



DAILY INFORMATION BULLETIN

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THURSDAY, DECEMBER 2, 1993

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THURSDAY, DECEMBER 2, 1993

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GOVERNOR AT LEGCO

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THE FOLLOWING IS THE GOVERNOR'S STATEMENT TO LEGISLATIVE COUNCIL THIS (THURSDAY) AFTERNOON:

MR PRESIDENT, I SHOULD LIKE TO MAKE A STATEMENT ON THE ELECTORAL ARRANGEMENTS FOR 1994 AND 1995.

FOR THE LAST SEVEN MONTHS, NEGOTIATIONS HAVE BEEN CONTINUING BETWEEN BRITAIN AND CHINA ON THE ARRANGEMENTS FOR THE DISTRICT BOARD ELECTIONS IN 1994 AND THE MUNICIPAL COUNCIL AND LEGCO ELECTIONS IN 1995. AFTER 17 ROUNDS, IT HAS STILL NOT PROVED POSSIBLE TO REACH AGREEMENT, EVEN ON THE MOST URGENT AND UNCONTROVERSIAL ISSUES.

THESE NEGOTIATIONS ARE NOT ABOUT THE PACE OF DEMOCRATISATION IN HONG KONG, THOUGH SOME OF YOU THINK THEY SHOULD BE. THERE IS NO ARGUMENT BETWEEN BRITAIN AND CHINA OVER THE PRINCIPLE THAT HONG KONG'S DEMOCRATIC INSTITUTIONS SHOULD CONTINUE TO DEVELOP. THAT IS SPELT OUT IN THE JOINT DECLARATION, WHICH PROVIDES THAT FROM 1 JULY 1997 THE LEGCO OF THE SAR "SHALL BE CONSTITUTED BY ELECTIONS". CHINA'S OWN BASIC LAW FOR THE HONG KONG SAR SETS OUT THAT PROCESS OF DEMOCRATIC DEVELOPMENT IN GREATER DETAIL.

WHAT IS AT ISSUE IS HOW TO TURN THIS PRINCIPLE INTO PRACTICE. IN OCTOBER 1992 I SET OUT A NUMBER OF PROPOSALS DESIGNED TO ACHIEVE THAT. THOSE PROPOSALS, PUT FORWARD WITH THE FULL SUPPORT OF THE BRITISH GOVERNMENT AND AFTER CONSULTATIONS IN HONG KONG, WERE CAREFULLY DESIGNED TO BE FULLY CONSISTENT WITH THE JOINT DECLARATION, THE BASIC LAW AND THE RELEVANT AGREEMENTS AND UNDERSTANDINGS BETWEEN THE TWO SIDES, AN OBJECTIVE WHICH - AS WAS CONFIRMED BY THE RECENT EVIDENCE OF INDEPENDENT LAWYERS TO THE FOREIGN AFFAIRS COMMITTEE OF THE HOUSE OF COMMONS - WAS WHOLLY ACHIEVED. BUT WE ALWAYS MADE CLEAR THAT THEY WERE PROPOSALS, WHICH WE WISHED TO DISCUSS WITH THE CHINESE SIDE. OUR CLEAR PREFERENCE IS TO PROCEED BY AGREEMENT WITH CHINA, WHEREVER WE CAN, IN THE INTERESTS OF CONTINUITY. THAT IS WHY WE PRESSED HARD FOR TALKS ON THESE MATTERS BETWEEN BRITAIN AND CHINA, AND WERE PLEASED WHEN THEY EVENTUALLY BEGAN IN THE SPRING.

WHAT IS OUR AIM IN THESE TALKS? IT IS VERY SIMPLY THIS: ELECTORAL ARRANGEMENTS THAT ARE OPEN, FAIR AND ACCEPTABLE TO THE PEOPLE OF HONG KONG. WE WANT ELECTIONS THAT OFFER PEOPLE A GENUINE CHOICE, NOT ELECTIONS VULNERABLE TO MANIPULATION AND CORRUPTION.

WHY DOES THIS MATTER? IT MATTERS FOR THIS REASON: IF THERE IS NO LEVEL PLAYING FIELD FOR THE ELECTIONS TO LEGCO, WHAT HOPE IS THERE OF PRESERVING A LEVEL PLAYING FIELD ELSEWHERE - IN THE COURTS, IN THE BUSINESS WORLD, FOR THE INDIVIDUAL CITIZEN? IF YOU COMPROMISE THE ELECTIONS TO THE LEGISLATURE WHOSE JOB IT IS TO MAKE LAWS, THEN YOU ERODE THE FOUNDATIONS OF THE RULE OF LAW IN HONG KONG. THAT IS SURELY NOT WHAT THE BRITISH AND CHINESE GOVERNMENTS HAD IN MIND WHEN THEY AGREED IN THE JOINT DECLARATION THAT THE SAR LEGCO SHOULD "BE CONSTITUTED BY ELECTIONS".

WE ARE APPROACHING THESE NEGOTIATIONS IN GOOD FAITH. AS I TOLD THIS COUNCIL IN OCTOBER OF THIS YEAR, WE HAVE OFFERED MAJOR MOVES TO TRY TO MEET CHINESE CONCERNS, CONDITIONAL ON OUR REACHING AN ACCEPTABLE OVERALL AGREEMENT, AND WITHOUT COMPROMISING ON OUR PRINCIPLES.

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BUT WE HAVE MADE CLEAR FROM THE OUTSET THAT THE TALKS CANNOT GO ON INDEFINITELY. ONE OF OUR RESPONSIBILITIES UNDER THE JOINT DECLARATION IS TO ENSURE THAT THE ARRANGEMENTS FOR THE ELECTIONS ARE PUT IN PLACE ON TIME.

BECAUSE THE NEGOTIATIONS STARTED LATER THAN WE WOULD HAVE LIKED, AND ARE TAKING AS LONG AS THEY ARE, THE PRESSURES OF THE LEGISLATIVE TIMETABLE NOW BEAR DOWN UPON US. THAT IS WHY WE HAVE CONCENTRATED IN RECENT ROUNDS ON EXPLORING FULLY THE PROSPECTS FOR AN INTERIM AGREEMENT. WE HAD HOPED IT WOULD BE POSSIBLE TO DEAL WITH THE LESS CONTENTIOUS ISSUES THAT WAY.

DESPITE OUR BEST EFFORTS, THAT HAS NOT PROVED POSSIBLE. THE THREE STRAIGHTFORWARD AND LARGELY UNCONTENTIOUS ISSUES ON WHICH WE WANTED EARLY AGREEMENT WERE: THE VOTING AGE FOR DISTRICT BOARDS, MUNICIPAL COUNCILS AND LEGCO ELECTIONS, THE VOTING METHOD FOR DISTRICT BOARDS, MUNICIPAL COUNCILS AND LEGCO ELECTIONS, AND THE ABOLITION OF APPOINTED MEMBERSHIP IN DISTRICT BOARDS AND MUNICIPAL COUNCILS. ALL THREE ARE MATTERS ON WHICH THE VIEWS OF THIS COUNCIL HAVE BEEN MADE VERY CLEAR. UNFORTUNATELY THE ONLY ONE OF THESE ISSUES WHICH THE CHINESE SIDE WERE PREPARED TO AGREE IN ITS ENTIRETY, AS PART OF A PACKAGE AGREEMENT, WAS THAT THE VOTING AGE SHOULD BE REDUCED TO 18 FOR LEGCO, DISTRICT BOARD AND MUNICIPAL COUNCIL ELECTIONS. THE VOTING AGE IN CHINA IS, OF COURSE, 18.

CLEARLY THE CHINESE SIDE HAD NO OBJECTION IN PRINCIPLE TO AN INTERIM AGREEMENT ENCOMPASSING LEGCO ISSUES. INDEED THEY PROPOSED ONE IN WHICH THE NEW VOTING AGE WOULD APPLY TO LEGCO ELECTIONS. THEY THEMSELVES PROPOSED THAT WE SHOULD RECOMMEND TO THIS COUNCIL CHANGING THE LAW TO PERMIT HONG KONG RESIDENTS WHO ARE MEMBERS OF CHINESE PEOPLE'S CONGRESSES TO SERVE IN LEGCO AND IN DISTRICT ORGANISATIONS. WE WERE PREPARED TO AGREE TO THAT SUGGESTION.

SO IT IS PARTICULARLY HARD TO UNDERSTAND WHY THE CHINESE SIDE REFUSED TO AGREE TO USE THE "SINGLE-SEAT, SINGLE-VOTE" VOTING SYSTEM FOR ALL THREE SETS OF ELECTIONS, KNOWING AS THEY DO THE TIME PRESSURES WE FACE. THIS VOTING SYSTEM IS ALREADY IN USE IN ALL MUNICIPAL COUNCIL AND TWO-THIRDS OF DISTRICT BOARD ELECTIONS, AND THE CHINESE SIDE HAVE SAID THAT THEY HAD NO OBJECTION TO EXTENDING IT TO THE REMAINING ONE-THIRD OF DISTRICT BOARD ELECTIONS. INSTEAD, THEY ARGUED THAT THE ISSUE OF THE LEGCO VOTING SYSTEM SHOULD BE LEFT ASIDE FOR DISCUSSION WITH OTHER 'LEGCO' ISSUES - EVEN THOUGH THE ISSUE OF THE LEGCO VOTING SYSTEM HAS ALREADY BEEN DISCUSSED AT SOME LENGTH IN THE TALKS, AND FROM QUITE AN EARLY STAGE.

TO BE OF PRACTICAL VALUE, AN INTERIM AGREEMENT WOULD NEED TO COVER BOTH THE VOTING AGE AND VOTING METHOD FOR ALL THREE TIERS OF ELECTION.

THERE ARE STRONG PRACTICAL AND POLITICAL REASONS FOR THIS. THE VALUE OF AN INTERIM AGREEMENT WOULD BE THAT IT WOULD BUY US A LITTLE MORE LEGISLATIVE TIME TO NEGOTIATE ON THE MORE DIFFICULT ISSUES. WHY DOES THE LEGISLATION ON THE LEGCO VOTING METHOD NEED TO BE PASSED AT AN EARLY DATE? OF COURSE, THE LEGCO VOTING METHOD DETERMINES THE NUMBER OF CONSTITUENCIES WHICH WILL NEED TO BE DRAWN UP. AND IF WE HAD TO LEGISLATE TWICE ON VOTING SYSTEMS THAT WOULD TAKE MORE TIME, NOT LESS, AT A TIME WHEN THE LEGISLATIVE CALENDAR WILL ALREADY BE UNDER SEVERE PRESSURE DEALING WITH THE OTHER ELECTORAL ISSUES.

THERE ARE COMPELLING POLITICAL REASONS TOO. THE SINGLE-SEAT, SINGLE-VOTE VOTING SYSTEM FOR LEGCO ENJOYS WIDESPREAD SUPPORT IN THIS COUNCIL. BOTH MAJOR PARTIES HAVE SAID THEY WOULD SUPPORT ITS INTRODUCTION. IF WE INTRODUCED LEGISLATION ON THE VOTING METHOD WHICH FAILED TO INCLUDE THE SINGLE-SEAT SINGLE-VOTE SYSTEM FOR LEGCO, WE WOULD BE FLYING IN THE FACE OF WHAT WE KNOW TO BE THIS COUNCIL'S WISHES.

IF THE CHINESE AUTHORITIES WERE PREPARED - THOUGH WE HAVE NO CONFIRMATION OF THIS - TO AGREE TO THE SINGLE-SEAT SINGLE-VOTE SYSTEM FOR LEGCO AT SOME FUTURE DATE, WHY COULD THEY NOT AGREE TO IT NOW, GIVEN THE VERY REAL TIME CONSTRAINTS WE ARE FACING? IF THE CHINESE SIDE WERE NOT PREPARED TO AGREE TO IT NOW, WHAT ASSURANCE IS THERE THAT THEY WOULD AGREE TO IT IN THE FUTURE?

LET ME MAKE ONE OTHER OBVIOUS POINT. IF YOU WERE NOT TO HAVE THIS VOTING METHOD FOR LEGCO, ANY OTHER - FOR EXAMPLE, A PROPORTIONAL SYSTEM - WOULD BE MORE COMPLICATED AND WOULD TAKE MORE TIME TO BRING INTO LAW, EVEN SUPPOSING THAT LEGCO MEMBERS COULD BE PERSUADED TO ACCEPT AN ALTERNATIVE SYSTEM, WHICH SEEMS UNLIKELY GIVEN THE CLEAR VIEWS THAT HAVE BEEN EXPRESSED ON THE MATTER.

BUT THAT IS NOT THE ONLY ISSUE, I REGRET TO SAY, WHICH PREVENTED US FROM REACHING A FIRST-STAGE AGREEMENT. WE ALSO DISCUSSED MEMBERSHIP OF DISTRICT BOARDS AND MUNICIPAL COUNCILS WITH OUR CHINESE COLLEAGUES. THE CHINESE SIDE WERE UNABLE TO AGREE THAT APPOINTED MEMBERSHIP OF THESE BODIES SHOULD BE ABOLISHED. EARLIER INDICATIONS THAT THEY WERE PREPARED TO REACH AN ACCEPTABLE AGREEMENT THAT WOULD HAVE ALLOWED US TO DO THIS, WHILE PRESERVING THE RIGHT OF THE FUTURE SAR TO DECIDE ON ITS OWN UNDER ARTICLE 98 OF THE BASIC LAW WHETHER TO REINSTATE APPOINTED MEMBERSHIP, ALAS PROVED ILLUSORY.

