



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

MONDAY, JUNE 25, 1990

<u>CONTENTS</u>	<u>PAGE NO.</u>
SUMMARY RESULTS OF 1988 SURVEY OF TRANSPORT AND RELATED SERVICES	1
10 QUESTIONS, SEVEN BILLS ON LEGCO AGENDA	4
GOVT TO CONDUCT HEALTH MANPOWER SURVEY	4
1,611 FARMERS CEASED BUSINESS IN PHASE I CONTROL AREAS	5
VR CAMP MANAGEMENT ON DB AGENDA	6
DB TO STUDY FUND ALLOCATION CRITERIA	6
DB COMMITTEE TO STUDY DESIGN OF SITTING-OUT AREA	7
DB COMMITTEE TO DISCUSS TREE PLANTING	7
STRINGENT ACTION AGAINST ILLEGAL PARKING IN TST, CENTRAL	8
WATER STORAGE FIGURE	9

SUMMARY RESULTS OF 1988 SURVEY OF TRANSPORT AND RELATED SERVICES

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A TOTAL OF 35,531 TRANSPORT ESTABLISHMENTS WERE IN OPERATION DURING THE WHOLE OR PART OF 1988, REPRESENTING AN INCREASE OF 3 PER CENT OVER 1987, ACCORDING TO THE SUMMARY RESULTS OF THE 1988 SURVEY OF TRANSPORT AND RELATED SERVICES RELEASED TODAY (MONDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

THEY ENGAGED, IN TOTAL, 152,733 PERSONS, AN INCREASE OF 7 PER CENT OVER THE PREVIOUS YEAR.

IN 1988, THESE ESTABLISHMENTS GENERATED \$97,215 MILLION OF BUSINESS RECEIPTS AND OTHER INCOME, AND SPENT \$11,416 MILLION ON COMPENSATION OF EMPLOYEES AND \$71,963 MILLION ON OPERATING EXPENSES.

WHEN COMPARED WITH 1987, BUSINESS RECEIPTS INCREASED BY 16 PER CENT; COMPENSATION OF EMPLOYEES BY 22 PER CENT, AND OPERATING EXPENSES BY 17 PER CENT.

ALL VALUE FIGURES IN THIS PRESS RELEASE ARE EXPRESSED IN CURRENT PRICE TERMS. PERCENTAGE CHANGES DERIVED FROM THESE FIGURES HAVE NOT BEEN ADJUSTED FOR PRICE INCREASES.

THE SECTOR'S VALUE ADDED GREW BY 27 PER CENT TO \$28,535 MILLION IN 1988, FROM \$22,423 MILLION IN 1987. VALUE ADDED IS A MEASURE OF THE CONTRIBUTION OF AN ECONOMIC SECTOR TO HONG KONG'S GROSS DOMESTIC PRODUCT.

ANALYSED BY MAJOR TRANSPORT GROUP, THE SURVEY SHOWED THAT, IN 1988, "SERVICES INCIDENTAL TO TRANSPORT" (SUCH AS ESTABLISHMENTS ENGAGED IN AIR FREIGHT/SHIPPING FORWARDING, PACKING AND CRATING GOODS FOR TRANSPORTATION, TRAVEL AGENTS AND SHIPBROKERS) HAD THE LARGEST SHARE OF BUSINESS RECEIPTS AND OTHER INCOME, AT \$43,201 MILLION OR 44 PER CENT OF THE SECTOR TOTAL.

"AIR TRANSPORT" TOOK UP 17 PER CENT; "OCEAN AND COASTAL WATER TRANSPORT" ACCOUNTED FOR ANOTHER 16 PER CENT; "LAND PASSENGER TRANSPORT" 10 PER CENT; "LAND FREIGHT TRANSPORT" 6 PER CENT; "SUPPORTING SERVICES TO WATER TRANSPORT" 4 PER CENT; "INLAND WATER TRANSPORT" 2 PER CENT; AND "SUPPORTING SERVICES TO LAND TRANSPORT" 1 PER CENT.

"LAND PASSENGER TRANSPORT" AND "AIR TRANSPORT" EACH CONTRIBUTED 22 PER CENT AND 30 PER CENT OF THE TOTAL VALUE ADDED OF THE SECTOR.

THE SECTOR'S REMAINING CONTRIBUTION WAS MADE BY "OCEAN AND COASTAL WATER TRANSPORT" (18 PER CENT); "SERVICES INCIDENTAL TO TRANSPORT" (11 PER CENT); "LAND FREIGHT TRANSPORT" (10 PER CENT); "SUPPORTING SERVICES TO WATER TRANSPORT" (5 PER CENT); "INLAND WATER TRANSPORT" (3 PER CENT); AND "SUPPORTING SERVICES TO LAND TRANSPORT" (1 PER CENT).

/WHEN COMPARED

WHEN COMPARED WITH 1987, "INLAND WATER TRANSPORT" SHOWED THE LARGEST PERCENTAGE INCREASE IN BUSINESS RECEIPTS AND OTHER INCOME (42 PER CENT); FOLLOWED BY "LAND FREIGHT TRANSPORT" (37 PER CENT); "AIR TRANSPORT" (30 PER CENT); "SERVICES INCIDENTAL TO TRANSPORT" (22 PER CENT); "OCEAN AND COASTAL WATER TRANSPORT" (12 PER CENT); "SUPPORTING SERVICES TO LAND TRANSPORT" (6 PER CENT); "SUPPORTING SERVICES TO WATER TRANSPORT" (5 PER CENT).

ON THE OTHER HAND, "LAND PASSENGER TRANSPORT" SHOWED A DECREASE OF 19 PER CENT.

IN TERMS OF VALUE ADDED, "AIR TRANSPORT" RECORDED THE LARGEST PERCENTAGE INCREASE OVER 1987 (50 PER CENT); FOLLOWED BY "INLAND WATER TRANSPORT" (33 PER CENT); "LAND FREIGHT TRANSPORT" (31 PER CENT); "OCEAN AND COASTAL WATER TRANSPORT" (28 PER CENT); "SERVICES INCIDENTAL TO TRANSPORT" (27 PER CENT); "LAND PASSENGER TRANSPORT" (11 PER CENT); "SUPPORTING SERVICES TO WATER TRANSPORT" (3 PER CENT).

ON THE OTHER HAND, "SUPPORTING SERVICES TO LAND TRANSPORT" SHOWED A DECREASE OF 17 PER CENT.

THE 1988 SURVEY WAS ONE IN A SERIES OF ANNUAL SURVEYS CONDUCTED FOR THE PURPOSE OF ASCERTAINING THE STRUCTURE AND OPERATING CHARACTERISTICS OF THE TRANSPORT SECTOR, AND UPDATING ITS CONTRIBUTION TO THE GROSS DOMESTIC PRODUCT OF HONG KONG.

DATA COLLECTED IN THE SURVEY INCLUDED TYPE OF OWNERSHIP, FLOOR AREA, NUMBER OF PERSONS ENGAGED, NUMBER OF EMPLOYEES; COMPENSATION OF EMPLOYEES, OPERATING EXPENSES, BUSINESS RECEIPTS AND OTHER INCOME, AND ACQUISITION AND DISPOSAL OF FIXED ASSETS.

DESCRIPTION OF THE BACKGROUND AND METHODOLOGY OF THE SURVEY, TOGETHER WITH TABLES SHOWING THE PRINCIPAL STATISTICS FOR ALL ESTABLISHMENTS IN THE TRANSPORT AND RELATED SERVICES SECTOR, CLASSIFIED BY MAJOR GROUP AND ANALYSED BY VARIOUS ECONOMIC VARIABLES, ARE INCLUDED IN THE "1988 SURVEY OF TRANSPORT AND RELATED SERVICES" REPORT.

THIS REPORT WILL BE ON SALE IN JULY AT THE GOVERNMENT PUBLICATIONS CENTRE, GROUND FLOOR, GPO BUILDING, CONNAUGHT PLACE, CENTRAL; AND THE PUBLICATIONS SALES COUNTER OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER I, 12 HARBOUR ROAD, WAN CHAI.

ENQUIRIES ABOUT THE SURVEY RESULTS MAY BE DIRECTED TO THE TRANSPORT AND SERVICES STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT (TEL. NO. 889 0362).

NOTE TO EDITORS:

A TABLE COMPARING SOME SELECTED PRINCIPAL STATISTICS BY MAJOR GROUP IN THE TRANSPORT AND RELATED SERVICES SECTOR FOR 1987 AND 1988 WILL BE SENT BY FACSIMILE AND BOXED.

COMPARISON OF SELECTED PRINCIPAL STATISTICS FOR ALL ESTABLISHMENTS
IN THE TRANSPORT AND RELATED SERVICES SECTOR BETWEEN 1987 AND 1988

MAJOR GROUP		NUMBER OF ESTABLISH- MENTS	NUMBER OF PERSONS ENGAGED	NUMBER OF EMPLOYEES	COMPENSA- TION OF	OPERATING	BUSINESS	GROSS	VALUE
					EMPLOYEES	EXPENSES	RECEIPTS AND OTHER INCOME	ADDITIONS TO FIXED ASSETS	ADDED
					\$ Mn.	\$ Mn.	\$ Mn.	\$ Mn.	\$ Mn.
LAND PASSENGER TRANSPORT	1988	19 664	46 748	28 026	2,186	4,774	9,524	2,735	6,170
	1987	20 707	48 058	28 639	2,004	4,631	11,705	1,202	5,564
	% change	-5	-3	-2	+9	+3	-19	+128	+11
LAND FREIGHT TRANSPORT	1988	10 919	31 067	20 286	1,156	3,259	5,498	647	2,946
	1987	9 556	26 703	17 172	873	2,299	4,006	442	2,243
	% change	+14	+16	+18	+32	+43	+37	+46	+31
SUPPORTING SERVICES TO LAND TRANSPORT	1988	78	1 594	1 548	92	426	923	13	419
	1987	86	1 608	1 586	88	365	872	165	503
	% change	-9	-1	-2	+5	+33	+6	-32	-17
OCEAN AND COASTAL WATER TRANSPORT	1988	379	15 176	15 151	1,772	10,909	15,986	1,461	5,058
	1987	388	14 913	14 888	1,550	10,261	14,219	469	3,939
	% change	-2	+2	+2	+14	+6	+12	+212	+28
INLAND WATER TRANSPORT	1988	661	6 517	5 753	421	1,071	1,853	455	825
	1987	610	5 999	4 974	319	713	1,301	121	622
	% change	+8	+9	+16	+32	+50	+42	+276	+33
SUPPORTING SERVICES TO WATER TRANSPORT	1988	1 376	8 517	7 068	613	2,382	3,514	359	1,466
	1987	1 130	8 792	7 730	579	2,274	3,333	324	1,417
	% change	+22	-3	-9	+6	+5	+5	+11	+3
AIR TRANSPORT	1988	53	13 090	13 090	3,127	9,064	16,716	2,126	8,432
	1987	54	11 507	11 507	2,353	7,839	12,815	599	5,609
	% change	-2	+14	+14	+33	+16	+30	+255	+50
SERVICES INCIDENTAL TO TRANSPORT	1988	2 402	30 023	28 730	2,049	39,989	43,201	923	3,219
	1987	2 031	25 656	25 153	1,570	32,942	35,478	417	2,525
	% change	+18	+17	+14	+31	+21	+22	+121	+27
ALL TRANSPORT GROUPS	1988	35 531	152 733	119 652	11,416	71,963	97,215	8,720	28,535
	1987	34 562	143 236	111 649	9,336	61,323	83,728	3,739	22,423
	% change	+3	+7	+7	+22	+17	+16	+133	+27
GOVERNMENT TRANSPORT SERVICES	1988	3	1 254	1 254	219	337	1,927	204	1,290
	1987	3	1 199	1 199	197	300	1,542	288	1,123
	% change	0	+5	+5	+12	+13	+25	-29	+15

Notes : (1) Figures denoting changes are derived from unrounded figures.

(2) Individual items may not add up to the corresponding total due to rounding.

(3) Value added is a measure of the contribution of an economic sector to Hong Kong's Gross Domestic Product. The definition can be found in the "1988 Survey of Transport and Related Services" report.

MONDAY, JUNE 25, 1990

- 4 -

10 QUESTIONS, SEVEN BILLS ON LEGCO AGENDA

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MEMBERS OF THE LEGISLATIVE COUNCIL WILL ASK A TOTAL OF 10 QUESTIONS AND CONSIDER SEVEN BILLS AT THE COUNCIL'S MEETING ON WEDNESDAY (JUNE 27).

OF THE SEVEN BILLS, THE LAWS (LOOSE-LEAF PUBLICATION) BILL 1990, THE EMPLOYMENT (AMENDMENT) (NO. 2) BILL 1990 AND THE BUILDINGS (AMENDMENT) BILL 1990 WILL BE INTRODUCED FOR FIRST AND SECOND READINGS. DEBATE ON THEM WILL BE ADJOURNED.

THE BANKING (AMENDMENT) (NO. 2) BILL 1990, THE INSURANCE COMPANIES (AMENDMENT) BILL 1990, THE SECURITIES (DISCLOSURE OF INTERESTS) (AMENDMENT) BILL 1990 AND THE RADIATION (AMENDMENT) BILL 1990 ARE EACH DUE TO BE GIVEN A SECOND READING AND THEN TO GO THROUGH THE COMMITTEE STAGE AND BE GIVEN A THIRD READING.

THE HON SELINA CHOW WILL MOVE A MOTION WHICH READS: "THAT THIS COUNCIL SUPPORTS THE ENACTMENT OF A BILL OF RIGHTS AND URGES THE GOVERNMENT IN DRAFTING THE BLUE BILL TO TAKE INTO ACCOUNT THE VIEWS EXPRESSED BY THIS COUNCIL."

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE PROCEEDINGS OF LEGISLATIVE COUNCIL SITTINGS FROM THE PUBLIC GALLERIES AND THEY MAY MAKE RESERVATIONS BY TELEPHONING 844 0899.

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GOVT TO CONDUCT HEALTH MANPOWER SURVEY

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THE DEPARTMENT OF HEALTH AND THE HOSPITAL SERVICES DEPARTMENT WILL JOINTLY CONDUCT A HEALTH MANPOWER SURVEY NEXT MONTH TO UPDATE INFORMATION ON THE SIZE AND CHARACTERISTICS OF THE WORKFORCE OF THE LOCAL HEALTH INDUSTRY.

ANNOUNCING THIS TODAY (MONDAY), A GOVERNMENT SPOKESMAN SAID THE INFORMATION COLLECTED WOULD FORM USEFUL INPUTS FOR THE FORMULATION OF POLICIES ON HEALTH MANPOWER PLANNING AND TRAINING IN HONG KONG.

THE SPOKESMAN EXPLAINED THAT THE SURVEY WOULD COVER THE VARIOUS GRADES OF MEDICAL, DENTAL, NURSING AND OTHER STAFF OF PROFESSIONS SUPPLEMENTARY TO MEDICINE AND DENTISTRY IN DIFFERENT SECTORS OF THE HEALTH CARE INDUSTRY.

