



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL: 5-233191

WEDNESDAY, SEPTEMBER 28, 1983

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WEDNESDAY, SEPTEMBER 28, 1983

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MINISTER LEARNS FROM DB MEETING

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THE MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, MR RICHARD LUCE, SAID TODAY (WEDNESDAY) THAT HE WAS VERY IMPRESSED WITH THE WORK OF THE DISTRICT BOARDS.

ACCOMPANIED BY THE SECRETARY FOR DISTRICT ADMINISTRATION, MR IAN MACPHERSON, MR LUCE SPENT ABOUT HALF AN HOUR AT THE SHA TIN DISTRICT BOARD MEETING.

IN A BRIEF ADDRESS TO THE BOARD MEMBERS BEFORE DEPARTING, THE MINISTER SAID HE HAD A LESSON OR TWO TO TAKE BACK AFTER LISTENING TO THE PROCEEDINGS.

FOR INSTANCE, HE SAID, THE DISCUSSION ON SOLVING THE POLLUTION PROBLEM OF THE SHING MUN RIVER, A MAJOR AMENITY SPOT IN THE NEW TOWN, HAD GIVEN HIM SOME IDEA OF TACKLING A SIMILAR PROBLEM IN HIS OWN CONSTITUENCY.

+THE MAIN PURPOSE OF MY VISIT TO HONG KONG IS TO SEE AS MUCH AS I CAN OF A COMMUNITY AND TO LEARN HOW A COMMUNITY WORKS AND SERVICES PROVIDED.

+I WANT TO LISTEN AS MUCH AS I CAN TO THE OPINIONS OF THE PEOPLE AND FROM A WIDE SECTION OF THE COMMUNITY,+ HE SAID.

MR LUCE WAS HAPPY TO SEE THAT BOARD MEETINGS WERE OPEN TO THE PRESS.

ALLOWING PRESS MEMBERS TO COVER BOARD MEETINGS COULD BUILD A CLOSE LINK BETWEEN THE PEOPLE AND THE GOVERNMENT, HE SAID.

+THIS PLAYS AN IMPORTANT PART IN THE LINK BETWEEN THE PUBLIC AND THE GOVERNMENT, COMMUNICATING THROUGH THE MEDIA.+

ON BEHALF OF THE BOARD, A MEMBER, MR NG CHAN-LAM, PRESENTED A COLOUR PICTURE - +SHA TIN AT NIGHT+ TO MR RICHARD LUCE.

MEMBERS FELT THAT THIS WINNING ENTRY OF THE DISTRICT PHOTO CONTEST HELD LAST CHRISTMAS HAD CAPTURED WELL THE LIVELY SPIRIT OF SHA TIN.

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GOVERNOR TO OPEN HOUSING SCHEME FOR ELDERLY

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THE GOVERNOR, SIR EDWARD YOUDE, WILL OFFICIALLY OPEN THE SHA TIN HOUSING SCHEME FOR THE ELDERLY AT A CEREMONY STARTING AT 3 PM TOMORROW (THURSDAY) AT THE NGAN SHING COMMERCIAL COMPLEX IN SHA TIN CITY ONE.

UNDER THE SCHEME, THE GOVERNMENT PURCHASED 80 FLATS IN CITY ONE TO PROVIDE HOMES FOR ELDERLY PEOPLE WHO ARE ABLE TO LOOK AFTER THEMSELVES AND TO LIVE INDEPENDENTLY.

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TRANSPORT HAS BEEN ARRANGED TO TAKE THE PRESS PARTY OUT TO CITY ONE. MEDIA REPRESENTATIVES COVERING THE CEREMONY ARE REQUESTED TO ASSEMBLE AT THE CARPARK OUTSIDE THE MAIN WING OF THE CENTRAL GOVERNMENT OFFICES IN CENTRAL NOT LATER THAN 1.30 PM TOMORROW.

AFTER THE OPENING CEREMONY AT THE NGAN SHING COMMERCIAL COMPLEX, THE GOVERNOR WILL VISIT FOUR FLATS AT BLOCK 21 OF CITY ONE TO TALK TO ELDERLY PEOPLE WHO HAVE BENEFITED FROM THE SCHEME.

BECAUSE OF SPACE LIMITATIONS, PRESS REPRESENTATIVES COVERING THE VISITS WILL BE DIVIDED INTO FOUR GROUPS AND WILL BE POSITIONED INSIDE THE FOUR FLATS WELL BEFORE THE GOVERNOR'S ARRIVAL. THEY WILL NOT BE ALLOWED TO MOVE FROM ONE FLAT TO ANOTHER.

GIS OFFICERS WILL ASSIST.

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MINISTER VISITS FACTORY, CONTAINER TERMINAL
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THE MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, MR RICHARD LUCE, TODAY VISITED AN ELECTRONICS FACTORY AND THE CONTAINER TERMINAL IN KWAI CHUNG.

ACCOMPANIED BY THE DIRECTOR OF INDUSTRY, MR JOHN YAXLEY, AND THE ASSISTANT UNDER SECRETARY OF FOREIGN AND COMMONWEALTH OFFICE, MR ALAN DONALD, MR LUCE VISITED G.P. ELECTRONICS LTD AT KWAI WING ROAD, KWAI CHUNG, AND WAS RECEIVED BY THE COMPANY'S CHAIRMAN, MR KEVIN LO.

THE COMPANY, ESTABLISHED IN 1974, IS A SUBSIDIARY OF GOLD PEAK INDUSTRIES (HOLDINGS) LTD., PRODUCING CAR STEREO AND FM INTERCOM FOR MARKETS IN THE UNITED STATES, AUSTRALIA, EUROPE AND ASIA. THE COMPANY'S PRIVATE LABEL CUSTOMERS INCLUDE SOME OF THE LARGEST AND FOREMOST COMPANIES IN THE CAR AUDIO INDUSTRIES WORLD-WIDE, AND IS KNOWN TO BE ONE OF THE MOST ADVANCED MANUFACTURERS OF CAR AUDIO PRODUCTS IN ASIA OUTSIDE JAPAN.

MR LUCE ALSO VISITED THE PREMISES OF MODERN TERMINALS LTD., PART OF THE KWAI CHUNG CONTAINER TERMINAL WHICH RANKS AMONG THE TOP THREE CONTAINER TERMINALS IN THE WORLD. MR LUCE WAS MET BY THE COMPANY'S MANAGING DIRECTOR, MR MARK LEESE.

MODERN TERMINALS LTD., ESTABLISHED IN HONG KONG IN 1969, EMPLOYS NEARLY 1 300 PERSONS. ITS TWO BERTHS, WITH LENGTHS OF 305 METRES AND 473 METRES, NOW ACCOMMODATE OVER 1 300 VESSELS A YEAR - OR BETWEEN THREE TO FOUR SHIPS A DAY.

A TOTAL OF 39 SHIPPING LINES ARE USING THE COMPANY'S FACILITIES, WHICH COMPRISE TWO GROUND-LEVEL CONTAINER FREIGHT STATIONS AND A TWO-STOREY FREIGHT STATION WHICH IS PART OF A TWELVE-STOREY COMPLEX. THIS COMPLEX INCLUDES TEN STOREYS OF WAREHOUSE AREA AND OFFICES, AS WELL AS THE TERMINAL CONTROL ROOM.

DURING 1982, MODERN TERMINAL LTD. HANDLED 664 360 TEUS (TWENTY-FOOT EQUIVALENTS, THE STANDARD MEASURE OF CONTAINER THROUGHPUT), AND ALSO 1 610 252 FREIGHT TONS THROUGH THE CONTAINER FREIGHT STATION. THE TERMINAL OPERATIONS ARE CONTROLLED BY AN ON-LINE 24-HOUR COMPUTER SYSTEM WHICH IS ONE OF THE LARGEST IN HONG KONG.

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RETURNING TO UK
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THE MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, MR RICHARD LUCE, WILL RETURN TO LONDON THIS (WEDNESDAY) EVENING ON FLIGHT CX 201 ETD 10.50 PM.

HE WILL BE SEEN OFF AT THE AIRPORT BY THE GOVERNOR, SIR EDWARD YOUDE.

