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PM GIVES PRESS CONFERENCE

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FOLLOWING IS A TRANSCRIPT OF THE PRESS CONFERENCE GIVEN BY THE PRIME MINISTER, MR JOHN MAJOR:

PRIME MINISTER: THANK YOU VERY MUCH, AND MY APOLOGIES ALSO FOR THE FACT THAT WE HAVE THIS LATE START THIS AFTERNOON. IT'S VERY GOOD TO BE BACK IN HONG KONG. IT'S MANY YEARS SINCE I'VE WORKED HERE AND I HAVE BEEN FASCINATED TO SEE THE VERY REMARKABLE CHANGES THAT THERE HAVE BEEN DURING THAT PERIOD.

LAST EVENING WE HAD THE OPPORTUNITY TO FLY BY HELICOPTER OVER HONG KONG AND THE DEVELOPMENT OF HONG KONG IS PERHAPS THE MOST VISIBLE EVIDENCE OF ITS SUCCESS AS A COMMERCIAL CENTRE, AND ABOVE ALL, AS A PLACE WHERE HUMAN ENTERPRISE AND ALL OTHER FORMS OF ENTERPRISE AND INGENUITY HAVE FLOURISHED IN RECENT YEARS. THE PEOPLE OF HONG KONG CAN JUSTLY AND RIGHTLY BE PROUD OF THEIR ACHIEVEMENTS.

HONG KONG'S CONTINUED SUCCESS IS ONE OF MY GOVERNMENT'S FIRST PRIORITIES. WE WANT TO SEE HONG KONG PROSPER AS A CENTRE OF FREEDOM AND ENTERPRISE UP TO AND BEYOND 1997. THAT WAS WHY I WENT TO PEKING AND I SHOULD LIKE TO REPORT ON MY DISCUSSIONS THERE. I WENT TO CHINA ESSENTIALLY FOR THE SAKE OF HONG KONG AND I WOULD LIKE TO REMIND YOU OF WHAT THAT VISIT ACHIEVED.

FIRST, WE HAVE THE MEMORANDUM OF UNDERSTANDING ON THE AIRPORT. WORK CAN NOW GO AHEAD ON THE AIRPORT CORE PROJECTS - ALL OF THEM. THE MEMORANDUM OPENS THE WAY TO SIGNIFICANTLY IMPROVED CO-OPERATION WITH CHINA IN THE INTERESTS OF HONG KONG. SECOND, WE HAVE SECURED CLEAR-CUT PUBLIC CHINESE REAFFIRMATION OF THEIR COMMITMENT TO HONOUR THE JOINT DECLARATION IN LETTER AND IN SPIRIT. THIRDLY, WE HAVE ESTABLISHED A MECHANISM TO END THE BLOCKAGE ON PRODUCTIVE DISCUSSION IN THE JOINT LIAISON GROUP. FOURTHLY, WE HAVE OBTAINED AN EXTREMELY IMPORTANT AGREEMENT IN PRINCIPLE ON HONG KONG'S COURT OF FINAL APPEAL. AND FIFTHLY, WE HAVE CONFIRMATION OF THE RIGHT OF HONG KONG TO MAKE ITS OWN INVESTMENT, PROMOTION AND PROTECTION AGREEMENTS. AND SIXTHLY, WE HAVE CLEARED THE WAY FOR A NEW CONSULATE-GENERAL; WE INTEND TO BUILD SUCH A CONSULATE AND NOT JUST TO LEASE PREMISES.

I WAS ACCOMPANIED TO PEKING BY THE GOVERNOR AND OTHER OFFICIALS FROM THE HONG KONG GOVERNMENT. TODAY, I WAS ABLE TO BRIEF EXCO ON THE OUTCOME AND I BELIEVE IT IS FAIR TO SAY THAT ALL THE MEMBERS OF EXCO EXPRESSED GREAT SATISFACTION AT WHAT HAD BEEN ACHIEVED. I WAS ABLE TO TELL THEM THAT ALL THE CHINESE LEADERS I HAD MET HAD VOLUNTEERED THEIR GRATITUDE FOR THE TREMENDOUSLY GENEROUS HELP WHICH HONG KONG HAD PROVIDED FOR THE VICTIMS OF THE RECENT FLOODS.

YESTERDAY, I ALSO VISITED HIGH ISLAND DETENTION CENTRE. READING ABOUT IT IS NOT THE SAME AS SEEING IT. WHAT YOU REALISE ABOVE ALL WHEN YOU GO TO A CAMP, IS THAT THESE ARE NOT JUST STATISTICS BUT FELLOW HUMAN BEINGS. THIS IS A HUMAN PROBLEM WHICH REQUIRES A HUMANE SOLUTION. THE INFLUX OF VIETNAMESE BOAT PEOPLE HAS POSED ENORMOUS PROBLEMS FOR HONG KONG. HONG KONG HAS COPED EFFICIENTLY, AND ABOVE ALL, HUMANELY. IT HAS NOT BEEN EASY FOR HONG KONG TO PRESERVE THE POLICY OF FIRST ASYLUM BUT ONE OF THE REASONS WHY SO MANY COUNTRIES AROUND THE WORLD ARE PREPARED TO SPEAK UP FOR HONG KONG AND WHAT IT STANDS FOR, IS BECAUSE OF HONG KONG'S RECORD ON THIS AND ON OTHER ISSUES.

/IT IS .....

IT IS AN INDICTMENT OF THE POLICIES OF THE VIETNAMESE GOVERNMENT THAT THE BOAT PEOPLE LEFT THEIR COUNTRY IN THE FIRST PLACE. IT IS A CREDIT TO HONG KONG THAT YOU HAVE PROVIDED ACCOMMODATION, HEALTH CARE AND EDUCATION FOR SO MANY PEOPLE.

A SUBSTANTIAL MINORITY OF THE VIETNAMESE BOAT PEOPLE ARE REFUGEES. UNDER THE COMPREHENSIVE PLAN OF ACTION, THOSE WHO ARE REFUGEES HAVE A RIGHT TO BE RESETTLED ELSEWHERE IN THE WORLD, AND THEY ARE. BUT MOST ARE ECONOMIC MIGRANTS - HONG KONG DOES NOT HAVE THE CAPACITY TO ACCOMMODATE THEM FOREVER. THEY WILL HAVE TO RETURN HOME, BUT THEY MUST BE ABLE TO RETURN HOME WITHOUT FEAR OF REPRISALS. WE ARE NEGOTIATING WITH THE NEW VIETNAMESE GOVERNMENT FOR THE ESTABLISHMENT OF CENTRES THAT WOULD BE INTERNATIONALLY MANAGED AND UNDER THE CONTROL OF UNITED NATIONS AGENCIES. THOSE WHO ARE SCREENED OUT AS NON-REFUGEES WILL BE ABLE TO RETURN TO THOSE CENTRES IN THE FIRST INSTANCE. THAT IS THE BEST WAY FORWARD.

NEXT WEEK, THERE WILL BE ELECTIONS IN HONG KONG. FOR THE FIRST TIME THERE WILL BE DIRECTLY ELECTED MEMBERS OF LEGCO. ALSO FOR THE FIRST TIME, THE NEW LEGCO WILL HAVE A MAJORITY OF ELECTED MEMBERS. THIS IS THE FIRST POINT IN A RISING CURVE OF DIRECTLY ELECTED SEATS WHICH WILL, WITH AGREEMENT WITH THE CHINESE, CONTINUE UP TO AND BEYOND 1997. OF COURSE WE NEED TO DISCUSS THIS MATTER WITH THE CHINESE IF PROGRESS IS TO BE SUSTAINED. WE SHALL WANT TO DISCUSS WITH THEM, AT THE RIGHT TIME AND IN THE LIGHT OF THE EXPERIENCE GAINED THIS YEAR, THE ARRANGEMENTS FOR THE ELECTIONS IN 1995.