"QUESTIONNAIRES WILL BE SENT EARLY NEXT MONTH TO OVER 10,000 INSTITUTIONS IN BOTH THE PUBLIC AND PRIVATE SECTORS REQUESTING THEM TO SUPPLY THE RELEVANT INFORMATION TO THE TWO DEPARTMENTS.

/"THE INSTITUTIONS

"THE INSTITUTIONS INCLUDE HOSPITALS, CLINICS, MATERNITY HOMES, PRIVATE PRACTITIONERS' OFFICES, DENTISTS' SURGERIES, AND MEDICAL, X-RAY AND DENTAL LABORATORIES."

THE SPOKESMAN HOPED THESE INSTITUTIONS WOULD GIVE THE SURVEY FULL SUPPORT AND RETURN THE COMPLETED QUESTIONNAIRES AND FORMS TO THE STATISTICS UNITS OF THE TWO DEPARTMENTS AS SOON AS POSSIBLE.

"THEIR PARTICIPATION AND CO-OPERATION ARE EXTREMELY IMPORTANT TO MAKING THE SURVEY A SUCCESS."

HE STRESSED THAT THE INFORMATION SUPPLIED BY INDIVIDUAL INSTITUTIONS AND PERSONS WOULD BE TREATED IN STRICT CONFIDENCE AND USED IN GLOBAL ANALYSIS ONLY.

A SIMILAR HEALTH MANPOWER SURVEY WAS CONDUCTED IN 1987 BY THE THEN MEDICAL AND HEALTH DEPARTMENT.

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1,611 FARMERS CEASED BUSINESS IN PHASE I CONTROL AREAS

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ABOUT 25 PER CENT OF THE 6,263 LIVESTOCK FARMERS IN THE PHASE I CONTROL AREAS HAVE STOPPED THEIR OPERATIONS FOLLOWING THE IMPLEMENTATION OF THE LIVESTOCK WASTE CONTROL SCHEME TWO YEARS AGO.

AT A MEETING OF THE LIVESTOCK WASTE DISPOSAL CONSULTATIVE COMMITTEE TODAY (MONDAY), AN ENVIRONMENTAL PROTECTION DEPARTMENT (EPD) REPRESENTATIVE SAID 2,864 AFFECTED FARMERS HAD APPLIED FOR EX-GRATIA ALLOWANCE TO CEASE THEIR BUSINESS BUT SO FAR, ONLY 1,611 HAD ACTUALLY CLOSED DOWN.

ON THE PROGRESS OF THE PRIVATE FARM DEMONSTRATION PROJECTS, THE EPD REPRESENTATIVE SAID SIX FARMS HAD ALREADY COMPLETED THEIR RESPECTIVE SIX-MONTH DEMONSTRATION PERIOD, ONE PIG-ON-LITTER FARM WAS NOW ON DEMONSTRATION, WHILE TWO MORE WOULD BE AVAILABLE FOR DEMONSTRATION IN JULY.

THE PROJECTS ARE AIMED AT DEMONSTRATING TO LIVESTOCK FARMERS WHO WISH TO CONTINUE THEIR BUSINESS IN THE CONTROL AREAS THE VARIOUS WASTE TREATMENT METHODS SO THAT THEY CAN MEET ANTI-POLLUTION REQUIREMENTS.

THE EPD REPRESENTATIVE TOLD MEMBERS THAT A CONSULTANCY REPORT ON THE PROJECTS WAS BEING DRAFTED AND WAS EXPECTED TO BE COMPLETED SOON.

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MONDAY, JUNE 25, 1990

- 6 -

VR CAMP MANAGEMENT ON DB AGENDA

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THE TUEN MUN DISTRICT BOARD WILL LOOK INTO THE MANAGEMENT OF FU TEI AND SAN YICK REFUGEE CENTRES BY THE HOUSING DEPARTMENT AT A MEETING TOMORROW (TUESDAY).

MEMBERS WILL ALSO EXPLORE THE FUTURE USE OF ALL REFUGEE CENTRES IN THE DISTRICT AFTER THEIR CLOSURE BY THE END OF THIS YEAR.

RECOMMENDATIONS IN THE PROVISIONAL HOSPITAL AUTHORITY'S REPORT ON FEES AND CHARGES WILL BE DISCUSSED, WITH SPECIAL EMPHASIS ON THE PROVISION OF SERVICES IN THE TUEN MUN HOSPITAL.

OTHER AGENDA ITEMS INCLUDE REPORTS OF THE DISTRICT BOARD, THE REGIONAL COUNCIL AND THE DISTRICT MANAGEMENT COMMITTEE.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE TUEN MUN DISTRICT BOARD MEETING TO BE HELD TOMORROW (TUESDAY) IN THE DB CONFERENCE ROOM, THIRD FLOOR, TUEN MUN GOVERNMENT OFFICES, 1 TUEN HI ROAD, TUEN MUN.

THE MEETING WILL BEGIN AT 9.30 AM.

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DB TO STUDY FUND ALLOCATION CRITERIA

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THE TAI PO DISTRICT BOARD WILL LOOK INTO THE CRITERIA FOR ALLOCATING DB FUNDS AT A MEETING TOMORROW (TUESDAY).

MEMBERS WILL ALSO CONSIDER SEVEN APPLICATIONS FOR FUNDS TOTALLING OVER \$166,000.

OTHER AGENDA ITEMS INCLUDE THE REPORT OF THE DISTRICT MANAGEMENT COMMITTEE AND THE WORK PLAN OF THE ICAC NEW TERRITORIES EAST REGIONAL OFFICE.

NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE TAI PO DISTRICT BOARD MEETING TO BE HELD TOMORROW (TUESDAY) IN THE DB CONFERENCE ROOM, THIRD FLOOR, TAI PO COMMERCIAL CENTRE, 152 KWONG FUK ROAD, TAI PO.

THE MEETING WILL BEGIN AT 9.30 AM.

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MONDAY, JUNE 25, 1990

- 7 -

DB COMMITTEE TO STUDY DESIGN OF SITTING-OUT AREA

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THE ENVIRONMENT COMMITTEE OF THE WONG TAI SIN DISTRICT BOARD WILL STUDY VARIOUS ENVIRONMENTAL IMPROVEMENT PROJECTS AT A MEETING TOMORROW (TUESDAY).

THESE INCLUDE IMPROVEMENTS TO THE DESIGN AND LIGHTING OF A SITTING-OUT AREA AT PO FONG LANE IN TSZ WAN SHAN WITH A VIEW TO ATTRACTING MORE RESIDENTS TO USE ITS FACILITIES.

MEMBERS WILL ALSO CONSIDER THREE APPLICATIONS FOR FUNDS FOR LAUNCHING THE KEEP HONG KONG CLEAN CAMPAIGN, INSTALLING PLAYGROUND EQUIPMENT OUTSIDE THE WANG TAU HOM JOCKEY CLUB CLINIC, AND BUILDING A RAIN SHELTER ALONG A FOOTPATH NEAR TSUI CHUK GARDEN, CHUK YUEN.

OTHER ITEMS FOR DISCUSSION INCLUDE REPORTS ON THE GREEN PLANT PROJECT, STREET MANAGEMENT AND MINOR WORKS PROJECTS.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE WONG TAI SIN DISTRICT BOARD'S ENVIRONMENT COMMITTEE MEETING TOMORROW (TUESDAY) IN THE DISTRICT OFFICE'S CONFERENCE ROOM, FOURTH FLOOR, SAN PO KONG GOVERNMENT OFFICES BUILDING, KING FUK STREET.

THE MEETING WILL BEGIN AT 2.30 PM.

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DB COMMITTEE TO DISCUSS TREE PLANTING

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THE COMMUNITY AFFAIRS COMMITTEE OF THE ISLANDS DISTRICT BOARD WILL DISCUSS TREE PLANTING ACTIVITIES IN THE DISTRICT IN SUPPORT OF THE WORLD ENVIRONMENT DAY 1990 AT A MEETING TOMORROW (TUESDAY).

MEMBERS WILL CONSIDER JOINTLY ORGANISING THE ACTIVITIES WITH THE ISLANDS DISTRICT COMMUNITY YOUTH CLUB ON PENG CHAU, LAMMA AND LANTAU ISLANDS IN SEPTEMBER.

THEY WILL ALSO WORK ON PROGRAMMES OF THE KEEP HONG KONG CLEAN CAMPAIGN 1990-91 AND THE CIVIC EDUCATION DAY 1990-91.

/OTHER AGENDA

OTHER AGENDA ITEMS INCLUDE ARRANGEMENTS FOR A VISIT TO CHEK LAP KOK AND THE ALLOCATION OF FUNDS TO THE DISTRICT'S FIRE WATCH TEAMS.

NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE ISLAND DISTRICT BOARD'S COMMUNITY AFFAIRS COMMITTEE MEETING TO BE HELD TOMORROW (TUESDAY) IN THE DISTRICT OFFICE CONFERENCE ROOM, 20TH FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL.

THE MEETING WILL BEGIN AT 2.15 PM.

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STRINGENT ACTION AGAINST ILLEGAL PARKING IN TST, CENTRAL
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POLICE HAVE TAKEN STRINGENT ACTION AGAINST MOTORISTS WHO ILLEGALLY PARKED OR WAITED IN EIGHT NEWLY DESIGNATED "NO PARKING" LOCATIONS IN TSIM SHA TSUI AND CENTRAL LAST MONTH.

"NO PARKING" SIGNS HAVE BEEN ERECTED IN THESE LOCATIONS ON AN EXPERIMENTAL BASIS SINCE MAY 8.

WITHIN THE FIRST TWO WEEKS OF IMPLEMENTATION, SOME 870 FIXED PENALTY TICKETS WERE ISSUED TO OFFENDERS IN THE LOCATIONS.

UP TO JUNE 13, A TOTAL OF 465 TICKETS WERE ISSUED AGAINST OFFENCES OCCURRED IN THE SECTION OF CANTON ROAD BETWEEN KOWLOON PARK DRIVE AND HAIPHONG ROAD ALONE.

"POLICE WILL CONTINUE TO ISSUE FIXED PENALTY TICKETS TO OFFENDERS WITHOUT GIVING PRIOR VERBAL WARNING," A POLICE SPOKESMAN SAID TODAY (MONDAY).

"ACCORDING TO THE ROAD TRAFFIC REGULATION, IT IS AN OFFENCE FOR MOTORISTS TO PARK THEIR VEHICLES OR WAIT FOR PASSENGERS OR GOODS DELIVERY IN THESE LOCATIONS," HE ADDED.

THE EIGHT EXPERIMENTAL LOCATIONS ARE:

A. HONG KONG ISLAND

- CONNAUGHT PLACE OUTSIDE EXCHANGE SQUARE,
- PEDDER STREET OUTSIDE WORLDWIDE HOUSE,

/- PEDDER STREET

- PEDDER STREET OUTSIDE THE LANDMARK AND CENTRAL BUILDING,
- HARBOUR DRIVE OUTSIDE CAUSEWAY CENTRE,
- MARSH ROAD BETWEEN LOCKART ROAD AND HENNESSY ROAD
(LAY-BY ON THE EASTERN SIDE OF THE CARRIAGEWAY).

B. KOWLOON

- CANTON ROAD OUTSIDE STAR HOUSE AND HONG KONG HOTEL,
- CANTON ROAD FROM KOWLOON PARK DRIVE TO HAIPONG ROAD
(LAY-BY ON THE EASTERN SIDE OF THE CARRIAGEWAY),
- GRANVILLE ROAD BETWEEN GRANVILLE SQUARE AND
SCIENCE MUSEUM ROAD (SOUTH SIDE).

"PROVIDED THAT THERE IS NO OTHER TRAFFIC SIGN WHICH PROHIBITS STOPPING, IT IS STILL LAWFUL FOR MOTORISTS TO STOP TO PICK UP AND SET DOWN PASSENGERS, OR TO LOAD AND UNLOAD GOODS, BUT ONLY FOR AS LONG AS IT TAKES TO DO SO," THE SPOKESMAN SAID.

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WATER STORAGE FIGURE

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STORAGE IN HONG KONG'S RESERVOIRS AT 9 AM TODAY (MONDAY) STOOD AT 46.2 PER CENT OF CAPACITY OR 270.584 MILLION CUBIC METRES.

THIS TIME LAST YEAR THE RESERVOIRS CONTAINED 324.627 MILLION CUBIC METRES OF WATER, REPRESENTING 55.4 PER CENT OF CAPACITY.

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DAILY INFORMATION BULLETIN – SUPPLEMENT

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEAONSFIELD HOUSE, HONG KONG. TEL.: 5-8428777

MONDAY, JUNE 25, 1990

TRANSCRIPT OF BBC WORLD SERVICE

PHONE-IN PROGRAMME

ON SUNDAY, JUNE 24, 1990,

RELAYED BY RADIO TELEVISION HONG KONG'S RADIO 6:

GUEST : SIR DAVID WILSON, GOVERNOR OF HONG KONG.

INTRODUCTION: NOW ON BBC WORLD SERVICE, THE FOURTH PROGRAMME IN OUR SERIES OF INTERNATIONAL PHONE-INS. THE GUEST IS SIR DAVID WILSON, THE GOVERNOR OF HONG KONG, AND THE SERIES HOST IS OLIVER SCOTT.

OLIVER SCOTT: THE CAREER OF MY GUEST TODAY MIGHT HAVE BEEN TAILOR-MADE TO LEAD TO THE GOVERNORSHIP OF HONG KONG. SIR DAVID WILSON HAS HELD SEVERAL PREVIOUS DIPLOMATIC POSTS IN THE REGION, IN VIENTIANE AND PEKING AS WELL AS HONG KONG ITSELF. HE STUDIED MANDARIN AND IS A FORMER EDITOR OF 'CHINA QUARTERLY'. HE ALSO SERVED IN THE CABINET OFFICE HERE IN LONDON AS POLITICAL ADVISER ON HONG KONG. A KEY ROLE FOR SIR DAVID AS GOVERNOR IS TO GUIDE THE COLONY TOWARDS 1997 WHEN IT REVERTS TO CHINESE SOVEREIGNTY. IT IS A TASK COMPLICATED BY NUMEROUS FACTORS, AMONG THEM THE WORLDWIDE REVULSION AT THE MASSACRE JUST OVER A YEAR AGO IN PEKING WHEN THE CHINESE AUTHORITIES BRUTALLY CRUSHED THE PRO-DEMOCRACY DEMONSTRATION LED BY STUDENTS. IN HONG KONG ITSELF SIR DAVID'S CONCERNS WILL NO DOUBT INCLUDE WHAT HAS BEEN TERMED 'THE BRAIN DRAIN', THE UNCERTAINTY INSTILLED IN A NORMALLY FLAMBOYANTLY CONFIDENT ECONOMY BECAUSE OF DOUBT ABOUT WHAT LIES AHEAD, THE ISSUE OF WHETHER VIETNAMESE BOAT PEOPLE SHOULD BE SENT HOME AGAINST THEIR WILL, AND FEARS THAT THE BASIC LAW DOES TOO LITTLE TO PROTECT CITIZENS OF HONG KONG AFTER 1997 HAS PASSED.