THERE WILL BE A PHOTOGRAPHIC FACILITY TO COVER MR LUCE'S DEPARTURE. PHOTOGRAPHERS AND CAMERAMEN ASSIGNED TO COVER THE EVENT SHOULD ASSEMBLE AT THE AIRPORT PRESS CONFERENCE ROOM NOT LATER THAN 9.30 PM.

GIS OFFICERS WILL ASSIST.

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SIR PERCY PEKING BOUND
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THE BRITISH AMBASSADOR TO PEKING, SIR PERCY CRADOCK, WHO IS VISITING HONG KONG, WILL LEAVE FOR PEKING TOMORROW (THURSDAY) ON FLIGHT CA 102, ETD 1 PM.

A FACILITY HAS BEEN ARRANGED FOR PRESS PHOTOGRAPHERS AND CAMERAMEN TO COVER HIS DEPARTURE. NEWSMEN ASSIGNED TO COVER THE EVENT SHOULD ASSEMBLE AT THE AIRPORT PRESS CONFERENCE ROOM ON THE GROUND FLOOR OF THE AIRPORT TERMINAL BUILDING NOT LATER THAN 11.45 AM.

GIS OFFICERS WILL ASSIST.

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PRESS CONFERENCE BY MP
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MR JOHN LEE, CONSERVATIVE MEMBER OF PARLIAMENT, WHO HAS BEEN VISITING HONG KONG, WILL GIVE A PRESS CONFERENCE IN THE GIS THEATRE, FIFTH FLOOR, BEACONSFIELD HOUSE AT 4 PM TOMORROW (THURSDAY).

MR LEE IS FROM THE CONSTITUENCY OF PENDLE, AND ARRIVED IN HONG KONG ON SEPTEMBER 20.

YOU ARE INVITED TO COVER THE PRESS CONFERENCE.

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WEDNESDAY, SEPTEMBER 28, 1983

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BUILDING AND CONSTRUCTION SURVEY COMPLETED

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A SURVEY ON ESTABLISHMENTS ENGAGED IN BUILDING, CONSTRUCTION, ARCHITECTURE, SURVEYING, AND PROJECT ENGINEERING HAS RECENTLY BEEN COMPLETED BY THE CENSUS AND STATISTICS DEPARTMENT.

THE SURVEY COLLECTED DATA RELATING TO THE YEAR 1981 AND WAS THE FIRST ANNUAL FOLLOW-UP ENQUIRY AFTER THE BENCHMARK CENSUS FOR 1979.

THE REAL ESTATE SECTOR HAS ALSO BEEN COVERED IN A RELATED SURVEY, THE RESULTS OF WHICH WILL BE RELEASED IN DUE COURSE, A SPOKESMAN FOR THE DEPARTMENT SAID.

ACCORDING TO THE SURVEY, 4 905 BUILDING AND CIVIL ENGINEERING CONTRACTORS HAD OPERATED DURING 1981 WITH THE VALUE OF CONSTRUCTION WORK PERFORMED AMOUNTING TO \$34 860 MILLION. THE ESTABLISHMENTS SPENT \$9 005 MILLION ON COMPENSATION OF EMPLOYEES AND ON HIRING LABOURERS THROUGH THE LABOUR-ONLY SUB-CONTRACTORS, \$10 489 MILLION ON SUB-CONTRACT WORK RENDERED BY FEE SUB-CONTRACTORS, \$11 114 MILLION ON CONSUMPTION OF MATERIALS, SUPPLIES AND INDUSTRIAL SERVICES, AND \$1 875 MILLION ON MISCELLANEOUS OPERATING EXPENSES.

THE TOTAL +NATIONAL ACCOUNTS VALUE ADDED+ GENERATED BY THESE ESTABLISHMENTS WAS \$12 096 MILLION, AND THE GROSS SURPLUS WAS \$2 747 MILLION.

THE PRINCIPAL STATISTICS OF THE CONSTRUCTION ESTABLISHMENTS DISTINGUISHED INTO DIFFERENT TRADE GROUPS SHOW THAT \$22 275 MILLION OR 64 PER CENT OF THE TOTAL VALUE OF CONSTRUCTION WORK WAS PERFORMED BY ESTABLISHMENTS ENGAGED IN ARCHITECTURAL AND CIVIL ENGINEERING WORKS AT BUILDING AND CONSTRUCTION SITES.

THE SPECIAL TRADES OF ELECTRICAL, MECHANICAL, GAS AND WATER FITTING ACCOUNTED FOR \$5 574 MILLION OR 16 PER CENT OF THE TOTAL VALUE OF CONSTRUCTION WORK PERFORMED.

ANOTHER \$2 127 MILLION OR 6 PER CENT OF THE TOTAL VALUE OF CONSTRUCTION WORK WAS PERFORMED BY RENOVATION AND MAINTENANCE CONTRACTORS AT ERECTED BUILDINGS AND STRUCTURES. THIS GROUP HAD THE LARGEST NUMBER OF ESTABLISHMENTS, BEING 1 858 OR 38 PER CENT OF THE TOTAL.

SEPARATE ANALYSES ON SITE STATISTICS SHOW THAT A TOTAL OF 2 495 SITE CONTRACTS WERE CARRIED OUT IN 1981, OF WHICH 680 WERE PUBLIC WORKS CONTRACTS VIZ. CONTRACTS AWARDED BY THE PUBLIC WORKS DEPARTMENTS, HOUSING DEPARTMENT, OTHER GOVERNMENT DEPARTMENTS AND THE MASS TRANSIT RAILWAY CORPORATION. THE OTHER 1 815 CONTRACTS WERE PRIVATE CONSTRUCTION CONTRACTS. THE TOTAL VALUE OF CONSTRUCTION WORK PERFORMED UNDER THESE CONTRACTS WAS \$19 476 MILLION, OF WHICH \$7 274 MILLION WERE ATTRIBUTED TO PUBLIC PROJECTS AND \$12 202 MILLION TO PRIVATE PROJECTS.

/CONTRACTS COVER

CONTRACTS COVER MAINLY THE ERECTION OF ARCHITECTURAL SUPER-STRUCTURE, CONSTRUCTION FOR TRANSPORT PURPOSES, UTILITIES CONSTRUCTION FOR SUPPLY OF GAS, WATER AND ELECTRICITY, AND LAND FORMATION AND RECLAMATION.

TAKING ALL TYPES OF CONTRACTS INTO CONSIDERATION, ABOUT \$5 327 MILLION WERE SPENT ON MATERIALS, AND SUPPLIES; \$9 521 MILLION ON SUB-CONTRACT WORK; AND \$1 289 MILLION ON WAGES OF DIRECTLY EMPLOYED OPERATIVES.

THE PRINCIPAL STATISTICS RELATING TO ARCHITECTURAL, SURVEYING AND PROJECT ENGINEERING FIRMS SHOWED THAT 433 SUCH ESTABLISHMENTS HAD OPERATED IN 1981. THEIR TOTAL SERVICE INCOME WAS \$1 649 MILLION. TOTAL NATIONAL ACCOUNTS VALUE ADDED WAS \$1 136 MILLION.

AS REGARDS EXPENDITURE, \$699 MILLION WERE SPENT ON COMPENSATION OF EMPLOYEES, \$51 MILLION ON SUPPLIES AND INDUSTRIAL SERVICES; \$281 MILLION ON COMMISSION WORKS; AND \$221 MILLION ON MISCELLANEOUS OPERATING EXPENSES.

A SURVEY REPORT WILL BE PUBLISHED IN THE NEAR FUTURE GIVING DETAILS OF THE METHODOLOGY AND FINDINGS OF THE SURVEY.

MEANWHILE, ENQUIRIES REGARDING THE SURVEY MAY BE MADE TO THE BUILDING, CONSTRUCTION AND REAL ESTATE STATISTICS SECTION OF THE DEPARTMENT (AT TEL. NO. 3-7215845).

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LABOUR LAW OFFENDERS FINED

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A TOTAL OF 634 PROSECUTIONS FOR BREACHES OF LABOUR LAWS TAKEN OUT BY THE LABOUR DEPARTMENT RESULTED IN CONVICTION BY THE COURTS LAST MONTH, AND FINES IMPOSED AMOUNTED TO MORE THAN \$539 000.