IT IS A PITY THAT WE WERE NOT ABLE TO CONCLUDE AN INTERIM AGREEMENT EVEN ON ISSUES WHICH ARE NOT VERY COMPLEX, NOR CONTROVERSIAL IN THIS COUNCIL, NOR - I SUSPECT - MATTERS OF GREAT PRINCIPLE TO THE CHINESE SIDE.

I HAVE CONSIDERED THE POSITION CAREFULLY WITH THE EXECUTIVE COUNCIL IN RECENT DAYS, AND WITH THE FOREIGN SECRETARY. WE HAVE ALL - THE FOREIGN SECRETARY, THE EXECUTIVE COUNCIL AND I - RELUCTANTLY CONCLUDED THAT WE NOW HAVE NO CHOICE BUT TO BEGIN THE PROCESS OF LEGISLATING ON THE SIMPLER ISSUES, NOT LEAST IF WE ARE TO GIVE OURSELVES MORE TIME TO TALK WITH CHINA ABOUT THE MORE DIFFICULT ONES.

THE FOREIGN SECRETARY HAS THEREFORE INFORMED THE CHINESE GOVERNMENT THAT DRAFT LEGISLATION WILL BE INTRODUCED INTO THIS COUNCIL COVERING THE MOST IMMEDIATE ISSUES. THIS DRAFT LEGISLATION WILL COVER:

- VOTING METHOD AND VOTING AGE FOR DISTRICT BOARDS, MUNICIPAL COUNCILS AND THE LEGISLATIVE COUNCIL;
- THE ABOLITION OF APPOINTED SEATS IN DISTRICT BOARDS AND MUNICIPAL COUNCILS (AND A CONSEQUENT INCREASE IN THE NUMBER OF ELECTED SEATS IN MUNICIPAL COUNCILS).

AS AN INDICATION OF OUR WISH TO CONTINUE CO-OPERATION WITH THE CHINESE SIDE, THE DRAFT LEGISLATION WILL ALSO INCLUDE PROVISIONS TO PERMIT HONG KONG RESIDENTS WHO ARE MEMBERS OF CHINESE PEOPLE'S CONGRESSES TO SERVE IN DISTRICT ORGANISATIONS AND IN THIS COUNCIL.

WE WILL FOLLOW THE NORMAL PROCEDURE, GAZETTE THE BILL ON 10 DECEMBER, AND INTRODUCE THIS DRAFT LEGISLATION ON 15 DECEMBER. THIS WILL GIVE THE COUNCIL THE CHANCE TO SET UP A COMMITTEE TO CONSIDER THE BILL BEFORE THE CHRISTMAS RECESS; TO WAIT LONGER WOULD DELAY EVERYTHING UNTIL MID-JANUARY.

DESPITE THE LIMITED PROGRESS MADE SO FAR, IT IS OUR STRONG HOPE THAT THE TALKS WILL CONTINUE SO THAT THE TWO SIDES CAN RESOLVE THE OUTSTANDING DIFFERENCES BETWEEN US ON THE MAJOR ISSUES. BEGINNING THE LEGISLATION ON THE SIMPLE ISSUES GIVES US A LITTLE MORE TIME TO DO THAT. THE PRIME MINISTER HAS PROPOSED AN INTENSIVE EFFORT TO RESOLVE THE REMAINING ISSUES AND I HOPE THE CHINESE SIDE WILL JOIN US IN THAT. WE ARE SEEKING TO PROCEED IN A MEASURED AND ORDERLY WAY, AND WE REMAIN KEEN TO CONTINUE TALKING WITH THE CHINESE SIDE IN A CONSTRUCTIVE AND WORKMANLIKE SPIRIT. AT THE END OF THE LAST ROUND, THE BRITISH NEGOTIATOR PROPOSED AN 18TH ROUND OF TALKS TO TAKE PLACE THIS MONTH. WE HAVE SUBSEQUENTLY PROPOSED DATES AND AWAIT A CHINESE REPLY TO THIS PROPOSAL.

NO ONE SERIOUSLY DOUBTS THAT WE ARE WORKING AGAINST THE CLOCK. THESE ARE VERY COMPLICATED ELECTIONS. IT IS AN OPEN SECRET THAT WE WOULD HAVE LIKED TO HAVE LEGISLATED LAST SUMMER. WE HAVE DELIBERATELY REFRAINED FROM ANNOUNCING DEADLINES. BUT EVERYONE, INCLUDING THE CHINESE SIDE, KNOWS THAT THERE ARE REAL TIME CONSTRAINTS AND WE MADE CLEAR TO THEM THAT WE HAD TO START THE LEGISLATIVE PROCESS THIS DECEMBER.

THE PRESSURE OF TIME IS ON LEGISLATING BOTH FOR THE LEGCO AS WELL AS THE DISTRICT ORGANISATION ELECTIONS. THAT IS WHY WE HAVE CONSISTENTLY EXPLAINED TO THE CHINESE SIDE THAT IT WOULD NOT HELP US TO SEPARATE THE ARRANGEMENTS FOR THE DISTRICT ORGANISATIONS ELECTIONS FROM THOSE FOR LEGCO. THE FOREIGN SECRETARY EXPLAINED THAT IN TERMS TO VICE PREMIER QIAN ON 1ST OCTOBER. WE HAVE ACCEPTED, NOT WITHOUT RESERVATIONS AND NOT WITHOUT CRITICISM, THE CASE FOR SEPARATE BILLS ON SIMPLE AND ON MORE CONTENTIOUS ISSUES PRECISELY IN ORDER TO TRY TO BUY A LITTLE MORE TIME TO DEAL WITH THE LATTER.

I WANT TO EMPHASISE THAT ON ALL MATTERS CONCERNING HONG KONG'S TRANSITION, WE WOULD NATURALLY PREFER TO BE ABLE TO PROCEED ON THE BASIS OF AGREEMENT WITH CHINA. THAT WOULD BE IN ALL OUR BEST INTERESTS - CHINA'S, BRITAIN'S AND HONG KONG'S.

IN CERTAIN CASES IT MAY SIMPLY NOT BE POSSIBLE TO DO SO, WHEN DIFFERENCES REMAIN BETWEEN THE TWO SIDES. WE THEN HAVE A CLEAR DUTY TO FULFIL OUR RESPONSIBILITIES UNDER THE JOINT DECLARATION AND TO PROCEED IN THE WAY THAT WE BELIEVE TO BE RESPONSIBLE, RIGHT AND IN THE BEST INTERESTS OF THE PEOPLE OF HONG KONG.

THE TRANSFER OF SOVEREIGNTY WAS ALWAYS GOING TO BE A DIFFICULT ENTERPRISE. THERE WERE BOUND TO BE DISAGREEMENTS ALONG THE WAY. BUT THAT IS ALL THE MORE REASON WHY BRITAIN AND CHINA SHOULD DO ALL THEY CAN TO MAINTAIN THEIR GOODWILL AND CO-OPERATION, EVEN WHERE DIFFERENCES REMAIN ON INDIVIDUAL, ALBEIT IMPORTANT ISSUES. IF WE DISAGREE ON SOME THINGS, THAT IS NO REASON TO DISAGREE ON EVERYTHING.

THE NEXT 3-1/2 YEARS WILL CONTINUE TO REQUIRE A GOOD DEAL OF VISION AND GOOD SENSE FROM BOTH SIDES IF WE ARE GOING TO MAKE A SUCCESS OF THIS ENTERPRISE. THOSE ARE QUALITIES WHICH I HOPE ALL PARTIES WILL DISPLAY IN THE COMING MONTHS AS BOTH BRITAIN AND - I AM SURE - CHINA SEEK TO TURN INTO REALITY COMMITMENTS MADE IN THE JOINT DECLARATION, COMMITMENTS MADE SOLEMNLY TO THE PEOPLE OF HONG KONG.

THE PRESIDENT : THE GOVERNOR WILL ANSWER QUESTIONS ARISING FROM HIS ADDRESS. MEMBER WHO HAS ASKED A QUESTION MAY FOR THE PURPOSE OF ELUCIDATION ONLY ASK A SHORT FOLLOW UP QUESTION. MR MOSES CHENG.

MR MOSES CHENG: THANK YOU MR PRESIDENT, SIR, WE ALL KNOW THAT THE GREAT MAJORITY OF THE PEOPLE OF HONG KONG WANT AN ACCEPTABLE AGREEMENT. WHY ARE YOU GAZETTING THE BILL AT THIS TIME THEREBY RUNNING THE RISK OF TALKS BREAKING DOWN?

GOVERNOR: I'VE SOUGHT TO EXPLAIN THAT THE BEST WAY OF SALVAGING THE PROSPECT OF AN AGREEMENT IN THE TALKS IS TO GIVE US MORE TIME AND THAT THE ONLY WAY WE CAN GET MORE TIME IS BY TAKING SOME DECISIONS IN THIS COUNCIL ON THE LESS CONTENTIOUS ISSUES. I REALISE THAT SOME PEOPLE WILL BE SCEPTICAL ABOUT THE PROSPECTS FOR SUCCESS. WE HAVE HAD SEVENTEEN ROUNDS OF TALKS AND ALAS WE HAVE ONLY SO FAR MANAGED TO REACH AGREEMENT ON THE VOTING AGE. I DON'T THINK THAT THE COMMUNITY WOULD CRITICISE US FOR MAKING TOO RAPID PROGRESS BUT WE STILL THINK WE SHOULD TRY AND TRY AS HARD AS WE POSSIBLY CAN TO REACH AN AGREEMENT. I HOPE THE HONOURABLE MEMBER WON'T FORGET THIS. IT WAS THE BRITISH AND HONG SIDES WHO PROPOSED TALKS AND IT IS, I BELIEVE, THE BRITISH TEAM WHICH HAS MADE SIGNIFICANT CONDITIONAL CONCESSIONS DURING THESE TALKS IN ORDER TO TRY TO BRING THEM TO A SATISFACTORY CONCLUSION. ITS THE BRITISH SIDE WHICH IS ATTEMPTING IN THE WAY I DESCRIBED THIS AFTERNOON TO FIND MORE TIME TO ALLOW THESE TALKS ON THE MORE CONTENTIOUS ISSUES TO ARRIVE AT A CONCLUSION. IT IS DIFFICULT, BUT WE ARE PREPARED TO TRY AS HARD AS WE CAN.

MR ALFRED TSO (THROUGH INTERPRETATION): WELL IF THE HONG KONG ADMINISTRATION IS SEPARATING ALL THESE BILLS AND INTRODUCE THE BILLS TO THE LEGCO FOR VOTING AND THE OUTCOME OF THIS IS THE BREAKDOWN OF THE TALKS, THEN WHAT GOOD MEASURES WOULD THE ADMINISTRATION HAVE TO MAKE SURE THAT OUR AIRPORT PROJECT AND ALL CONTRACTS STRADDLING 97 AND ALL THE DEVELOPMENT INVOLVING BOTH SIDES WILL MOVE SMOOTHLY?

GOVERNOR: WELL I WANT TO EMPHASISE AGAIN THAT SO FAR AS THE BRITISH SIDE IS CONCERNED WE WISH THE TALKS TO CONTINUE. WE HAVE PROPOSED DATES FOR THE EIGHTEENTH ROUND OF TALKS RECOGNISING THAT ON THE THROUGH TRAIN, ON THE ELECTION COMMITTEE, ON THE FUNCTIONAL CONSTITUENCIES THERE ARE VERY CONSIDERABLE PROBLEMS STILL TO ATTEMPT TO RESOLVE. SO WE HAVE PROPOSED THAT THE TALKS SHOULD CONTINUE AND I HOPE THAT THE CHINESE SIDE WILL CONTINUE THE TALKS AND WON'T WALK AWAY FROM THE TABLE. THE HONOURABLE MEMBER THEN REFERS TO OTHER ISSUES, LIVELIHOOD ISSUES, ECONOMIC ISSUES, AND SAYS HOW WILL THESE BE AFFECTED IF THE TALKS ON POLITICAL ISSUES BREAK DOWN. I'VE GOT A GREAT LIST HERE OF QUOTATIONS FROM CHINESE OFFICIALS SAYING THAT THERE IS NO RELATIONSHIP BETWEEN POLITICAL ISSUES AND ECONOMIC AND LIVELIHOOD ISSUES. AGAIN AND AGAIN THEY HAVE GIVEN THE PEOPLE OF HONG KONG THAT ASSURANCE. I SEE SOME MIRTH BEING DISPLAYED AROUND THE LEGISLATIVE COUNCIL. I CAN'T IMAGINE WHY ANYBODY SHOULD REGARD IT AS A MATTER TO LAUGH AT THAT CHINESE OFFICIALS SAY THEY DON'T WANT TO HURT PEOPLE'S LIVELIHOOD IN HONG KONG IN ORDER TO TRY TO SECURE A POLITICAL POINT. SO I HOPE THAT WE CAN TAKE THOSE ARGUMENTS, TAKE THOSE STATEMENTS, TAKE THOSE QUOTATIONS AT THEIR FACE VALUE. HONOURABLE MEMBERS MAY THINK THAT THERE HAS BEEN SOME EVIDENCE FROM TIME TO TIME OVER THE LAST THREE YEARS OR LONGER THAT PERHAPS POINTS IN THE OTHER DIRECTION. BUT SPEAKING FOR THE HONG KONG GOVERNMENT WE WILL DO EVERYTHING WE CAN REASONABLY TO SAFEGUARD THE LIVELIHOOD AND THE STABILITY OF THE PEOPLE OF HONG KONG, BUT THAT CANNOT POSSIBLY OBLIGE US NOT TO STAND UP FOR THE INTERESTS OF THE PEOPLE OF HONG KONG, THAT CANNOT POSSIBLE OBLIGE US TO ERODE THE FOUNDATIONS OF THIS FREE AND OPEN COMMUNITY.