BUT, SIR DAVID, BEFORE WE GET INTO ANY OF THOSE AREAS, A VERY GENERAL QUESTION: WHAT DOES THE GOVERNORSHIP INVOLVE?

SIR DAVID: WELL, GOOD EVENING. I SUPPOSE ONE OF THE THINGS THAT IT DOESN'T MUCH INVOLVE IS WHAT PEOPLE TEND TO THINK ABOUT AS GOVERNORS, THAT IS SOMEBODY GOING AROUND IN A PLUMED HAT CARRYING OUT CEREMONIAL TASKS. THAT IS ONE OF THE THINGS A GOVERNOR HAS TO DO BUT IT IS A VERY SMALL PART OF THE JOB. IT IS REALLY AN ALL ABSORBING JOB BEING IN CHARGE OF THE EXECUTIVE OF A VERY DYNAMIC, BUSTLING PLACE; THIS SMALL TERRITORY OF HONG KONG IS THE 11TH LARGEST TRADING TERRITORY IN THE WORLD, SO NOT ONLY IS IT LOOKING AFTER WHAT IS HAPPENING INTERNALLY IN HONG KONG, EVERY ASPECT OF THAT, BUT IT IS ALSO LOOKING AFTER THE EXTERNAL DIMENSION - THAT IS GOING AROUND TALKING IN OTHER PLACES, THE UNITED STATES, BRITAIN, THE CONTINENT AND SO ON ABOUT HONG KONG - SO THAT PEOPLE ARE UP TO DATE ABOUT WHAT IS HAPPENING IN HONG KONG, THAT IS, PUTTING ACROSS THE HONG KONG STORY OVERSEAS. SO IT HAS GOT A LARGE ELEMENT INSIDE RUNNING THE TERRITORY AND A LARGE ELEMENT EXTERNALLY AS WELL.

OLIVER SCOTT: WELL, WITH THAT BACKGROUND IN PLACE SIR DAVID, LET'S MOVE ON TO OUR FIRST CALLER, ELANA GOFFES SPEAKING FROM SPAIN WITH, ON THE FACE OF IT, A VERY STRAIGHTFORWARD QUESTION. MISS GOFFES, YOUR QUESTION PLEASE?

CALLER: GOOD AFTERNOON, SIR DAVID. I'D LIKE TO ASK YOU YOUR COMMENT ON WHY BRITAIN IS GIVING BACK HONG KONG, PRESUMABLY AGAINST THE WISHES OF THE MAJORITY OF THE HONG KONG PEOPLE THERE, WHILST BRITAIN HAS SAID SHE WILL NOT GIVE BACK GIBRALTAR TO SPAIN AGAINST THE WISHES OF THE GIBRALTARIANS?

SIR DAVID: GOOD AFTERNOON, MISS GOFFES. THEY ARE VERY DIFFERENT IN EVERY POSSIBLE WAY. I THINK THE MAIN DIFFERENCE IS THAT HERE IN HONG KONG MOST OF THE TERRITORY IS ON A LEASE FROM CHINA, A 99-YEAR LEASE, WHICH COMES TO AN END IN 1997, SO IF NOTHING WAS DONE BRITISH ADMINISTRATION WOULD SIMPLY COME TO AN END IN MOST OF HONG KONG IN

1997. AND IT WAS FOR THAT REASON THAT A VERY LONG PERIOD OF NEGOTIATIONS TOOK PLACE - TWO YEARS' OF NEGOTIATIONS BETWEEN 1982-1984 - TO WORK OUT AN ARRANGEMENT BY WHICH THE WHOLE OF HONG KONG, THAT IS THE LEASED TERRITORY AND THE ISLAND WHICH WASN'T LEASED, WOULD RETURN TO CHINESE SOVEREIGNTY BUT UNDER ARRANGEMENTS WHICH GUARANTEED THAT ALL THE ESSENTIAL PARTS OF HONG KONG'S LIFESTYLE, THE ECONOMY, THE LAW, ALL THOSE THINGS, THEY WOULD GO ON FOR A FULL 50 YEARS AFTER 1997. SO THE BACKGROUND IS VERY DIFFERENT INDEED FROM GIBRALTAR AND THEREFORE THE WAY IN WHICH IT HAD TO BE TACKLED IS, OF COURSE, VERY DIFFERENT INDEED FROM GIBRALTAR.

OLIVER SCOTT: IT IS JUST WORTH PUTTING IN THERE, SIR DAVID, ISN'T IT, THAT NOT EVERYBODY, BY A VERY LARGE MARGIN, AGREES OR IS WILLING TO GO ALONG WITH THE CONCEPT THAT EVERYTHING WILL INDEED STAY UNCHANGED FOR ANOTHER 50 YEARS? PEOPLE SIMPLY DON'T ACCEPT THAT.

SIR DAVID: WELL, THERE ARE GREAT WORRIES ABOUT IT. I THINK IT IS ALSO FAIR TO SAY TO MISS GOFFES THAT THERE ARE MANY PEOPLE ORIGINALLY WHO WOULD HAVE HOPED THAT THERE COULD HAVE BEEN SOME OTHER ARRANGEMENT AND FOR A WHOLE YEAR OF THE NEGOTIATIONS WITH CHINA THE BRITISH TEAM WERE TRYING TO MAKE ARRANGEMENTS FOR BRITISH ADMINISTRATION TO GO ON AND WHEN THAT CLEARLY WAS NOT POSSIBLE, THEN THE AGREEMENT WE NOW HAVE WAS HAMMERED OUT OVER A FURTHER YEAR. NOW, ALTHOUGH IT IS A VERY, VERY DETAILED AGREEMENT - IT RUNS TO MANY, MANY PAGES OF DETAILED ARRANGEMENTS FOR ALL THE KEY PARTS OF HONG KONG TO GO ON AFTER THE CHANGE OF SOVEREIGNTY - YOU ARE QUITE RIGHT, OF COURSE THERE ARE PEOPLE WHO DOUBT: IS IT GOING TO WORK OUT PRECISELY IN PRACTICE AS IT IS ALL LAID DOWN? IT IS VERY NATURAL THAT PEOPLE SHOULD HAVE THOSE SORT OF DOUBTS.

OLIVER SCOTT: WELL, OUR NEXT CALLER, MICHAEL ROCHFORD, WHO IS ON THE LINE NOW FROM ST. WINIFRED'S IN SOUTH AFRICA I BELIEVE, WOULD LIKE TO EXPLORE THAT ISSUE A LITTLE BIT FURTHER. MR ROCHFORD.

CALLER: YES, I'M HERE. GOOD AFTERNOON, SIR DAVID.

SIR DAVID: GOOD AFTERNOON, MR ROCHFORD.

CALLER: GOOD AFTERNOON. I WOULD LIKE TO ASK WHETHER BRITAIN RETAINS THE RIGHT, IN TERMS OF THE AGREEMENT WITH CHINA, TO ABROGATE THE AGREEMENT CLOSER TO THE DATE OF THE HANDOVER OF HONG KONG, SHOULD CHINA AT THAT TIME BE IN A STATE OF TURMOIL OR FOLLOWING WHAT BRITAIN REGARDS AS UNACCEPTABLE POLICIES? OR DID THE HANDOVER BECOME FAIT ACCOMPLI AT THE TIME IT WAS SIGNED?

SIR DAVID: WELL, I SUPPOSE IN A MANNER OF SPEAKING, ANYBODY WHO SIGNS A TREATY HAS A RIGHT TO ABROGATE IT BUT THEN YOU'VE GOT A VERY GOOD QUESTION: WHAT HAPPENS THEN? BECAUSE, AS I WAS SAYING JUST A MOMENT AGO, THERE IS A LEASE ON THE MAJOR PART OF HONG KONG; IF THERE IS NO AGREEMENT ABOUT THE FUTURE, BRITISH ADMINISTRATION SIMPLY COMES TO AN END, SO ABROGATING THE ARRANGEMENTS WOULD REALLY BE A BIT OF A NONSENSE BECAUSE INSTEAD OF VERY DETAILED PROVISIONS FOR WHAT HAPPENS - REGARDLESS OF WHAT IS HAPPENING IN CHINA ITSELF, THOSE PROVISIONS ARE THERE - YOU WOULD HAVE ABSOLUTELY NOTHING, SO YOU WOULD HAVE A BLANK. YOU WOULDN'T BE IN A BETTER SITUATION, YOU WOULD BE IN A FAR, FAR WORSE SITUATION. I KNOW, OCCASIONALLY, PEOPLE HAVE TALKED ABOUT WHY DOESN'T BRITAIN RE-NEGOTIATE, DO SOMETHING TOTALLY DIFFERENT, BUT

THAT COMPLETELY FAILS TO TAKE ACCOUNT OF THE FACT THAT IF YOU HAVEN'T GOT THIS AGREEMENT, YOU'VE GOT ABSOLUTELY NOTHING. AND I DON'T THINK, REALLY, IF PEOPLE LOOKED AT THAT, THAT IS WHAT THEY WOULD WANT.

OLIVER SCOTT: MR ROCHFORD, DOES THAT COVER YOUR POINT?

CALLER: YES, I THINK SO. I WOULD ALSO ACTUALLY LIKE TO ASK WHETHER, IN OTHER WORDS, BRITAIN WOULD NOT SEEK EVEN TO RETAIN CONTROL OF THE AREA OF HONG KONG WHICH WAS CEDED TO BRITAIN BY CHINA IN, I THINK IT WAS, 1841, IN THOSE CIRCUMSTANCES?

SIR DAVID: 1842 WAS THE FIRST ONE. WELL, THAT WAS ONE OF THE THINGS THAT HAD TO BE LOOKED AT WHEN THE AGREEMENT ON THE FUTURE WAS WORKED OUT IN 1984, AND WITH THE VERY MAJOR PART OF HONG KONG BEING LEASED TERRITORY IT WAS VERY CLEAR AT THAT TIME IT MADE NO SENSE TO HAVE A SEPARATE ARRANGEMENT FOR THE PART WHICH WASN'T LEASED - THAT'S HONG KONG ISLAND AND THE TIP OF THE KOWLOON PENINSULA WHERE I AM ACTUALLY SPEAKING FROM AT THE MOMENT. YOU COULDN'T RUN THOSE THINGS, THOSE PARTS OF HONG KONG, SEPARATELY FROM THE REST OF THE TERRITORY. I MEAN, JUST TO TAKE ONE EXAMPLE, OUR AIRPORT IS IN THE NEW TERRITORIES - IN THE LEASED TERRITORY; NEARLY ALL OUR WATER COMES FROM THE LEASED PART, THE NEW TERRITORIES; ALL THE NEW TOWNS AND MOST OF THE INDUSTRY IS IN THE NEW TERRITORIES. SO YOU CAN'T REALLY SEPARATE ONE FROM THE OTHER. SO THE DECISION WAS MADE, IF THERE WAS GOING TO BE AN AGREEMENT ABOUT WHAT HAPPENED WHEN THE LEASED TERRITORY WENT BACK TO CHINA, THE ONLY SENSIBLE THING TO DO WAS TO MAKE AN AGREEMENT FOR THE WHOLE OF THE TERRITORY AND MAKE THOSE PROVISIONS THAT IN THE WHOLE OF THE TERRITORY, FOR 50 YEARS AFTER 1997, ALL THE KEY POINTS WOULD BE LAID DOWN, REGISTERED, GUARANTEED, THAT ALL THOSE THINGS WOULD GO ON - LIKE THE LAW, THE ECONOMY, THE CURRENCY, ETC.

OLIVER SCOTT: WELL, FROM THOSE QUESTIONS FROM MR ROCHFORD, WE MOVE ON NOW TO STUART GRANT WHO IS CALLING FROM MALAWI, APPROACHING THE SAME ESSENTIAL ISSUE, I THINK, BUT FROM A RATHER DIFFERENT ANGLE. MR GRANT, YOUR QUESTION FOR SIR DAVID WILSON.

CALLER: YES, GOOD AFTERNOON, SIR DAVID.

SIR DAVID: GOOD AFTERNOON, MR GRANT.

CALLER: I UNDERSTAND ALL THE POINTS THAT YOU HAVE MADE, AND INDEED A VERY, VERY APT SUMMATION. MY ONLY POINT IS THAT WHY WASN'T A 'SINGAPORE-TYPE' SOLUTION CONSIDERED FOR HONG KONG? THERE YOU HAVE A SMALL 400 SQUARE KILOMETRES AND IT IS VERY DEPENDENT ON SUPPLIES FROM THE MAINLAND ACROSS THE MALAYAN STRAITS, AND THERE YOU HAVE A VERY LARGE CHINESE POPULATION WITH STRONG LINKS WITH THE MAINLAND. IN SUMMARY, ARE WE REALLY SAYING THAT THERE WAS NO OTHER ALTERNATIVE? AND WON'T YOU FEEL A PANG OF REGRET THAT THE HONG KONG CITIZENS WITH THEIR LONG ASSOCIATION WITH BRITAIN IN COMMERCIAL, JUDICIAL AND GOVERNMENTAL PROCESSES, ARE NOT GOING TO BE REPRESENTED BY AN INDEPENDENT HONG KONG WITH A MEMBER OF THE COMMONWEALTH BUT WITH SPECIAL RELATIONS WITH MAINLAND CHINA, RATHER LIKE THE SPECIAL RELATIONSHIP BETWEEN GREAT BRITAIN AND THE UNITED STATES?

SIR DAVID: THE SINGAPORE SOLUTION, YOU'RE THINKING OF AN INDEPENDENT STATE AND I THINK THAT SIMPLY WOULD HAVE BEEN AN IMPOSSIBILITY BECAUSE YOU HAVE GOT TO HAVE TWO PEOPLE TO MAKE THAT AGREEMENT. THERE HAS TO

BE THE HONG KONG SIDE, OR THE BRITISH SIDE IN THIS CASE, AND THERE HAS TO BE CHINA. THE LEASE REVERTED TO CHINA IN 1997. NOW IF CHINA HAD BEEN IN A MOOD WHEREBY CHINA WOULD HAVE LIKED TO SEE AN INDEPENDENT STATE SET UP ON THE SOUTHERN COAST OF CHINA, THEN THAT MIGHT HAVE BEEN AN OPTION. BUT ONE OF THE THINGS THAT HAS BEEN VERY, VERY CLEAR ALL ALONG - AND I DON'T THINK IT IS SIMPLY A QUESTION OF THE PRESENT COMMUNIST GOVERNMENT OF CHINA, THIS GOES WAY BACK BEFORE THE WAR TO THE NATIONALIST GOVERNMENT - IS THAT THERE IS NO WISH, ABSOLUTELY NO WISH AND NO INTENTION, OF SEEING ANOTHER SEPARATE CHINA BEING ESTABLISHED ON THE COAST OF THE MAINLAND OF CHINA. SO IF ANYTHING WAS NOT AN OPTION, INDEPENDENCE FOR HONG KONG WAS NOT AN OPTION - AND THAT IS ONE OF THE THINGS WHICH EVERYBODY, I THINK, IN HONG KONG, OR VIRTUALLY EVERYBODY IN HONG KONG, HAS LONG REALISED THAT WHATEVER THE OPTIONS WERE FOR THE FUTURE, INDEPENDENCE SIMPLY WASN'T AN OPTION. YOU COULDN'T HAVE HAD A 'SINGAPORE-TYPE' SOLUTION. SO WHEN THIS THING WAS LOOKED AT, IT WAS VERY CLEAR INDEED THAT THAT WAS NOT A POSSIBILITY, THAT EITHER ONE TRIED TO HAVE A CONTINUATION OF BRITISH ADMINISTRATION, LET'S SAY UNDER CHINESE SOVEREIGNTY, WHICH WAS WHAT WAS ORIGINALLY TRIED, BUT THAT FAILED BECAUSE CHINA WAS NOT PREPARED TO GO ALONG WITH THAT SORT OF A SOLUTION. OR THE SOLUTION THAT HAS BEEN COME UP WITH, WHICH IS HONG KONG RETURNS TO CHINESE SOVEREIGNTY BUT THE KEY BITS OF WHAT MAKES HONG KONG TICK, WHAT MAKES HONG KONG DIFFERENT FROM THE MAINLAND OF CHINA - BECAUSE WE ARE A QUINTESENTIALLY CAPITALIST SOCIETY HERE, AND A VERY SUCCESSFUL ONE - ALL OF THOSE THINGS WOULD GO ON, BE PROVIDED FOR FOR THE 50 YEARS AFTER 1997 WITH AS MUCH ASSURANCE AS COULD POSSIBLY BE BUILT INTO AN INTERNATIONAL AGREEMENT. SO THAT IS WHAT THE NEGOTIATORS WENT FOR IN THE END.