MOST OF THE CASES CONCERNED BREACHES OF THE FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE AND ITS VARIOUS SUBSIDIARY REGULATIONS, THE EMPLOYMENT ORDINANCE AND THE WOMEN AND YOUNG PERSONS (INDUSTRY) REGULATIONS, A DEPARTMENT SPOKESMAN SAID.

THERE WERE 174 CASES CONCERNING VIOLATIONS OF SAFETY REGULATIONS WITH \$275 600 IN FINES. THESE INCLUDED 73 CASES (WITH \$93 150 IN FINES) FOR BREACH OF THE FACTORIES AND INDUSTRIAL UNDERTAKINGS (GUARDING AND OPERATION OF MACHINERY) REGULATIONS AND 60 CASES (WITH \$149 850 IN FINES) FOR BREACH OF THE CONSTRUCTION SITES (SAFETY) REGULATIONS.

THERE WERE ALSO 365 CASES RELATING TO BREACHES OF THE WOMEN AND YOUNG PERSONS (INDUSTRY) REGULATIONS, WITH \$215 450 IN FINES.

OF THE OTHER PROSECUTIONS, 10 CASES WERE RELATED TO FAILURE TO KEEP RECORDS OF EMPLOYEES, LEADING TO \$3 000 IN FINES.

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AIRPORT TUNNEL SIGNALS FOR MOTORISTS

THE COMPUTERISED TRAFFIC SURVEILLANCE SYSTEM AT THE AIRPORT TUNNEL WILL BECOME FULLY OPERATIONAL FROM SATURDAY (OCTOBER 1), AND MOTORISTS WILL BE REQUIRED BY LAW TO OBEY ALL TRAFFIC LIGHTS AND LANE SIGNALS.

WARNING WILL BE MADE AGAINST OFFENCES DURING THE INITIAL PERIOD. OFFENDERS THEREAFTER WILL BE PROSECUTED.

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ROAD OPENING

FROM 10 AM ON FRIDAY (SEPTEMBER 30), A SECTION OF MA CHAI HANG ROAD BETWEEN WONG TAI SIN ROAD AND THE SLIP ROAD LINKING MA CHAI HANG ROAD AND FUNG MO INTERCHANGE WILL BE OPEN TO TWO-WAY TRAFFIC TO PROVIDE AN ALTERNATIVE ROAD LINKAGE TO WAN TAU HOM AND LOK FU AREAS.

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RESTRICTED ZONES IN TAI PO

FROM 10 AM ON FRIDAY (SEPTEMBER 30), THE FOLLOWING ROADS IN TAI PO WILL BE DESIGNATED URBAN CLEARWAY RESTRICTED ZONES DURING THE HOURS STATED :

(1) 7 AM TO 7 PM ZONE

THE NORTHBOUND CARRIAGEWAY OF PO HEUNG STREET FROM ITS JUNCTION WITH NAM SHING STREET TO A POINT OUTSIDE THE TAI PO COMMUNITY CENTRE.

(2) 7 AM TO 10 AM AND 4 PM TO 7 PM ZONES

(A) NAM SHING STREET.

(B) THE SOUTHBOUND CARRIAGEWAY OF ON FU ROAD FROM ITS JUNCTION WITH NAM SHING STREET TO A POINT ABOUT 10 METRES TO THE SOUTH OF THE SAME JUNCTION.

THE SCHEME IS DESIGNED TO IMPROVE THE JOURNEY SPEED OF FRANCHISED BUSES AND THE GENERAL TRAFFIC CIRCULATION IN THE TAI PO MARKET AREA.

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DAILY INFORMATION BULLETIN — SUPPLEMENT

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG, TEL: 5-233191

WEDNESDAY, SEPTEMBER 28, 1983

MINISTER OF STATE MEETS PRESS

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THE FOLLOWING IS THE FULL TRANSCRIPT OF THE PRESS CONFERENCE GIVEN BY MR RICHARD LUCE, MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, IN THE GIS THEATRE THIS (WEDNESDAY) AFTERNOON.

MR LUCE: +FIRST OF ALL, THANK YOU VERY MUCH FOR COMING. MY GRATITUDE MAY BE WISHFUL THINKING AT THE END OF 45 MINUTES BUT I AM GRATEFUL TO YOU FOR COMING. I WOULD LIKE FIRST OF ALL TO SAY A FEW WORDS AND THEN I'LL BE PLEASED TO TRY AND ANSWER YOUR QUESTIONS.

+IT'S NOW EXACTLY FIVE YEARS AGO THAT I FIRST CAME TO HONG KONG; I WAS THEN SHADOW SPOKESMAN FOR THE CONSERVATIVE PARTY ON FOREIGN POLICY AND I CAME AS THE GUEST OF THE HONG KONG GOVERNMENT. AND NOW FIVE YEARS LATER I HAVE THE PRIVILEGE OF RETURNING AS MINISTER OF STATE, HAVING TAKEN UP MY NEW DUTIES AS THE MINISTER OF STATE RESPONSIBLE FOR HONG KONG AFFAIRS IN JUNE OF THIS YEAR. I JUST WANT TO REMIND YOU, THEREFORE, OF THE PURPOSE OF MY VISIT.

+I ARRIVED LAST SATURDAY AND I LEAVE LATE TONIGHT FOR LONDON. THE PURPOSE, FIRSTLY, IS THAT AS NEWLY RESPONSIBLE MINISTER OF STATE, I WANTED TO LEARN AS MUCH AS POSSIBLE ABOUT NOT ONLY THE NEW DEVELOPMENTS IN HONG KONG BUT ABOVE ALL THE FEELINGS OF THE PEOPLE OF HONG KONG AT THIS TIME IN THE HISTORY OF HONG KONG. AND DURING THE COURSE OF WHAT IS, I THINK, A VERY FULL PROGRAMME I HAVE HEARD THE VIEWS OF A VERY BROAD CROSS-SECTION OF THE COMMUNITY OF HONG KONG.

+I HAVE LISTENED WITH THE GREATEST OF CARE BECAUSE I REGARD IT VERY MUCH AS A PRIORITY AND A DUTY TO HEAR THE VIEWS OF THE BROADEST POSSIBLE CROSS-SECTION OF PEOPLE IN THIS TERRITORY. AND I'VE SEEN FOR MYSELF SOMETHING OF THE NEW DEVELOPMENTS THAT HAVE TAKEN PLACE EVER SINCE MY LAST VISIT SOME FIVE YEARS AGO AND I MUST SAY I AM DEEPLY IMPRESSED BY THE ACHIEVEMENTS OF THE PEOPLE OF HONG KONG AND IN THE CREATION BY THE PEOPLE OF HONG KONG OF SUCH A SUCCESSFUL AND VIBRANT SOCIETY. I'D LIKE YOU TO KNOW THAT I WILL OBVIOUSLY BE REPORTING MY IMPRESSIONS, REACTIONS OF THE PEOPLE OF HONG KONG TO THE FOREIGN SECRETARY, SIR GEOFFREY HOWE, ON MY RETURN.

/+NOW AT

+NOW AT THIS STAGE I WANT TO STATE AND RESTATE AS STRONGLY AS I CONCEIVABLY CAN THAT BRITAIN REMAINS FIRMLY COMMITTED TO THE OBJECTIVE OF AIMING FOR A SOLUTION WHICH IS ACCEPTABLE TO THE PEOPLE OF HONG KONG, TO THE BRITISH PARLIAMENT AND TO THE GOVERNMENT OF CHINA. THAT REMAINS AS FIRMLY AS EVER OUR OBJECTIVE, AND I WANT THE PEOPLE OF HONG KONG TO KNOW THAT IT REMAINS OUR COMMITMENT TO DO OUR BEST FOR THE PEOPLE OF HONG KONG WITHIN THE CONTEXT OF THAT OBJECTIVE. INDEED I WOULD GO FURTHER AND SAY THIS: IT IS NOT ONLY IN THE INTERESTS OF THE PEOPLE OF HONG KONG THAT WE SHOULD SUCCEED IN THIS OBJECTIVE BUT THAT IT IS ALSO IN BRITAIN'S INTERESTS THAT WE SHOULD SUCCEED IN THAT OBJECTIVE.

