS
ISSUE NUMBER	Q249	Y297
AMOUNT APPLIED	HKD 1,495 MN	HKD 270 MN
AMOUNT ALLOTTED	HKD 800 MN	HKD 200 MN
AV PRICE (YIELD) ACCEPTED	4.26 PCT	5.20 PCT
LOWEST PRICE (YIELD) ACCEPTED	4.27 PCT	5.20 PCT
PRO RATA RATIO	ABOUT 98 PCT	ABOUT 86 PCT
AV TENDER PRICE (YIELD)	4.32 PCT	5.25 PCT

HONG KONG GOVERNMENT EXCHANGE FUND

TENDERS TO BE HELD IN THE WEEK BEGINNING 7 DECEMBER 1992 -

TENDER DATE	8 DEC 92	8 DEC 92
PAPER ON OFFER	EF BILLS	EF BILLS
ISSUE NUMBER	H279	Q250
ISSUE DATE	9 DEC 92	9 DEC 92
MATURITY DATE	9 JUN 93	10 MAR 93
TENOR	182 DAYS	91 DAYS
AMOUNT ON OFFER	HKD 300+60 MN	HKD 800+160 MN

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TUESDAY, DECEMBER 1, 1992

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
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	\$ MILLION -----
OPENING BALANCE IN THE ACCOUNT	1,500
REVERSAL OF LAF	NIL
BALANCE AFTER REVERSAL OF LAF	1,500
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	NIL
CLOSING BALANCE IN THE ACCOUNT	1,500

LAF RATE 2.00 BID/4.00 OFFER TWI 113.8 *-0.2* 1.12.92

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	4.30 PCT	15 MONTHS	2402	5.50	99.86	5.69
1 MONTH	4.44 PCT	18 MONTHS	2405	5.50	99.81	5.71
3 MONTHS	4.49 PCT	21 MONTHS	2408	4.375	97.86	5.78
6 MONTHS	4.63 PCT	24 MONTHS	2411	4.625	97.86	5.88
12 MONTHS	5.43 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 8,065MN

CLOSED 1 DECEMBER 1992

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