OLIVER SCOTT: WELL, MR GRANT, A PRETTY UNEQUIVOCAL RESPONSE THERE FROM SIR DAVID WILSON. DOES IT COVER THE POINTS YOU RAISED?

CALLER: YES, IT DOES COVER THE POINTS I RAISED, BUT BACK TO THE QUESTION. ISN'T THERE GOING TO BE A PANG OF REGRET THAT HONG KONG IS GOING TO SEVER RELATIONS FROM THE COMMONWEALTH?

OLIVER SCOTT: WELL, SIR DAVID, I CAN SEE THAT MR GRANT IS DETERMINED ON SQUEEZING SOME EMOTION OUT OF YOU ON THAT SCORE.

SIR DAVID: WELL, MR GRANT, IF YOU WANT MY PANG OF REGRET, YOU'VE GOT MY PANG OF REGRET BECAUSE I THINK THE BRITISH ADMINISTRATION OF HONG KONG HAS BEEN A VERY SUCCESSFUL ONE. IT'S SUCCESSFUL IN THE SENSE NOT OF JUST RUNNING EVERY FACET OF WHAT HAPPENS HERE, BECAUSE THAT IS NOT WHAT ACTUALLY HAPPENS, IT IS SUCCESSFUL IN THE SENSE OF HOLDING UP AN UMBRELLA UNDER WHICH THE VERY ENERGETIC PEOPLE OF HONG KONG HAVE THEMSELVES MADE AN ENORMOUS SUCCESS OF HONG KONG. SO, YES, A PANG OF REGRET WHEN THAT PARTICULAR PIECE OF HISTORY COMES TO AN END BUT ONE HAS TO LOOK FORWARDS AS WELL AS NOSTALGICALLY BACKWARDS; ONE HAS TO TRY NOW TO PROVIDE FOR THE NEW HONG KONG, THE HONG KONG THAT IS GOING TO GO INTO THE 20TH CENTURY. I THINK WE ARE NOW IN A PERIOD OF HISTORY WHEN RUNNING DEPENDENT TERRITORIES, EVEN ONE AS SUCCESSFUL AS HONG KONG, IS SOMETHING WHICH IS A BIT OF A HISTORICAL ANACHRONISM. SO NOW WE'RE IN THE BUSINESS OF TRYING TO PROVIDE FOR THE FUTURE OF HONG KONG, ALLOWING ALL THESE TREMENDOUS ENERGIES, THE DYNAMISM OF THE PEOPLE OF HONG KONG, TO FLOURISH UNDER NEW AND DIFFERENT ARRANGEMENTS.

OLIVER SCOTT: WELL MR GRANT, THANKS FOR THE CALL. AND, SIR DAVID, A

VERY SHORT BREAK FOR YOU NOW. I WOULD JUST LIKE TO SAY THAT YOU ARE LISTENING TO THE INTERNATIONAL PHONE-IN ON THE BBC'S WORLD SERVICE, MY GUEST IS SIR DAVID WILSON, THE GOVERNOR OF HONG KONG, AND IF YOU WOULD LIKE TO PUT A QUESTION TO HIM AND IF YOU LIVE OUTSIDE THE UNITED KINGDOM THE NUMBER TO CALL IS THE CODE FOR THE UK AND THEN 71-379-7444; I'LL REPEAT THAT: THE CODE FOR THE UK THEN 71-379-7444. AND IF YOU LIVE INSIDE THE UNITED KINGDOM THE NUMBER IS 071-379-0411 - THAT IS 071-379-0411. AND WE MOVE ON NOW TO MR WHALEY CALLING FROM HARARE IN ZIMBABWE. MR WHALEY, I'LL LET YOU PUT YOUR QUESTION DIRECTLY TO SIR DAVID.

CALLER: THANK YOU. GOOD AFTERNOON, SIR DAVID.

SIR DAVID: GOOD AFTERNOON, MR WHALEY.

CALLER: WE ARE ESPECIALLY INTERESTED IN YOUR PROBLEM, SHALL I CALL IT, BECAUSE WE HAVE A SON WHO IS A SENIOR CROWN COUNSEL WITH YOU IN THE LEGAL DEPARTMENT THERE. HOW CAN BRITAIN, WHICH HAS ABROGATED ITS AUTHORITY AND SOVEREIGNTY OVER HONG KONG - BECAUSE IT OBVIOUSLY CANNOT PHYSICALLY DEFEND IT SUCCESSFULLY - HOW CAN IT UNDERWRITE, IF I CAN PUT IT THAT WAY, A GUARANTEE BY THE CHINESE GOVERNMENT THAT IT WILL HONOUR ITS UNDERTAKING TO CONTINUE HONG KONG'S CAPITALIST BASED ECONOMY AND SYSTEM OF GOVERNMENT FOR AT LEAST 50 YEARS AFTER THEIR TAKEOVER IN 1997? THIS PARTICULARLY, AFTER THE CHINESE GOVERNMENT'S SHAMEFUL AND MURDEROUS INVOLVEMENT IN THE HOLOCAUST OF TIANANMEN SQUARE LAST YEAR, AND ESPECIALLY AFTER THE DRAMATIC CHANGES IN EASTERN EUROPE, THEIR - THAT IS THE CHINESE - FAILURE TO PROGRESS TOWARDS FREEDOM OF POLITICAL AND ALL FORMS OF EXPRESSION, AND TOWARDS A MARKET ECONOMY? IN SUM, AFTER 1997, WHAT WILL, OR CAN BRITAIN DO TO SEE THAT CHINA HONOURS ITS UNDERTAKINGS TOWARDS HONG KONG AND ITS CITIZENS WHO REMAIN ON THERE?

SIR DAVID: WELL, MR WHALEY, I SUPPOSE I COULD GIVE A SORT OF LEGALISTIC ANSWER TO THAT, SINCE YOUR SON IS A CROWN COUNSEL HERE AND I COULD SAY THAT THERE IS AN INTERNATIONAL TREATY WHICH BRITAIN IS ONE PARTY TO AND CHINA IS THE OTHER PARTY TO, AND BRITAIN HAS A COMPLETE RESPONSIBILITY TO SEE THAT THAT TREATY IS CARRIED OUT. BUT I THINK I WOULD LIKE TO GO RATHER FURTHER THAN THAT, AND THAT IS TO GET AT WHAT LIES BEHIND YOUR QUESTION, AS IT WERE: WHY SHOULD PEOPLE HAVE CONFIDENCE IN THOSE TREATY ARRANGEMENTS? I DO THINK THAT THEY SHOULD HAVE AND THEY CAN HAVE CONFIDENCE IN THEM, AND I'LL EXPLAIN WHY. THE FIRST REASON IS THAT PEOPLE - COUNTRIES - DON'T LIGHTLY ENTER INTO TREATY ARRANGEMENTS. THERE WAS A VERY LONG PERIOD OF NEGOTIATION BEFORE THIS ONE WAS SIGNED. THE CHINESE REALLY HAD NO NEED TO SIGN A VERY DETAILED ARRANGEMENT OF THIS SORT FOR TERRITORY WHICH WAS GOING TO BE THEIR'S ANYHOW, BUT THEY DID, THEY PUT AN IMMENSE AMOUNT OF EFFORT INTO IT. AND THEY ALSO HAVE - THE CHINESE GOVERNMENT - A VERY GOOD REPUTATION FOR STICKING TO THEIR INTERNATIONAL TREATIES. NOW, INTERNALLY, THEIR POLICIES HAVE CHANGED YEAR BY YEAR, AND THEY HAVE CHANGED VERY DRAMATICALLY SOMETIMES, BUT IF YOU LOOK AT THEIR INTERNATIONAL RECORD THEY HAVE GOT A VERY GOOD RECORD FOR STICKING TO THEIR TREATIES AND I THINK THEY WOULD WANT TO KEEP THAT REPUTATION. BUT YOU CAN GO BEYOND THAT; YOU CAN SAY, WELL ALRIGHT, PUT THAT ON ONE SIDE - DO THEY REALLY HAVE AN INTEREST IN DOING IT? AND THE ANSWER AGAIN, I THINK, IS: YES, THEY DO. HONG KONG IS OF TREMENDOUS BENEFIT TO CHINA. THE HONG KONG ECONOMY, A SUCCESSFUL CAPITALIST ECONOMY, PRODUCES ENORMOUS ADVANTAGES FOR CHINA. THIS TINY LITTLE

TERRITORY IS CHINA'S MAIN TRADING PARTNER - THAT IS AN EXTRAORDINARY FACT BUT IT IS TRUE. MOST OF THE EXTERNAL INVESTMENT IN CHINA WHICH GOES TO CHINESE MODERNISATION, MOST OF THAT COMES FROM HONG KONG OR THROUGH HONG KONG. A GREAT DEAL OF CHINA'S FOREIGN EXCHANGE IS EARNED THROUGH HONG KONG, SO THERE IS A VERY REAL INTEREST THAT THE CHINESE HAVE, AS THEY MODERNISE THEIR ECONOMY, WHICH THEY ARE DETERMINED TO DO, IN PRESERVING THOSE ADVANTAGES IN HONG KONG. SO THAT IS ANOTHER VERY PRACTICAL REASON WHY THEY SHOULD STICK TO THE ARRANGEMENTS WHICH THEY SIGNED UP TO IN THAT TREATY IN 1984.

OLIVER SCOTT: SIR DAVID, NO DOUBT MANY PEOPLE WILL BE STRUCK BY WHAT YOU HAVE JUST SAID AS BEING VERY REASSURING, BUT THERE IS, AS YOU WELL KNOW, ANOTHER SCHOOL OF THOUGHT TO THE EFFECT THAT 'TWO SYSTEMS ONE COUNTRY' SIMPLY CAN'T WORK - THAT WHAT IS ALLOWED TO WORK IN HONG KONG FOR ANOTHER 50 YEARS OUGHT TO BE ALLOWED TO WORK FOR THE REST OF THE COUNTRY. THERE SEEMS TO BE JUST SOME KIND OF HUGE DISPARITY THERE.

SIR DAVID: YES, OF COURSE PEOPLE DO HAVE DOUBTS ABOUT THAT. IT IS AN EXTRAORDINARILY AMBITIOUS IDEA, THIS 'ONE COUNTRY TWO SYSTEMS'. THE MAINLAND OF CHINA, THAT HUGE AREA IN THE MAINLAND CONTINUING TO RUN A COMMUNIST OR A SOCIALIST SYSTEM, AND THIS TINY LITTLE PLACE HONG KONG ON THE COAST OF CHINA, BY TREATY RUNNING A SYSTEM WHICH IS PROBABLY MORE CAPITALIST, MORE FREE MARKET THAN ANY OTHER PART OF THE WORLD. IT IS A VERY AMBITIOUS CONCEPT WHICH DENG XIAOPING HIMSELF HAD. NOW, OF COURSE THERE ARE PEOPLE WHO SAY, WELL, WILL IT WORK? OUR JOB HAS TO BE TO MAKE SURE THAT IT DOES WORK, THAT IT IS NOT SOMETHING THAT IS JUST WRITTEN DOWN ON A PIECE OF PAPER BUT AS MANY AS POSSIBLE OF THE PRACTICAL CONDITIONS TO ENSURE THAT IT DOES WORK, ARE THERE. SO THAT IT HAS A CHANCE TO BE SUCCESSFUL - AND THAT IS WHAT ALL OF US HERE ARE TRYING TO WORK TOWARDS. NOW, IF ONE DIDN'T HAVE THIS 'ONE COUNTRY TWO SYSTEMS' CONCEPT, AGAIN ONE GOES BACK TO THE QUESTION: WHAT WOULD ONE HAVE IN ITS PLACE? ONE WOULD HAVE HONG KONG SIMPLY BEING RE-INCORPORATED INTO CHINA, BECOMING PART OF THE MAINLAND SYSTEM OF CHINA, THE COMMUNIST SYSTEM OF CHINA, AND I DON'T THINK THAT IS WHAT PEOPLE IN HONG KONG WANTED. IT'S NOT WHAT THE CHINESE LEADERSHIP DECIDED TO GO FOR BECAUSE THEY REALISE THAT HAVING A SEPARATE SYSTEM IN HONG KONG IS WHAT IS GOING TO MAKE HONG KONG REALLY USEFUL TO CHINA AS WELL AS BEING WHAT MOST PEOPLE IN HONG KONG ACTUALLY WANT. SO WE MUST NOW TRY TO MAKE OUT OF THIS IMAGINATIVE CONCEPT A PRACTICAL REALITY AND PUT ALL OUR EFFORTS INTO TRYING TO MAKE SURE THAT IT DOES WORK AND NOT, I WOULD SUGGEST, SIMPLY QUESTIONING IT. OF COURSE PEOPLE HAVE DOUBTS BUT WE HAVE TO TRY TO MAKE SURE THAT IT DOES WORK.

OLIVER SCOTT: WELL, LET'S BRING IN A CALLER NOW FROM HONG KONG, NANCY LANGSTON, WHO HAS GOT A NEW ANGLE ON THIS. MISS LANGSTON.

CALLER: YES, SIR DAVID, YOUR DUAL ROLE AS GOVERNOR AND, WELL, LET'S BE FRANK, AS AN EMPLOYEE OF THE FOREIGN OFFICE, MUST HAVE PULLED YOU IN DIFFERENT DIRECTIONS. WITH WHOM DO YOUR LOYALTIES LIE - YOUR BOSSES IN LONDON OR THE PEOPLE OF HONG KONG?