+NOW, I WANT TO SAY A WORD ABOUT MUTUAL CONFIDENCE. IT IS, TO MY MIND, OF THE UTMOST IMPORTANCE THAT WE SHOULD RETAIN MUTUAL TRUST AND MUTUAL CONFIDENCE BETWEEN THE BRITISH GOVERNMENT AND THE PEOPLE OF HONG KONG. AND I WOULD LIKE TO SAY HAVING BEEN HERE NOW FOR FOUR, FIVE DAYS, IF I AM TO PUT MYSELF INTO THE POSITION OF YOU THE PEOPLE OF HONG KONG WHO LIVE HERE, AND IT'S MY DUTY TO TRY AND DO SO, THEN, OF COURSE, I ACKNOWLEDGE VERY FULLY WHY PEOPLE ARE ANXIOUS AT THIS TIME. INDEED, WHEN ONE IS A LITTLE UNCERTAIN OF ONE'S OWN FUTURE THEN, OF COURSE, THAT FEELING OF ANXIETY EXISTS, AND I WANT THE PEOPLE OF HONG KONG TO KNOW THAT NOT ONLY I, BUT THE PRIME MINISTER AND THE SECRETARY OF STATE UNDERSTAND THESE FEELINGS OF ANXIETY.

BUT NOW WHAT ARE WE TRYING TO DO, THE BRITISH GOVERNMENT? WE ARE NOT ONLY TRYING TO PRESERVE ALL THAT HAS BEEN BUILT UP SO SUCCESSFULLY IN HONG KONG, WE'RE GOING TO TRY, AND WE ARE TRYING TO BUILD FURTHER ON THAT SUCCESS SO THAT HONG KONG CAN FLOURISH STILL FURTHER IN THE LONGER TERM.

+THE BRITISH GOVERNMENT'S PRIORITY IS TO WORK FOR SUCCESS AND I WOULD POSE THE QUESTION: IN WHOSE POSSIBLE INTEREST - IN WHOSE POSSIBLE INTEREST COULD IT BE FOR US TO FAIL IN THESE TALKS AND IN FINDING A SUCCESSFUL SOLUTION? OF COURSE THERE'LL BE TURBULENCE, THERE'LL BE BUFFETING= IT MAY TAKE TIME, THE TALKS WE HAVE BETWEEN BRITAIN AND CHINA= BUT I BELIEVE ALL OF US, ABOVE ALL THE PEOPLE OF HONG KONG, HAVE IT IN THEM TO WEATHER THE STORM, AND NO ONE SHOULD BE IN ANY DOUBT OF THE DETERMINATION OF THE BRITISH GOVERNMENT.

+NOW, I WANT JUST TO SAY A WORD ABOUT THE CONFIDENTIALITY OF TALKS BETWEEN THE BRITISH GOVERNMENT AND THE CHINESE GOVERNMENT. I REALLY DO HAVE TO SAY THAT ALTHOUGH IT IS PERFECTLY UNDERSTANDABLE THAT PEOPLE SHOULD WANT TO KNOW MORE ABOUT THE DETAILS OF THE NEGOTIATIONS THAT YOU CANNOT INDULGE IN WHAT I CAN ONLY DESCRIBE AS MEGAPHONE DIPLOMACY.

+INDEED YOU CANNOT NEGOTIATE IN PUBLIC AND IF YOU TRY TO DO SO, THEN YOU ENDANGER THE PROSPECTS OF A SUCCESSFUL SOLUTION WHICH WE'RE ALL LOOKING FOR. IT WOULD BE TOTALLY COUNTERPRODUCTIVE SO WHAT WE HAVE TO DO IS TO SEEK FOR THE COMMON GROUND.

/+A GREAT

+A GREAT CHINESE LEADER ONCE REFERRED TO THE NEED TO WORK FOR COMMON GROUND, TO PUT THE DIFFICULTIES ON ONE SIDE AND TRY AND BUILD ON THE COMMON GROUND. THAT'S WHAT WE'RE TRYING TO DO WE'RE TRYING TO PRESERVE ALL THAT IS GOOD IN HONG KONG AND CONSTRUCT TOGETHER FOR THE FUTURE.

+NOW I WANT TO SAY THAT IN BROAD TERMS THERE IS A GOOD FRAMEWORK TO ANGLO-CHINESE RELATIONS, BUT EQUALLY I WOULD HAVE TO SAY THAT IT IS UNHELPFUL AND SAD THAT PUBLIC COMMENTS ON THE PART OF THE CHINESE GOVERNMENT ON THE BRITISH POSITION ARE NOT HELPFUL TO THE COMMON AIM OF FINDING A SOLUTION.

+NOW WHAT I WOULD SUGGEST WE ALL OF US - AND I MEAN ALL OF US TOGETHER - NEED IS REALISM IN NOT UNDERESTIMATING THE DIFFICULTIES AND DANGERS AHEAD, AND ON THE OTHER HAND A TOTAL DETERMINATION TO SUCCEED IN OUR OBJECTIVE.

+MY FINAL POINT THAT I WOULD WISH TO MAKE TO YOU IS THIS: THAT AS A FURTHER STEP IN THE CONTINUING PROCESS OF CONSULTATION, AND I ATTACH GREAT IMPORTANCE TO CONSULTATION, CONSULTATION ON THE FUTURE OF HONG KONG, THE GOVERNOR ACCOMPANIED BY THE UNOFFICIAL MEMBERS OF THE EXECUTIVE COUNCIL WILL BE VISITING LONDON NEXT WEEK.

+THAT'S ALL I'D LIKE TO SAY BY MEANS OF OPENING REMARKS, I'M HAPPY TO TRY AND ANSWER QUESTIONS.+

Q: +MINISTER, YOU'VE HAD A CHANCE TO TALK TO THE PEOPLE OF HONG KONG, OR AS MANY AS POSSIBLE, HAVE THEIR VIEWS ON THE FUTURE BEEN UNANIMOUS ONE WAY OR THE OTHER?

A: +WELL, FIRST OF ALL I'VE BEEN IMPRESSED BY THE FACT THAT DURING ALL THESE VARIOUS MEETINGS THAT HAVE BEEN ARRANGED - AND VERY EFFICIENTLY SO - I THINK ALMOST EVERYBODY WHO'S HAD A CHANCE SITTING IN THOSE ROOMS HAS BEEN ABLE TO EXPRESS HIS OWN PERSONAL OPINIONS AND THE OPINIONS I FULLY UNDERSTAND THAT IN MANY CASES ARE REPRESENTING PARTICULAR SECTIONS OF THE COMMUNITY. I GOT VERY MUCH THE FEELING THAT THE VAST MAJORITY WERE EXPRESSING THEIR VIEWS VERY FREELY AND VERY FULLY. IF YOU LIKE, A COMMON STRAND THAT WAS COMING THROUGH WAS THE ASPIRATION AND THE STRONG DESIRE TO PRESERVE ALL THE FREEDOMS AND THE BASES, IF YOU LIKE, OF A STABLE SOCIETY THAT EXISTS TODAY IN HONG KONG. THAT I FULLY UNDERSTAND.

Q: +MINISTER, COULD YOU TELL US IN MEETING VARIOUS GROUPS OF PEOPLE DO YOU THINK THE MAJORITY OF PEOPLE HERE IN HONG KONG WANT THE BRITISH TO STAY BEYOND 1997?

A: +WELL, NOW I THINK WHAT THE MAJORITY OF PEOPLE UNDERSTAND - AND IT'S FOR THEM INCIDENTALLY, YOU'RE A FREE SOCIETY TOO - TO EXPRESS THEIR OWN VIEWS AS THEY WISH IN PUBLIC OR IN PRIVATE ACCORDING TO THEIR OWN INCLINATIONS - I THINK I SENSE THAT ABOVE ALL WHAT THEY WANT IS IN LINE WITH WHAT OUR OBJECTIVE IS AND THAT IS THE CONTINUATION AND THE CONTINUING CONSTRUCTION OF A STABLE AND PROSPEROUS COUNTRY. THAT IS, I BELIEVE, WHAT THEY WANT AND THAT I HAVE REASSURED THEM, AS I REASSURE YOU, IS VERY MUCH OUR OBJECTIVE. NOW, CLEARLY I WOULDN'T WISH TO GO BEYOND THAT IN TERMS OF THE DETAILS OF THE NEGOTIATIONS FOR THE REASONS THAT I'VE DESCRIBED, BUT THAT WE HAVE A COMMON ASPIRATION ON A COMMON OBJECTIVE IS QUITE CLEAR.