NO VISITOR CAN FULLY SHARE THE CHALLENGE WHICH HONG KONG FACES AS WE APPROACH 1997. THE PEOPLE OF HONG KONG HAVE TO LIVE WITH THAT REALITY EVERY DAY. SOVEREIGNTY WILL REVERT TO CHINA IN 1997 AND IT IS HONG KONG AND CHINA WHO WILL HAVE TO MAKE A REALITY OF THE CONCEPT OF 'ONE COUNTRY AND TWO SYSTEMS'. BUT I BELIEVE THE JOINT DECLARATION, AGREED IN 1984, IS THE BEST BASIS FOR HONG KONG'S FUTURE. THERE WILL BE DIFFICULTIES AS THERE ARE IN ANY RELATIONSHIP, LET ALONE ONE THAT REQUIRES TWO DIFFERENT POLITICAL AND ECONOMIC SYSTEMS TO WORK TOGETHER. BUT WE ARE NOT SAYING TO THE PEOPLE OF HONG KONG: HERE IS THE JOINT DECLARATION, NOW IT IS UP TO YOU TO MAKE IT WORK. MAKING IT WORK IS A TOP PRIORITY FOR ME AND FOR MY GOVERNMENT. THAT WAS WHY WE'VE AGREED TO INTENSIFY OUR CONTACTS WITH PEKING AND RAISE THE LEVEL AT WHICH THEY ARE REGULARLY CONDUCTED. THAT WAS WHY GOING TO PEKING WAS NECESSARY AND WORTHWHILE.

A WEEK AGO I LEFT THE WORLD'S LARGEST FREE ENTERPRISE ECONOMY. TODAY, I SHALL BE LEAVING A SOMEWHAT SMALLER BUT EQUALLY ENTERPRISING MARKET ECONOMY. IN BETWEEN I VISITED MOSCOW AND PEKING. ONE COUNTRY IS EXPLORING THE PATH OF POLITICAL REFORM, THE OTHER IS CONCENTRATING ON ECONOMIC REFORM. THE FACT IS THAT BOTH ARE NECESSARY AND I DOUBT THAT ONE CAN DEVELOP FULLY WITHOUT THE OTHER. IT IS FITTING THAT I SHOULD END THIS EVENTFUL WEEK HERE IN HONG KONG WHERE YOUR ECONOMY IS BOOMING AND WHERE YOU ARE ABOUT TO TAKE A FIRST MOMENTOUS STEP IN THE PROCESS OF REPRESENTATIVE GOVERNMENT. I HAVE FOUND IT A MOST USEFUL AND WORTHWHILE VISIT AND AM DELIGHTED I WAS ABLE TO COME.

I'M NOW HAPPY TO TAKE YOUR QUESTIONS FOR A PERIOD.

/Q: YOU SAID .....

Q: YOU SAID THAT YOU WENT TO CHINA FOR THE SAKE OF HONG KONG AND ON TWO FUNDAMENTAL ISSUES OF HUMAN RIGHTS AND DEMOCRACY IN HONG KONG. BEARING IN MIND CHINA'S REPEATED WARNINGS THAT IT MAY REPEAL HONG KONG'S BILL OF RIGHTS AFTER 1997 AND CHINA'S PERSISTENT REFUSAL TO RECOGNISE THE HONG KONG EXECUTIVE AND LEGISLATIVE COUNCIL, HAVE YOU TAKEN UP THESE ISSUES WITH THE CHINESE LEADER, INCLUDING MR LI PENG?

PRIME MINISTER: I SPOKE SPECIFICALLY TO MR LI PENG ABOUT THE DESIRABILITY OF MEETING EXCO AND ABOUT MEETING OMELCO AND THE FACT THAT THERE WOULD NEED TO BE A DIRECT RELATIONSHIP BETWEEN THEM AND I HOPE THAT WILL COME ABOUT. THIS IS A MATTER WE HAVE RAISED WITH THEM AND A MATTER WE WILL CONTINUE TO RAISE WITH THEM. ON OTHER MATTERS IN SO FAR AS DEMOCRACY IN HONG KONG IS CONCERNED WE ARE STARTING OFF WITH THE FIRST DIRECTLY ELECTED MEMBERS IN JUST A WEEK OR SO. THAT IS A TREMENDOUS ADVANCE, IT IS PART OF A RISING CURVE, I THINK WE WILL GET THROUGH THOSE ELECTIONS, WE WILL SEE HOW THEY ARE SUSTAINED, HOW THEY DEVELOP AND I THINK NOBODY SHOULD UNDER-ESTIMATE THE IMPACT THAT THESE ELECTIONS WILL MAKE EVEN THOUGH ON THIS OCCASION IT IS ONLY EIGHTEEN SEATS OUT OF THE FULL TOTAL OF SIXTY.

Q: SO WHAT ABOUT ON HUMAN RIGHTS ? GIVEN THAT IT'S BEEN ABOUT SEVEN YEARS NOW SINCE WE SIGNED THE JOINT DECLARATION BUT CHINA HAS YET TO BECOME A SIGNATORY TO THE INTERNATIONAL CONVENTION ON HUMAN RIGHTS. HAVE YOU ACTUALLY ASKED THE CHINESE LEADER TO TAKE ACTION AND IF NOT, WHY NOT?

PRIME MINISTER: WELL, I THINK MOST PEOPLE WILL HAVE KNOWN FROM READING THE PRESS OVER THE LAST FEW DAYS THAT I CERTAINLY DID DISCUSS THE QUESTION OF HUMAN RIGHTS WITH THE CHINESE, THEY ARE WELL AWARE OF MY VIEW, I DOUBT THEY'VE EVER BEEN MADE SO WELL AWARE OF ANYONE'S VIEWS ON HUMAN RIGHTS IN THE PAST BEFORE. SO THEY ARE VERY WELL AWARE OF MY CONCERN IN HUMAN RIGHTS AND THEY ARE EQUALLY WELL AWARE IN TERMS OF THEIR RESPONSIBILITIES AT HOME AND ABROAD THAT THIS IS A MATTER OF RISING INTEREST AROUND THE WORLD; NOT JUST IN THE CASE OF CHINA BUT IN THE CASE OF COUNTRIES ALL AROUND THE WORLD WHERE HUMAN RIGHTS ARE NOT AT THE STANDARD THAT WE BELIEVE THEY SHOULD BE. THERE IS A SEARCHLIGHT OF PUBLIC AND INTERNATIONAL OPINION UPON THE QUESTION OF HUMAN RIGHTS. THE CHINESE ARE ABSOLUTELY AWARE OF THAT AND YES, I DID DISCUSS THE MATTER WITH THEM.

Q: I WONDER IF I COULD TEMPT YOU TO BREAK ALL THE CONVENTION AND TO DISCUSS BRITISH POLITICS WHILE YOU ARE ON AN OVERSEAS TRIP AND TO SAY WHETHER AFTER A SUCCESSFUL WEEK YOU ARE TEMPTED TO CALL AN EARLY ELECTION WHEN YOU GET BACK HOME?

PRIME MINISTER: WELL, YOU CAN TEMPT BUT I MAY NOT RISE TO THE TEMPTATION. I THINK SPECULATION LIKE THAT AT THIS STAGE OF A PARLIAMENT IS ALWAYS INEVITABLE, I JUST HOPE NOT TOO MANY PEOPLE WILL TAKE THAT ALMOST INEVITABLE DAY-TO-DAY SPECULATION TOO SERIOUSLY. WE STILL HAVE WORK TO DO; WHEN I JUDGE IT RIGHT WE WILL HAVE THE GENERAL ELECTION BUT I DON'T THINK IT WILL BE IN ANYONE'S INTEREST FOR ME TO RESPOND TO-DAY-TO DAY SPECULATION.