MR JAMES TIEN: GOVERNOR, THE UNITED DEMOCRATS HAVE ANNOUNCED THAT THEY WILL AMEND THE BILL YOU PROPOSE TO TABLE IN THIS COUNCIL BY INCREASING DIRECTLY ELECTED SEATS FROM 18 TO 30, THUS ELIMINATING THE ELECTION COMMITTEE ALTOGETHER, AS WELL AS YOUR ORIGINAL PROPOSAL ON THE NINE NEW FUNCTIONAL CONSTITUENCY SEATS INVOLVING 2.7 MILLION PEOPLE. GOVERNOR, WILL YOU PLEASE TELL US HOW YOU WILL INSTRUCT THE GOVERNMENT MEMBERS TO VOTE ON THIS AMENDMENT?

GOVERNOR: I'M SLIGHTLY RELUCTANT TO DEAL WITH PROBLEMS OR EVEN AMENDMENTS BEFORE THEY ARRIVE, BUT SPEAKING ON THE ISSUE OF AN INCREASE IN THE NUMBER OF DIRECTLY ELECTED MEMBERS OF THIS COUNCIL, WHILE I RECOGNISE THAT THERE IS CONSIDERABLE SUPPORT FOR IT IN THE COUNCIL AND I SUSPECT CONSIDERABLE SUPPORT FOR IT OUTSIDE THE COUNCIL, I VERY MUCH DOUBT WHETHER THE DISTINGUISHED NEW CHIEF SECRETARY AND OUR ATTORNEY AND OUR FINANCIAL SECRETARY WOULD FIND THEMSELVES, ON THAT PARTICULAR ISSUE, IN THE SAME LOBBY AS MR MARTIN LEE AND HIS COLLEAGUES. I RECOGNISE THAT THERE IS A GOOD DEAL OF PRESSURE IN THIS COUNCIL FOR THAT PARTICULAR DEVELOPMENT OF DEMOCRACY IN HONG KONG, BUT IT IS NOT THE POSITION OF THE HONG KONG GOVERNMENT AND IT IS NOT THE POSITION OF THE BRITISH GOVERNMENT. I THINK THAT THIS STEP WE ARE PROPOSING, A SMALL STEP BUT A NECESSARY STEP, SHOULD BE QUITE SUFFICIENT AND I HOPE IT ISN'T REQUIRED TO BEAR TOO MUCH ELSE.

AS FOR FUTURE LEGISLATION, ON THE MORE CONTENTIOUS ISSUES, I VERY MUCH HOPE THAT WHEN WE INTRODUCE THAT WE'RE ABLE TO DO SO ON THE BASIS OF AN AGREEMENT WITH THE CHINESE SIDE AND I VERY MUCH HOPE THAT LEGISLATION ON THE MORE CONTENTIOUS ISSUES IS ACCEPTABLE TO THIS COUNCIL.

MR ALLEN LEE: GOVERNOR, IF THE CHINESE GOVERNMENT RESPONDS TO FURTHER TALKS BEFORE DECEMBER 10TH, WHICH YOU MENTIONED AS THE DATE OF GAZETTING, WILL YOU POSTPONE THE GAZETTING TO GIVE FURTHER TALKS A CHANCE?

GOVERNOR: I VERY MUCH DOUBT WHETHER THE CHINESE SIDE WOULD MAKE TALKS BEFORE 10TH DECEMBER, CONDITIONAL ON WHAT HAPPENED ON 10TH DECEMBER. ANY PROPOSALS THAT WE RECEIVE FROM THE CHINESE SIDE WE'D HAVE TO CONSIDER VERY CAREFULLY. WE'VE ACTUALLY PROPOSED THE 17TH AND 18TH DECEMBER, FOR THE NEXT ROUND OF TALKS, NEXT WEEK THE JLG IS MEETING IN LONDON WHICH MIGHT CONSTRAIN CHINESE ENTHUSIASM FOR ANOTHER SET OF TALKS BEFORE 10TH DECEMBER, BUT IF THEY WANTED TO TALK BEFORE 10TH DECEMBER, OR AFTER 10TH DECEMBER, OR EVER, THEY'D FIND US AT THE TABLE.

MR CHEUNG MAN-KWONG (THROUGH INTERPRETATION): MR GOVERNOR, THE GOVERNMENT SHOULD LIVE UP TO ITS WORD, IT SHOULD NOT BREACH ITS FAITH TO THE PEOPLE. IN THE PAST SEVEN MONTHS, YOU AND THE OFFICIALS OF THE HONG KONG GOVERNMENT HAVE STRESSED TIME AND AGAIN THAT THE PROPOSALS IN YOUR PACKAGE, LIKE ELECTED DB MEMBERS ACROSS THE BOARD AND THE TEN MEMBERS OF THE ELECTION COMMITTEE ARE INSEPARABLE FROM THE PACKAGE. SO YOU HAVE SAID THAT BUT NOW YOU HAVE DONE SOMETHING AND YOU ACTUALLY HAVE OVERTURNED WHAT YOU HAVE SAID, SO YOU HAVE SPLIT YOUR OWN PACKAGE. SO, HOW CAN YOU ASK THE PEOPLE TO BELIEVE THAT YOU WON'T BACKTRACK AGAIN? HOW CAN YOU ASK THE PEOPLE TO BELIEVE THAT THE GOVERNMENT WHICH YOU LEAD IS A GOVERNMENT WITH CREDIBILITY? IF A GOVERNMENT DOES NOT HAVE CREDIBILITY, HOW CAN IT LEAD HONG KONG UP TO 1997? MR GOVERNOR, I UNDERSTAND THAT YOU HAVE A MODEL ANSWER FOR THIS BUT HOPE THAT YOU CAN STATE IT PUBLICLY AND GIVE EXPLANATIONS.

GOVERNOR: I'M NOT SURE WHETHER THE ANSWER I HAVE IS A MODEL ANSWER, BUT I'LL TRY TO MAKE IT SUCH AND PERHAPS THE HONOURABLE MEMBER WILL ALLOW ME TO SET OUT THE POSITION IN SOME DETAIL, BECAUSE IT'S BECOME A MATTER OF CONTROVERSY I NOTICE IN THE LAST FEW DAYS. I WON'T GO INTO ALL THE DETAIL OF THE NEGOTIATIONS BECAUSE WE STILL HOPE THAT THE TALKS WILL CONTINUE BUT I WILL TELL THE HONOURABLE MEMBER WHAT I THINK NEEDS TO BE ON THE RECORD AT THIS STAGE.

AT A FAIRLY EARLY STAGE IN THE NEGOTIATIONS THE CHINESE SIDE SUGGESTED TO US, AS I RECALL IT WAS IN MAY, THAT WE SHOULD SPLIT THE LEGISLATION FOR THE DISTRICT BOARDS AND MUNICIPAL COUNCILS FROM THE LEGISLATION FOR LEGCO ITSELF. WE MADE CLEAR FROM, AS I RECALL, THE 28TH MAY, THAT THAT WAS NOT AN OPTION WHICH WE FAVOURED. NOT AN OPTION WHICH WE FAVOURED BECAUSE WE POINTED OUT AGAIN AND AGAIN, WHICH THE COUNCIL WILL KNOW AND WILL CERTAINLY KNOW BY NEXT JULY, THE REAL PRESSURES ON US, THE BIGGEST PRESSURES ARE ON THE LEGISLATION ON THE LEGCO ELECTIONS. THAT'S WHAT'S GOING TO TAKE MOST OF THE TIME AND THAT IS WHAT I SUSPECT IS GOING TO GIVE US MOST OF THE DIFFICULTY. BUT WE DID SAY THAT WE WERE PREPARED TO DISTINGUISH BETWEEN WHAT WE THOUGHT SHOULD BE THE STRAIGHTFORWARD ISSUES INVOLVING LEGCO AS WELL AS DISTRICT ORGANISATIONS AND THE LESS STRAIGHTFORWARD ONES. I SAID THAT IN PUBLIC A NUMBER OF TIMES, I RECALL THAT I SAID IT FOR EXAMPLE IN STATEMENTS ON 13TH, 14TH AND I THINK 15TH OF OCTOBER. ON ONE OCCASION SHORTLY AFTER I'D MET THE HONOURABLE MEMBER WHO ASKED A QUESTION A MOMENT OR TWO AGO. IT WAS ALSO A POSITION THAT WAS MADE ABSOLUTELY PLAIN BY THE FOREIGN SECRETARY, DOUGLAS HURD, TO QIAN QICHEN WHEN HE MET HIM ON 1ST OCTOBER. DOUGLAS HURD SAID ON THAT OCCASION THAT WE WEREN'T ATTRACTED BY THE IDEA OF SEPARATING THE DISTRICT ORGANISATIONS FROM LEGCO, BECAUSE, I REPEAT AGAIN, THAT DIDN'T GIVE US EXTRA TIME. SO THROUGHOUT WE'VE MADE A DISTINCTION BETWEEN, ON THE ONE HAND TRYING TO SEPARATE THE DISTRICT ORGANISATIONS FROM LEGCO, AND ON THE OTHER, TRYING TO SEPARATE THE MORE STRAIGHTFORWARD ISSUES FROM THE MORE COMPLICATED ONES. WE DO THINK THAT THE BEST WAY OF BUYING MORE TIME FOR THE MORE CONTROVERSIAL ISSUES IS TO GET AS MANY OF THE STRAIGHTFORWARD ONES INTO EARLY LEGISLATION AND THE MORE ONE CAN GET INTO EARLY LEGISLATION, THE LONGER YOU HAVE TO TALK ABOUT THE MORE CONTROVERSIAL ISSUES. SO THAT'S THE POSITION OF THE GOVERNMENT AND IT'S A POSITION WHICH IS I THINK WHOLLY REASONABLE AND IS INTENDED TO GIVE US THE TIME, HOWEVER SCEPTICAL THE COMMUNITY MAY BE ABOUT THE POSSIBILITIES, IT'S INTENDED TO GIVE US THE TIME TO TRY FOR COMMON AGREEMENT ON THOSE VERY DIFFICULT ISSUES WHICH LIE AT THE HEART OF THE ELECTION ARRANGEMENTS FOR 1995. I THINK THAT IS A CREDIBLE POSTURE FOR US TO HAVE TAKEN AND I THINK IT'S PARTICULARLY CREDIBLE IF WE WANT TO GIVE THE TALKS THE CHANCE OF SUCCESS.

IF I CAN JUST ADD ONE POINT TO THAT ANSWER, WHETHER MODEL OR NOT. IT IS OBVIOUSLY A MATTER OF CONCERN TO ALL OF US, PARTICULARLY I THINK A MATTER OF CONCERN TO THOSE WHO'VE BEEN AT THE TABLE FOR ROUND AFTER ROUND AFTER ROUND, THAT WE HAVEN'T MANAGED TO MAKE MORE PROGRESS. I DON'T THINK, HAND ON HEART, I DON'T THINK THAT ANYBODY COULD BLAME THAT ON OUR SIDE.

MR PETER WONG: MR GOVERNOR, APART FROM PROPOSING A DATE, WHAT ADDITIONAL EFFORTS WILL BE MADE BY THE BRITISH AND HONG KONG GOVERNMENTS TO ENSURE THAT THERE WILL BE FURTHER TALKS ON THE ELECTION COMMITTEE, THE NINE NEW FUNCTIONAL CONSTITUENCIES AND THE THROUGH TRAIN?

GOVERNOR: THE SECRETARY OF STATE, DOUGLAS HURD, HAS WRITTEN IN THOSE TERMS TO HIS OPPOSITE NUMBER. AND AFTER THE CABINET COMMITTEE MEETING THAT TOOK PLACE SHORTLY AFTER THE FIFTEENTH ROUND, THE PRIME MINISTER, JOHN MAJOR, MADE SPECIFIC SUGGESTIONS ABOUT HOW WE COULD PERHAPS INTENSIFY THE PACE OF DISCUSSIONS AND TACKLE THE OUTSTANDING CONTENTIOUS ISSUES. WE HAVE PRESSED FOR THAT. I SHOULD ADD ONE POINT; WE WERE QUITE OPTIMISTIC AFTER THE FIFTEENTH ROUND, JUST BEFORE THE CABINET COMMITTEE MEETING, THAT IT MIGHT BE POSSIBLE TO REACH AN INTERIM AGREEMENT. I HAVE TO SAY THAT IN THE SIXTEENTH AND SEVENTEENTH ROUNDS, THAT OPTIMISM ALAS DRAINED AWAY AND IT WASN'T BECAUSE OF ANYTHING THAT WE DID.

REV FUNG C W (THROUGH INTERPRETATION): MR PRESIDENT, ON THE 6TH OCTOBER THE GOVERNOR MADE HIS POLICY ADDRESS. HE SAID THAT ONLY WEEKS WERE LEFT. AT THAT TIME HE MIGHT THINK OF THE WHOLE PACKAGE. NOW EIGHT WEEKS HAVE PASSED AND YOU ONLY HAVE A PARTIAL BILL, AND FOR THE OTHER OUTSTANDING ISSUES THE BIGGER ISSUES HOW MANY MORE WEEKS WILL BE NEEDED? JUST NOW THE GOVERNOR GAVE A REPLY AND IT SEEMS THERE IS STILL A LONG TIME TO GO. WE ONLY HAVE SEVEN DAYS IN THE WEEK SO ABOUT THE WEEKS WHICH YOU MENTIONED THEY ARE ESPECIALLY LONG, JUST LIKE THE ANCIENT CHINESE SAYING GOES, YOU HAVE SEVEN DAYS ON THE MOUNTAIN, BUT IN THE WORLD IT IS A THOUSAND YEARS ALREADY.