/Q: +MINISTER

Q: +MINISTER YOU SAID THAT THERE WOULD BE BUFFETINGS ON THE WAY TO A SOLUTION. THOSE BUFFETINGS ARE BOUND TO AFFECT THE LOCAL ECONOMY AND IN PARTICULAR THE LOCAL CURRENCY: IS THERE ANYTHING THE BRITISH GOVERNMENT CAN DO TO PROTECT THE LOCAL CURRENCY AGAINST SUCH EFFECTS?

A: +WELL, I THINK THAT I WAS ENDEAVOURING TO DEMONSTRATE SOMETHING THAT YOU ALL UNDERSTAND VERY FULLY, THAT AT A TIME WHEN PEOPLE ARE FEELING A LITTLE INSECURE BECAUSE WE'RE NOT YET CERTAIN OF THE NATURE OF THE SOLUTION THAT WE REACH, THERE WILL BE UPS AND DOWNS, THERE WILL BE BUFFETING, THERE WILL BE, IF YOU LIKE TO USE ANOTHER ANALOGY, TURBULENCE.

+INDEED WHEN I LANDED IN HONG KONG ON SATURDAY - I HOPE IT WAS NOTHING TO DO WITH ME - BUT THE LEVEL OF THE DOLLAR HAD GONE TO RATHER AN UNUSUAL LEVEL. IT'S STEADYING AGAIN AND I THINK THAT WHAT IS REQUIRED IS A STEADY NERVE AND TO KEEP OUR SIGHTS ON OUR OBJECTIVE, NOT TO LOSE OUR NERVE, TO KEEP OUR RESOLVE, TO KEEP OUR DETERMINATION, AND EVERYTHING I'VE SEEN ABOUT THE PEOPLE OF HONG KONG TO MY MIND BEARS OUT THAT YOU HAVE THOSE QUALITIES.

+COULD I JUST SAY - I OUGHT TO ANSWER YOUR QUESTION A LITTLE MORE SPECIFICALLY, YOU SAID, IS THERE ANYTHING THAT THE BRITISH GOVERNMENT COULD DO - THIS REALLY IS A MATTER FOR THE HONG KONG GOVERNMENT AND I BELIEVE THAT THE GOVERNOR AND THOSE IN AUTHORITY HERE HAVE HANDLED THIS SITUATION WITH GREAT DECISIVENESS, AND I HAVE GREAT ADMIRATION FOR THAT, AND I'M SURE THAT THEIR ACTION TAKEN IN A VERY CALM AND RATIONAL MANNER SHOULD DO A LOT TO HELP RESTORE AND RETAIN CONFIDENCE.

Q: +THE CHINESE PRESS FELT RECENTLY THAT THE BRITISH GOVERNMENT WANT TO CONTINUE ITS ADMINISTRATION BEYOND 1997, MAY WE KNOW WHETHER IT'S THE POSITION, WELL-KNOWN POSITION OF THE BRITISH GOVERNMENT, AND CAN YOU TELL US WHAT IS THE WELL-KNOWN POSITION OF THE BRITISH GOVERNMENT ON THE FUTURE OF HONG KONG?

A: +WELL NOW YOU KNOW THIS IS EXACTLY AN EXAMPLE OF THE SORT OF THING THAT IF WE START INDULGING IN A COUNTER-ARGUMENTATIVE CAMPAIGN WITH THE CHINESE GOVERNMENT WOULD NOT HELP ANYBODY. OUR OBJECTIVE IS NOT TO TALK IN PUBLIC ABOUT THE NEGOTIATIONS, AND LET ME JUST ASK YOU TO TOGETHER LET'S JUST FACE UP TO THE CONSEQUENCES OF THIS. IF, I SPEAK AS FRANKLY AS I CAN, IF EVERY TIME THERE WAS A SUGGESTION OF THE BRITISH GOVERNMENT'S POSITION IS THIS, OR THE BRITISH GOVERNMENT'S POSITION IS THAT, IRRESPECTIVE OF WHETHER IT'S ACCURATE OR INACCURATE, WE THEN RESPOND, THEN THERE'S ANOTHER RESPONSE, THEN THE THING SPECULATES MORE AND MORE AND GOES UP AND UP LIKE THAT, THEN WE DO NO SERVICE TO THE PEOPLE OF HONG KONG, THAT'S NOT OUR OBJECTIVE. WE'VE GOT TO KEEP OUR SIGHTS ON THE LONG TERM AND WHAT OUR OBJECTIVE IS AND I CAN JUST ONLY GO ON RESTATING TO YOU HOW STRONG OUR COMMITMENT IS TO THAT OBJECTIVE WHICH I HAVE DESCRIBED, WHICH HAS FEATURED IN EVERY STATEMENT FROM THE PRIME MINISTER TO THE QUEEN'S SPEECH OF JUNE THIS YEAR, AND TO MY REMARKS THIS EVENING.

/Q: +MINISTER,

Q: +MINISTER, WITH RESPECT, YOU DODGED THE QUESTION OF WHETHER PEOPLE HAVE EXPRESSED A WISH FOR A BRITISH CONTINUATION OF A BRITISH PRESENCE HERE AND I CAN UNDERSTAND PERHAPS WHY, BUT IT HAS BEEN STATED THAT HONG KONG PUBLIC OPINION IS IMPORTANT. NOW, HOW DO YOU EXPECT THAT PUBLIC OPINION TO BE EXPRESSED, AND DO YOU THINK THAT IT'S IMPORTANT THAT IT SHOULD BE CLEARLY DEMONSTRATED WHAT HONG KONG PEOPLE WANT FOR THE OUTSIDE WORLD TO SEE?

MR LUCE: +WOULD YOU LIKE TO REPEAT THE QUESTION OR SHALL I REPEAT THE QUESTION? WOULD YOU LIKE TO SAY IT LOUDLY?

Q: +WHETHER IT IS IMPORTANT THAT HONG KONG PUBLIC OPINION SHOULD BE CLEARLY DEMONSTRATED FOR ALL TO SEE AND NOT JUST FOR THE DELEGATES TO THE TALKS.

A: +FIRSTLY, LET ME SAY, REITERATE SOMETHING THAT YOU ALL KNOW, THAT THIS IS A FREE SOCIETY AND THE PEOPLE WHO LIVE HERE SHOULD HAVE THE UTMOST FREEDOM TO EXPRESS THEIR VIEWS, AND SO MY ANSWER, FIRST OF ALL, IS YES. BUT PERHAPS I COULD THEN GO ON TO SAY SOMETHING THAT HAS IMPRESSED ME EVEN MORE THIS TIME THAN IT DID LAST TIME, FIVE YEARS AGO, WHEN I CAME, AND THAT IS THE MACHINERY THAT HAS BEEN DEVELOPED TO ENABLE OPINIONS, IF YOU LIKE THE TWO-WAY FLOW OF VIEWS BETWEEN THE COMMUNITY AND GOVERNMENT, TO EXIST, RANGING FROM THE EXECUTIVE COUNCIL TO THE LEGISLATIVE COUNCIL, UMELCO, TO SOME OTHER INTERESTING NEW DEVELOPMENTS WHICH I HAVE NOT FULLY ACKNOWLEDGED BEFORE THE DISTRICT LEVEL AND THE URBAN COUNCIL LEVEL AND SOME OF THE ORGANISATIONS IN THE NEW TERRITORIES WHERE RIGHT DOWN TO VILLAGE AS WELL AS TO CITY LEVEL - INCLUDING AT THAT LEVEL AN ELECTIVE PROCESS, ONE ELEMENT OF AN ELECTIVE PROCESS - I JUST WANT TO SAY HOW EFFECTIVE I FEEL THE MACHINERY SEEMS TO BE WHICH GIVES ME ADDED CONFIDENCE THAT WE CAN GET A CONTINUOUS INDICATION OF THE VIEWS AND THE OPINIONS OF THE PEOPLE OF HONG KONG WHICH ARE SO IMPORTANT.