/Q: CAN I .....

Q: CAN I JUST ASK DO YOU STILL WANT TO MAKE IT YOUR INTENTION TO SEE THE INTER-GOVERNMENTAL CONFERENCES THROUGH TO THE END OF DECEMBER...

PRIME MINISTER: I HAVE ALWAYS MADE IT CLEAR THAT I THINK THE NEGOTIATIONS WHICH WE SHALL HAVE IN THE TWO INTER-GOVERNMENTAL CONFERENCES ARE VITALLY IMPORTANT FOR THE FUTURE OF THE UNITED KINGDOM. I WANT TO BE CERTAIN THAT I AM IN A POSITION TO NEGOTIATE FOR MY COUNTRY IN THOSE CONFERENCES.

Q: MY QUESTION IS DIVIDED INTO TWO PARTS. FIRST, GLOBALLY SPEAKING, IT SEEMS THAT YOUR VISIT TO CHINA WAS QUITE SUCCESSFUL THAN IN SOVIET UNION. BUT CAN I SAY THAT YOU ARE FAILING TO DELIVER THE G7 MESSAGE IN WHICH IS THE MOST IMPORTANT AND SUBTLE MESSAGE TO CHINA, THAT IS, THAT SOCIALISM HAS NO FUTURE?

PRIME MINISTER: I THINK YOU'VE MISSED - SINCE WE'VE JUST BEEN TALKING ABOUT THE BRITISH GENERAL ELECTION I SHALL TAKE YOU OVER TO BRITAIN AND YOU CAN EXPLAIN TO THE BRITISH ELECTORATE THAT SOCIALISM HAS NO FUTURE, A POINT THAT I MOST ASSUREDLY AGREE WITH IN TERMS OF THE UNITED KINGDOM. AS I INDICATED A MOMENT OR SO AGO, I THINK ECONOMIC AND POLITICAL REFORM ARE INEVITABLE AROUND THE WORLD AND THAT THEY WILL GO HAND IN HAND TOGETHER. IT IS FOR EACH COUNTRY TO WORK OUT ITS OWN SALVATION IN THAT EVENT BUT THAT THERE IS A WORLDWIDE MOVEMENT FOR PEOPLE TO HAVE GREATER POLITICAL AND ECONOMIC FREEDOMS I AM IN NO DOUBT. IT IS A MOVEMENT I WELCOME, IT IS A MOVEMENT THAT G7 COLLECTIVELY WELCOME, IT IS A MOVEMENT THAT WE ARE SEEING IN ALL PARTS OF THE GLOBE. I THINK IT IS IRREVERSIBLE.

Q: THE SECOND POINT OF MY QUESTION IS THAT PEOPLE IN HONG KONG ARE QUITE CONCERNED ABOUT WHO IS THE NEXT GOVERNOR OF HONG KONG. NOW CAN YOU CONFIRM WITH ME THAT THE PRESENT GOVERNOR, SIR DAVID WILSON WILL LEAVE NEXT YEAR OR IF THAT BEING THE CASE, WHAT IS THE MOST FEASIBLE QUALIFICATION AND THE CANDIDATE FOR THIS JOB?

PRIME MINISTER: WAS THAT AN APPLICATION ! I CAN CONFIRM TO YOU THERE IS NO VACANCY FOR THE GOVERNORSHIP OF HONG KONG. SIR DAVID WILSON HAS DONE, AND IS DOING, AND WILL CONTINUE TO DO AN EXCELLENT JOB FOR THE PEOPLE OF HONG KONG. AGAIN, IT IS A MATTER I KNOW SPECULATION THAT ARISES FROM TIME TO TIME AND NO DOUBT WHATEVER IS SAID IT WILL ARISE AGAIN, BUT I BELIEVE HE HAS DONE AN EXCELLENT JOB AND IS DOING AN EXCELLENT JOB FOR THE PEOPLE OF HONG KONG AND ANYTHING BEYOND THAT IS PURE SPECULATION.

PRESS OFFICER: CAN I MAKE A POINT, WE WILL GET THROUGH A LOT MORE QUESTIONS IF EVERY QUESTIONER RESTRICTS HIMSELF TO ONE QUESTION PLEASE.

Q: I WONDER PLEASE IF YOU COULD REAFFIRM YOUR GOVERNMENT'S ASSURANCE THAT YOU WILL GO BACK TO CHINA IF THESE FIRST ... TO TRY AND INCREASE THE NUMBER OF DIRECTLY ELECTED SEATS TO THE LEGISLATIVE COUNCIL IF THESE ELECTIONS THIS YEAR PROVE TO BE A SUCCESS, AND SECONDLY, CAN YOU DEFINE WHAT YOU MEAN WHEN THE GOVERNMENT SAYS A SUCCESS, OR WHETHER THE ELECTIONS ARE SATISFACTORY. WHAT DO YOU MEAN BY THIS? HOW ARE YOU GOING TO JUDGE WHETHER THEY HAVE BEEN A SUCCESS?

PRIME MINISTER: ONE OF THE DIFFICULTIES OF JUDGING THE FUTURE IS YOU HAVE TO SEE WHAT HAPPENS AND THEN FORM A JUDGEMENT UPON IT WHEN IT HAS HAPPENED. SO I THINK IT IS IMPOSSIBLE TO PROVIDE A HYPOTHETICAL ANSWER TO THAT PARTICULAR QUESTION. I THINK ON BOTH PARTS OF YOUR QUESTION WE HAVE TO SEE WHAT HAPPENS IN THE ELECTIONS, WE HAVE TO REVIEW WHAT HAPPENS, WE THEN HAVE TO CONSIDER THE VIEWS OF THOSE PEOPLE WHO HAVE BEEN ELECTED - THEIR VIEWS ARE VERY IMPORTANT - AND I DON'T THINK IT IS FOR ME TO MAKE JUDGEMENTS UPON THAT, THAT ARE JUDGEMENTS THAT ARE PROPERLY TO BE MADE AFTER PEOPLE HAVE BEEN ELECTED WHEN I HAVE HAD THE OPPORTUNITY OF HEARING THEIR VIEWS AFTER THAT ELECTION. THAT AFTER ALL IS WHAT DEMOCRACY IS ABOUT AND I THINK IF I WERE TO SAY WELL, WHATEVER HAPPENS IN THE ELECTION I HAVE MADE UP MY MIND, I AM GOING TO DO THIS, THAT OR THE OTHER THING AFTER THE ELECTION I MIGHT LEGITIMATELY BE ASKED WHETHER I WAS NOT GOING TO CONSULT THE PEOPLE WHO ARE ELECTED, AND I AM, SO I WILL HAVE TO DEFER MY ANSWER UNTIL I HAVE HAD THOSE DISCUSSIONS.

Q: CAN I FOLLOW THAT UP ...

PRIME MINISTER: I THINK THERE IS NOTHING MORE I CAN SAY, I THINK I HAVE COVERED BOTH PARTS OF THOSE QUESTIONS AND I WILL HAVE TO SEE WHAT HAPPENS IN THE ELECTION AND HEAR THE VIEWS OF THE PEOPLE WHO ARE ELECTED.

Q: WHAT'S WRONG WITH HAVING FULL ELECTIONS, FULL DEMOCRACY IN THIS COLONY BEFORE 1997? IS THAT A PATH THAT YOU YOURSELF PERSONALLY WOULD REALLY LIKE TO FOLLOW, WOULDN'T THAT SAFEGUARD HONG KONG BEFORE PEKING'S TAKEOVER?