SIR DAVID: YOU'RE CALLING FROM JUST DOWN THE ROAD AND YOU'VE GIVEN ME A VERY EASY QUESTION BECAUSE YOU SAY I AM AN EMPLOYEE OF THE FOREIGN OFFICE - NO, I AM NOT, I AM AN EMPLOYEE OF HONG KONG. AND, IF IT IS OF INTEREST TO YOU, IF YOU'RE A HONG KONG TAXPAYER, YOU CONTRIBUTE TO MY SALARY; THE FOREIGN OFFICE AND THE UNITED KINGDOM DO

NOT. SO MY JOB IS TO WORK FOR HONG KONG. THAT IS WHAT I AM SENT HERE TO DO, THAT IS MY INTENTION, THAT IS WHAT I PUT ALL MY EFFORTS INTO DOING. SO IT IS A FAIRLY SIMPLE ANSWER TO THAT QUESTION.

OLIVER SCOTT: MISS LANGSTON, WOULD YOU LIKE TO HAVE ANOTHER GO AT THAT?

CALLER: YES, I WOULD ACTUALLY. WILL YOU RESIGN BEFORE 1997?

SIR DAVID: I'M SORRY?

OLIVER SCOTT: I THINK THE QUESTION WAS, SIR DAVID --

CALLER: WILL YOU RESIGN AS GOVERNOR BEFORE 1997?

SIR DAVID: WILL I RESIGN? MY APPOINTMENT IS NOT ONE WHICH IS ENTIRELY IN MY OWN HANDS - I'M APPOINTED AT WHAT IS CALLED 'THE QUEEN'S PLEASURE'. SO WHETHER I SHALL SERVE TILL 1997 OR NOT, I DON'T KNOW. I SHOULD HAVE THOUGHT ALMOST CERTAINLY NOT, THAT IS FAR TOO LONG, BUT PRECISELY HOW LONG I SERVE IS NOT SOMETHING WHICH IS IN MY OWN HANDS. BUT RESIGNING IS QUITE A DIFFERENT MATTER AND I DON'T KNOW IF YOU HAD SOME DIFFERENT IDEA IN MIND - NOT JUST HOW LONG I WAS GOING TO SERVE BUT WAS I GOING TO SUDDENLY THROW IN THE TOWEL - AND IF YOU ARE ASKING ME, AM I GOING TO THROW IN THE TOWEL, THE ANSWER IS 'NO', I'VE GOT A REAL JOB TO DO AND I INTEND TO DO IT.

OLIVER SCOTT: ONE POINT WHICH FOLLOWS ON, REALLY, FROM THAT, SIR DAVID, IS THAT MR FRANCIS MAUDE, THE FOREIGN OFFICE MINISTER - AND HE DOES WORK OUT OF LONDON OF COURSE - IS GOING TO CHINA NEXT WEEK AND IN FACT I THINK HE IS STAYING IN HONG KONG OVERNIGHT TONIGHT, MANY PEOPLE OF COURSE, AND NOT ONLY IN HONG KONG, WILL BE ASKING THEMSELVES WHETHER HE SHOULD BE GOING TO PEKING AT ALL AFTER WHAT HAPPENED THERE A YEAR AGO.

SIR DAVID: YES, MR MAUDE IS ACTUALLY GOING TO PEKING IN JULY, SO HE'S NOT ACTUALLY COMING OUT HERE TONIGHT. I THINK IT'S A GOOD THING THAT HE SHOULD BE GOING. NOW, OF COURSE AFTER THE EVENTS IN JUNE LAST YEAR IN PEKING THERE WAS AN IMMEDIATE REACTION ROUND THE WORLD, AND THAT INCLUDED THE EUROPEAN COMMUNITY AND THEREFORE BRITAIN, AND SO THERE WAS A MORATORIUM, AS IT WERE, ON HIGH LEVEL VISITS. BUT IF YOU LOOK AT THE SITUATION FROM THE HONG KONG POINT OF VIEW, WE HAVE TO DEAL WITH CHINA. CHINA IS OUR NEXT-DOOR NEIGHBOUR, CHINA IS INVOLVED IN SO MUCH OF WHAT WE ARE TRYING TO BUILD FOR THE FUTURE, WE NEED CONTACTS, WE NEED TO BE IN TOUCH WITH THE LEADERSHIP. I WENT UP TO CHINA, MYSELF, IN JANUARY AND I TALKED AMONGST OTHERS, TO PRIME MINISTER LI PENG, AND THE REASON FOR THAT IS TO MAINTAIN THE CONTACT THAT WE NEED FOR THE BENEFIT OF HONG KONG. AND I WOULD SEE MR MAUDE'S VISIT IN THE SAME LIGHT - HE'S PROBABLY GOT OTHER THINGS HE WANTS TO TALK ABOUT, WORLD AFFAIRS AND SO ON - BUT MY INTEREST IS, OF COURSE, WHAT HE IS GOING TO TALK ABOUT SO FAR AS HONG KONG IS CONCERNED. AND I WOULD SAY, AND I THINK MOST PEOPLE IN HONG KONG WOULD FEEL THIS, THAT WE WOULD LIKE TO SEE THE SORT OF HIGH-LEVEL CONTACT THAT CAN BE ACHIEVED BY A MINISTER LIKE MR MAUDE GOING TO CHINA AND TALKING THERE DIRECTLY TO THE CHINESE LEADERSHIP ABOUT HONG KONG ISSUES, AMONGST OTHER THINGS.

OLIVER SCOTT: WELL, WE HAVE ANOTHER CALLER NOW FROM HONG KONG, MR

PENDLETON.

CALLER: GOOD EVENING. MY QUESTION IS: WHY DOES DEMOCRACY HAVE TO BE INTRODUCED IN STAGES IN HONG KONG?

SIR DAVID: MR PENDLETON, GOOD EVENING. THAT'S A VERY NICE, SHORT QUESTION. LET ME TRY TO ANSWER IT, AND NOT TOO BRIEFLY, BECAUSE I THINK ONE HAS TO GO BACK A LITTLE BIT INTO THE HISTORY OF HONG KONG WHICH I AM SURE YOU KNOW VERY WELL BUT OTHER LISTENERS MIGHT NOT. UNTIL VERY RECENTLY WE HAVE RUN A SYSTEM WHERE AT THE TOP LEVEL IN OUR LEGISLATIVE COUNCIL WE HAVE NOT HAD ANY ELECTED MEMBERS OF THAT COUNCIL; WE HAVE AT OTHER LEVELS OF THE SYSTEM BUT NOT AT OUR LEGISLATIVE COUNCIL. WE HAVE RUN AN APPOINTED SYSTEM AND FOR MANY, MANY YEARS IT SERVED HONG KONG WELL AND I THINK PEOPLE WERE WELL CONTENT WITH IT. BUT TIMES HAVE CHANGED, PEOPLE'S ATTITUDES HAVE CHANGED, THERE IS A VERY REAL AND A VERY UNDERSTANDABLE DESIRE FOR MORE DIRECT PARTICIPATION IN THE LEGISLATIVE COUNCIL, A MORE DIRECT SYSTEM OF REPRESENTATION, SO WE ARE NOW MOVING IN THAT DIRECTION. AND, AS YOU KNOW, WE NOW HAVE INDIRECTLY ELECTED MEMBERS OF OUR COUNCIL AND NEXT YEAR WE MAKE A VERY MAJOR STEP FORWARD, WE HAVE NOT ONLY A SIGNIFICANT NUMBER OF PEOPLE WHO ARE DIRECTLY ELECTED BUT ABOUT TWO-THIRDS OF THE WHOLE COUNCIL WILL BE ELECTED ONE WAY OR ANOTHER - DIRECTLY OR INDIRECTLY. NOW, THAT IS WHAT WE ARE DOING FOR MEETING THE NEW NEEDS, THE NEW DESIRES IN HONG KONG. NOW, THERE ARE SOME PEOPLE WHO WOULD LIKE TO GO FASTER - AND IT SOUNDED FROM YOUR QUESTION AS THOUGH YOU MAY BE ONE OF THEM. WE HAVE ANOTHER LIMIT, WHICH AGAIN I'M SURE YOU KNOW BUT OTHER LISTENERS MAY NOT, AND THAT IS THAT COME 1997 THE LAW PASSED IN CHINA, WHAT IS CALLED THE BASIC LAW, CAN LAY DOWN WHAT THE COMPOSITION OF OUR LEGISLATIVE COUNCIL SHOULD BE AND HAS RECENTLY, EARLIER THIS YEAR, LAID IT DOWN WITH A CERTAIN LIMIT ON THE NUMBER OF DIRECTLY ELECTED PEOPLE. SO WE WILL HAVE A COMPLETELY ELECTED COUNCIL BUT 20 SEATS OUT OF 60 WILL BE DIRECTLY ELECTED AND THE OTHERS WILL BE INDIRECTLY ELECTED. NOW, MANY PEOPLE IN HONG KONG WOULD HAVE WANTED MORE DIRECT ELECTIONS BUT THAT IS, I THINK, A REAL LIMIT BECAUSE IF WE DON'T TAKE ACCOUNT OF IT WE ARE BUILDING UP A SYSTEM WHICH IS THEN DISMANTLED IN 1997, WHEREAS WHAT WE WANT TO TRY TO ACHIEVE IS A SMOOTH PROGRESS RIGHT THROUGH 1997 WITH AS FEW JOLTS TO THE SYSTEM AS WE CAN POSSIBLY ACHIEVE.

OLIVER SCOTT: MR PENDLETON, DOES THAT SATISFY YOU?

CALLER: NOT REALLY. MY VIEW IS THAT DEMOCRACY COULD BE INTRODUCED MUCH QUICKER, AS IT IS IN EASTERN EUROPE. DOES THE GOVERNOR NOT FEEL THAT THE CHINESE GOVERNMENT MAY STOP THE GRADUAL PROCESS TOWARDS DEMOCRACY COME 1997?

SIR DAVID: WELL, I THINK IT IS NOW LAID DOWN VERY CLEARLY IN THE BASIC LAW WHICH THE CHINESE THEMSELVES - THE CHINESE NATIONAL PEOPLE'S CONGRESS - THAT ITSELF HAS PASSED, AND THERE IS A VERY CLEAR PROGRESS OF INCREASING THE AMOUNT OF DIRECTLY ELECTED SEATS. MY OWN PERSONAL CONCERN FOR THE IMMEDIATE FUTURE IS THAT WE SHOULD MAKE A SUCCESS OF THE MAJOR STEP FORWARD WE ARE TAKING NEXT YEAR IN 1991, THAT IS BRINGING IN FOR THE FIRST TIME 18 DIRECTLY ELECTED SEATS. AND I DON'T THINK WE SHOULD DECEIVE OURSELVES; THIS IS NOT SOMETHING WHICH IS GOING TO BE SIMPLE. WHAT WE NEED IS PEOPLE TO TAKE PART IN THOSE ELECTIONS. IT'S ONE THING TO SAY, WE SHOULD HAVE MORE DEMOCRACY; IT'S QUITE ANOTHER THING FOR PEOPLE TO MAKE THE IMMENSE AMOUNT OF EFFORT,

THE PERSONAL SACRIFICE, WHICH IS INVOLVED IN STANDING FOR ELECTION AND THE SACRIFICE OF TAKING THE RISK YOU MIGHT ACTUALLY LOSE THE ELECTIONS. SO WHAT WE SHOULD BE DOING NOW, AS I SEE IT, IS ENCOURAGING AS MANY PEOPLE AS POSSIBLE - RIGHT ACROSS THE SPECTRUM OF POLITICAL VIEWS IN HONG KONG - TO TAKE PART IN THOSE ELECTIONS, MAKE A REAL SUCCESS OF THEM, SHOW THAT WE CAN RUN THAT DEVELOPMENT OF THE SYSTEM. AND THEN IF WE CAN AND IT IS SUCCESSFUL, AS I BELIEVE IT WILL BE, THEN WE CAN GO BACK TO THE CHINESE AND REFER TO THEIR BASIC LAW AND SAY: LOOK, WE THINK THIS SYSTEM IS WORKING VERY WELL, IT'S BENEFITTING HONG KONG, WE THINK IT COULD BE SLIGHTLY IMPROVED BY, LET'S SAY, HAVING SLIGHTLY MORE IN THE WAY OF DIRECTLY ELECTED SEATS BY 1997. THAT'S THE WAY THAT I WOULD LIKE TO DO IT.

OLIVER SCOTT: SIR DAVID, IF THE CHINESE AUTHORITIES OR NEGOTIATORS SAY, IN EFFECT, WHAT IS ALL THIS UPROAR ABOUT THE DEMOCRATIC PROCESSES NOW, SUDDENLY, WE'RE ABOUT TO TAKE OVER? AND THEN THEY WENT ON TO MAKE THE POINT THAT THEY WEREN'T, IN EFFECT, IN PLACE IN HONG KONG BEFOREHAND, THEY WOULD HAVE A POINT WOULDN'T THEY?

SIR DAVID: WELL, IT IS THE SORT OF THING WHICH THEY HAVE ACTUALLY BEEN SAYING AND, YES, I SUPPOSE IN A SENSE THEY HAVE A POINT. IT'S AN IRONY IN A WAY, ABOUT THE NEGOTIATION ABOUT HONG KONG'S FUTURE THAT ON ALMOST EVERYTHING INVOLVED, HONG KONG WAS TRYING TO SAY WE SHOULD PRESERVE EXACTLY WHAT WE HAVE GOT NOW AND WRITE THAT DOWN FOR THE FUTURE. THE ONE GREAT DIFFERENCE WAS IN THE STRUCTURE OF OUR LEGISLATIVE COUNCIL WHEN WE WERE SAYING, WE THINK THIS SHOULD CHANGE, WE THINK WE SHOULD MOVE FROM THE SYSTEM WE'VE GOT - THEN, IN 1984 - TO SOMETHING WHICH IS CONSIDERABLY DIFFERENT. BUT ALTHOUGH THAT IS A PARADOX IT WAS THE RIGHT THING TO DO BECAUSE IT WAS TAKING ACCOUNT OF THE CHANGED MOOD IN HONG KONG, AND THAT IS SOMETHING THE HONG KONG GOVERNMENT HAS ALWAYS TRIED TO DO. ODDLY ENOUGH, IF YOU'RE A NON-ELECTED GOVERNMENT YOU HAVE TO SPEND A LOT OF YOUR TIME TRYING TO FIND OUT WHAT PEOPLE ARE THINKING, TRYING AS MUCH AS YOU POSSIBLY CAN TO GO ALONG WITH THE MAINSTREAM OF PUBLIC OPINION. AND BY THAT TIME, I HAVE NO DOUBT THAT THE MAINSTREAM OF PUBLIC OPINION WAS BEGINNING TO CHANGE; WE HAD YOUNG PEOPLE, VERY WELL EDUCATED, WANTING QUITE RIGHTLY A GREATER DIRECT SAY IN THE WAY IN WHICH THE TERRITORY WAS RUN, AND WE QUITE RIGHTLY WANTED TO GO ALONG WITH THAT MOOD. SO WE ARGUED FOR CHANGE AND THE AGREEMENT WITH CHINA LAID DOWN A VERY CONSIDERABLE CHANGE, THAT IS MOVING FROM A SYSTEM IN 1984 WHERE WE HAD NO ELECTED MEMBERS OF OUR LEGISLATIVE COUNCIL TO LAYING DOWN IN THE AGREEMENT THAT BY 1997 ALL MEMBERS OF THE COUNCIL SHOULD BE ELECTED, ALTHOUGH NOT SAYING PRECISELY HOW THOSE ELECTIONS SHOULD BE CARRIED OUT. SO I THINK WHAT WE HAVE BEEN DOING IS TO TAKE ACCOUNT OF THE SHIFT OF OPINION IN HONG KONG, AND THAT IS THE RIGHT WAY TO RUN A SOCIETY. IT IS A LIVE SOCIETY, IT IS CONSTANTLY CHANGING, AND ONE WANTS TO KEEP ON TOP OF THOSE CHANGES AND TRY TO MOVE WITH THE MAINSTREAM OF SENSIBLE OPINION IN THE TERRITORY.