Q: +MINISTER, IT'S BEEN ANNOUNCED THAT SIR PERCY CRADOCK WILL BE TAKING UP AT THE YEAR END A NEW JOB CONCERNING THE RESPONSIBILITY OF THE TALKS, SHOULD IT BE INFERRED FROM THAT THAT THE TALKS ARE EXPECTED BY BRITAIN TO GO ON FOR A LONG TIME PERHAPS FOR A YEAR OR MORE?

A: +NONE OF US CAN SAY WITH ANY CERTAINTY ABOUT A LOT OF THINGS IN POLITICAL LIFE I'VE DISCOVERED. OUR OBJECTIVE IS TO PROCEED AS FAST AS WE CAN BUT IT WOULD BE COUNTER-PRODUCTIVE OBVIOUSLY TO SET DEADLINES AND, THEREFORE, WE MUST BE PREPARED FOR THIS TO TAKE TIME, AS I SAID EARLIER ON. THEREFORE THIS LEADS ME TO THE SPECIFIC NATURE OF YOUR QUESTION ABOUT SIR PERCY CRADOCK. FROM THE PRIME MINISTER DOWN TO THE SECRETARY OF STATE AND MYSELF, WE'RE ALL VERY PLEASED THAT FOR A MAN WHO SERVED WITH SUCH DISTINCTION AS OUR AMBASSADOR IN CHINA FOR QUITE A CONSIDERABLE TIME NOW, I THINK SINCE 1978, AND WHO HAS BEEN LEADING THE NEGOTIATIONS IN PEKING OVER THE LAST FEW MONTHS, I AM VERY PLEASED, AS IS THE PRIME MINISTER, BY THE FACT THAT HE HAS AGREED TO UNDERTAKE THIS TASK IN LONDON, WHICH WILL MEAN THAT AS ADVISER AT NO. 10 AND AS DEPUTY UNDER-SECRETARY OF STATE DEALING WITH HONG KONG, HE WILL BE PLAYING A VERY LEADING ROLE AS ADVISER TO BRITISH GOVERNMENT MINISTERS ON HONG KONG. AND NOT ONLY DO I THINK THERE IS A GREAT DEAL OF FAITH RIGHT UP IN THE BRITISH GOVERNMENT IN HIS GREAT ABILITY, BUT I HOPE THAT THE PEOPLE OF HONG KONG WILL REALISE THAT THIS INJECTS AN ELEMENT OF CONTINUITY WHICH I THINK IS IMPORTANT TO THE DISCUSSIONS AND TALKS THAT WE'RE HAVING BETWEEN BRITAIN AND CHINA.

/Q: +MR LUCE,

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Q: +MR LUCE, YOUR GOVERNMENT HAS STATED ON VARIOUS OCCASIONS TO HAVE A MORAL COMMITMENT TO THE PEOPLE OF HONG KONG. DURING THE LAST COUPLE OF YEARS WE HAVE REALLY BEEN SEEING SOME EXAMPLES POINTING TO THE CONTRARY. THE MOST QUOTED EXAMPLES ARE THE ISSUE OF THE DOWNGRADING OF OUR PASSPORT AND OVERSEAS STUDENT FEES. WOULD YOU PLEASE EXPLAIN TO US THIS DIFFERENCE BETWEEN WHAT HAS BEEN SAID AND WHAT HAS BEEN DONE BY YOUR GOVERNMENT?

A: +YES, I WANT TO SAY, TAKING THESE TWO POINTS ABOUT STUDENTS AND PASSPORTS, QUESTION WHICH I THINK YOU'RE RAISING, THAT I UNDERSTAND FULLY WHY PEOPLE IN HONG KONG FELT ANXIOUS AND THOUGHT THAT PERHAPS BRITAIN - AND IN FACT THIS IS A MISLEADING IMPRESSION, BUT NEVERTHELESS THOUGHT THAT BRITAIN - WAS TURNING THEIR BACKS ON HONG KONG. THIS I MUST START BY STRESSING COULD NOT BE FURTHER FROM THE TRUTH, BUT AT THE SAME TIME I WANT YOU TO UNDERSTAND THAT WE, THE MINISTERS IN THE BRITISH GOVERNMENT, COULD SEE THE REASONS FOR YOU FEELING THIS. NOW, ON THE STUDENTS QUESTION, A DECISION WAS TAKEN IN 1979, AS YOU RECALL, TO WITHDRAW THE GENERAL SUBSIDIES FOR SUPPORTING STUDENTS IN OUR COUNTRY. SINCE THEN WE HAVE BEEN RETHINKING THIS VERY CAREFULLY IN THE LIGHT OF OUR ANXIETY OF THE EFFECTS OF THIS, NOT ONLY IF I MAY SAY, ON THE STUDENTS OF HONG KONG, WHICH IS EXTREMELY IMPORTANT, BUT ON MANY OTHER PARTS OF THE COMMONWEALTH - MALAYSIA'S A GOOD EXAMPLE BUT THERE ARE MANY, MANY OTHER EXAMPLES THAT WE ALL KNOW OF - AND AS A RESULT OF THIS YOU WILL KNOW THAT WE HAVE NOW INTRODUCED A NEW SCHEME WHICH IS DESIGNED TO BUILD ON CO-OPERATION BETWEEN COMMONWEALTH COUNTRIES AND OURSELVES IN ORDER TO ASSIST STUDENTS COMING ACROSS TO BRITAIN.

+THIS IS SOMETHING THAT WE HAVE DEVISED OF A SPECIAL NATURE AS FAR AS HONG KONG'S CONCERNED, BY MEANS OF A JOINT FUNDING SCHEME BETWEEN THE BRITISH GOVERNMENT AND THE HONG KONG GOVERNMENT, AND THAT JOINT FUNDING SCHEME I HOPE WILL BE OF ASSISTANCE TO STUDENTS. WE WANT TO HAVE - BECAUSE IT'S A BRITISH INTEREST - AS MANY HONG KONG STUDENTS AS POSSIBLE IN THIS COUNTRY.

+ON THE PASSPORT QUESTION, AGAIN OF COURSE IT HAS TO BE SEEN AGAINST THE BACKGROUND OF THE INTRODUCTION OF THE BRITISH NATIONALITY ACT, AND THAT ACT WAS NOT RELATED TO HONG KONG THAT ACT WAS RELATED TO MODERNISING OUR LAWS TO DO WITH NATIONALITY, SO THAT BRITISH CITIZENSHIP AND THE RIGHTS OF ABODE WOULD IN FUTURE COINCIDE AND, OF COURSE, CONSEQUENCES FLOWED FROM THAT. AND WITH REGARD TO A PARTICULAR ANXIETY ABOUT THE PASSPORT QUESTION, MY ATTENTION WAS DRAWN WHEN I FIRST BECAME MINISTER OF STATE EARLIER THIS YEAR IN THE SUMMER, TO PAGE 5 OF THE PASSPORT WHICH I KNOW WAS CAUSING ANXIETY TO SOME PEOPLE, AND I'M VERY PLEASED THAT WE WERE ABLE TO MEET THOSE ANXIETIES AT THE REQUEST OF THE HONG KONG GOVERNMENT, AND I HOPE THAT THAT HAS EASED THE SITUATION AND THE ANXIETIES OF THE PEOPLE OF HONG KONG.

/Q: +IT IS

Q: +IT IS KNOWN THAT SIR PERCY CRADOCK WILL TAKE UP HIS NEW POST LATER ON THIS YEAR, WHEN CAN WE EXPECT AN ANNOUNCEMENT ON HIS REPLACEMENT IN PEKING?

A: +WELL, NATURALLY AS YOU WILL UNDERSTAND ON THE APPOINTMENT OF AMBASSADORS YOU HAVE TO GET WHAT IS CALLED AGREEMENT FROM THE GOVERNMENT TO WHOM YOU ARE WISHING TO APPOINT A PARTICULAR AMBASSADOR AND, THEREFORE, THIS TAKES A LITTLE TIME, AND WE SHALL ANNOUNCE A NEW AMBASSADOR AS SOON AS WE CONCEIVABLY CAN - CERTAINLY THAT IS IMPORTANT.