PRIME MINISTER: WE HAVE HAD THOSE DISCUSSIONS PREVIOUSLY AND WE HAVE REACHED AN AGREEMENT WITH THE CHINESE ON THE NUMBER OF PEOPLE WHO ARE ELECTED. NOW, I AM NOT GOING TO GO BACK OVER PAST DISCUSSIONS, I DON'T THINK THAT'S PRODUCTIVE. WHAT WE ACTUALLY NEED TO DO IS TO MAKE SURE WE ARE ON A DEMOCRATIC PATH AND IT IS SUSTAINABLE AND WILL BE SUSTAINED AMID GENERAL AGREEMENT UP TO THE PERIOD IN 1997 AND BEYOND THE PERIOD IN 1997. IT IS ALWAYS AN ATTRACTIVE THOUGHT TO SAY WHAT IF AND COULDN'T WE HAVE A LITTLE BIT MORE, BUT WE HAVE HAD AN AGREEMENT THAT HAS BEEN DETERMINED SOME TIME AGO. WE CAN LOOK AT THE MATTER AGAIN AFTER WE HAVE HAD THE ELECTIONS IN THE WAY I DESCRIBED A MOMENT OR SO AGO. THE FOREIGN SECRETARY RECALLS TO MY MIND THAT I DIDN'T RESPOND TO AN EARLIER QUESTION ON THE BILL OF RIGHTS. I APOLOGISE FOR THAT. IT WAS IN A WELTER, IF I MAY SAY SO, OF A NUMBER OF QUESTIONS UNDER THE GUISE OF ONE. HONG KONG HAS PERSISTED WITH ITS BILL OF RIGHTS AND I THINK THAT IS ABSOLUTELY RIGHT. THAT HASN'T BEEN QUESTIONED OR CRITICISED BY CHINA DURING MY VISIT AT ALL AND THEY ARE WELL AWARE OF WHAT HAS ACTUALLY HAPPENED AND THE WHOLE THRUST OF MY DISCUSSIONS IN PEKING IS THAT THE CHINESE GOVERNMENT ARE GOING TO HAVE TO TAKE GREAT CARE OVER HUMAN RIGHTS GENERALLY AND RESPECT THEM, RESPECT THEM EVERYWHERE, BUT OF COURSE THAT MOST CERTAINLY MEANS RESPECT THEM HERE IN HONG KONG IN ALL THEIR ASPECTS. I AM SORRY I MISSED THAT POINT EARLIER.

/Q: I BELIEVE .....

Q: I BELIEVE YOU HAVE SEEN THE POLITICAL PARTY PROTEST OUTSIDE THE CGO THIS MORNING AND I WOULD LIKE TO KNOW IF YOU THINK THOSE RADICAL DEMOCRACY MOVEMENTS WILL AFFECT THE STABILITY OF HONG KONG? AND ALSO, DO YOU THINK THAT THE STABILITY OF HONG KONG IS THE MOST IMPORTANT ISSUE DURING THE TRANSITION PERIOD?

PRIME MINISTER: I THINK THE STABILITY OF HONG KONG IS VITALLY IMPORTANT. STABILITY IN THE SENSE OF CONTINUED INVESTMENTS; STABILITY IN THE SENSE OF SECURITY OF MIND OF THE PEOPLE WHO LIVE HERE; STABILITY IN THE SENSE OF A BELIEF BY PEOPLE, BOTH IN HONG KONG AND BEYOND HONG KONG, THAT THE FUTURE PROSPERITY OF THE TERRITORY IS ASSURED. I THINK THAT IS ABSOLUTELY CRITICAL.

AS TO THE DEMONSTRATORS WHO WERE OUTSIDE THE MEETING I HAD WITH EXCO THIS MORNING, WE ARE IN THE MIDDLE OF AN ELECTION IN HONG KONG - I UNDERSTAND THAT - I HAVE LIVED THROUGH ELECTIONS BEFORE IN MY OWN COUNTRY AND ALL SORTS OF DEMONSTRATIONS ARE HELD DURING ELECTIONS AND PEOPLE EXPRESS ALL SORTS OF VIEWS IN ELECTIONS. IT IS VERY PRUDENT FOR PEOPLE WHO ARE NOT PART OF THAT PARTICULAR ELECTION AND WHO ARE NOT RESIDENT IN THE TERRITORY IN WHICH THE ELECTION IS TAKING PLACE, NOT TO OFFER COMMENT ON IT AND I DON'T PROPOSE TO COMMENT ON THE DEMONSTRATION OR ON THE COMMENTS OF INDIVIDUAL PEOPLE FACING ELECTION NEXT WEEK.

Q: IN VERY BROAD TERMS, DO YOU BELIEVE IN YOUR STOPOVER HERE IN HONG KONG YOU HAVE BEEN SUCCESSFUL IN CALMING THE VERY REAL FEARS ABOUT 1997?

PRIME MINISTER: WELL I THINK WE WILL HAVE TO WAIT AND SEE HOW EVENTS SETTLE DOWN OVER THE LAST FEW DAYS. I CAN ONLY SAY, IN THE DISCUSSIONS THAT I HAVE HAD WITH PEOPLE THERE HAS BEEN A VERY GENUINE WELCOME INDEED FOR THE FACT THAT I WENT TO PEKING AND FOR THE OUTCOME OF THAT MEETING IN PEKING. NOT JUST THE OUTCOME THAT I MENTIONED A FEW MOMENTS AGO, BUT OF COURSE THE POINTS THAT WERE SET OUT IN THE JOINT COMMUNIQUE THAT I SIGNED AND LI PENG SIGNED ON BEHALF OF THE CHINESE GOVERNMENT. FOR THAT REAFFIRMED THE JOINT DECLARATION, IT REAFFIRMED THE POINTS THAT PEOPLE IN HONG KONG ARE CONCERNED ABOUT AND WE ADVANCED BEYOND THAT, OF COURSE, WITH THE COURT OF FINAL APPEAL WHICH I KNOW FROM MY CORRESPONDENCE IN ENGLAND AND DISCUSSIONS AND ADVICE I'VE HAD FROM THE GOVERNOR AND OTHERS IN HONG KONG, WAS A MATTER OF HUGE CONCERN TO PEOPLE HERE.

I THINK THERE IS A VERY WARM WELCOME FOR THE FACT THAT WE ARE NOW GOING TO PROCEED WITH THE CONSULATE - AND IT WILL BE BUILT. IT IS AN INDICATION OF THE COMMITMENT THAT WE HAVE TO HONG KONG UP TO 1997 AND BEYOND 1997, AND MORE THAN THAT, IT IS AN INDICATION OF THE CONFIDENCE AS WELL AS THE COMMITMENT THAT WE HAVE IN HONG KONG.

NOW THERE ARE OTHER MATTERS STILL TO BE DETERMINED. THERE WERE DISCUSSIONS, EXPERT DISCUSSIONS, THIS MORNING AS YOU MAY KNOW, ON DEFENCE LANDS AND THEY WILL CONTINUE. THERE ARE OTHER MATTERS LIKE AIR SERVICE AGREEMENTS WHICH ARE STILL TO BE DETERMINED. BUT THERE IS NOW A CONTINUING DEBATE UPON THESE ISSUES AND I BELIEVE IT FAIR TO SAY THAT THERE HAS BEEN A VERY WARM WELCOME FOR WHAT WAS ACHIEVED IN THE PERIOD UP TO PEKING AND AT PEKING, AND I THINK THERE IS ENORMOUS RELIEF THAT WE NOW HAVE A CONTINUING MECHANISM THAT WILL DEAL WITH THOSE MATTERS THAT ARE CURRENTLY OUTSTANDING AND THOSE OTHER MATTERS THAT ARE BOUND TO ARISE AND THAT ARE NOT AT THE MOMENT FORESEEN, BETWEEN NOW AND 1997.