GOVERNOR: WE HAVE QUITE GOT A THOUSAND YEARS THOUGH I THINK SOME OF THOSE WHO HAVE TAKEN PART IN THE TALKS MAY THINK THAT A THOUSAND YEARS WOULD SEE US HOME. LET ME BE SERIOUS ABOUT WHAT ARE VERY SERIOUS ISSUES. I SAID, LET ME BE A LITTLE MORE HONEST, I THINK THAT THIS COUNCIL, THE WHOLE COMMUNITY, AND IF I MAY SAY SO PARTICULARLY THOSE WHO HAVE TO COVER OUR ENDEAVOURS FOR THE MEDIA BOTH IN HONG KONG AND INTERNATIONALLY HAVE GOT HEARTILY FED UP WITH THE CIRCUMLOCUTIONS THAT I'VE BEEN OBLIGED TO USE FOR THE LAST FEW WEEKS IN ORDER TO AVOID EITHER MENTIONING DEADLINES OR MENTIONING OTHER DATES WHILE AT THE SAME TIME GIVING AS CLEAR AN IMPRESSION AS I COULD THAT WE COULDN'T HANG ABOUT FOREVER. I DON'T INTEND EVER AGAIN SAYING TICK TOCK GOES THE CLOCK, BUT IT HAS TICK TOCKED AND TIME HAS MOVED ON.

I THINK THAT I MAY BE JUST INSIDE MONTHS, AND THEREFORE STILL ABLE TO CLAIM THAT WEEKS WAS ACCURATE WHEN I SAID WHAT I DID ON THE 6TH OCTOBER, BUT I DON'T THINK THAT ANYBODY IN THIS COUNCIL HONESTLY HAS ANY DOUBT THAT WE DO HAVE TO GET A MOVE ON AND WE'VE THOUGHT THAT THE BEST WAY OF STARTING THE PROCESS WITHOUT SCUPPERING THE PROSPECT FOR FURTHER TALKS ON THE MORE DIFFICULT ISSUES IS BY SEPARATING OUT THE ISSUES IN THE WAY THAT I HAVE SUGGESTED. I WISH THAT WE COULD LEGISLATE AT THIS TIME ON EVERYTHING ON THE BASIS OF AGREEMENT. WE HOPE THAT WE CAN HAVE AN EIGHTEENTH ROUND AND CONCEIVABLY SOME MORE ROUNDS AFTERWARDS AND WE HOPE THAT EVEN THOSE SEVENTEEN ROUNDS HAVEN'T BROUGHT US TO THE PROMISED LAND THAT DURING SUBSEQUENT ROUNDS OF TALKS WHICH I REPEAT WE HOPE WILL TAKE PLACE, WE CAN ACTUALLY BRIDGE THE SUBSTANTIAL GAPS THAT EXIST ON ISSUES LIKE THE THROUGH TRAIN, THE ELECTION COMMITTEE AND THE FUNCTIONAL CONSTITUENCIES. THOSE TALKS CAN TAKE PLACE FOR A BIT LONGER. THEY CAN TAKE PLACE FOR A BIT LONGER BECAUSE WE HAVE DECIDED TO LEGISLATE IN THE WAY WE HAVE. BUT WITHOUT I REPEAT SAYING TICK TOCK GOES THE CLOCK, TIME WILL PASS IN 1994 JUST AS IT HAS IN 1993 AND WE CAN'T PUT THAT OFF FOREVER.

/LET ME

LET ME JUST GIVE THE COUNCIL TWO VERY SIMPLE EXAMPLES. THE BOUNDARY AND ELECTION COMMISSION BILL WE THOUGHT IN THE ADMINISTRATION WAS TREMENDOUSLY UNCONTROVERSIAL IF YOU CAN BE TREMENDOUSLY UNCONTROVERSIAL, PRETTY STRAIGHT FORWARD ADMINISTRATIVE BILL THAT TOOK, I THINK I AM RIGHT IN SAYING, FOUR AND A HALF MONTHS TO CLEAR THE COUNCIL. I AM NOT CRITICISING THE COUNCIL. I AM JUST SAYING THAT LEGISLATION IS A LENGTHY BUSINESS. WE KNOW THAT SOME BILLS, THERE IS ONE WHICH IS DEALING WITH THE TRIADS WHICH THE COUNCIL IS WORKING ON VERY HARD BUT HAS TAKEN A LOT LONGER THAN THAT. SO I DON'T THINK IF I WAS TO COME TO THE COUNCIL IN LATE JULY AND SAY YOU HAVE GOT TO CLEAR THIS BY THE END OF THE MONTH, THE COUNCIL WOULD THANK ME FOR IT. IF THE COUNCIL IS GOING TO GIVE ME THAT SORT OF GUARANTEE THAT IT CAN PASS ANY POLITICAL DEVELOPMENT BILL IN A MATTER OF HOURS OR WEEKS, THEN I'D LIKE IT IN WRITING, IN DUPLICATE. BUT I DON'T THINK THAT IS EITHER LIKELY OR IF I MAY SAY SO DESIRABLE, BECAUSE I THINK THIS COUNCIL REPRESENTING THE COMMUNITY WILL WANT TO CONSIDER THE PROPOSALS FOR THE POLITICAL DEVELOPMENT OF HONG KONG WITH GREAT SERIOUSNESS AND IN A VERY VERY CONSTRUCTIVE WAY. SO TIME WILL PASS NEXT YEAR AS THIS AND WE WILL ALL HAVE TO TAKE ACCOUNT OF THAT, BUT AT LEAST WITH THESE PROPOSALS I THINK WE HAVE GOT A LITTLE MORE TIME THAN WOULD OTHERWISE HAVE BEEN THE CASE.

MR HOWARD YOUNG: GOVERNOR, OF THE ISSUES YOU MENTIONED WHICH YOU INTEND TO GAZETTE NEXT WEEK, THERE IS THE VOTING METHOD, ABOLITION OF APPOINTED SEATS, AND THE NATIONAL PEOPLES' CONGRESS, IT APPEARS TO ME THAT SOME OF THESE ARE ISSUES WHERE YOU ACTUALLY HAVE AN AGREEMENT BUT WITHOUT SIGNING ONE, OR AT LEAST THERE IS NO DISAGREEMENT THAT IS THE NPC, ABOLITION OF APPOINTED SEATS, AND ALSO THE VOTING AGE AND ALSO THE VOTING METHOD FOR THE MUNICIPAL DISTRICT BOARDS. NOW ON THE VOTING METHOD FOR LEGISLATIVE COUNCIL THAT APPEARS TO ME TO BE AN ISSUE WHERE THERE IS NEITHER AGREEMENT NOR DISAGREEMENT, NOR VIOLENTLY OBJECTING POSITIONS, NOW WHAT COMPELLING REASON WAS THERE FOR YOU NOT TO SIGN AN INTERIM AGREEMENT WITH THE CHINESE WITHOUT PREJUDICE THAT COVERED ONLY THE DISTRICT BOARDS, AND MUNICIPAL COUNCILS, TO LEAD THE WAY FOR FURTHER CONSIDERATION WITHOUT PREJUDICE. YOU DID MENTION JUST NOW THAT THE VOTING METHOD WOULD MEAN LEGISLATING TWICE, THAT WAS THE ONLY REASON YOU GAVE, BUT I THINK LEGISLATING TWICE, IF LEGISLATORS DON'T MIND WORKING DOUBLY HARD, THAT IS NOT A COMPELLING REASON NOT TO DO SO.

GOVERNOR: CAN I JUST MAKE IT CLEAR TO THE HONOURABLE MEMBER, AS I SAID IN MY STATEMENT IT IS NOT TRUE TO SAY THAT ON ALL THESE INTERIM ISSUES WE HAVE REACHED AGREEMENT ON EVERYTHING EXCEPT THE VOTING METHOD FOR LEGCO. WE HAVEN'T EITHER REACHED AN ACCEPTABLE AGREEMENT ON THE QUESTION OF APPOINTED MEMBERSHIP OF DISTRICT BOARDS AND MUNICIPAL COUNCILS, SO IT WOULD BE TRUER TO SAY THAT THE ONLY ISSUE ON WHICH WE HAVE REACHED AGREEMENT, THE ONLY ISSUE IN ITS ENTIRETY ON WHICH WE HAVE REACHED AGREEMENT, IS THE VOTING AGE. IT'S TRUE THAT THE CHINESE HAVEN'T RAISED OBJECTIONS TO THE DISTRICT BOARDS AND THE MUNICIPAL COUNCILS USING SINGLE SEATS SINGLE VOTE FOR THEIR VOTING, BUT SINCE VIRTUALLY ALL OF THEM ACTUALLY USE THAT AT THE MOMENT, THE MUNICIPAL COUNCIL SEATS, AND TWO THIRDS OF THE DISTRICT BOARDS, I DON'T THINK THAT ANYONE WOULD RATE THAT AS A SUBSTANTIAL BREAKTHROUGH OR A SUBSTANTIAL CONCESSION. BUT THERE ARE TWO ISSUES, TWO MAIN AREAS ALAS, WHERE WE HAVEN'T YET REACHED A MEETING OF MINDS, THOUGH I HAVE SOME DIFFICULTY IN BELIEVING THAT THEY ARE MATTERS OF GREAT PRINCIPLE TO THE CHINESE SIDE. IT CERTAINLY CAN'T BE A MATTER OF PRINCIPLE TO THE CHINESE SIDE THAT WE'RE DEALING WITH DISTRICT BOARD AND MUNICIPAL COUNCIL ISSUES AS WELL AS LEGCO ISSUES, BECAUSE THEY ORIGINALLY PROPOSED AN ARRANGEMENT WHICH WAS GOING TO COVER BOTH LEGCO AND DB AND MC ISSUES, SO THERE CAN'T BE A MATTER OF PRINCIPLE THERE.

I THINK IT IS A BETTER QUESTION TO ASK OF THE CHINESE SIDE WHY THEY ARE STICKING OUT AGAINST THE VOTING METHOD BEING AGREED AT THE SAME TIME AS THE VOTING AGE. LET ME MAKE ANOTHER PRETTY OBVIOUS POINT. A BILL IN WHICH WE LEGISLATED FOR THE VOTING METHOD FOR DISTRICT ORGANISATIONS AND THE VOTING AGE FOR EVERYTHING WOULD CERTAINLY LEND ITSELF TO THE SORT OF AMENDMENTS WE WERE DISCUSSING EARLIER. INDEED I HAVE ALREADY HEARD MEMBERS OF THIS COUNCIL SAY THAT IF WE DON'T PUT DOWN THE VOTING METHOD IN THE BILL THEY WILL AMEND IT, AND I HAVE HEARD MEMBERS SAY THAT WOULD PRODUCE MAJORITY SUPPORT IN THIS COUNCIL, BECAUSE I HAVE HEARD DISTINGUISHED MEMBERS OF BOTH THE TWO LARGEST PARTIES SAYING THAT THEY WOULD SUPPORT SINGLE SEAT, SINGLE VOTE. SO IF, WHICH WAS I THINK WAS IMPOSSIBLE FOR US, WE REACHED AGREEMENT ON A PARTIAL BILL WHICH ONLY DEALT WITH THE VOTING METHOD FOR DISTRICT ORGANISATIONS AND SHUT OUT LEGCO, WE WOULD HAVE BEEN INVITING CONSIDERABLE REBUKE FROM THE CHINESE SIDE WHEN THE LEGISLATIVE COUNCIL EXTENDED THAT AGREEMENT, AND WE HAD TO GO BACK TO THE TABLE AND EXPLAIN TO THEM THAT THE LEGISLATIVE COUNCIL HAD GONE FURTHER THAN WE HAD AGREED IN NEGOTIATIONS. ITS ONE OF THE THINGS WHICH IS I THINK CENTRAL TO THE WHOLE LEGISLATIVE PROCESS. WE CAN'T IN TRUTH AND HONOUR AGREE TO THINGS AT THE NEGOTIATING TABLE WHICH WE DON'T THINK ARE GOING TO BE ACCEPTABLE TO THIS COUNCIL, OTHERWISE WE ARE BEHAVING QUITE SIMPLY DISHONOURABLY. BUT I REPEAT ALAS, IT WASN'T THE CASE FOR IT WAS ONLY THE VOTING METHOD THAT STOOD BETWEEN US AND AN AGREEMENT. I SHOULD JUST ADD THAT THE NPC POINT AS A GESTURE OF GOOD FAITH WE WERE PREPARED TO ACCEPT, ITS ANOTHER CONCESSION THAT WE'VE MADE IN THESE TALKS AND ONE WHICH I AM PREPARED TO STAND BY.