Q: +WOULD YOU LIKE TO ALSO CONFIRM THE REPORT IN NEWSPAPERS A FEW WEEKS AGO ON WHETHER MR --

A: +IF I START CONFIRMING OR DENYING REPORTS IN EVERY SINGLE NEWSPAPER I SHALL BE IN DEEP TROUBLE.

Q: +HAVING SAID THAT IT IS THE BRITISH GOVERNMENT'S OBJECTIVE TO PRESERVE WHAT HAS BEEN ACHIEVED IN HONG KONG AND FURTHER BUILD ON THAT SUCCESS, IS IT ALSO WITHIN THE BRITISH GOVERNMENT'S OBJECTIVE TO PRESERVE ITS PRESENCE IN HONG KONG OR TO PRESERVE LINKS OF SOME SORT AFTER 1997? DO YOU SEE THAT AS A VITAL FACTOR FOR THE CONTINUING SUCCESS OF HONG KONG?

A: +THESE ARE ALL MATTERS THAT HAVE TO BE WORKED OUT IN THE DISCUSSIONS ABOUT THE FUTURE AFTER 1997. AND AGAIN, I KNOW IT'S FRUSTRATING FOR YOU SITTING THERE, YOU WANT ME TO SAY SOMETHING ABOUT THE TALKS, AND I HAVE TO GO ON STATING SOMETHING WHICH I - YOU KNOW POLITICIANS LIKE COMMUNICATING, WE RATHER ENJOY IT NORMALLY - THEREFORE, I FIND IT VERY FRUSTRATING TOO. I CANNOT TELL YOU ABOUT DETAILS OF THE NEGOTIATIONS BUT WHAT I WOULD SAY IN ANSWER TO YOUR QUESTION IS THIS: NOT ONLY DO I WANT TO SAY IN WORDS AND ASK YOU TO UNDERSTAND HOW STRONGLY WE MEAN THIS, THAT OUR COMMITMENT IS STRONG TO THE PEOPLE OF HONG KONG AND TO THAT OBJECTIVE. BUT AS A MATTER OF FACT THERE IS ALSO - AND THIS IS ONE OF THE THINGS THAT I FIND MOST IMPRESSIVE IN MY VISIT HERE ON THE LAST TWO OR THREE DAYS - NOT ONLY CONFIDENCE BEING SHOWN IN HONG KONG'S FUTURE BY GOVERNMENT, THE RATE AT WHICH THEY ARE EXPANDING THE NEW TOWNS, THE UNDERGROUND SYSTEM WHICH I TRAVELLED ON WHICH IS EXPANDING ALL THE TIME, THE ENORMOUS INCREASE IN PUBLIC SPENDING ON THE PART OF THE HONG KONG GOVERNMENT, BUT ALSO WHAT IS IMPORTANT IS THE CLEAR EVIDENCE OF A COMMITMENT TO THE FUTURE OF HONG KONG BY BRITISH INVESTORS.

+YOU'VE GOT THIS FROM A NUMBER OF SOURCES, YOU'VE GOT THIS FROM DE LARUE WHO ARE INVESTING IN BANKNOTE MANUFACTURE IN THIS COUNTRY, YOU'VE GOT THIS FROM FERRANTI WHO ARE INVESTING IN MICROCHIPS, AND YOU'VE GOT THIS IN BSR WHO'VE TRANSFERRED ITS HEADQUARTERS FROM LONDON TO HONG KONG. AND THERE IS EVIDENCE HERE OF A COMMUNITY THAT'S EXPANDING AND THAT PEOPLE IN BRITAIN DO HAVE CONFIDENCE IN THIS COUNTRY. IT'S IMPORTANT TO US THAT THIS COUNTRY, HONG KONG, IS THE LARGEST EXPORTING MARKET FOR US IN THE FAR EAST.

Q: +MAY I ASK MR LUCE WHETHER HE THINKS LOCAL RULE, SELF-GOVERNMENT, IN HONG KONG IS POSSIBLE AND IS BENEFICIAL TO THE SOCIETY OF HONG KONG?

A: +COULD YOU JUST REPEAT THAT, I'M SO SORRY I COULDN'T QUITE -- ?

Q: LOCAL RULE AND SELF-GOVERNMENT IS THAT WHAT YOU SAID?

MR LUCE: +COULD YOU JUST REPEAT EXACTLY WHAT YOU SAID?

Q: +DO YOU THINK LOCAL RULE, SELF-GOVERNMENT, IS POSSIBLE IN HONG KONG AND DO YOU THINK IT WILL BE BENEFICIAL TO OUR SOCIETY?

A: +WELL, IN ONE SENSE I THINK THAT GOES BACK TO THE POINT I MADE EARLIER THAT I HAVE NOTICED VERY MUCH AT A COMMUNITY LEVEL, THE WAY IN WHICH THERE IS FAR GREATER PARTICIPATION BY PEOPLE IN THEIR OWN AFFAIRS. IT WAS ONLY THIS MORNING THAT I WAS SITTING IN ON A MEETING OF THE SHA TIN DISTRICT BOARD AT WHICH I WAS ABLE TO HEAR THEM, AN ELEMENT OF WHICH WAS ELECTED BY THE PEOPLE, WITH THE PRESS LISTENING IN TO THE PROCEEDINGS, REPORTING AND DECIDING ON CERTAIN COMMUNITY PROBLEMS - AT THAT LEVEL, YES, CERTAINLY. THE VERY STATUS, OF COURSE, OF HONG KONG IS SOMETHING THAT I DON'T NEED TO TELL YOU MAKES THE QUESTION OF ELECTIONS AT A BROADER LEVEL MORE DIFFICULT. THIS IS SOMETHING THAT'S FULLY UNDERSTOOD AND HAS BEEN OVER THE YEARS. ON THE QUESTION OF AUTONOMY, IF THAT'S WHAT YOU WERE RAISING, AGAIN REALLY, HONG KONG IS CREATED BY THE PEOPLE OF HONG KONG AND THE PEOPLE OF HONG KONG ARE MADE UP 98 PER CENT, AM I RIGHT, OF HONG KONG CHINESE, AND THIS IT SEEMS IS WHAT IT'S ALL ABOUT.

Q: +WHAT I MEAN IS LOCAL GOVERNMENT WITHOUT BRITISH PRESENCE.

A: +WELL, AGAIN IF YOU'RE TALKING ABOUT, WHAT, POST '97 - ARE YOU TALKING ABOUT NOW, ARE YOU TALKING ABOUT - WHAT IS THE CONTEXT?

Q: +POST '97.

A: +WELL I THINK I HAVE TO ANSWER YOU IN A FASHION WHICH YOU'LL FIND JUST A LITTLE TEDIOUS AND I NEED SAY NO MORE.

Q: +YOU HAVE TWICE REFERRED TO HONG KONG AS A COUNTRY --

A: +I'M SO SORRY, AS A TERRITORY, HONG KONG AS A TERRITORY - I DO APOLOGISE, IF THERE'S ANY MISUNDERSTANDING, I MEANT A TERRITORY.