/Q: YOU MENTION .....

Q: YOU MENTION INCREASING CONTACT WITH CHINA IS GOOD FOR HONG KONG ON THE ONE HAND, BUT THERE ARE ALSO FEARS IN HONG KONG THAT THIS MIGHT GIVE THE CHINESE MORE OPPORTUNITIES TO GET INVOLVED WITH HONG KONG'S INTERNAL MATTERS BETWEEN NOW AND UNTIL THE HANDOVER, I.E. SOME KIND OF AN UNOFFICIAL JOINT ADMINISTRATION ...

PRIME MINISTER: NO, I DON'T THINK -- I MEAN I MADE THE POINT QUITE SPECIFICALLY IN THE SPEECH THAT I MADE WHEN WE SIGNED THE MEMORANDUM, WHEN THE CHINESE GOVERNMENT WERE THERE THAT THERE IS NO QUESTION OF MATTERS LIKE A CONDOMINIUM THIS SIDE OF 1997. THAT POINT WAS CLEARLY MADE IN THE REPORTS. IT WAS OF COURSE ORIGINALLY IN THE JOINT DECLARATION, THAT HAS BEEN REAFFIRMED, AND I SAID THAT NOT HIDDEN AWAY IN A CORNER BUT ACTUALLY THERE WITH THE CHINESE LEADERS BESIDE ME. BUT THERE ARE AREAS WHERE DECISIONS TAKEN STRADDLE 1997 AND ARE VERY IMPORTANT AND IT IS WISE - I THINK PEOPLE REGARD IT AS WISE - TO CONSULT ON SOME OF THOSE ISSUES. THAT WAS ALWAYS FORESEEN IN THE JOINT DECLARATION AND THAT IS WHAT WE ARE DOING. IT IS IN THE INTERESTS OF HONG KONG TO MAKE SURE THERE IS - TO GO BACK TO THE EARLIER QUESTION - THAT STABILITY. AND THAT STABILITY - EVERYTHING DOESN'T SUDDENLY STOP AND START AGAIN IN 1997, MANY THINGS STRADDLE 1997 AND WE MUST ENSURE THAT STABILITY IS GENUINE AND REAL AND THAT MEANS A DEGREE OF CONSULTATION. IT DOESN'T MEAN THAT THE RESPONSIBILITIES HAVE MOVED AWAY, IT MEANS ONE CONSULTS IN A PRACTICAL AND PRAGMATIC WAY.

Q: CAN YOU GIVE A GUARANTEE THAT THIS IS ...

PRIME MINISTER: IS THIS YOUR THIRD QUESTION OR YOUR FOURTH? I THINK WE HAD BETTER SEE SOME OTHERS FIRST.

Q: CAN YOU EXPLAIN WHY IT IS YOU SEEM PREPARED TO STAND UP TO CHINA ON HUMAN RIGHTS BUT YOU ARE NOT PREPARED TO STAND UP TO THEM ON DEMOCRACY FOR HONG KONG? AND CAN YOU, OR CAN YOU NOT, RESTATE THE PREVIOUS UK POLICY, WHICH IS TO GO TO PEKING AFTER THESE ELECTIONS TO NEGOTIATE AN INCREASE FROM 20 SEATS, UPWARDS OF 20 SEATS FOR 1995?

PRIME MINISTER: WELL, THE PREMISE OF YOUR QUESTION IS WRONG - PROVOCATIVE AND WRONG. WHEN THE AGREEMENT WITH CHINA WAS REACHED OVER 18 SEATS, YOU CAN'T SIT THERE IN YOUR SEAT AND SAY CHINA WAS OFFERING 18 SEATS FOR DIRECT ELECTIONS, THAT WAS A MATTER THAT WE NEGOTIATED WITH CHINA AND WE GOT A GOOD DEAL BETTER NEGOTIATION THAN THE CHINESE ORIGINALLY EXPECTED OR THAT MOST PEOPLE EXPECTED HERE. AND SO THERE WAS NO QUESTION OF US NOT - IN THE EMOTIVE TERMS YOU PUT IT - STANDING UP TO CHINA ON THAT ISSUE. THE PEOPLE WE ARE STANDING UP FOR ARE THE PEOPLE OF HONG KONG, IN A WAY THAT IS RIGHT FOR HONG KONG AND IS SUSTAINABLE FOR HONG KONG, AND WE ARE PERFECTLY PREPARED, AS I HAVE SAID ON A NUMBER OF OCCASIONS ALREADY IN THIS PRESS CONFERENCE, AFTER WE HAVE HAD THE ELECTIONS THIS YEAR WE WILL DISCUSS WITH THE PEOPLE WHO WERE ELECTED AND REVIEW THE SITUATION AND SEE WHAT HAPPENED AND MAKE OUR JUDGEMENTS THERE, AND NOTHING IN OUR POLICY UPON THAT HAS CHANGED.

/Q: YOU'VE MADE .....

Q: YOU'VE MADE A LOT OF COMMENTS ABOUT HOW MUCH YOU'VE DONE FOR HONG KONG. WOULD YOU CARE TO COMMENT ON THE COMMENTS OF ONE OF HONG KONG'S LEADING LAWYERS AND THE LEADER OF WHAT IS ALMOST CERTAINLY THE MOST POPULAR POLITICAL PARTY IN THIS TERRITORY, MR MARTIN LEE, THAT YOUR MEMORANDUM OF UNDERSTANDING IS ACTUALLY IN BREACH OF THE JOINT DECLARATION? AND WOULD YOU CARE TO COMMENT ON THE FACT THAT IT IS NOW TWO YEARS SINCE THE AIRPORT PROJECT WAS FIRST ANNOUNCED AND AT THAT TIME THERE WAS NO SUGGESTION, EITHER FROM YOUR GOVERNMENT OR THE HONG KONG GOVERNMENT, THAT CHINA WOULD EVEN NEED TO BE CONSULTED, LET ALONE THAT YOU WOULD HAVE TO GO TO PEKING YOURSELF AND SIGN A STATEMENT WHICH, AS I SAID, MR MARTIN LEE BELIEVES IS IN BREACH OF THE JOINT DECLARATION?

PRIME MINISTER: I'VE HEARD MANY OF THE THINGS MR LEE HAS SAID OVER THE LAST FEW DAYS AND SOME OF THEM HAVE BEEN VERY SUPPORTIVE OF WHAT WE HAVE DONE AND OTHERS HAVE BEEN LESS SUPPORTIVE, BUT AS I SAID TO THE EARLIER QUESTION, WE ARE IN THE MIDST OF AN ELECTION IN HONG KONG AND I AM NOT GOING TO GET DRAWN INTO A DEBATE ON COMMENTS FROM ANYONE RUNNING FOR ELECTION IN HONG KONG, WHETHER MR LEE OR ANYBODY ELSE WHO WOULD HOLD CONTRARY VIEWS. THAT IS NOT FOR ME IN THE MIDDLE OF AN ELECTION PERIOD.

Q: AFTER YOU HAD SIGNED THE MEMORANDUM OF UNDERSTANDING, THE CHINESE SIDE HAS SAID THAT WHAT IS STIPULATED IN THE MEMORANDUM WOULD SERVE AS A MODEL FOR FUTURE PROBLEMS WHEN WE WANT TO HAVE SOLUTIONS. DO YOU AGREE WITH THAT?

PRIME MINISTER: I'M SORRY, WE DIDN'T QUITE CATCH IT. COULD YOU TRY IT AGAIN?