MR ZACHARY WONG WAI-YIN (THROUGH INTERPRETATION): THANK YOU MR PRESIDENT. MR GOVERNOR, ON ONE HAND YOU HAVE DECIDED TO INTRODUCE THE BILL ON MORE STRAIGHTFORWARD ISSUES AND IT WILL BE INTRODUCED ON 15TH DECEMBER, BUT ON THE OTHER HAND YOU SAID THAT YOU HOPED VERY MUCH THAT ON MORE CONTENTIOUS ISSUES, CONCERNING THE ELECTORAL ARRANGEMENTS, YOU WILL HAVE MORE TALKS WITH THE CHINESE SIDE. WELL NOW EVEN ALL THESE VERY STRAIGHTFORWARD MATTERS WHICH DO NOT CONCERN PRINCIPLES, THE CHINESE SIDE DID NOT ACCEPT EVERYTHING. HOW CAN YOU EXPECT THE CHINESE SIDE TO AGREE ON THE MORE CONTROVERSIAL ISSUES, WILL THIS BE YOUR WISHFUL THINKING? WELL MR GOVERNOR, MY QUESTION IS THIS: IF THE CHINESE SIDE REFUSES TO HOLD ANY TALKS WITH YOU ON THE ELECTORAL ARRANGEMENTS THEN WILL YOU INTRODUCE ANOTHER BILL ON THE REMAINING PARTS, INCLUDING THE PARTS ON ELECTION COMMITTEE AND THE FUNCTIONAL CONSTITUENCIES? WILL YOU CONSIDER INTRODUCING THE WHOLE PACKAGE TO THE LEGCO? ARE YOU WAITING FOR A MIRACLE TO HAPPEN?

GOVERNOR: WELL, AS I HAVE TO SAY THAT AS A PRACTISING CHRISTIAN I DO BELIEVE IN MIRACLES THOUGH THEY ARE NOT VOUCHSAFED AS OFTEN AS ONE WOULD LIKE IN THE POLITICAL ARENA EXCEPT OCCASIONAL ELECTION RESULTS IN WHICH I'VE PLAYED A PART. THAT'S THE END OF MY MEMOIRS.

TWO QUESTIONS. THE HONOURABLE MEMBER EXPRESSED IN HIS FIRST QUESTION SOME OF THE SCEPTICISM WHICH IS UNDOUBTEDLY GOING TO BE REFLECTED MORE WIDELY IN THE COMMUNITY ABOUT THE PROSPECTS FOR AN OVERALL SETTLEMENT OF ISSUES LIKE THE THROUGH TRAIN, IF WE CAN'T EVEN REACH AN AGREEMENT ON APPOINTED MEMBERSHIP OF DISTRICT ORGANISATIONS, ON THE VOTING METHOD FOR LEGCO, ON WHICH THE CHINESE SIDE MUST KNOW THIS COUNCIL'S VIEWS AND THE COMMUNITY'S VIEWS AS WELL AS I DO. I THINK DESPITE THAT SCEPTICISM IT'S INCUMBENT UPON YOUR GOVERNMENT AND THOSE WHO REPRESENT THE INTERESTS OF THE PEOPLE OF HONG KONG TO TRY VERY HARD, WHATEVER THE DIFFICULTIES, TO GET AN AGREEMENT. IF WE COULD GET AN AGREEMENT IT WOULD BE A GREAT PRIZE. A CHINESE OFFICIAL SAID NOT VERY LONG AGO, I THINK UNWISELY AND PERHAPS TO BE FAIR TO HIM INADVERTENTLY, THAT IT WOULD BE NO BIG DEAL IF WE DIDN'T GET AN AGREEMENT. WELL I THINK IT WOULD BE A BIG DEAL IF WE COULD GET AN AGREEMENT THAT WAS ACCEPTABLE TO THE PEOPLE OF HONG KONG. IT WOULD BE GOOD FOR CHINA, GOOD FOR HONG KONG, GOOD IN A WAY FOR THE UNITED KINGDOM AND THE UK'S RELATIONS WITH CHINA. SO WE'LL GO ON TRYING AND WE'RE PREPARED TO GO ON TALKING AND OUR TEAM WILL NEVER BE THE TEAM THAT WALKS AWAY FROM THE NEGOTIATING TABLE, NEVER. WE PROPOSED THE NEGOTIATIONS; WE'VE GONE AT TEN DAY OR FORTNIGHTLY INTERVALS UP TO PEKING TO TAKE PART IN THE NEGOTIATIONS; WE'VE GONE ON PUTTING SINCERITY INTO THESE NEGOTIATIONS; WE'VE PROPOSED A FORMULA FOR KEEPING THE NEGOTIATIONS GOING AND WE'LL TRY UNTIL WHAT I HOPE ISN'T THE BITTER BUT THE SWEET END. THE HONOURABLE MEMBER SAYS, "WELL WHAT HAPPENS IF YOU DON'T GET AN AGREEMENT?" I'M ALWAYS RELUCTANT TO ANSWER QUESTIONS WHICH ARE HYPOTHETICAL BUT HIS IS, WHILE HYPOTHETICAL, A PERFECTLY REASONABLE QUESTION. IF WE DON'T REACH AN AGREEMENT THEN BECAUSE OF OUR SOVEREIGN RESPONSIBILITIES TO CONDUCT ELECTIONS IN 1994 AND '95, IN COMPLIANCE WITH THE JOINT DECLARATION, WE WILL HAVE TO PUT FORWARD PROPOSALS TO THIS LEGISLATIVE COUNCIL OURSELVES AND THE LEGISLATIVE COUNCIL WILL THEN HAVE TO DETERMINE WHAT IT BELIEVES TO BE IN THE BEST INTERESTS OF THE PEOPLE OF HONG KONG.

AND I JUST WANT TO ADD ONE POINT BECAUSE, IT IS, IF I MAY SAY SO, PERHAPS A FEATURE, AN INEVITABLE FEATURE OF HONG KONG'S LIFE, THAT IN DISCUSSING POLITICAL ISSUES, CONSPIRACY THEORIES VERY OFTEN ABOUND. THERE ARE A LOT OF THEM ABOUT AND I WANT TO NAIL ONE STRAIGHTAWAY. IF THE GOVERNMENT PUTS FORWARD PROPOSALS WHICH IN OUR ESTIMATION AND THE EXECUTIVE COUNCIL'S ESTIMATION REPRESENT THE BEST WAY OF SECURING FAIR AND OPEN ARRANGEMENTS FOR OUR ELECTIONS IN HONG KONG, WHICH ARE MOST LIKELY TO COMMAND THE BROADEST MEASURE OF SUPPORT IN HONG KONG, HAVING PUT THOSE PROPOSALS FORWARD THE ADMINISTRATION ISN'T GOING TO DASH BACK UP THE ROAD TO THE GOVERNMENT SECRETARIAT. THE GOVERNOR ISN'T GOING TO PUT PROPOSALS IN FRONT OF THIS LEGISLATIVE COUNCIL, WHETHER THEY'RE AFTER AGREEMENT OR NOT, AND THEN DASH BACK TO GOVERNMENT HOUSE LEAVING IT TO THE LEGISLATIVE COUNCIL TO COME TO WHATEVER VIEW IT WANTS. ANY PROPOSALS THAT WE PUT FORWARD WE WILL WANT TO ARGUE FOR. WE WON'T, I HOPE, BEHAVE IN WAYS WHICH THE LEGISLATIVE COUNCIL WOULD FIND UNCOMFORTABLE, BUT WE WILL CERTAINLY TRY TO DEPLOY ALL THE RHETORICAL TALENTS AT OUR COMMAND TO GET INTO PLACE ARRANGEMENTS WHICH WE BELIEVE ARE IN THE BEST INTERESTS OF HONG KONG. I JUST WANTED TO MAKE THAT POINT BECAUSE IT'S SOMETIMES SUGGESTED THAT WE WOULD PUT ARRANGEMENTS INTO THE LEGISLATIVE COUNCIL AND THEN RUN FOR THE BUNKER. THAT IS NOT OUR INTENTION. WE WILL GO ON CONSISTENTLY ARGUING FOR, DEBATING FOR, WORKING FOR WHAT WE THINK IS IN THE BEST INTERESTS OF HONG KONG.

MR ZACHARY WONG WAI-YIN: MR PRESIDENT, CAN I FOLLOW UP?

THE PRESIDENT: NO PLEASE WE'RE SHORT OF TIME.

MISS ANNA WU: THANK YOU MR PRESIDENT. GOVERNOR, ON THOSE MATTERS TO BE PUT TO LEGCO ON 15TH DECEMBER, '93 OF COURSE, WILL TALKS CONTINUE BETWEEN THE TWO GOVERNMENTS ON THE SAME ISSUES AND CAN THE BRITISH GOVERNMENT AND THE HONG KONG ADMINISTRATION ADOPT THE POSITION DIFFERENT FROM THE PROPOSALS MADE TO LEGCO AT THESE TALKS? SHOULD THE TWO GOVERNMENTS, IN THE CASE OF A DIFFERENCE, BE MAKING THEIR VIEWS KNOWN TO LEGCO ON THESE ISSUES THEREAFTER, IF AT ALL?

GOVERNOR: I DON'T THINK AT THE MOMENT THAT WE HAVE VERY MUCH ROOM FOR FURTHER TALKING ABOUT THESE MATTERS. THEY ARE ISSUES WHICH, AS I'VE SAID CONSISTENTLY, WE NEED TO GET ON WITH. WE'VE EXPLAINED THAT VERY CAREFULLY TO THE CHINESE SIDE; WE'VE SET OUT OUR POSITION. WE'VE SET OUT OUR POSITION A GREAT DEAL ON THESE MATTERS AND I DON'T THINK THE CHINESE SIDE ARE UNAWARE OF WHAT WE THINK IS NECESSARY.

I CAN JUST ADD ONE OTHER POINT. ONE OF THE ISSUES, ONLY ONE, ON WHICH WE HAVEN'T RESOLVED MATTERS, AS I'VE SAID ONCE OR TWICE TODAY, IS THE VOTING METHOD. WHY CAN'T THE CHINESE SIDE AGREE TO IT? AS I SAID IT CAN'T BE A MATTER OF PRINCIPLE. IT CAN'T BE BECAUSE OF A ROOTED BELIEF THAT SOMEHOW HONG KONG'S CONSTITUTION MAKES IT IMPOSSIBLE TO DEAL WITH DISTRICT ORGANISATION AND LEGCO ISSUES. THIS COUNCIL IN 1990 PASSED LEGISLATION FOR THE 1991 AND OTHER DISTRICT ORGANISATION ELECTIONS WHICH ENCOMPASSED BOTH LEGCO AND DISTRICT ORGANISATIONS. IT'S A COMMONPLACE OF THE WAY WE'VE DONE BUSINESS. SO I THINK THERE ARE SERIOUS QUESTIONS THERE FOR THE CHINESE SIDE. IF IT WAS JUST A MATTER OF FORM, HOW CAN A MATTER OF FORM BE SO IMPORTANT? I REPEAT THAT I THINK THAT ON THESE ISSUES, UNLESS THE CHINESE SIDE HAVE SOMETHING NEW TO SAY WHICH WE HAVEN'T HEARD YET, I THINK THAT ON THESE ISSUES, WE HAVE TO GET ON WITH THE JOB OF LEGISLATING.

MRS PEGGY LAM (THROUGH INTERPRETATION): THANK YOU MR PRESIDENT. MR GOVERNOR, JUST NOW YOU SAID THAT REACHING AN AGREEMENT IS VERY IMPORTANT AND THE PEOPLE OF HONG KONG HOPE THAT THERE IS AN AGREEMENT. BUT RECENTLY I HAVE GONE TO BEIJING, I HAVE MET THE HONG KONG MACAU AFFAIRS OFFICE OFFICIALS, THEY SAY THAT IF YOU PUT THE BILL TO LEGCO, THEN IT WILL CREATE HINDRANCE TO THE TALKS. IT MAY LEAD TO THE BREAKDOWN OF THE TALKS. SO WE DON'T WANT TO SEE THE BREAKDOWN OF THE TALKS. NOW YOU PUT THE BILL TO LEGCO, IT MAY CREATE THE POSSIBILITY OF A BREAKDOWN. HOW DO YOU RESOLVE THIS CONTRADICTION OR CONFLICT? SECONDLY, IF THERE IS A BREAKDOWN, THEN WE WON'T HAVE FURTHER TALKS. THEN WOULD THAT AFFECT THE SMOOTH TRANSITION FOR HONG KONG?

GOVERNOR: WELL, FIRST OF ALL IF I MAY SAY SO, I WELCOME THE HONOURABLE LADY BACK FROM HER ADVENTURES IN PEKING, RECOGNISING THAT PERHAPS ONE SHOULDN'T ALWAYS BELIEVE WHAT ONE READS IN THE NEWSPAPERS OR, NOR YET SEES ON THE TELEVISION.

I HOPE THAT WE CAN AVOID TALK OF BREAKDOWN AND THREATS. I DON'T THINK THAT ANY MEMBER OF THIS LEGISLATIVE COUNCIL COULD FIND ANY EXAMPLES OF MEMBERS OF THE HONG KONG ADMINISTRATION OR THE UNITED KINGDOM GOVERNMENT MAKING THREATS OVER THE LAST YEAR. THREATS HAVEN'T COME FROM THE HONG KONG GOVERNMENT. AND I THINK IN THE MODERN WORLD, I THINK IT'S INCUMBENT UPON ALL OF US TO DEAL WITH THESE MATTERS RATIONALLY AND SOBERLY. I THINK THAT'S WHAT THE PEOPLE OF HONG KONG EXPECT AND I THINK THAT'S WHAT THE WHOLE INTERNATIONAL COMMUNITY EXPECTS WHEN THEY LOOK AT OUR EFFORTS, THE EFFORTS OF THE SOVEREIGN POWERS, BRITAIN AND CHINA, TO REACH AN ACCOMMODATION IN THE INTERESTS OF THIS COMMUNITY. SO, WE WON'T BREAK OFF THE TALKS. WE WANT THE TALKS TO GO ON. BUT WE ALSO HAVE DISTINCT RESPONSIBILITIES AS THE SOVEREIGN POWER UNTIL 1997 AND WE'RE GOING TO DISCHARGE THOSE RESPONSIBILITIES TO THE BEST OF OUR ABILITY.