OLIVER SCOTT: A LITTLE AFTER HALFWAY IN THE PROGRAMME NOW, IT IS THE INTERNATIONAL PHONE-IN ON THE BBC'S WORLD SERVICE AND MY GUEST IS SIR DAVID WILSON, THE GOVERNOR OF HONG KONG. IF YOU WOULD LIKE TO PUT A QUESTION TO SIR DAVID THE NUMBER TO CALL, THAT IS IF YOU LIVE OUTSIDE THE UNITED KINGDOM, IS THE CODE FOR THE UK AND THEN 71-379-7444. AND IF YOU LIVE INSIDE THE UK THE NUMBER IS 071-379-0411. A NEW DIMENSION NOW ON THE HONG KONG QUESTION OR THE HONG KONG ISSUE, AND IT COMES FROM LORETTA PENG CALLING FROM VANCOUVER IN CANADA.

CALLER: HI. MY QUESTION IS, I'VE NOTICED THAT THE GOVERNMENT ALWAYS TRY TO PERSUADE THE OVERSEAS CHINESE WHO HOLD THE FOREIGN PASSPORT BACK TO HONG KONG AND I JUST WANT TO KNOW WHETHER THEY WOULD TREAT THOSE PEOPLE DIFFERENTLY?

SIR DAVID: SORRY, MISS PENG, I DIDN'T CATCH THE LAST PART OF THAT QUESTION.

OLIVER SCOTT: I'M AFRAID IT IS RATHER A BAD LINE, MISS PENG. I WONDER IF I COULD JUST TROUBLE YOU - THIS IS OLIVER SCOTT IN LONDON - I WONDER IF I COULD JUST TROUBLE YOU TO REPEAT YOUR QUESTION FOR SIR DAVID WILSON.

CALLER: OK, YES. I'VE NOTICED THAT THE GOVERNMENT ALWAYS TRY TO PERSUADE THE OVERSEAS CHINESE WHO HOLD THE FOREIGN PASSPORT BACK TO HONG KONG AND I WOULD LIKE TO KNOW WHETHER THOSE PEOPLE WOULD BE TREATED DIFFERENTLY.

SIR DAVID: THANK YOU VERY MUCH, MISS PENG. MAY I ASK YOU, WERE YOU ORIGINALLY FROM HONG KONG?

CALLER: YES, I AM A LANDED IMMIGRANT IN CANADA.

SIR DAVID: YOU ARE. BECAUSE LAST TIME I WENT TO VANCOUVER I WAS VERY INTERESTED JUST WALKING AROUND THE AIRPORT, TO MEET A NUMBER OF PEOPLE FROM HONG KONG AND TO FIND THAT ALL OF THEM CAME UP AND GREETED ME AND SAID HOW NICE IT WAS TO SEE THE GOVERNOR OF HONG KONG IN WESTERN CANADA, AND THE SAME ON A RECENT VISIT TO TORONTO. WE HAVE, AS YOU KNOW, A LARGE NUMBER OF PEOPLE ORIGINALLY FROM HONG KONG WHO ARE NOW CANADIAN CITIZENS. WELL, YES, WE DO ENCOURAGE PEOPLE TO COME BACK TO HONG KONG AND I'D ENCOURAGE YOU TO DO IT, IF I MAY, AS WELL. AND THAT IS NOT BECAUSE WE ARE TRYING TO STEAL PEOPLE BACK FROM CANADA, IT'S BECAUSE WE KNOW THAT THOSE PEOPLE COULD CONTRIBUTE A GREAT DEAL TO HONG KONG AND ALSO, I THINK, WE BELIEVE THAT MANY OF THE PEOPLE WHO HAVE LEFT HERE AND WHO HAVE GONE TO CANADA AND WHO HAVE GOT CANADIAN PASSPORTS - AND OF COURSE I DON'T KNOW IF THIS COVERS YOU - WOULD IN MANY WAYS RATHER HAVE STAYED IN HONG KONG. THEY WENT TO CANADA TO GET THEIR PASSPORTS AS A SORT OF INSURANCE POLICY, BUT MANY OF THEM WOULD REALLY LIKE TO BE SETTLED IN HONG KONG. NOW IF THOSE PEOPLE WANT TO COME BACK, WE WOULD VERY MUCH WELCOME THEM BACK. THEY ARE TALENTED PEOPLE; THERE IS A TREMENDOUS LOT GOING ON HERE IN HONG KONG; THEY WOULD EASILY FIND THINGS TO DO TO CONTRIBUTE TO HONG KONG'S SUCCESS. NOW, WOULD THEY BE TREATED DIFFERENTLY? NO - THE ANSWER IS, THEY WOULD NOT. WE DON'T TREAT PEOPLE DIFFERENTLY, WE TREAT EVERYBODY ON EQUAL TERMS, BUT WE WELCOME BACK THOSE PEOPLE WHO HAVE LEFT HONG KONG AND GOT FOREIGN PASSPORTS SOMEWHERE ELSE.

OLIVER SCOTT: WELL, THAT SOUNDS LIKE A WARM ENOUGH INVITATION, SIR DAVID. MEANWHILE, SHEILA LANCASTER WHO IS CALLING FROM HITCHIN IN HERTFORDSHIRE HERE IN ENGLAND HAS, I THINK, PERCEIVED A PARADOX WHICH SHE WOULD LIKE TO TAKE UP WITH YOU. MISS LANCASTER.

CALLER: YES, GOOD AFTERNOON. BEARING IN MIND THAT THE HONG KONG CHINESE WISH TO SEND THE VIETNAMESE BACK TO VIETNAM - AND I CONSIDER RIGHTLY SO - WHY IS IT THAT THEY CAN'T SEE THAT THE 250,000 MINIMUM THAT THEY WISH TO SEND HERE ARE NOT ACCEPTABLE TO US?

SIR DAVID: WELL, MISS LANCASTER, CAN I GIVE YOU A LITTLE BIT OF BACKGROUND ON THAT. THE FIRST THING IS THAT FOR THOSE WHO WOULD GET BRITISH PASSPORTS UNDER THE BRITISH NATIONALITY PACKAGE NOW GOING THROUGH PARLIAMENT, THAT IS FOR 50,000 HEADS OF HOUSEHOLD AND UP TO 225,000 PEOPLE, THE WHOLE PURPOSE OF THAT IS TO MAKE ARRANGEMENTS TO GIVE CONFIDENCE TO PEOPLE SO THAT THEY ACTUALLY STAY IN HONG KONG. SO WE ARE NOT REALLY TALKING ABOUT SOMETHING WHICH WILL INCREASE IMMIGRATION TO BRITAIN - AT LEAST WE HOPE IT WON'T. BECAUSE WE BELIEVE THAT IF PEOPLE HAVE THAT ASSURANCE THEY WILL WANT TO, AND THEY WILL THEN BE ABLE TO, STAY IN HONG KONG. THIS IS, FOR THOSE WHO DON'T KNOW IT, A TREMENDOUSLY EXCITING PLACE TO LIVE, AND MOST PEOPLE WHO WERE BORN HERE, BROUGHT UP HERE, WANT TO STAY HERE IF THEY POSSIBLY CAN. NOW, GIVEN THE ASSURANCE OF HAVING A FOREIGN PASSPORT, I BELIEVE THAT MOST OF THOSE PEOPLE, THOSE 50,000 HEADS OF HOUSEHOLD AND THEIR FAMILIES TOO, WILL STAY ON IN HONG KONG. SO THAT IS ONE BIT OF IT. I DON'T THINK YOU IN THE UNITED KINGDOM ARE FACING A GREAT INFLUX OF PEOPLE FROM HONG KONG. NOW, LET ME LEAVE ASIDE THE QUESTION OF WHETHER THAT WOULD BE TO THE BENEFIT OF THE UNITED KINGDOM OR NOT. THEN TAKE THE VIETNAMESE - THAT IS SOMETHING VERY DIFFERENT INDEED AND THERE IS A BIT OF BACKGROUND TO THAT WHICH PERHAPS I COULD GIVE YOU. WE EXIST ON THE COAST OF CHINA UNDER TREMENDOUS PRESSURE OF POPULATION MOVEMENT FROM CHINA ITSELF - PEOPLE WHO HAVE CLOSE RELATIVES HERE, FAMILY HERE. EVERY DAY OF THE YEAR WE ARE SENDING BACK TO CHINA MAYBE 80 PEOPLE, RECENTLY 100 PEOPLE, SOMETIMES 150 PEOPLE A DAY, GOING BACK TO CHINA BECAUSE THEY COME HERE AS ILLEGAL IMMIGRANTS. AT THE SAME TIME WE'VE BEEN FACING, FOR OVER 15 YEARS NOW, A HUGE NUMBER OF PEOPLE COMING FROM VIETNAM. LAST YEAR WE HAD 34,000. WE HAVE LOOKED AFTER, OVER 15 YEARS, 180,000 PEOPLE FROM VIETNAM; WE'VE NEVER TURNED ANYBODY AWAY. BUT I THINK YOU CAN UNDERSTAND THAT WITH THE POPULATION KNOWING AND SUPPORTING THE FACT THAT PEOPLE WHO ARE CLOSE TO THEM HAVE TO BE SENT BACK TO CHINA IF THEY COME HERE ILLEGALLY, IT IS PRETTY GALLING WHEN THERE ARE PEOPLE COMING HERE FROM VIETNAM, WHICH HAS NO CONNECTION WITH HONG KONG - DIFFERENT CULTURE, DIFFERENT PEOPLE - COMING TO HONG KONG AND BEING LOOKED AFTER AND NOT EVEN WANTING TO STAY IN HONG KONG, BECAUSE THESE PEOPLE ARE ALL, VIRTUALLY ALL - 99% - WANTING TO GO TO PLACES LIKE THE UNITED STATES OR CANADA, NOT WANTING TO COME TO HONG KONG. AND THAT IS WHY PEOPLE IN HONG KONG, AND INDEED THE HONG KONG GOVERNMENT BELIEVES THAT IT IS RIGHT THAT PEOPLE WHO ARE NOT POLITICAL REFUGEES - AND I WANT TO STRESS THAT POINT - PEOPLE WHO ARE NOT POLITICAL REFUGEES, SHOULD GO BACK TO THEIR OWN HOMES IN VIETNAM, JUST LIKE ILLEGAL IMMIGRANTS ANYWHERE ELSE IN THE WORLD ARE SENT BACK TO THEIR OWN COUNTRIES AND TO THEIR OWN HOMES.

OLIVER SCOTT: SIR DAVID, CAN I JUST SLIP IN A QUESTION NOW - WE ARE BEGINNING TO RUN OUT OF TIME SO I WILL MAKE THIS FAIRLY BRIEF - BUT WE HAVE OBVIOUSLY GOT ONE SIDE OF THAT ARGUMENT FROM SHEILA LANCASTER THERE - NO IMMIGRANTS AT ALL IN BRITAIN. THE OTHER SIDE IS EQUALLY CLEAR - WE OUGHT TO TAKE EVERYBODY; THERE IS A MORAL DUTY ON THE BRITISH GOVERNMENT TO DO SO. IT FOLLOWS FROM THOSE TWO POINTS OF VIEW THAT THIS COMPROMISE IN THE MIDDLE, 50,000 HEADS OF FAMILY AND THEIR DEPENDANTS, IS A PARTICULARLY UNFORTUNATE AND LUDICROUS COMPROMISE.

SIR DAVID: WELL, THAT'S ONE WAY OF PUTTING IT, BUT I THINK YOUR CALLER, SHEILA LANCASTER, PUT, IN A WAY, VERY CLEARLY THE POLITICAL PROBLEM FOR THE BRITISH GOVERNMENT. PEOPLE HERE IN HONG KONG WOULD,

OF COURSE, HAVE LIKED TO SEE AN ARRANGEMENT - LET'S SAY A RIGHT OF ENTRY - FOR PEOPLE WHO HOLD BRITISH PASSPORTS IN HONG KONG GIVEN BACK TO THEM. THEY USED TO HAVE IT, YOU SEE, BEFORE 1962 AND CHANGES IN THE IMMIGRATION RULES. THEY WOULD HAVE LIKED TO HAVE SEEN THAT GIVEN BACK TO ALL THE PEOPLE WHO HOLD BRITISH HONG KONG PASSPORTS BUT THE POLITICAL REALITY IN BRITAIN QUITE CLEARLY IS THAT THAT WAS SOMETHING WHICH WAS EXTREMELY DIFFICULT FOR THE GOVERNMENT. AND FACED WITH THE POLITICAL REALITIES IN BRITAIN, THE GESTURE OF FULL BRITISH PASSPORTS FOR 50,000 HEADS OF HOUSEHOLD, UP TO 225,000 PEOPLE, WAS, I THINK, A VERY COURAGEOUS DECISION BY THE BRITISH GOVERNMENT. I HOPE THAT IT WILL GET THROUGH PARLIAMENT. OF COURSE WE IN HONG KONG WOULD HAVE LIKED MORE BUT WE REALISE THAT THE PRACTICAL AND THE POLITICAL REALITIES ARE THAT THAT IS NOT POSSIBLE, AND THAT WITH 50,000 WE CAN STILL DO SOMETHING. WE CAN HELP TO ANCHOR IN HONG KONG 50,000 KEY PEOPLE - AND THAT IS NOT JUST FOR THEIR OWN BENEFIT, FOR THE SALES OF THOSE 50,000 - BUT THERE IS A TREMENDOUS TRICKLE-DOWN EFFECT; IF YOU GET THE KEY PEOPLE, THEY INFLUENCE THE REST OF THE ECONOMY AND THE REST OF THE SOCIETY, SO IT BENEFITS OTHER PEOPLE, EVEN IF THERE ARE A LOT OF PEOPLE WHO DON'T THEMSELVES GET THOSE FULL BRITISH PASSPORTS.

OLIVER SCOTT: WELL, WE MOVE ON NOW TO A CALLER FROM ROTTERDAM. I APOLOGISE IN ADVANCE HERE, I'M ALMOST CERTAIN I AM GOING TO PRONOUNCE YOUR NAME WRONG, MR HANSUER, BUT I DO KNOW IT'S A QUESTION ABOUT VIETNAMESE REFUGEES FOR SIR DAVID.