Q: YES. WHAT IS STIPULATED IN THE MEMORANDUM COULD SERVE AS A MODEL FOR SOLVING FUTURE PROBLEMS. DO YOU AGREE WITH THAT?

PRIME MINISTER: WELL, WHAT THE MEMORANDUM IS THERE FOR IS TO ENABLE THE AIRPORT, WHICH IS A HUGE DEVELOPMENT THAT IS ABSOLUTELY CRITICAL FOR THE FUTURE OF HONG KONG, TO GO AHEAD WITH GENERAL AGREEMENT. THE PROBLEM IS, WHATEVER WOULD HAVE HAPPENED HAD THERE NOT BEEN GENERAL AGREEMENT AND HAD NOT THE MEMORANDUM BEEN SIGNED - WE COULD HAVE EITHER CONTINUED WITH THE AIRPORT UNILATERALLY OR WE COULD HAVE SCRAPPED THE AIRPORT. MANY PEOPLE, IF WE HAD SCRAPPED IT, WOULD HAVE SAID: SPLENDID, WHAT A WONDERFULLY VIRILE THING TO DO, BUT HONG KONG WOULD HAVE SUFFERED IF WE HAD DONE THAT. IF ONE HADN'T REACHED AN AGREEMENT MANY PEOPLE WOULD HAVE SAID: WELL, THERE IS A HUGE DISAGREEMENT BETWEEN CHINA AND HONG KONG AND BRITAIN ON THIS ISSUE - IS IT SAFE FOR US ACTUALLY TO INVEST IN THE AIRPORT? SO ONE HAS TO DEAL WITH THE REALITY AND IT WAS WISE, IN THE INTERESTS OF THE INVESTORS AND IN THE INTERESTS OF HONG KONG, TO MAKE SURE WE HAD AN AGREEMENT. NOW THAT IS ENSHRINED IN THE MEMORANDUM OF UNDERSTANDING, AND THAT MEANS THE AIRPORT PROJECT CAN GO AHEAD AND IT IS SECURE IN THE EYES OF THE INVESTORS AND IT IS WELCOMED IN HONG KONG AND WELCOMED BEYOND HONG KONG, AND WILL HAVE A VERY PRACTICAL EFFECT OF ENCOURAGING PEOPLE TO BE MORE CONFIDENT ABOUT OTHER FUTURE INVESTMENT IN HONG KONG --

/Q: BUT WITH .....

Q: BUT WITH THE ---

PRIME MINISTER: -- MAY I FINISH. BUT I SEE NO DIFFICULTIES IN THE WAY IN WHICH THE MEMORANDUM HAS BEEN REACHED OR SIGNED, AND I THINK IT IS VERY MUCH IN THE INTERESTS OF HONG KONG THAT WE HAVE SIGNED IT.

Q: I'VE GOT A VERY EASY ONE FOR YOU. IT HAS BEEN A VERY HECTIC WEEK AND YOU HAVE BEEN, BY ALL ACCOUNTS, VERY SUCCESSFUL IN SOME AREAS. DO YOU THINK YOU HAVE FINALLY SHRUGGED OFF THIS TAG THAT I KEEP READING ABOUT, THAT YOUR NAME IS ERIC RATHER THAN JOHN MAJOR? IT'S BEEN A TAG GIVEN TO YOU BY THE BRITISH PRESS, NOT BY THE AUSTRALIAN PRESS.

PRIME MINISTER: NOT A TAG THAT I'D HEARD - NOT A TAG THAT I WOULD RECOGNISE.

Q: BRITAIN AND CHINA HAVE AGREED TO INTENSIFY EFFORTS TO SOLVE THE PROBLEM OF VIETNAM BOAT PEOPLE AND WILL SUPPORT ALL STEPS TAKEN BY HONG KONG TO SOLVE THE PROBLEM, AND I WOULD LIKE TO KNOW: CAN HONG KONG DECIDE ALL BY HER OWN TO TAKE WHATEVER STEPS, AND IF HONG KONG DECIDES ON A WAY TO SOLVE THE VBP PROBLEM, WILL BRITAIN FULLY SUPPORT THE DECISION?

PRIME MINISTER: WELL, IT IS NOT FOR CHINA TO STOP DECISIONS THAT ARE BEING TAKEN ON THE QUESTION OF BOAT PEOPLE AND CHINA ALSO WANT TO STOP, WANT TO HELP AND ASSIST WITH THE PROBLEM THAT HONG KONG FACES WITH BOAT PEOPLE ARRIVING. SOME OF THEM, OF COURSE, ARRIVING ACROSS THE MAINLAND AND GOING STRAIGHT BACK, OTHERS ARRIVING IN THE HARBOURS. WE ARE DISCUSSING REGULARLY WITH THE HONG KONG GOVERNMENT - BY 'WE' I MEAN THE BRITISH GOVERNMENT - AND THE HONG KONG GOVERNMENT, HOW BEST TO DEAL WITH IT, BOTH IN THE INTERESTS OF HONG KONG AND TO DEAL WITH THE VERY GREAT HUMAN PROBLEM OF THE PEOPLE WHO ARE COMING HERE, AND I SET OUT IN MY OPENING REMARKS THE WAY IN WHICH WE FEEL WE SHOULD PROCEED FROM NOW ON AND WE ARE IN DISCUSSION AT THE MOMENT WITH THE VIETNAMESE GOVERNMENT ABOUT THE ESTABLISHMENT, UNDER THE CONTROL AND MANAGEMENT OF UNITED NATIONS AGENCIES, OF AN INTERNATIONALLY MANAGED CENTRE IN VIETNAM TO WHICH THOSE BOAT PEOPLE WHO ARE NOT REFUGEES WOULD BE ABLE TO RETURN. AND THAT IS THE RIGHT WAY - IT IS THE ONLY WAY - FOR US TO PROCEED AND THE ONLY WAY, I THINK, FOR HONG KONG TO PROCEED, THAT WOULD BE ACCEPTABLE FOR HONG KONG OR FOR OTHERS.

Q: COULD I PICK UP ON A QUESTION WHICH WAS ASKED BUT NOT I THINK ANSWERED, AND THAT WAS TO DO WITH THE MEMORANDUM OF UNDERSTANDING BEING IN BREACH OF THE DECLARATION. THE FACT THAT CHINA HAS TO BE CONSULTED NOW ON THE AIRPORT PROJECT WHEN IT WAS NOT TWO YEARS AGO, THESE ARE SUBSTANTIVE POINTS. I WONDER HOW YOU CAN PERSUADE PEOPLE YOU ARE NOT PRESENTING AN OVER-OPTIMISTIC PICTURE OF CHINA'S INTENTIONS, GIVEN YOUR OWN VERY STRONG REMARKS AND WORRIES ABOUT HUMAN RIGHTS THERE AND THAT TO HAVE THE JOINT DECLARATION REAFFIRMED IS NO GREAT DEAL WHEN WE WERE TOLD IN 1984 THIS WAS GOING TO BE THE DEAL. SO, ARE YOU PERHAPS NOT BEING OVER-OPTIMISTIC AND HOW DO YOU DEAL WITH THOSE SUBSTANTIVE COMPLAINTS ABOUT THE AIRPORT AGREEMENT GIVING TOO MUCH INFLUENCE TO CHINA?

/PRIME MINISTER: .....