DR YEUNG SUM (THROUGH INTERPRETATION): THANK YOU MR PRESIDENT. MR GOVERNOR, NOW IT TAKES TWO TO TANGO, ONE PARTY CANNOT TAKE A TANGO. NOW YOU SPLIT THE ORIGINAL PACKAGE TO SHOW YOUR SINCERITY TO THE CHINESE FOR CONTINUED TALKS BUT IN THIS WAY IF THE OTHER SIDE DO NOT APPRECIATE THAT YOU HAVE A SPLIT BILL, THEY WON'T TALK WITH YOU, WHY NOT TAKE THE WHOLE PACKAGE HERE?

GOVERNOR: IT DOES INDEED TAKE TWO TO TANGO, AS THE HONOURABLE MEMBER SAYS, THOUGH I SHOULD PERHAPS AVOID SAYING THAT MYSELF IN CASE IT BRINGS DOWN ON MY HEAD FURTHER DANCING EPITHETS.

WE'VE RECOGNISED WHEN CONTEMPLATING THIS COURSE OF ACTION THAT THERE ARE GOING TO BE MANY MEMBERS OF THE COMMUNITY, INCLUDING MANY WHO ARE MEMBERS OF OR WHO SUPPORT THE HONOURABLE MEMBERS PARTY, WHICH RECEIVED AS WE KNOW SUBSTANTIAL SUPPORT IN THE LAST LEGCO ELECTIONS, MANY PEOPLE WHO WILL THINK IT WRONG OF US TO SPLIT THE LEGISLATION INTO TWO PARTS. I THINK THAT IT IS RIGHT TO RUN THE RISK OF THAT CRITICISM IN ORDER TO TRY TO ACCOMPLISH A BROADER GOAL, ALBEIT ONE WHICH IS GOING TO BE VERY DIFFICULT TO ACCOMPLISH. IF THE CHINESE SIDE WALK AWAY FROM THE TABLE THEN WE'LL BE OBLIGED TO LOOK AT THE OTHER PARTS OF THE LEGISLATION AND TO DECIDE, AS I WAS SAYING EARLIER, WHAT TO BRING FORWARD WHICH WILL BE BOTH OPEN AND FAIR, TO USE THOSE ADJECTIVES, AND WILL COMMAND THE BROADEST BASE OF SUPPORT IN THE COMMUNITY AND I DON'T HAVE TO HIDE FROM THIS COUNCIL THE FACT THAT THAT WILL BE A DIFFICULT AND DEMANDING JUDGEMENT AND WE'LL HAVE TO TALK TO MEMBERS OF THE COUNCIL A GOOD DEAL ABOUT THE '92 PROPOSALS, ABOUT THE CONDITIONAL CONCESSIONS THAT WE'VE MADE IN THE TALKS OR ABOUT ANY OTHER PROPOSALS WHICH MEMBERS OF THE COUNCIL HAVE. WE'VE GOT TO TRY TO FIND THE BROADEST GROUND ON WHICH TO PITCH OUR TENTS AND WE'LL BE LOOKING TO CO-OPERATION FROM THE COUNCIL IN DOING THAT, NOT I REPEAT SIMPLY TOSSING IDEAS AT THE COUNCIL AND THEN DASHING OFF INTO THE DISTANCE, BUT TRYING TO WORK OUT WITH THIS COUNCIL WHAT'S IN THE BEST INTERESTS OF HONG KONG, WHAT'S IN THE BEST INTERESTS OF THAT PRINCIPLE OF HONG KONG PEOPLE RUNNING HONG KONG, WHAT'S IN THE BEST INTERESTS OF SAFEGUARDING ONE COUNTRY, TWO SYSTEMS.

MR CHIM PUI-CHUNG (THROUGH INTERPRETATION): THANK YOU MR PRESIDENT. MR GOVERNOR, ABOUT YOUR ANSWERS, WELL IT SHOWS THAT YOU HAVE THE ELOQUENCE OF A POLITICIAN. NOW ABOUT THE TALKS, I UNDERSTAND THAT MAYBE THERE IS NO RESULT BUT IT INVOLVES DIPLOMATIC CONFIDENTIALITY. SO FOR THE THINGS WHICH YOU HAVE JUST SAID, WILL THAT BREACH DIPLOMATIC CODES OF CONDUCT? MEANWHILE, ALSO THE COUNCIL, THERE ARE PEOPLE WHO HAVE DOUBTS FOR THE 94/95 ELECTIONS. THE PACKAGE IS PROPOSED BY YOU, SO YOU HAVE A DIRECT INTEREST IN IT. YOU ARE AFRAID THAT IF THERE IS AN AGREEMENT THEN YOUR PACKAGE WILL DISINTERGRATE, SO YOU DON'T AGREE THAT THEY SHOULD REACH AN AGREEMENT. YOU HAVE TO SHOW THAT YOU DON'T HAVE ANY CONFLICT OF INTEREST SO FOR ANY NEGOTIATIONS YOU SHOULD DETACH YOURSELF FROM THE NEGOTIATIONS SO THAT THE NEGOTIATIONS CAN BE CONDUCTED IN A BETTER WAY. DO YOU THINK IT'S CORRECT?

GOVERNOR: I THINK THAT THE PEOPLE OF HONG KONG WOULD BE MORE THAN MILDLY SURPRISED IF THE GOVERNOR OF HONG KONG TOOK NO INTEREST IN THE NEGOTIATIONS OVER POLITICAL DEVELOPMENTS IN THE TERRITORY. I THINK THAT THE PEOPLE OF HONG KONG WOULD BE SURPRISED, I GUESS THE PRIME MINISTER AND THE FOREIGN SECRETARY WOULD BE SURPRISED AND MY SUSPICION IS THAT DIRECTOR LU PING WOULD ALSO BE SURPRISED IF I WAS TO CLAIM THAT FROM NOW ON I WAS GOING TO GIVE UP ANY INTEREST IN SAFEGUARDING HONG KONG'S FUTURE AND IMPROVE MY BACKHAND. I DON'T THINK THAT WOULD BE WIDELY WELCOME.

LET ME JUST TOUCH ON TWO POINTS THAT THE HONOURABLE MEMBER MADE AND I KNOW WHAT A CONCERN FOR A SUCCESSFUL OUTCOME TO THESE TALKS HE HAS SHOWN AND WHAT AN INTEREST IN THE TALKS HE HAS SHOWN. FIRST, I HAVE ATTEMPTED TODAY TO AVOID BREACHES OF CONFIDENTIALITY ABOUT THE TALKS AND I GUESS THERE'S BEEN A LOT MORE CONFIDENTIALITY BREACHED IN THE COLUMNS OF ONE OR TWO NEWSPAPERS WHICH ARE QUITE CLOSE TO PEKING IN HONG KONG THAN I'VE MANAGED TODAY. I THINK THAT THERE HAVE BEEN MORE BREACHES OF CONFIDENTIALITY IN THE WORDS OF ONE OR TWO OFFICIALS ON THE CHINESE SIDE THAN I HAVE SHOWN TODAY. I COULD HAVE MADE RATHER MORE POWERFUL ARGUMENTS ON ONE OR TWO ISSUES IF I HAD BROKEN CONFIDENTIALITY. SO LONG AS THE TALKS ARE CONTINUING AND SO LONG AS THERE IS HOPE FOR THE TALKS, THEN WE MUST ABIDE BY AS MUCH CONFIDENTIALITY AS POSSIBLE. IF THE TALKS WERE TO BREAK DOWN THEN WE WOULD HAVE TO SET OUT WHAT HAD HAPPENED IN AS HONEST A WAY AS POSSIBLE, BUT I THINK THE COMMUNITY UNDERSTANDS WHY WE CAN'T DO THAT WHILE THE TALKS ARE STILL CONTINUING.

THE HONOURABLE MEMBER ALSO SUGGESTED THAT I WAS AFRAID OF AN AGREEMENT BECAUSE IT MIGHT INVOLVE CHANGING SOME OF MY '92 PROPOSALS. WELL WE'VE ACTUALLY SUGGESTED AT THE NEGOTIATING TABLE, WITH CRITICISM FROM A NUMBER OF HONOURABLE MEMBERS HERE, CONDITIONAL CHANGES IN THOSE '92 PROPOSALS. I'M NOT AFRAID OF AN AGREEMENT, I WOULD LIKE AN AGREEMENT. I WOULD LIKE AN AGREEMENT MORE THAN ANYTHING ELSE. WE HAVE MADE CONSIDERABLE EFFORTS TO REACH AN AGREEMENT. IF THERE IS NO AGREEMENT, I DO NOT THINK THAT HISTORY WILL RECKON THAT FAILURE TO AGREE IS BECAUSE OF LACK OF SINCERITY ON THE SIDE OF HONG KONG OR ON THE SIDE OF THE UNITED KINGDOM.

THE PRESIDENT: IN ACCORDANCE WITH STANDING ORDERS I NOW ADJOURN THE SITTING UNTIL WEDNESDAY 8TH DECEMBER, 1993.

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ANNUAL HOSPITAL AND CLINIC FEES ADJUSTMENT

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THE FEES AND CHARGES AT PUBLIC HOSPITALS MANAGED BY THE HOSPITAL AUTHORITY AND GOVERNMENT CLINICS MANAGED BY THE DEPARTMENT OF HEALTH WILL BE ADJUSTED WITH EFFECT FROM FEBRUARY 1 NEXT YEAR.

A GOVERNMENT SPOKESMAN SAID TODAY (THURSDAY) THAT THIS WAS A ROUTINE EXERCISE TO REFLECT RISING COSTS.

THE FEES FOR GOVERNMENT CLINICS AND FORMER GOVERNMENT HOSPITALS WERE LAST REVISED ON APRIL 1, 1992 AND THOSE FOR FORMER SUBVENTED HOSPITALS ON JUNE 1, 1992.

"THE SAME LEVEL OF HEAVY GOVERNMENT SUBSIDY IS MAINTAINED, AND FEE REMISSION OR WAIVER IS AVAILABLE TO THOSE PATIENTS WHO ARE IN GENUINE HARDSHIP AND CANNOT AFFORD TO PAY," THE SPOKESMAN SAID.

THE NEW CHARGE FOR ATTENDANCE AT GENERAL OUT-PATIENT CLINICS WILL BE ADJUSTED FROM \$21 TO \$29; THAT AT SPECIALIST OUT-PATIENT CLINICS FROM \$33 TO \$36; AND THAT FOR A BED IN A PUBLIC WARD FROM \$43 TO \$54.

THE MAIN FEATURES OF THE NEW FEES AND CHARGES ARE:

/PERCENTAGE

	PRESENT FEE (\$)	NEW FEE (\$)	PERCENTAGE OF GOVERNMENT SUBSIDY (%)
IN-PATIENT (PER BED DAY)			
- PUBLIC WARD	43	54	97
- PRIVATE WARD			
1ST CLASS	2,055	2,590	NA
2ND CLASS	1,370	1,730	NA
- PRIVATE PSYCHIATRIC WARD			
1ST CLASS	465	620	NA
2ND CLASS	310	415	NA
OUT-PATIENT (PER ATTENDANCE)			
- GENERAL OUT-PATIENT	21	29	81
- SPECIALIST OUT-PATIENT	33	36	89
- DRESSING AND INJECTION	9	12	76
- GERIATRIC DAY HOSPITAL	34	44	96
- PSYCHIATRIC DAY HOSPITAL	34	44	91
COMMUNITY NURSING (PER VISIT)			
- GENERAL	34	44	87
- PSYCHIATRIC	34	44	96

THE SPOKESMAN EMPHASISED THAT THE EXERCISE WAS NOT CONNECTED WITH OPTIONS FOR REFORM CONTAINED IN THE CONSULTATIVE DOCUMENT "TOWARDS BETTER HEALTH".

"THE NEW RATES WILL APPLY ONLY TO ENTITLED PERSONS - THOSE WHO HOLD A HONG KONG IDENTITY CARD OR A BRITISH PASSPORT.

"PATIENTS NOT HOLDING A HONG KONG IDENTITY CARD OR A BRITISH PASSPORT WILL CONTINUE TO PAY THE FULL COST OF THE MEDICAL SERVICES PROVIDED WHICH HAS ALSO BEEN ADJUSTED," HE ADDED.

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NORTH LANTAU WATERWORKS CONTRACT AWARDED

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THE CENTRAL TENDER BOARD HAS APPROVED THE AWARD OF A FURTHER WATERWORKS CONTRACT UNDER THE AIRPORT CORE PROGRAMME (ACP).

THE CONTRACT FOR THE CONSTRUCTION OF SIX KILOMETRES OF LAND AND SUBMARINE WATERMANS RUNNING FROM TAI LAM CHUNG RESERVOIR IN NORTHWEST NEW TERRITORIES TO TA PANG PO IN NORTH LANTAU HAS BEEN AWARDED TO THE LEIGHTON-LAMA JOINT VENTURE AT A PRICE OF \$338 MILLION.

THE WORKS ARE PART OF THE NORTH LANTAU WATER SUPPLY PROJECT TO PROVIDE FRESH WATER SUPPLY TO THE TUNG CHUNG NEW TOWN DEVELOPMENT ON NORTH LANTAU AND THE NEW AIRPORT AT CHEK LAP KOK.