CALLER: YES, AND GOOD AFTERNOON.

SIR DAVID: GOOD AFTERNOON, MR HANSUER.

CALLER: I HEARD YOU TALKING ABOUT WESTERN VALUES IN THE 'WORLD TODAY' LAST WEEK. COULD YOU EXPLAIN, IN SHORT PLEASE, WHAT YOU UNDERSTAND BY 'WESTERN VALUES'?

SIR DAVID: I'M SORRY, I DON'T THINK IT WAS ME YOU HEARD TALKING ABOUT WESTERN VALUES. I MEAN, I WILL TALK ABOUT THAT IF YOU LIKE, BUT JUST TELL ME WHAT YOU THINK I SAID LAST WEEK.

CALLER: I JUST REMEMBER IT WAS IN 'WORLD TODAY' - IT WAS THE GOVERNOR OF HONG KONG, I THINK - MAYBE YOU, MAYBE NOT - BUT THE WESTERN VALUES, IN HONG KONG THEY ARE LIVING ACCORDING TO WESTERN VALUES. RIGHT OR NOT?

SIR DAVID: I SEE. IT WASN'T ME, IT MUST HAVE BEEN SOMEBODY MASQUERADING AS THE GOVERNOR OF HONG KONG, WHICH I WOULDN'T INCLUDE AS ONE OF THE WESTERN VALUES. BUT LET ME JUST SAY SOMETHING ABOUT THE VALUES HERE IN HONG KONG BECAUSE IT IS A VERY GOOD POINT. WE DO OPERATE ON CERTAIN VALUES HERE. I MEAN FIRST OF ALL LET'S TAKE ECONOMIC VALUES; WE OPERATE ON A CAPITALIST SYSTEM; WE OPERATE ON A FREE MARKET SYSTEM. WE MUST BE, I THINK, THE MOST FREE MARKET ECONOMY OPERATING IN THE WORLD, WITH NO TRADE BARRIERS, AND WE BELIEVE THAT HAS BEEN EXTREMELY SUCCESSFUL; THAT THAT IS ONE OF THE FOUNDATIONS OF HONG KONG'S ECONOMIC SUCCESS. NOW THAT IS ONE SORT OF VALUE. BUT THEN THERE ARE OTHERS WHICH ARE, I BELIEVE, VERY IMPORTANT TO PEOPLE HERE. THERE'S THE VALUE OF FREEDOM OF SPEECH. WE HAVE A VERY FREE, A VERY OUTSPOKEN PRESS HERE IN HONG KONG AND THAT IS SOMETHING WHICH PEOPLE HERE VALUE A GREAT DEAL. ANOTHER ONE IS OUR LEGAL SYSTEM WHICH IS THE ENGLISH COMMON LAW SYSTEM, THAT IS OF ENORMOUS IMPORTANCE

TO ORDINARY PEOPLE, BUT ALSO TO BUSINESS PEOPLE, KNOWING THAT IF THERE IS A DISPUTE THERE IS A LEGAL SYSTEM IN WHICH THEY CAN HAVE CONFIDENCE, WHERE THE JUDICIARY IS SEPARATE FROM THE EXECUTIVE. THE EXECUTIVE - THAT IS, MY ADMINISTRATION - DOES NOT INFLUENCE, CANNOT INFLUENCE WHAT THE COURTS ARE DOING. THOSE ARE SOME OF THE KEY WESTERN VALUES WHICH WE WERE VERY KEEN INDEED, AND I'M SURE THE PEOPLE OF HONG KONG WERE VERY KEEN INDEED, TO SEE WRITTEN IN TO THE ARRANGEMENTS FOR HONG KONG'S FUTURE. BECAUSE THEY ARE REALLY THE BEDROCK ON WHICH HONG KONG IS FOUNDED.

OLIVER SCOTT: SIR DAVID, THANK YOU VERY MUCH FOR THOSE THOUGHTS. I WAS SITTING HERE WONDERING WHETHER THE PHRASE 'WESTERN VALUES' COULD POSSIBLY HAVE BEEN CONFUSED FOR 'VIETNAMESE REFUGEES' - I'M STILL WONDERING ABOUT THAT SCORE. MEANWHILE, DR. SUSAN ZEIKLIN, AGAIN FROM HONG KONG, I THINK HAS GOT ANOTHER QUESTION ON THAT TOPIC OF VIETNAMESE REFUGEES. DR. ZEIKLIN.

CALLER: GOOD EVENING, SIR DAVID.

SIR DAVID: GOOD EVENING, DR. ZEIKLIN.

CALLER: I WONDER IF YOU COULD TELL ME WHY THE HONG KONG GOVERNMENT HAS BEEN RELUCTANT TO EXTEND FULL CO-OPERATION TO THE CHARITABLE AGENCIES WHO ARE TRYING TO PROVIDE HEALTH CARE TO THE VIETNAMESE BOAT PEOPLE?

SIR DAVID: WELL, I HOPE WE HAVEN'T BEEN FAILING TO EXTEND CO-OPERATION BECAUSE THE VOLUNTARY AGENCIES HERE HAVE DONE A SPLENDID JOB OVER MANY YEARS, AS I KNOW PERSONALLY VERY WELL. THE ONLY THING THAT I FEEL YOU MAY HAVE AT THE BACK OF YOUR MIND IS THAT DURING LAST YEAR WHEN WE HAD THIS TREMENDOUS INFLUX OF PEOPLE, 34,000 PEOPLE IN THE COURSE OF ONE YEAR, COMING INTO HONG KONG - AND FOR THOSE WHO ARE LISTENING IN BRITAIN IT IS THE EQUIVALENT OF SOMETHING LIKE 300,000 PEOPLE SAILING UP THE THAMES IN THE COURSE OF ONE YEAR - WE WERE REALLY OVERWHELMED, AND I KNOW THAT DURING THAT PERIOD OF TIME SOME OF THE WORK DONE BY THE VOLUNTARY AGENCIES IN THE CAMPS HAD TO BE SUSPENDED. WE NEEDED THE ACCOMMODATION, FOR INSTANCE, WHERE PEOPLE WERE RUNNING SCHOOLS ETC., SO WE HAD TO SUSPEND SOME OF THOSE OPERATIONS IN THE CAMPS. BUT I WOULD, MYSELF, LIKE TO SEE FULL CO-OPERATION BETWEEN THE ADMINISTRATION AND THE VOLUNTARY AGENCIES HERE BECAUSE I THINK THE VOLUNTARY AGENCIES HAVE A VERY USEFUL AND IMPORTANT ROLE THAT THEY CAN PLAY.

OLIVER SCOTT: SIR DAVID, CAN WE JUST GET ON TO THIS QUESTION OF THE VIETNAMESE REFUGEES AND THE ENFORCED REPATRIATION. NOW, THERE WAS ONE GO AT THAT, AS YOU KNOW A SMALL BATCH WERE RETURNED AGAINST THEIR WILL. THERE WAS INTERNATIONAL UPROAR, SINCE WHICH TIME THE POSITION SEEMS TO HAVE GONE VERY QUIET, IF THAT IS NOT PUTTING IT TOO CYNICALLY. WHAT IN FACT IS THE POLICY AT PRESENT ON ENFORCED REPATRIATION?

SIR DAVID: WELL, OUR POLICY IS, AND HAS BEEN NOW FOR SOME TIME, THAT PEOPLE WHO ARRIVE HERE SHOULD BE SCREENED TO SEE WHETHER THEY ARE GENUINE POLITICAL REFUGEES OR WHETHER THEY ARE COMING HERE FOR SOME OTHER REASON, AND THAT SCREENING IS DONE UNDER THE AUSPICES OR WITH THE AGREEMENT OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES, UNHCR. WE HAVE BEEN DOING THAT NOW FOR SOME TIME AND THE REASON THAT

WE EMBARKED ON THAT WAS BECAUSE THE OLD ARRANGEMENTS BY WHICH EVERYBODY WHO CAME BY BOAT FROM VIETNAM WAS SIMPLY TREATED AS A REFUGEE WITHOUT ANY QUESTIONS ASKED, AND THEY WERE ALL SETTLED ELSEWHERE, THOSE SIMPLY BROKE DOWN. AND THEY BROKE DOWN, ESSENTIALLY, IN THE UNITED STATES WITH THE AMERICANS SAYING, THE PEOPLE COMING ARE NOT REALLY REFUGEES AND WE'RE NOT GOING TO SETTLE THEM IN THE UNITED STATES. SO WE HAD VERY LARGE NUMBERS OF PEOPLE COMING TO HONG KONG WITH NO HOPE, NO HOPE WHATSOEVER, OF EVER GETTING RESETTLED ELSEWHERE IN THE WORLD, SO WE STARTED SCREENING. NOW THERE IS ONE PART OF THAT SCREENING WHICH IS QUITE EASY AND THE WORLD HAS NO DIFFICULTY ABOUT REACHING AGREEMENT ON IT, AND THAT IS THAT THOSE WHO ARE POLITICAL REFUGEES, AS DEFINED BY UNHCR, THEY SHOULD BE RESETTLED AND THAT HAS BEEN GOING ON VERY SATISFACTORILY. THERE IS THE MUCH HARDER PART, AND THIS IS THE ONE THAT A LOT OF PEOPLE SIMPLY TRY TO TURN THEIR FACES AWAY FROM AND NOT FACE THE REALITY OF IT, AND THAT IS, WHAT DO YOU DO WITH THE VAST MAJORITY WHO ARE FOUND NOT TO BE POLITICAL REFUGEES? NOW, IN MY BOOK IT IS QUITE INHUMANE AND QUITE WRONG THAT THEY SHOULD SIMPLY LANGUISH IN CAMPS FOR YEAR AFTER YEAR AFTER YEAR, PARTICULARLY SINCE MOST OF THESE PEOPLE ARE YOUNG - ABOUT A THIRD OF THEM ARE CHILDREN OF 16 AND UNDER. IT IS RIGHT THAT THEY SHOULD GO BACK TO THEIR OWN HOMES. AND THIS IS, AFTER ALL, WHAT IS DONE EVERYWHERE ELSE IN THE WORLD. I MEAN, THE UNITED STATES SENDS PEOPLE BACK TO HAITI, TO CENTRAL AMERICA; BRITAIN WOULD SEND PEOPLE BACK TO SRI LANKA; ALL OVER THE WORLD PEOPLE ARE RETURNED TO THEIR HOMES IF THEY ARE ILLEGAL IMMIGRANTS. WE DO IT TO CHINA THE WHOLE TIME. I SEE NO REASON AT ALL WHY VIETNAM AND THE VIETNAMESE SHOULD BE AN EXCEPTION AND THAT MEANS THAT I BELIEVE VIETNAM SHOULD CARRY OUT ITS INTERNATIONAL RESPONSIBILITIES BY ACCEPTING BACK ITS OWN PEOPLE, AS EVERY OTHER COUNTRY DOES, AND THAT WE SHOULD HAVE ARRANGEMENTS IN PLACE FOR SENDING BACK NON-REFUGEES - I STRESS THAT, NON-REFUGEES - WITH ADEQUATE MONITORING SO THAT WE AND EVERYBODY ELSE CAN KNOW THAT THEY ARE BEING REASONABLY TREATED WHEN THEY GO BACK.

OLIVER SCOTT: BUT WHAT DO YOU SAY TO THAT SUBSTANTIAL BODY OF OPINION WHICH TAKES STOCK OF THE FACT THAT THIS ENFORCED REPATRIATION, FOR WHATEVER REASON, HAS STOPPED, AND THEY ATTRIBUTE IT TO A COMBINATION OF MORAL OUTRAGE AND POLITICAL PRESSURE FROM WASHINGTON? SAY, IN EFFECT, THAT YOU ARE TOWING THE WASHINGTON LINE ON THIS.

SIR DAVID: OH NO, IT'S NOT A QUESTION OF TOWING A WASHINGTON LINE AT ALL. I MEAN, I WOULD CERTAINLY ACCEPT THAT OPPOSITION FROM THE UNITED STATES HAS BEEN A FACTOR IN ALL THIS BUT THE WAY IT IS OPERATED IS THAT THE VIETNAMESE GOVERNMENT HAS BEEN REFUSING TO ACCEPT PEOPLE BACK EXCEPT UNDER CONDITIONS WHICH ARE NOT ACCEPTABLE. SO THE PROBLEM IS THAT WE HAD AN AGREEMENT WITH VIETNAM - WE STILL HAVE AN AGREEMENT WITH VIETNAM - BUT THEY HAVE BEEN RELUCTANT TO CONTINUE TO CARRY OUT THAT AGREEMENT AND, IN A SENSE, THEY HAVE BEEN ABLE TO HIDE BEHIND THE POSITION TAKEN BY THE UNITED STATES, WHICH IS FOR ITS OWN REASONS AND WITH ITS OWN PARTICULAR POLITICAL HISTORICAL BACKGROUND WITH VIETNAM OPPOSED TO THE IDEA OF SENDING PEOPLE BACK TO VIETNAM. NOW, WE WANT TO GET BACK TO A SITUATION BY WHICH WE CAN RETURN NON-REFUGEES TO VIETNAM. AND AGAIN I WOULD MAKE THE POINT THAT THIS IS SOMETHING WHICH HAPPENS EVERYWHERE ROUND THE WORLD. LET ME JUST TAKE ONE EXAMPLE ON THIS BECAUSE YOU TALKED ABOUT MORAL OUTRAGE --

OLIVER SCOTT: YOU WILL HAVE TO BE FAIRLY BRIEF, I'M AFRAID, SIR DAVID, AS WE'RE ALMOST RUNNING OUT OF TIME.

SIR DAVID: I'LL BE VERY QUICK. LAST YEAR A NUMBER OF BOATS TURNED UP IN JAPAN. THEY WERE THOUGHT TO COME FROM VIETNAM, THEY WERE SCREENED, IT WAS FOUND THAT A NUMBER CAME FROM CHINA NOT VIETNAM. THOSE WHO CAME FROM CHINA WERE SENT BACK TO CHINA - NOBODY SAID A WORD ABOUT IT. THOSE WHO CAME FROM VIETNAM ARE STILL STUCK IN JAPAN. NOW IT IS WRONG THAT THERE SHOULD BE THIS DOUBLE STANDARD.

OLIVER SCOTT: NOT A GREAT DEAL OF TIME LEFT IN THE PROGRAMME, ALTHOUGH THERE IS STILL TIME FOR A COUPLE MORE QUESTIONS, THE FIRST OF WHICH COMES FROM MICHAEL DESELLIS CALLING FROM BRUSSELS.

CALLER: YES, GOOD EVENING, SIR DAVID.

SIR DAVID: GOOD EVENING.

CALLER: HOW WILL THE HONG KONG CHINESE GET ALONG WITH THE MAINLAND CHINESE?