PRIME MINISTER: NO, I DON'T THINK IT IS A MATTER OF ROUTINE TO HAVE IT REAFFIRMED AND FOR A VARIETY OF REASONS AND I WILL SET OUT THOSE REASONS FOR YOU. THE PRINCIPAL REASON IS THAT I HAVE NOW HAD THE OPPORTUNITY OF GOING TO CHINA, SITTING DOWN FACE TO FACE WITH THE CHINESE LEADERS AND HAVING THEM REAFFIRM THE TERMS OF THE JOINT DECLARATION TO ME. IF THERE'S ANY DISPUTE OR ANY DIFFICULTIES AT ANY STAGE I AM NOW IN A POSITION TO SAY TO THE CHINESE LEADERS, 'I SAT DOWN OPPOSITE YOU, AND YOU REAFFIRMED THE TERMS OF THE JOINT DECLARATION. NO QUESTION OF MISUNDERSTANDING, NO QUESTIONS OF CIRCUMSTANCES HAVING CHANGED, NO QUESTION OF CHANGING TIMES AND THE INFLUX OF TIME, WE SAT DOWN TOGETHER IN 1991 AND WE REAFFIRMED ALL THE TERMS OF THE JOINT DECLARATION.' I DON'T THINK THAT IS AN INSIGNIFICANT THING, AND, IN VIEW OF THE CONTINUING CONTACTS WE HAVE ESTABLISHED I THINK IT WAS VERY WORTHWHILE, AND ONE PARTICULARLY IMPORTANT POINT OF THOSE FRESH CONTACTS IS THE REGULAR CONTACT THERE WILL BE BETWEEN THE FOREIGN SECRETARY AND THE CHINESE FOREIGN MINISTER ON MATTERS OF DISPUTE AND, OF COURSE, ON WIDER MATTERS, TOO. BUT IF MATTERS GET BLOCKED IN THE JOINT LIAISON GROUP, IF THERE ARE MATTERS THAT OFFICIALS FIND THEMSELVES UNABLE TO SOLVE BECAUSE THERE IS A POLITICAL CONNOTATION, THERE IS NOW FOR THE FIRST TIME THAT DIRECT LINK, THAT DIRECT CHANNEL BETWEEN THE TWO FOREIGN SECRETARIES TO SORT OUT THAT MATTER. AND IF THEY ARE UNABLE TO DO SO, I AM IN A POSITION TO SEEK TO SORT IT OUT MYSELF WITH THE CHINESE LEADERS, AND IN A BETTER POSITION TO DO SO BECAUSE I HAVE SAT DOWN OPPOSITE THEM AND REAFFIRMED MYSELF THE TERMS OF THE JOINT DECLARATION. NOW, THE POINT ABOUT THE MEMORANDUM OF UNDERSTANDING WHICH I THINK IS WRONG BEING IN BREACH OF THE JOINT DECLARATION; I DON'T BELIEVE THAT IS THE CASE, BUT THE FACT IS IN THE AIRPORT PROJECT THERE IS 40 PER CENT OF PRIVATE INVESTMENT. IT IS A MULTI BILLION DOLLAR PROJECT. 40 PER CENT OF IT IS PRIVATE INVESTMENT. THOSE PRIVATE INVESTORS WANT TO BE REASSURED BEYOND 1997. THAT REASSURANCE IS THERE IN THE MEMORANDUM OF UNDERSTANDING. WITHOUT THAT REASSURANCE THE PRACTICAL POSITION IS THAT THEY MAY NOT HAVE COME FORWARD WITH THAT 40 PER CENT OF PRIVATE INVESTMENT AND THEN THERE WOULD HAVE BEEN NO AIRPORT AND THEN THERE WOULD HAVE BEEN NO BOOST TO THE CONFIDENCE OF INVESTORS IN HONG KONG AND THE PEOPLE WHO LIVE IN HONG KONG. SO IT WAS NOT, IN ANY WAY, A CHANGE FROM THE JOINT DECLARATION AND IT IS, IN MY VIEW, UNWISE TO SAY SO. IT WAS A PRACTICAL REAFFIRMATION THAT IT WAS SECURE AND SAFE FOR PEOPLE TO INVEST IN THE AIRPORT PROJECT AND IT HAS BEEN ABLE TO GO AHEAD.

Q: A LOT OF PEOPLE IN HONG KONG HOLD THE VIEW THAT FOR THE SAKE OF SMOOTH TRANSITION IT IS NO GOOD TO CHANGE THE GOVERNOR IN THE REMAINING SIX YEARS. DO YOU AGREE WITH THAT?

PRIME MINISTER: WELL, I ANSWERED QUESTIONS ABOUT THE GOVERNOR EARLIER AND I AM NOT GOING TO ENTER INTO SPECULATION EITHER WAY ABOUT THE GOVERNOR. I DON'T THINK THAT WILL BE AT ALL WISE OR FAIR ON THE GOVERNOR. I SAID I WILL TAKE NO MORE, BUT THAT WAS A MERCIFULLY BRIEF ONE. SO WE WILL TAKE THE LADY IN THE FRONT.

Q: A FORMER SENIOR GOVERNMENT OFFICAL HERE HAS PROPOSED THAT THE NEWLY ELECTED LEGISLATURE BE GIVEN THE POWER TO RATIFY DECISIONS REACHED BY THE JOINT LIAISON GROUP. DO YOU SUPPORT THAT IDEA?

PRIME MINISTER: I WOULD WANT TO CONSIDER THAT IDEA AND I WOULD WANT TO DISCUSS IT WITH THE PEOPLE WHO ARE ELECTED. I AM NOT GOING TO RESPOND TO THAT WITHOUT SOME CAREFUL THOUGHT.

/Q: COULD I .....

Q: COULD I ASK SOMETHING THAT YOU MIGHT RESPOND TO THEN? THE UNITED DEMOCRATS OF HONG KONG ARE APPARENTLY ---

PRIME MINISTER: (LAUGHING) WHICH ORGANISATION ARE YOU FROM?

Q: ATV NEWS HONG KONG. THE UNITED DEMOCRATS OF HONG KONG ARE APPARENTLY HEADED FOR VICTORY IN THE FORTHCOMING ELECTIONS. IF THEY GAIN A SIGNIFICANT PROPORTION OF THE SEATS, WOULD YOU AGREE THAT THE GOVERNOR SHOULD PUT EITHER ONE OF THEIR DIRECTLY ELECTED MEMBERS OR A LIBERAL VOICE INTO THE EXECUTIVE COUNCIL HERE?

PRIME MINISTER: TWO POINTS -- FIRSTLY, ANYONE WHO THINKS I AM GOING TO ANTICIPATE THE RESULT OF AN ELECTION IN HONG KONG IS WHOLLY WRONG. AND SECONDLY, I AM NOT GOING TO ANTICIPATE WHAT THE GOVERNOR MIGHT DO ON HIS OWN AUTHORITY. THAT IS A MATTER FOR THE GOVERNOR AND NOT ME, THAT IS WHY HE IS THERE.

THANK YOU VERY MUCH.

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PM TALKS TO NEWSMEN AFTER EXCO MEETING

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FOLLOWING IS THE TRANSCRIPT OF REMARKS BY THE PRIME MINISTER, MR JOHN MAJOR, TO REPORTERS AFTER HIS MEETING THE EXECUTIVE COUNCIL THIS (THURSDAY) MORNING:

I'D LIKE, I SUSPECT YOU MAY BE TOUCHING ON NON-HONG KONG MATTERS. I WANT TO TALK ABOUT HONG KONG MATTERS FIRST. I'VE HAD A VERY USEFUL DISCUSSION UPSTAIRS WITH EXCO. WE'VE BEEN ABLE TO DISCUSS IN SOME DETAIL ALL THE MATTERS I'D DISCUSSED IN PEKING. THOSE MATTERS THAT ARE STILL UNDER DISCUSSION IN THE JOINT LIAISON GROUP. I WAS ABLE TO DEAL WITH THOSE DISCUSSIONS, RESPOND TO QUESTIONS AND WE THEN HAD A VERY LENGTHY AND I BELIEVE A VERY PRODUCTIVE EXCHANGE OF VIEWS. I'D ALSO SUGGESTED THAT WE SHOULD CONTINUE TO KEEP IN TOUCH IN THIS FASHION AND WE WILL. I WILL BE HAVING A FULL PRESS CONFERENCE LATER ON TODAY. AND I WILL BE ABLE TO TAKE QUESTIONS THEN. BUT I HAVE A VERY HECTIC SCHEDULE THIS MORNING AND WE ARE ALREADY RUNNING A LITTLE BEHIND TIME. THANK YOU ALL VERY MUCH INDEED.