CONSTRUCTION WILL START LATER THIS MONTH FOR COMPLETION IN OCTOBER 1995.

TENDERS WERE RECEIVED FROM SIX PREQUALIFIED TENDERERS AND LEIGHTON-LAMA JOINT VENTURE SUBMITTED THE LOWEST TENDER OF \$338 MILLION.

/THE AWARD

THE AWARD OF THIS CONTRACT BRINGS THE TOTAL NUMBER OF ACP CONSTRUCTION CONTRACTS AWARDED BY THE GOVERNMENT TO 32, WITH A TOTAL VALUE ABOUT \$30.6 BILLION.

TOGETHER WITH THE FOUR MAJOR CONSTRUCTION CONTRACTS VALUED AT \$9.7 BILLION AWARDED BY THE PROVISIONAL AIRPORT AUTHORITY AND THE \$5.7 BILLION CONSTRUCTION CONTRACT AWARDED BY THE WESTERN HARBOUR TUNNEL COMPANY LIMITED, THE TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED FOR THE ACP, ALL WITHIN BUDGET, IS ABOUT \$46 BILLION.

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RETAIL SALES PROVISIONAL FIGURES FOR SEPTEMBER

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THE VALUE OF TOTAL RETAIL SALES IN SEPTEMBER THIS YEAR, ESTIMATED AT \$15.3 BILLION, INCREASED 10% OVER THE SAME MONTH LAST YEAR, ACCORDING TO STATISTICS RELEASED TODAY (THURSDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

AFTER DISCOUNTING THE EFFECT OF PRICE CHANGES OVER THE PERIOD, TOTAL RETAIL SALES ROSE BY 4% IN VOLUME TERMS.

THE INCREASE WAS MAINLY ATTRIBUTABLE TO A STRONG GROWTH IN SPENDING ON CLOTHING AND FOOTWEAR, AND ON CONSUMER DURABLE GOODS OTHER THAN MOTOR VEHICLES.

SPENDING ON FUELS AND OTHER FOODSTUFFS ALSO RECORDED MODERATE INCREASES. BUT THESE LATTER INCREASES WERE OFFSET BY THE DECLINE IN SPENDING ON MOTOR VEHICLES, JEWELLERY AND WATCHES.

SALES OF CLOTHING AND FOOTWEAR REGISTERED THE LARGEST INCREASE IN SEPTEMBER 1993 COMPARED WITH A YEAR AGO, 28% IN VALUE AND 19% IN VOLUME.

SALES OF CONSUMER DURABLES OTHER THAN MOTOR VEHICLES WENT UP CONSIDERABLY BY 16% IN VALUE AND 14% IN VOLUME.

INCREASES WERE ALSO RECORDED FOR SALES IN SUPERMARKETS, 11% IN VALUE AND 3% IN VOLUME; SALES OF FUELS, 10% IN VALUE AND 5% IN VOLUME; AND SALES OF OTHER FOODSTUFFS, 7% IN VALUE AND 4% IN VOLUME.

ON THE OTHER HAND, SALES IN DEPARTMENT STORES DROPPED BY 5% IN VOLUME, DESPITE A SLIGHT INCREASE OF 1% IN VALUE.

SALES OF JEWELLERY AND WATCHES AND SALES OF MOTOR VEHICLES DECREASED BY 6% AND 8% IN VOLUME RESPECTIVELY, BOTH WITH VIRTUALLY NO GROWTH IN VALUE.

COMPARING THE FIRST NINE MONTHS OF THIS YEAR WITH THE SAME PERIOD LAST YEAR, TOTAL RETAIL SALES ROSE BY 13% IN VALUE AND 7% IN VOLUME.

COMPARED WITH AUGUST 1993, AND BEARING IN MIND THAT THIS COMPARISON MAY BE AFFECTED BY SEASONAL FACTORS, TOTAL RETAIL SALES IN SEPTEMBER 1993 DECREASED BY 5% BOTH IN VALUE AND IN VOLUME.

THE VOLUME OF RETAIL SALES IS DERIVED FROM THE VALUE OF RETAIL SALES AFTER ADJUSTING FOR PRICE CHANGES. THE RELEVANT COMPONENTS OF THE CONSUMER PRICE INDEX ARE USED AS DEFLATORS.

THE REPORT CONTAINING THE ANALYSIS OF THE SEPTEMBER 1993 RESULTS IS NOW ON SALE AT \$2 A COPY AT THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL; AND THE PUBLICATIONS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER, WAN CHAI.

ENQUIRIES ABOUT THE SURVEY RESULTS MAY BE DIRECTED TO THE WHOLESALE AND RETAIL TRADE STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT (TEL: 802 1258).

TABLE 1 PRESENTS THE REVISED TOTAL RETAIL SALES FIGURE FOR AUGUST 1993 AND THE PROVISIONAL FIGURE FOR SEPTEMBER 1993.

TABLE 2 SHOWS THE VALUE AND VOLUME INDICES OF RETAIL SALES IN AUGUST AND SEPTEMBER 1993 FOR ALL RETAIL OUTLETS AND BY TYPE OF RETAIL OUTLET, WITH AVERAGE RETAIL SALES FROM OCTOBER 1989 TO SEPTEMBER 1990 TAKEN AS 100.

COMPARISONS OF THE SEPTEMBER 1993 RESULTS WITH THOSE FOR AUGUST 1993 AND WITH THOSE FOR SEPTEMBER 1992, AS WELL AS COMPARISONS OF RETAIL SALES IN THE FIRST NINE MONTHS OF THIS YEAR WITH THE SAME PERIOD LAST YEAR ARE ALSO GIVEN.

TABLE 1 : TOTAL RETAIL SALES

Total Retail Sales for September 1993 (Provisional Figure) = HK\$15,259.7 million
 for August 1993 (Revised Figure) = HK\$16,073.4 million

TABLE 2 : VALUE AND VOLUME INDICES OF RETAIL SALES FOR AUGUST 1993 AND SEPTEMBER 1993

(Monthly average of Oct. 89 - Sept. 90 = 100)

Item	Index of Retail Sales	August 1993	September 1993	September 1993 compared with August 1993		September 1993 compared with September 1992		Jan-Sep. 1993 compared with Jan-Sep. 1992	
				Points	%	Points	%	Points	%
(A) FOR ALL RETAIL OUTLETS									
	Value	(Revised figures) 171.2	(Provisional figures) 162.5	-8.7	-5.1	+14.2	+9.6	+17.3	+12.5
	Volume	141.3	134.0	-7.3	-5.2	+4.5	+3.5	+8.7	+7.1
(B) BY TYPE OF RETAIL OUTLET									
Foodstuffs, alcoholic drinks and tobacco (other than supermarkets)	Value	134.5	131.5	-3.1	-2.3	+8.1	+6.6	+7.5	+6.4
	Volume	108.1	103.4	-4.7	-4.4	+4.0	+4.0	+1.9	+2.0
Supermarkets ϕ	Value	144.4	151.1	+6.7	+4.7	+14.3	+10.5	+12.0	+9.4
	Volume	109.2	113.7	+4.5	+4.1	+3.2	+2.9	+2.3	+2.2
Fuels	Value	166.7	165.0	-1.7	-1.0	+14.6	+9.7	+12.7	+9.5
	Volume	121.9	120.6	-1.2	-1.0	+5.5	+4.7	+4.4	+4.3
Clothing, footwear and allied products	Value	239.1	191.3	-47.7	-20.0	+41.7	+27.9	+47.5	+32.0
	Volume	185.5	147.3	-38.2	-20.6	+23.4	+18.9	+27.6	+21.9
Consumer durable goods *	Value	177.4	196.1	+18.7	+10.5	+13.3	+7.3	+12.7	+7.8
	Volume	154.0	166.8	+12.8	+8.3	+3.9	+2.4	+6.1	+4.2
- Motor vehicles and parts	Value	180.5	234.0	+53.5	+29.7	-0.2	-0.1	-3.4	-1.8
	Volume	139.1	179.6	+40.4	+29.1	-16.6	-8.4	-14.6	-8.9
- Consumer durable goods other than motor vehicles and parts	Value	175.2	168.7	-6.6	-3.7	+23.0	+15.8	+24.4	+17.3
	Volume	164.7	157.5	-7.2	-4.4	+18.8	+13.5	+21.1	+15.8
Department stores	Value	158.4	126.8	-31.6	-19.9	+1.8	+1.4	+12.8	+10.0
	Volume	127.0	100.0	-26.9	-21.2	-5.0	-4.7	+3.1	+2.8
Jewellery, watches and clocks, and valuable gifts	Value	147.2	146.8	-0.4	-0.3	+0.1	+0.1	+13.5	+9.9
	Volume	138.8	145.2	+6.3	+4.5	-8.7	-5.7	+11.3	+8.1
Other consumer goods not elsewhere classified	Value	204.5	186.3	-18.2	-8.9	+27.7	+17.5	+23.4	+16.4
	Volume	169.0	152.0	-17.1	-10.1	+16.3	+12.0	+12.9	+10.4

NOTES : ϕ Not including supermarkets operating in department stores.

* This covers both "Motor vehicles and parts" and "Consumer durable goods other than motor vehicles and parts".

ENVIRONMENTAL RESOURCE CENTRE OPENS

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THE LONG-TERM SUCCESS OF EFFORTS TO PROTECT THE ENVIRONMENT HINGES ON THE SUPPORT OF AN ENVIRONMENTALLY-INFORMED AND RESPONSIBLE COMMUNITY WHICH IS PREPARED TO TAKE POSITIVE ACTION TO PROTECT AND CLEAN UP THE ENVIRONMENT, MRS PATTEN SAID.

OFFICIATING AT THE OPENING CEREMONY OF THE ENVIRONMENTAL RESOURCE CENTRE OF THE ENVIRONMENTAL PROTECTION DEPARTMENT, SHE SAID THE RESOURCE CENTRE, WITH VARIOUS FACILITIES AND DISPLAYS, WOULD SHOW THE COMMUNITY WHAT WAS ACTUALLY BEING DONE IN ENVIRONMENTAL PROTECTION AND ENCOURAGE PEOPLE TO PLAY THEIR PART.

SHE SAID IGNORANCE ABOUT THE ENVIRONMENT WAS SOMETHING THAT A VIBRANT, SUCCESSFUL CITY SUCH AS HONG KONG SHOULD NOT ACCEPT.

WITH THE OPENING OF THE CENTRE, A WIDER SECTION OF THE COMMUNITY THAN EVER BEFORE WOULD HAVE READY ACCESS TO VITAL INFORMATION ON THE ENVIRONMENT.

"IT WILL BRING SUCH INFORMATION OUT FROM THE REMOTE RECESSES AND CORNERS OF GOVERNMENT DEPARTMENTS INTO THE PUBLIC DOMAIN AT STREET LEVEL," MRS PATTEN SAID.

THE PLAN FOR AN ENVIRONMENTAL RESOURCE CENTRE WAS FIRST MENTIONED IN THE 1989 WHITE PAPER ON ENVIRONMENTAL PROTECTION WITH THE PURPOSE TO ENHANCE AWARENESS OF THE ENVIRONMENT THROUGH EDUCATION AND THE PROVISION OF ENVIRONMENTAL INFORMATION.

THERE ARE PLANS FOR SETTING UP MORE ENVIRONMENTAL RESOURCE CENTRES IN THE TERRITORY FOR SPREADING A BETTER UNDERSTANDING OF THE ENVIRONMENT AND EXCHANGING IDEAS TO SOLVE DIFFERENT PROBLEMS IN EACH AREA.

MRS PATTEN SAID SHE WOULD BE PLEASED TO SEE GREEN GROUPS PARTICIPATING IN THE MANAGEMENT OF THESE CENTRES.

SHE SAID THE GOVERNMENT, GREEN GROUPS, COMMUNITY ORGANISATIONS AND PROFESSIONAL BODIES SHOULD JOIN TOGETHER TO MAKE HONG KONG AND THE WORLD A CLEANER AND BETTER PLACE TO LIVE.

SITUATED AT THE OLD WAN CHAI POST OFFICE, THE RESOURCE CENTRE WILL SERVE COMMUNITY GROUPS AND THE GENERAL PUBLIC BY PROVIDING INFORMATION ON ENVIRONMENTAL PROTECTION AND CONSERVATION.

THERE WILL BE A REFERENCE LIBRARY, A DISPLAY AREA, AN ENVIRONMENTAL ACTIVITIES CORNER, A READING ROOM WITH AUDIO-VISUAL EQUIPMENT AND A TOUCH-SCREEN INFORMATION SYSTEM.

THE CENTRE WILL BE OPEN TO THE PUBLIC FROM 10 AM TO 5 PM FROM MONDAYS TO SATURDAYS EXCEPT WEDNESDAY AFTERNOONS. GUIDED VISITS WILL ALSO BE PROVIDED FOR SCHOOLS, VOLUNTARY AGENCIES AND COMMUNITY GROUPS THROUGH APPOINTMENTS ON TEL 893 2856.

HK TO JOIN REGIONAL EFFORT TO FIGHT AGAINST SUB-STANDARD SHIPS

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HONG KONG IS TO JOIN HANDS WITH OTHER MARITIME AUTHORITIES IN ASIA-PACIFIC REGION TO FIGHT AGAINST SUB-STANDARD SHIPPING, THE DIRECTOR OF MARINE, MR ALLAN PYRKE, SAID IN TOKYO THIS (THURSDAY) AFTERNOON.