Q: +MINISTER, YOU SAY THAT YOU WOULDN'T BE DOING THE HONG KONG PEOPLE A SERVICE IF DETAILS OF THE NEGOTIATING POSITION WERE BROUGHT OUT IN PUBLIC, BUT HOW MUCH OF A SERVICE ARE YOU DOING THE PEOPLE OF HONG KONG BY MAKING NO MENTION, NO COMMENT, ON THE PROGRESS OF THE TALKS? YOU HAVE BEEN HERE SINCE THE LAST ROUND OF TALKS ENDED, THE HONG KONG DOLLAR FELL ITS LARGEST INCREMENT ON SATURDAY, PEOPLE SWAMPED THE STORES STOCKING UP IN CASE OF IMMINENT PRICE RISES AND CIVIL DISTURBANCES. THE GOVERNMENT YESTERDAY HAD TO BUY A BANK TO AVOID A WHOLESALER RUN ON THE BANKING SYSTEM. THIS ALL FOLLOWED THE END OF THE TALKS ON FRIDAY BECAUSE THERE WAS NO STATEMENT. HOW MUCH OF A SERVICE IS BRITAIN DOING HONG KONG IN MAKING NO REPORT ON THE PROGRESS OF THE --

/A: +I MUST

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A: +I MUST SAY, IF I MAY SAY SO, I KNOW YOU ALL HAVE A PROFESSION TO FOLLOW BUT YOU JOURNALISTS DO SOMETIMES LIKE DRAMATISING THINGS - MY GOSH YOU SURE DO. THE BANK AFFAIR WHICH WAS ANNOUNCED YESTERDAY, OF COURSE, HAS NOTHING WHATSOEVER - NOTHING WHATSOEVER - TO DO WITH THE BROAD CONFIDENCE FACTOR IN HONG KONG. I THINK IF I MAY SAY THIS: +I'M SURE THAT THE JOURNALISTS WHO LIVE AND WORK HERE HAVE A GREAT SENSE OF SERVICE TO THE PEOPLE OF HONG KONG AND IN YOUR OWN WAY, JUST AS I HAVE TO TAKE A LEAD IN CERTAIN FIELDS, SO JOURNALISTS HAVE TO, AND I THINK YOU CAN HELP BY NOT SEEKING TO DRAMATISE THE SITUATION IN THE WAY THAT PERHAPS YOU DIDN'T MEAN BUT SOUNDED LIKE IT, BY LINKING A HELL OF A LOT OF THINGS TOGETHER. REALLY, YOU KNOW, WE HAVE TO KEEP OUR SIGHTS ON THE LONG TERM, WE HAVE TO KEEP COOL, WE HAVE TO KEEP CALM. WE HAVE TO ACKNOWLEDGE THAT THERE ARE ANXIETIES, THAT THERE WILL BE BUFFETING AND THAT THIS WILL HAPPEN, AND IF WE DO THAT I THINK THAT WE WILL DO THE BEST SERVICE TO OUR PEOPLE. IF WE FEEL - AND AGAIN I MUST SAY FRANKLY TO YOU YOU'RE A JOURNALIST, I'M A POLITICIAN, YOU KNOW THAT POLITICIANS LIKE TO COMMUNICATE - IF WE FEEL WE CAN SAY SOMETHING THAT'S USEFUL AND HELPFUL, AND INDEED SIR PERCY CRADOCK STRESSED THAT THE TALKS LAST WEEK WERE USEFUL, WE WILL SAY SO, AND WE WILL TAKE WHAT OPPORTUNITIES WE CAN TO INFORM THE PEOPLE OF HONG KONG OF HOW THINGS ARE GOING. BUT I HAVE JUST IN MY OPENING STATEMENT MENTIONED TO YOU ONE POINT WHICH I THINK YOU MAY WISH TO NOTE AGAIN, THAT THE GOVERNOR AND THE UNOFFICIAL MEMBERS WILL BE BACK FOR DISCUSSIONS IN LONDON NEXT WEEK.

Q: +MINISTER, YOU HAVE MENTIONED THE BASIC STRAND OF OPINION WHICH YOU'VE ENCOUNTERED DURING YOUR VISIT HERE WHICH TALKED ABOUT THE FREEDOM THAT EXISTS IN HONG KONG. IN THE PAST WE'VE HEARD AN AWFUL LOT ABOUT BRITAIN AND CHINA WORKING TOGETHER TO PRESERVE THE STABILITY AND PROSPERITY OF THE TERRITORY, WOULD YOU BE ABLE TO STATE THAT BRITAIN ALSO REMAINS COMMITTED TO PRESERVING THE BASIC RIGHTS TO FREEDOM AS THEY EXIST IN HONG KONG?

A: +WELL, I THINK HERE THE ANSWER IS LET ME REAFFIRM THE STRENGTH OF OUR COMMITMENT TO A SOLUTION WHICH IS ACCEPTABLE TO THE PEOPLE OF HONG KONG AS WELL AS TO BRITISH PARLIAMENT AND TO THE GOVERNMENT OF CHINA. NOW IT FOLLOWS FROM THAT, DOES IT NOT, THAT SOMETHING THAT IS ACCEPTABLE MUST MEAN NOT ONLY THE RETENTION BUT THE CONTINUING CONSTRUCTION OF A STABLE AND PROSPEROUS SOCIETY. AND IT FLOWS FROM THAT THAT THERE ARE CERTAIN FACTORS THAT GO TO MAKE UP THAT STABLE AND PROSPEROUS SOCIETY, AND THAT MUST BE AT THE HEART OF THE DISCUSSION THAT WE ARE HAVING AND THAT REMAINS VERY MUCH THE OVER-RIDING OBJECTIVE OF OUR GOVERNMENT. AND LET ME JUST POSE THIS IF YOU LIKE AS A QUESTION, THE IDENTIFICATION OF COMMON INTEREST: IN WHOSE INTERESTS CAN IT CONCEIVABLY BE FOR HONG KONG NOT TO BE PROSPEROUS AND STABLE?

MR ROBERTS: +WE'VE GOT TIME FOR JUST TWO MORE QUESTIONS.

/Q: +IT IS

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Q: +IT IS REPORTED THAT THE CHINESE AUTHORITY HAS SET A DEADLINE FOR THE TALKS. I WONDER IF THERE IS ANY TRUTH IN THIS REPORT.

A: +THE DEADLINE WAS THE WORD YOU WERE USING? YES, WELL I THINK THAT WHAT I WOULD SAY TO YOU IS THIS: IT HAS BEEN REPORTED IN PUBLIC, I HAVE NOTICED THE CHINESE GOVERNMENT WANT A DEADLINE ON TALKS- WE TAKE THE VIEW VERY STRONGLY THAT DEADLINES AREN'T HELPFUL, THAT YOU'VE GOT TO WORK AS HARD AND AS FULLY AS POSSIBLE TO RESOLVE THE PROBLEM AS QUICKLY AS POSSIBLE, BUT THAT BY FEELING UNDER THE PRESSURE OF A DEADLINE THAT DOESN'T NECESSARILY HELP AND COULD BE COUNTER-PRODUCTIVE. AND I THINK THE BEST WAY I CAN ANSWER THAT IS TO GIVE YOU THE VIEW OF THE BRITISH GOVERNMENT, THAT'S WHAT I'M ACCOUNTABLE FOR AND THAT IS OUR VIEW.

Q: +MINISTER, CAN YOU SEE ANY POSSIBLE SHORT TERM SOLUTION SO AS TO REMOVE THE ANXIETY IN THE COMMUNITY HERE GENERALLY ABOUT THE CONCERN OVER THEIR OWN FUTURE? COULD YOU SEE ANY POSSIBLE SHORT TERM SOLUTION TO OVERCOME THE PROBLEM?

A: +IN THIS WORLD THERE ARE NOT OFTEN SUDDEN MAGIC WANDS THAT ANY OF US CAN WAVE, AND IN A WAY I THINK WE DO - I'M NOT SUGGESTING YOU'RE SAYING THAT - BUT I THINK WE DO OURSELVES AND THE PEOPLE OF HONG KONG, OF THIS TERRITORY, A DISSERVICE IF WE SUGGEST THERE IS A MAGIC WAND OR AN EASY WAY OUT OF THIS PROBLEM. BUT WHAT I WOULD REITERATE IS THAT ALTHOUGH THERE IS NO EASY PANACEA, NOR NO SHORT TERM PANACEA, IF PEOPLE WILL RETAIN AS I BELIEVE THEY HAVE SHOWN THIS WEEK THEIR MUTUAL CONFIDENCE IF YOU LIKE, OUR MUTUAL CONFIDENCE IN EACH OTHER, WHAT WE'RE TRYING TO ACHIEVE, KEEP OUR SIGHTS ON THAT GOAL, KEEP OUR SIGHTS ON THAT NEED FOR A SOLUTION THAT IS ACCEPTABLE, AND THAT IS OUR PURPOSE. AND IF I WANT TO LEAVE ANY IMPRESSION WITH YOU AT ALL, IT IS THAT IMPRESSION OF OUR FIRMNESS AND DETERMINATION OF PURPOSE.

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