Q.WHAT ...THAT THERE IS NO FULL DEMOCRACY IN HONG KONG BEFORE 1997?

A. WELL. WE HAVE A GROWING LEVEL OF DEMOCRACY AND WE'RE MOVING TOWARDS FULL DEMOCRACY. THE NUMBER OF ELECTED SEATS IN THE ELECTIONS THAT WILL SHORTLY TAKE PLACE IS HIGHER THAN MANY PEOPLE EXPECTED. THERE ARE THOSE WHO WOULD PREFER THE FIGURES TO BE HIGHER STILL. FOR THOSE WHO BELIEVE THEY SHOULD BE LOWER STILL. AND WE HAVE TO STRIKE A BALANCE. I BELIEVE IN ALL THESE CIRCUMSTANCES WE HAVE PROVIDED THE RIGHT BALANCE AND THE IMPORTANT THING IS THAT WE HAVE PROVIDED A BASIS FROM WHICH HONG KONG COULD INCREASINGLY MOVE INTO A DEMOCRATIC SITUATION. THAT SHOULD NEVER BE UNDERESTIMATED. IT IS VERY IMPORTANT. IT IS HAPPENING. THE ELECTIONS WILL TAKE PLACE VERY SOON. IT WILL BE THE START. AND THEN WE WILL BE ABLE TO BUILD ON THAT IN THE FUTURE. AND THAT IS A PRIZE NO ONE SHOULD UNDERESTIMATE. THANK YOU VERY MUCH INDEED.

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PM TOURS MA ON SHAN ESTATE

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THE PRIME MINISTER, MR JOHN MAJOR, THIS (THURSDAY) MORNING TOURED ONE OF THE MOST PICTURESQUE PUBLIC HOUSING ESTATES IN HONG KONG - HENG ON ESTATE IN MA ON SHAN.

THE PRIME MINISTER AND MRS MAJOR, FIRST TOURED THE CHINESE GARDEN WHICH IS A VERY POPULAR RECREATION GROUND FOR THE 24,000 RESIDENTS AS WELL AS PEOPLE LIVING IN THE SURROUNDING AREA.

AT THE SHOPPING CENTRE, THE DIRECTOR OF HOUSING, MR FUNG TUNG, BRIEFED THE PRIME MINISTER ON THE DEVELOPMENT OF PUBLIC HOUSING IN HONG KONG, ESPECIALLY DEVELOPMENTS IN SHA TIN.

AT PRESENT, THERE ARE SOME THREE MILLION PEOPLE - OVER HALF OF HONG KONG'S POPULATION, LIVING IN SOME 143 PUBLIC RENTAL HOUSING ESTATES AND 85 HOME OWNERSHIP COURTS.

MR MAJOR THEN WALKED THROUGH THE SHOPPING CENTRE TO THE SPORTS HALL TO SEE SOME OF THE FACILITIES THERE.

HE ALSO VISITED A FAMILY IN HENG YAT HOUSE AND MET FAMILY MEMBERS MR YAU KWONG-MING, A GARMENT WORKER, HIS WIFE AND THEIR THREE CHILDREN. MR MAJOR WAS TOLD OF THEIR LIVING CONDITION THERE.

FROM THE ROOF OF THE BLOCK, THE PRIME MINISTER HAD A PANORAMIC VIEW OF MA ON SHAN AND THE NEIGHBOURING AREA.

THE 12-HECTARE HENG ON ESTATE HAS SEVEN RENTAL BLOCKS WITH MORE THAN 6,000 HOUSING UNITS. THE FIRST BATCH OF RESIDENTS MOVED INTO THE ESTATE IN EARLY 1987.

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PM VISITS CITY POLYTECHNIC

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THE PRIME MINISTER, MR JOHN MAJOR, TOOK A RIDE ON THE MTR THIS (THURSDAY) AFTERNOON TO KOWLOON TONG WHERE HE VISITED THE CITY POLYTECHNIC OF HONG KONG TO SEE THE VARIOUS FACILITIES AND MEET SOME OF THE STUDENTS THERE.

MR MAJOR AND THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, MR DOUGLAS HURD, WERE MET BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN AND THE CHAIRMAN OF THE CITY POLYTECHNIC COUNCIL, MR CHENG HON-KWAN.

THE PRIME MINISTER FIRST VISITED THE EXPRESS TERMINAL WHERE THE FACILITIES OF THE CAMPUS NETWORK WAS DEMONSTRATED AND MR MAJOR SENT AN ELECTRONIC MESSAGE TO ALL STAFF AND STUDENTS IN THE POLYTECHNIC.

MR MAJOR THEN TOURED THE LIBRARY AND THE SIMULTANEOUS INTERPRETATION LABORATORY WHERE HE WATCHED A CLASS IN SESSION.

AT THE COMPUTER CENTRE, THE PRIME MINISTER OBSERVED STUDENTS WORKING AT COMPUTER WORKSTATIONS, AND WAS SHOWN A DEMONSTRATION OF THE COMPUTER AIDED DESIGN FACILITIES.

/IN THE .....

IN THE MANUFACTURING ENGINEERING LABORATORIES, STAFF AND STUDENTS CONDUCTED A DEMONSTRATION OF COMPUTER CONTROLLED MACHINES AT WORK.

THE PRIME MINISTER AND THE SECRETARY OF STATE WERE INVITED TO SIGN THE VISITOR'S BOOK. MR CHENG ALSO PRESENTED BOTH VISITORS WITH CARVED CHOPS BEARING THEIR CHINESE NAMES, AS A MEMENTO OF THE OCCASION.

THE CITY POLYTECHNIC OFFERS A RANGE OF COURSES AT POSTGRADUATE, FIRST DEGREE AND SUB-DEGREE LEVELS.

THE STUDENT POPULATION IS PLANNED TO RISE TO SOME 10,000 FULL-TIME AND 10,000 PART-TIME STUDENTS BY THE MID-1990'S. THERE ARE 6,400 FULL-TIME AND 4,800 PART-TIME STUDENTS FOR THE ACADEMIC YEAR 1990-91.

THE RATE OF EXPANSION IS OF THE ORDER OF 25 PER CENT PER ANNUM, WHICH PROBABLY MAKES THE POLYTECHNIC THE FASTEST GROWING TERTIARY LEVEL INSTITUTION IN THE ENGLISH SPEAKING WORLD.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
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	DATE	$ MILLION
CLOSING BALANCE IN THE ACCOUNT ON	4.9.91	600
EFFECT OF FORWARDS TO BE SETTLED ON	5.9.91	-10
EFFECT OF OPERATIONS THIS MORNING		+10
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 112.9 *-0.0* 5.9.91

HONG KONG GOVERNMENT EXCHANGE FUND

CLOSING YIELDS OF EXCHANGE FUND BILLS

		5.9.91	4.9.91
MATURING IN	1 WEEK	5.40 PCT	5.31 PCT
	1 MONTH	5.17 PCT	5.20 PCT
	3 MONTHS	5.43 PCT	5.43 PCT
	6 MONTHS	5.85 PCT	5.85 PCT
	12 MONTHS	6.37 PCT	6.41 PCT
TOTAL BILLS TRANSFERRED		5,100MN	3,892MN

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