MR PYRKE AND THE ASSISTANT DIRECTOR OF MARINE (SHIPPING), MR JOHN CHI-YAN TSE, ARE CURRENTLY IN TOKYO TO REPRESENT HONG KONG AT THE FINAL PREPARATORY MEETING ON ASIA PACIFIC REGIONAL CO-OPERATION ON PORT STATE CONTROL.

"PARTICIPANTS AT THE MEETING HAVE REACHED AN AGREEMENT IN THE FORM OF A MEMORANDUM OF UNDERSTANDING (MOU) TO IMPROVE MARITIME SAFETY, TO PROTECT THE MARINE ENVIRONMENT AND TO IMPROVE THE WELFARE OF SEAFARERS," MR PYRKE SAID AT THE END OF THE FOUR-DAY MEETING WHICH BEGAN ON MONDAY.

"AS A MAJOR MARITIME AND SHIPPING CENTRE WITH ITS OWN SHIPPING REGISTER, HONG KONG'S PARTICIPATION IN REGIONAL CO-OPERATION ON PORT STATE CONTROL DEMONSTRATES ITS DETERMINATION AS A RESPONSIBLE MARITIME AUTHORITY AND THE OPERATOR OF A REPUTABLE REGISTER OF SHIPS," MR PYRKE SAID.

"IT ALSO SHOWS TO THE INTERNATIONAL SHIPPING COMMUNITY THAT HONG KONG IS ENDEAVOURED TO IMPROVE MARITIME SAFETY AND THE MARINE ENVIRONMENT," HE ADDED.

SEVENTEEN MARITIME AUTHORITIES IN THE PACIFIC BASIN ATTENDED THE MEETING WHICH WAS CHAIRED BY THE DIRECTOR GENERAL OF THE SHIP SAFETY DIRECTORATE OF THE CANADIAN COAST GUARD, MR MICHAEL HUBBARD.

REPRESENTATIVES FROM THE INTERNATIONAL MARITIME ORGANISATION, INTERNATIONAL LABOUR ORGANISATION AND THE PARIS MEMORANDUM OF UNDERSTANDING WERE ALSO PRESENTED AT THE MEETING.

FOLLOWING A SERIES OF PREPARATORY MEETINGS OVER THE PAST THREE DAYS, THE PARTICIPANTS UNANIMOUSLY AGREED ON THE SETTING UP OF THE TOKYO MOU.

"THE MOU WILL BE SERVED BY A SECRETARIAT LOCATED IN TOKYO. THE SECRETARIAT WILL OPERATE INDEPENDENTLY FROM PARTICIPATING MARITIME AUTHORITIES AND OTHER ORGANISATIONS, BUT IT WILL BE ACCOUNTABLE TO THE COMMITTEE ESTABLISHED AS A GOVERNING BODY UNDER THE PROVISIONS OF THE MOU," MR PYRKE SAID.

"THE TOKYO MOU WILL TAKE EFFECT ON OR AFTER APRIL 1, 1994 FOR EACH PARTICIPATING MARITIME AUTHORITY ON THE DATE THAT ITS ACCEPTANCE IS NOTIFIED TO THE SECRETARIAT," MR PYRKE SAID.

"A SHIP INSPECTION DATA BASE THAT CAN BE ACCESSED AND UP-DATED BY PARTICIPATING MARITIME AUTHORITIES TO TARGET SUB-STANDARD SHIPPING WILL BE OPERATED BY THE CANADIAN COAST GUARD," HE SAID.

MR PYRKE SHARED MR HUBBARD'S REMARKS ON THE MEETING.

/MR HUBBARD

MR HUBBARD SAID: "THE SIGNING OF THE TOKYO MOU IS POSSIBLY THE MOST IMPORTANT SINGLE INITIATIVE TO HAVE OCCURRED IN RECENT TIMES TO COMBAT UNSAFE SHIPPING. IT SHOULD SEND A STRONG SIGNAL TO UNSCRUPULOUS OWNERS AND CHARTERERS THAT THIS STANDARD OF SHIPPING WILL NO LONGER BE TOLERATED IN THE ASIA-PACIFIC REGION".

MARITIME AUTHORITIES PARTICIPATING CAME FROM AUSTRALIA, CANADA, CHINA, FIJI, HONG KONG, INDONESIA, JAPAN, REPUBLIC OF KOREA, MALAYSIA, NEW ZEALAND, PAPUA NEW GUINEA, THE PHILIPPINES, THE RUSSIAN FEDERATION, SINGAPORE, SOLOMON ISLANDS, THAILAND AND VIETNAM.

THE PARTICIPATING MARITIME AUTHORITIES WILL HOLD THE NEXT MEETING IN BEIJING BETWEEN APRIL 11 AND 13, NEXT YEAR TO EXPLORE FURTHER MEANS TO EXTEND THE FIGHT AGAINST POORLY MAINTAINED AND OPERATED SHIP TRADING IN THE REGION.

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CROWN RENTS DUE ON CHRISTMAS

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CROWN RENT PAYERS SHOULD HAVE RECEIVED DEMAND NOTES FOR THE HALF YEAR ENDING DECEMBER 25 THIS YEAR IN RESPECT OF CROWN RENTS EXCEEDING \$100 A YEAR.

PAYMENT MAY BE MADE BY POST TO THE DIRECTOR OF ACCOUNTING SERVICES, PO BOX 8000, GPO, HONG KONG, OR, IN PERSON, AT:

- * THE TREASURY HEADQUARTERS COLLECTION AND PAYMENT OFFICE, IMMIGRATION TOWER, FIRST FLOOR, 7 GLOUCESTER ROAD, WAN CHAI, HONG KONG;
- * THE CENTRAL SUB-TREASURY, CENTRAL GOVERNMENT OFFICES (WEST WING), 11 ICE HOUSE STREET, HONG KONG;
- * THE NORTH POINT SUB-TREASURY, MAX SHARE CENTRE, FIRST FLOOR, 373 KING'S ROAD, NORTH POINT, HONG KONG;
- * THE SAI WAN HO SUB-TREASURY, EASTERN LAW COURTS BUILDING, GROUND FLOOR, 29 TAI ON STREET, SAI WAN HO, HONG KONG;
- * THE YAU MA TEI SUB-TREASURY, KOWLOON GOVERNMENT OFFICES, FOURTH FLOOR, 405 NATHAN ROAD (MARKET STREET ENTRANCE), KOWLOON;
- * THE KOWLOON CITY SUB-TREASURY, MAN SANG COMMERCIAL BUILDING, FIRST FLOOR, 348-352 PRINCE EDWARD ROAD (CORNER OF PRINCE EDWARD ROAD AND JUNCTION ROAD), KOWLOON; AND
- * THE DISTRICT OFFICE AT SAI KUNG, SHA TIN, TAI PO, NORTH, YUEN LONG, TUEN MUN, TSUEN WAN OR KWAI TSING.

A SPOKESMAN FOR THE TREASURY SAID THOSE WHO HAD NOT RECEIVED THE DEMAND NOTE SHOULD BRING ALONG A PREVIOUS ONE TO ANY OF THE TREASURY COLLECTION OFFICES.

DUPLICATE DEMAND NOTES WILL BE ISSUED TO THEM, HE ADDED.

IF THEY CANNOT PRODUCE DEMAND NOTES FOR ANY PREVIOUS PERIOD, THEY SHOULD INQUIRE AT THE CROWN RENT UNIT OF THE TREASURY AT IMMIGRATION TOWER, 30TH FLOOR, 7 GLOUCESTER ROAD, WAN CHAI, HONG KONG.

"THE CROWN RENTS MUST BE PAID BY DECEMBER 25 EVEN THOUGH THE PAYER MAY NOT HAVE RECEIVED THE NOTE," THE SPOKESMAN SAID.

THOSE WHO HAVE SUBMITTED A VALID DIRECT DEBIT AUTHORISATION SHOULD NOTE THAT IF THE WORDING "PAYMENT TO BE MADE BY AUTOPAY" IS SHOWN ON THE DEMAND NOTES, PAYMENT WILL BE MADE BY DIRECT DEBIT TO THEIR BANK ACCOUNTS ON DECEMBER 25.

THEY SHOULD ENSURE THAT THEIR BANK ACCOUNTS CONTAIN THE NECESSARY FUNDS ON THAT DATE, HE SAID.

IF THE WORDING IS NOT SHOWN, THEY SHOULD PAY ACCORDING TO INSTRUCTIONS SET OUT IN THE DEMAND NOTE.

TO SAVE TIME OF QUEUING, THE SPOKESMAN URGED PAYERS TO PAY BY CHEQUES OR CASHIER ORDERS SENT BY POST OR BY EARLY PERSONAL ATTENDANCE AT ANY OF THE COLLECTION OFFICES.

"HOWEVER, THE MOST CONVENIENT METHOD FOR PAYMENT IS AUTOPAY," HE SAID.

APPLICATION FORMS FOR AUTOPAY ARE AVAILABLE FROM TREASURY COLLECTION OFFICES, DISTRICT OFFICES AND ALL MAJOR BANKS IN HONG KONG OR BY CALLING 829 4999.

THE SPOKESMAN TOLD PAYERS TO NOTE THE FOLLOWING:

- * TO AVOID LEGAL ACTION FOR RE-ENTRY OF A PROPERTY THE CURRENT OWNER OF THAT PROPERTY IS OBLIGED TO PAY CROWN RENT INCLUDING ANY ARREARS AS DEMANDED.
- * THE CROWN RENT PAYABLE UNDER A LEASE OF A PROPERTY WHICH HAS BEEN RENEWED UNDER THE CROWN LEASES ORDINANCE AND RE-DEVELOPED, WILL BE THREE PER CENT OF THE RATEABLE VALUE OF THAT PROPERTY AS ASSESSED FOLLOWING THE REDEVELOPMENT.

PENDING COMPLETION OF THE ASSESSMENT AND OTHER RELATED PROCEDURES, CROWN RENT DEMANDS WILL BE BASED UPON THE PRE-REDEVELOPMENT RATEABLE VALUE.

IN DUE COURSE, CROWN RENT FOR THE DIFFERENCE BETWEEN THE RENT BASED UPON PRE- AND POST-REDEVELOPMENT RATEABLE VALUES WILL BE DEMANDED AND THE CURRENT OWNER IS OBLIGED TO PAY THE RENT AS DEMANDED. IF HE DOES NOT, LEGAL ACTION FOR RE-ENTRY OF THE PROPERTY MAY BE INSTITUTED.

HE ADVISED PROPERTY BUYERS TO INSTRUCT THEIR SOLICITORS TO ENSURE THAT AT THE TIME OF PURCHASE THE CROWN RENT HAD BEEN PAID.

IF A PROPERTY IS SUBJECT TO THE CROWN LEASES ORDINANCE AND HAS BEEN REDEVELOPED BUT THE RENTAL PAID UP TO THE DATE OF THE PURCHASE IS NOT BASED UPON AN ASSESSMENT OF THE RATEABLE VALUE OF THE PROPERTY SINCE ITS REDEVELOPMENT, THE PURCHASER OR HIS SOLICITORS SHOULD TAKE APPROPRIATE STEPS TO PROTECT THE BUYER, HE SAID.

ENQUIRIES ON OUTSTANDING ACCOUNTS MAY BE ADDRESSED TO THE DIRECTOR OF ACCOUNTING SERVICES. THE FEE IS \$50 FOR EACH ENQUIRY PER PROPERTY.

SOCIAL WELFARE STAFF AWARDED IMPERIAL SERVICE MEDAL

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THE DIRECTOR OF SOCIAL WELFARE, MR IAN STRACHAN, TODAY (THURSDAY) PRESENTED AN IMPERIAL SERVICE MEDAL TO MR CHUNG PING-FAI IN RECOGNITION OF HIS HARD WORK AND LONG SERVICE WITH THE DEPARTMENT.

MR CHUNG, AGED 62, HAD SERVED IN THE PRINCESS ALEXANDRA COMMUNITY CENTRE FOR 32 YEARS. HE WAS A MESSENGER IN 1961 AND WAS TRANSFERRED TO BE AN OFFICE ASSISTANT IN 1976.

OVER THE YEARS, HE HAD CONTRIBUTED TO THE DEVELOPMENT OF THE CENTRE WHICH BECAME A FOCAL POINT FOR COMMUNITY AND WELFARE ACTIVITIES IN TSUEN WAN.

MR STRACHAN COMMENDED HIM FOR HIS DEDICATION AND FAITHFULNESS TO THE CIVIL SERVICE.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	\$ MILLION

OPENING BALANCE IN THE ACCOUNT	2,480
REVERSAL OF LAF	+520
BALANCE AFTER REVERSAL OF LAF	3,000
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	-1,635
CLOSING BALANCE IN THE ACCOUNT	1,365
LAF RATE 2.00 BID/4.00 OFFER TWI 113.8 *-0.1*	2.12.93

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

EF NOTES/HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.61 PCT	15 MONTHS	2502	4.75	101.31	3.66
1 MONTH	2.80 PCT	18 MONTHS	2505	3.75	99.81	3.92
3 MONTHS	3.02 PCT	21 MONTHS	2508	4.625	100.90	4.11
6 MONTHS	3.17 PCT	24 MONTHS	2511	4.15	99.87	4.26
12 MONTHS	3.55 PCT	35 MONTHS	3610	4.20	98.72	4.73

TOTAL TURNOVER OF BILLS AND BONDS - 12,323 MN

CLOSED 2 DECEMBER 1993

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