SIR DAVID: THAT IS AN INTERESTING QUESTION. WE'VE BEEN LIVING AS NEXT-DOOR NEIGHBOURS FOR A VERY, VERY LONG TIME. I SUPPOSE FOR THOUSANDS OF YEARS, BUT TAKING IT INTO MODERN HISTORY WE'VE BEEN LIVING AS NEXT-DOOR NEIGHBOURS WITH A COMMUNIST GOVERNMENT IN HONG KONG SINCE 1949, AND WE HAVE HAD A LOT OF CONTACTS EVEN THOUGH THE SYSTEMS HAVE BEEN VERY DIFFERENT. THE NUMBER OF PEOPLE WHO TRAVEL FROM HERE INTO CHINA EVERY YEAR IS ENORMOUS, IT'S INTO THE MILLIONS OF PEOPLE WHO HAVE VERY CLOSE RELATIVES IN CHINA, TRAVEL BACKWARDS AND FORWARDS, SO WHAT I THINK IS HAPPENING - AND THIS IS PARTICULARLY TRUE AS CHINA ITSELF DEVELOPS AND IT FOLLOWS ITS POLICY OF BEING MORE OPEN TO THE OUTSIDE WORLD - IS ALL THESE FAMILY CONTACTS, BUSINESS CONTACTS, ARE BEING RE-ESTABLISHED AND BUILT ON AND I HOPE THAT THIS NETWORK OF RELATIONSHIPS, THE WELDING OF RELATIONSHIPS BETWEEN HONG KONG AND PARTS OF CHINA, PARTICULARLY SOUTH CHINA, WILL HELP TO SECURE THE ARRANGEMENTS FOR HONG KONG'S FUTURE. I BELIEVE THAT IT WILL, THAT THIS NETWORK OF CONTACTS WILL BE VERY HELPFUL TO MAKING THE ARRANGEMENTS FOR THE FUTURE OF HONG KONG WORK OUT PROPERLY IN PRACTICE.

OLIVER SCOTT: SIR DAVID, IF I COULD JUST ASK YOU BRIEFLY TO TAKE OFF YOUR GOVERNOR'S HAT, THE ONE WITH ALL THOSE FEATHERS THAT YOU WERE TALKING ABOUT EARLIER, AND BECOME A CHINA EXPERT, WHAT SORT OF ADMINISTRATION OR, IF YOU PREFER, REGIME, DO YOU EXPECT TO SEE IN PLACE IN PEKING IN 1997, WHICH CLEARLY IS AN ISSUE WHICH IS WORRYING A GREAT MANY PEOPLE?

SIR DAVID: WELL, I HAVE TO SAY THAT WHETHER I'VE GOT MY HAT ON OR NOT - AND I CERTAINLY HAVEN'T GOT IT ON AT THE MOMENT - BEING GOVERNOR OF HONG KONG DOESN'T GIVE YOU MUCH TIME TO BE A CHINA WATCHER, IT'S A 24 HOUR A DAY JOB HERE BEING GOVERNOR. I WOULD THINK I WOULD SAY, JUST IN GENERAL TERMS - AND I DON'T HAVE TIME NOW TO BE A REAL SPECIALIST ON CHINESE POLITICS - IN GENERAL TERMS I AM OPTIMISTIC ABOUT THE WAY IN WHICH CHINA IS GOING TO EVOLVE. THE WAY IN WHICH THE POLICY OF ECONOMIC LIBERALISATION, OF OPENING UP TO THE OUTSIDE WORLD, HAS GONE ON, IS SOMETHING WHICH I BELIEVE WILL CONTINUE. THE PRESSURES FOR IT TO CONTINUE ARE ENORMOUS AND THE CHINESE LEADERSHIP OF COURSE HAS SAID THAT IT WILL CONTINUE. NOW, THE EVENTS IN PEKING LAST YEAR WERE A GREAT SHOCK TO THAT PROCESS, AND THEY WERE AN EVEN

GREATER SHOCK TO THE WAY IN WHICH PEOPLE ROUND THE WORLD AND PEOPLE HERE IN HONG KONG LOOKED AT CHINA, BUT THERE IS A TREMENDOUS PRESSURE FOR THAT ECONOMIC CHANGE IN CHINA. THE OTHER POINT I WOULD MAKE IS REALLY FROM A HONG KONG POINT OF VIEW, THE SORT OF CHINA THAT WILL BE HELPFUL FOR THE SUCCESSFUL FUTURE OF HONG KONG IS CERTAINLY ONE IN WHICH THAT PROCESS OF ECONOMIC LIBERALISATION, OPENING TO THE OUTSIDE WORLD, ECONOMIC DEVELOPMENT, PARTICULARLY AROUND THE SOUTHERN COAST OF CHINA, THAT GOES ON. AND WHERE THERE IS ALSO A STABLE REGIME, BECAUSE WE NEED STABILITY IN CHINA SO THAT WE'VE GOT A GOVERNMENT IN CHINA THAT WE CAN DEAL WITH. SO THAT IS THE SORT OF CHINA WHICH I WOULD HOPE TO SEE EVOLVE AND THAT IS THE BEST FOUNDATION FOR THE RELATIONSHIP BETWEEN HONG KONG AND CHINA IN THE FUTURE.

OLIVER SCOTT: ON NOW THEN TO SUSIE WELDON, AGAIN SPEAKING FROM HONG KONG, WITH A QUESTION WHICH IS IN MANY PEOPLE'S MINDS. MISS WELDON, WE WILL REGARD YOU AS THE SPOKESWOMAN.

CALLER: GOOD EVENING, SIR DAVID.

SIR DAVID: GOOD EVENING, MISS WELDON.

CALLER: PEOPLE ARE LEAVING THE TERRITORY IN DROVES. MORE WORRYING, PERHAPS, IS THAT MANY - I WOULD SAY MOST - ARE SERIOUSLY THINKING OF OR ACTIVELY PLANNING TO LEAVE THE TERRITORY IN TWO TO THREE YEARS' TIME. IS IT NOT THE CASE THAT IF THESE TRENDS CONTINUE, HONG KONG WILL BE SERIOUSLY UNDERMINED AS A VIABLE BUSINESS CENTRE IN ASIA LONG BEFORE THE CHINESE TAKEOVER IN 1997? WHAT IS THE HONG KONG GOVERNMENT DOING ABOUT THIS PROBLEM?

SIR DAVID: WELL, THANK YOU FOR RAISING THAT ISSUE BECAUSE IT IS ONE WHICH IS ON THE MINDS OF A LOT OF PEOPLE, I KNOW, AND A LOT OF NEWSPAPER READERS THROUGHOUT THE WORLD. WE DO HAVE A PROBLEM WITH PEOPLE LEAVING HONG KONG, AS YOU ARE SAYING AND AS WE BOTH KNOW. THERE HAS ALWAYS BEEN THE PHENOMENON OF PEOPLE COMING INTO HONG KONG, PARTICULARLY FROM CHINA, AND THEN LEAVING - ABOUT 20,000 - 27,000 A YEAR TYPICALLY. THIS YEAR IT IS HIGHER, IT'S PROBABLY GOING TO BE 55,000 AND PROBABLY IT WILL CONTINUE AT A HIGHISH LEVEL WHEN THERE ARE PLACES TO FILL IN IMMIGRATION QUOTAS ELSEWHERE. NOW, I THINK THAT WE WOULD MUCH RATHER THAT MORE OF THOSE PEOPLE REMAINED IN HONG KONG BUT IN NO WAY WILL WE EVER TRY TO STOP PEOPLE LEAVING. WHAT CAN WE DO ABOUT IT? WELL, WE CAN ENCOURAGE PEOPLE TO COME BACK WHEN THEY HAVE THEIR INSURANCE POLICY, THAT IS ONE THING, AND MANY DO COME BACK. ANOTHER VERY IMPORTANT THING IS TO INCREASE THE AMOUNT OF TRAINING WE PROVIDE SO THAT THERE ARE PEOPLE TO STEP INTO THE PLACES WHICH ARE LEFT VACANT. SO THAT IS THE REASON WHY LAST AUTUMN I ANNOUNCED A MASSIVE NEW PROGRAMME FOR EDUCATIONAL DEVELOPMENT, DOUBLING THE NUMBER OF FIRST-DEGREE PLACES IN OUR UNIVERSITIES. THAT IS ANOTHER THING WE CAN DO. WE WILL ALSO HAVE TO ENCOURAGE AND MAKE IT EASY FOR PEOPLE FROM ELSEWHERE TO COME AND WORK TEMPORARILY IN HONG KONG. IT IS A VERY INTERNATIONAL CITY, AS YOU KNOW, IT IS AN INTERNATIONAL BUSINESS CENTRE, INTERNATIONAL FINANCIAL CENTRE. WE HAVE A LOT OF EXPATRIATES WORKING HERE AND THAT'S SOMETHING WHICH CAN GO ON. PROVIDING THAT OUR ECONOMY IS SUCCESSFUL, I BELIEVE WE WILL FIND PEOPLE TO FILL THOSE SLOTS, AND THAT IS SOMETHING FOR WHICH WE MUST WORK OUT POLICIES SO IT IS NOT DIFFICULT FOR PEOPLE TO FILL THOSE SLOTS, SO THAT WE TRAIN AS MANY LOCAL PEOPLE IN HONG KONG AS WE POSSIBLY CAN TO FILL THE PLACES LEFT BY THOSE WHO HAVE GONE ELSEWHERE TO GET A DIFFERENT FOREIGN

PASSPORT.

OLIVER SCOTT: SIR DAVID, MORE BROADLY PERHAPS, HOW FAR IS THERE CONCERN THAT THE SORT OF ISSUE THAT SUSIE WELDON REFERRED TO THERE, COUPLED WITH THE POLITICAL IMPLICATIONS ARE GOING TO CONSTITUTE A MAJOR DESTABILISING FACTOR, NOT JUST FOR HONG KONG WHICH CAN BE TAKEN FOR GRANTED, BUT FOR THE WHOLE REGION?

SIR DAVID: WELL, OF COURSE WE GO BACK TO THIS QUESTION ABOUT WORRIES ON THE FUTURE AND AS I SAID RIGHT AT THE BEGINNING OF THE PROGRAMME, IT IS VERY UNDERSTANDABLE THAT FACED WITH THE SORT OF CHANGES THAT WE ARE LOOKING AT IN 1997, PEOPLE WORRY; THEY LACK CERTAINTY ABOUT HOW IT IS ALL GOING TO WORK OUT IN PRACTICE. BUT YOU HAVE TO CONTEMPLATE WHAT WOULD HAVE HAPPENED IF THERE HAD BEEN NO ARRANGEMENTS - THERE WOULD HAVE BEEN EVEN GREATER UNCERTAINTY. I THINK IT IS ALSO FAIR, PARTICULARLY WHEN PEOPLE TALK - AND THEY TALK A GREAT DEAL ABOUT UNCERTAINTY IN HONG KONG - THAT ONE LOOKS A LITTLE AROUND THE REST OF THE REGION, AND YOU LOOK AT OTHER COUNTRIES AND SAY: WELL, HOW CERTAIN IS IT IN THE PHILIPPINES? HOW CERTAIN IS IT IN TAIWAN OR SOUTH KOREA, OR OTHER PARTS IN THE REGION? CERTAINTY IS SOMETHING WHICH IS NOT GOD-GIVEN TO US. WE LIVE HERE WITH UNCERTAINTY, WE'RE USED TO LIVING WITH UNCERTAINTY. HONG KONG HAS FLOURISHED OVER MANY, MANY YEARS AGAINST A BACKGROUND OF UNCERTAINTY ABOUT THE FUTURE. THAT IS ONE OF THE THINGS, PERHAPS, WHICH HAS GIVEN IT ITS TREMENDOUS DYNAMISM; AND IT IS, AND IT STILL IS, I CAN ASSURE YOU, A VERY DYNAMIC PLACE AND A TREMENDOUS PLACE OF OPPORTUNITY.

OLIVER SCOTT: ONE FINAL QUESTION. BOTH THE QUESTION AND THE ANSWER, I'M AFRAID, ARE GOING TO HAVE TO BE VERY BRIEF BUT WE WILL GO, MR YU, TO YOU IN LONDON FIRST.

CALLER: YES, GOOD EVENING, SIR DAVID.

SIR DAVID: GOOD EVENING, MR YU.

CALLER: I'M FROM PEKING, I'M CHINESE. I WILL ASK YOU ONE QUESTION. VERY SHORTLY, IT IS: FROM YOUR TALKING I UNDERSTAND THAT YOU'RE TRYING TO KEEP THE PEOPLE'S CONFIDENCE IN HONG KONG BUT HOW DO YOU EXPLAIN YOUR FORMER COUNTER-PARTNER, THE XINHUA NEWS AGENCY'S TOP LEADER, XU JIATUN, FLED FROM CHINA. HE, TOO, LOST CONFIDENCE.

OLIVER SCOTT: YES, SIR DAVID, I THINK WE WILL JUST LET YOU GET IN THERE AND ANSWER THAT QUESTION.

SIR DAVID: I'LL GIVE YOU A VERY QUICK ANSWER. MR XU IS NOT REALLY MY FORMER COUNTERPART, I HOPE, HE WAS THE DIRECTOR OF THE NEW CHINA NEWS AGENCY AND AFTER HE HAD RETIRED, HE HAS INDEED AS YOU SAY, GONE TO THE UNITED STATES. HE HAS SAID HE'S GONE THERE ON A VISIT. I DON'T KNOW WHAT HIS REAL PURPOSE IS AND I DON'T KNOW HOW LONG HE IS STAYING THERE. I DON'T THINK THAT THE MOVEMENT OF ONE MAN IS SOMETHING WHICH IS GOING TO AFFECT THE WHOLE OF HONG KONG. WHAT MY INTEREST IS, IS TRYING TO BUILD UP THE WHOLE OF HONG KONG FOR THE FUTURE; MAKE THIS VERY DYNAMIC PLACE WITH VERY ENERGETIC PEOPLE AS SUCCESSFUL IN THE FUTURE AS IT HAS BEEN IN THE PAST.

CALLER: HOW COULD YOU ENSURE PEKING CAN PROMISE THEIR COMMITMENT TO KEEP A 'ONE COUNTRY, TWO ECONOMIC SYSTEM' - OR AS WELL AS TWO SYSTEMS,

AS YOU KNOW?

SIR DAVID: I'VE BEEN TOLD, MR YU, I'VE ONLY GOT A VERY SHORT PERIOD OF TIME. I GO BACK TO MY EARLIER ANSWER - THEY HAVE A TREATY COMMITMENT TO DO IT, THEY HAVE EVERY INTEREST IN DOING IT, THEY HAVE A GOOD REPUTATION IN DOING IT, AND, WE HERE IN HONG KONG, I THINK EVERYBODY, HAS AN INTEREST IN MAKING SURE TO THE BEST OF THEIR ABILITY THAT THOSE ARRANGEMENTS REALLY DO WORK OUT IN PRACTICE.

OLIVER SCOTT: AND THERE WE HAVE TO LEAVE IT BUT NOT WITHOUT THANKS TO MR YU, OUR LAST CALLER, ALSO TO ALL OUR OTHER CALLERS, AND INDEED TO SIR DAVID WILSON, MY GUEST FOR THE PAST HOUR, WHO IS, OF COURSE, THE GOVERNOR OF HONG KONG.

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