

OFFICIAL RECORD OF PROCEEDINGS

Saturday, 24 October 1992

The Council met at half-past Ten o'clock

PRESENT

THE PRESIDENT

HIS EXCELLENCY THE GOVERNOR

THE RIGHT HONOURABLE CHRISTOPHER FRANCIS PATTEN

THE DEPUTY PRESIDENT

THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., Q.C., J.P.

THE CHIEF SECRETARY

THE HONOURABLE SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, C.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, C.B.E., J.P.

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E., J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, O.B.E., J.P.

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

DR THE HONOURABLE LEONG CHE-HUNG, O.B.E.

THE HONOURABLE JAMES DAVID MCGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE MRS ELSIE TU, C.B.E.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE VINCENT CHENG HOI-CHUEN

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE TIMOTHY HA WING-HO, M.B.E., J.P.

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE GILBERT LEUNG KAM-HO

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE ZACHARY WONG WAI-YIN

DR THE HONOURABLE TANG SIU-TONG, J.P.

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

ABSENT

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

THE HONOURABLE DAVID LI KWOK-PO, O.B.E., J.P.

THE HONOURABLE ANDREW WONG WANG-FAT, O.B.E., J.P.

THE HONOURABLE MRS PEGGY LAM, M.B.E., J.P.

THE HONOURABLE PETER WONG HONG-YUEN, J.P.

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, J.P.

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE MICHAEL HO MUN-KA

THE HONOURABLE HENRY TANG YING-YEN, J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE HOWARD YOUNG, J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR CLETUS LAU KWOK-HONG

THE GOVERNOR: I am very grateful to Honourable Members for this opportunity to brief the Council on my visit to Peking from 20 to 23 October. This Council is entitled to a prompt and early briefing after my major visits abroad. It is a practice that has its christening today, but a practice which I plan to continue in the future.

I held, in all, some 10 hours of talks on 21 and 22 October with Chinese officials, with my host Director LU Ping, with Vice Foreign Minister JIANG Enzhu and Vice Minister of Foreign Trade WANG Wendong and, lastly, with Foreign Minister QIAN Qichen. Vice Minister WANG and I agreed on the excellence of the trade and economic relationship between Hong Kong and China. Hong Kong, as you know, now accounts for over 60% of total foreign investment in China and 36% of China's worldwide trade. China accounts for 32% of our worldwide trade. Despite the magnitude of our trade, it is in our economic relations that we have the fewest problems. Indeed, I emphasized that I intended to lobby hard against any moves in future to remove MFN status for China as will the United Kingdom Government. That is important for Hong Kong and it is important for China.

With Vice Minister JIANG I discussed JLG issues and security matters as well as my constitutional proposals. The main matters covered on the JLG agenda were defence, lands, air service agreements and right of abode. No new agreements were reached but both sides expressed the hope that the Joint Liaison Group would maintain the good rate of progress achieved at the last meeting in September.

This Council attaches, and very understandably so, particular importance to tackling cross-border crime. So do I. That is why I put forward four proposals in Peking to improve co-operation on security matters between Hong Kong and Guangdong. The Chinese Government has undertaken to consider them. I proposed, first, co-ordinated operations against smuggling. There have been a few such operations in the past; we need more in future.

Second, better communication and sharing of intelligence between the security forces on either side of the border. In particular, I emphasized the need for the Chinese side to inform us when they suspected that ships setting out from Hong Kong were engaged in smuggling. We are committed to co-operate together to beat smuggling, but equally, we are entitled to be clear that legitimate trade is not being illegally interfered with.

Third, sustained action by Guangdong in concert with Hong Kong against smuggling. Periodic crackdowns are not enough.

And, fourth, early agreement on the administrative boundary between Hong Kong and Guangdong waters. This could then be marked with buoys so as to reduce the incidence of inadvertent incursions.

With Director LU, I covered constitutional issues and the airport and also proposed the establishment of a training course in Peking for local Administrative Officers. This might last for eight to 10 weeks. Our aim is to put all local Administrative Officers through it before 30 June 1997. As well as improving proficiency in Mandarin, the course would promote a broader understanding of China for those who go on it. This proposal was accepted in principle. The Secretary for the Civil Service will visit Peking as soon as possible to discuss detailed arrangements.

On the airport, I made clear that by far the best outcome would be an agreement between the two sides; but I also made plain that if agreement cannot be reached before the end of November, when the airport platform tender will expire, we will have to decide how best to build as much of the airport as we can pending, I hope, a meeting of minds. In recent months, we have put forward proposals which cover a spectrum of possibilities. I remain convinced that if we discussed these issues on their merits, we could reach agreement in hours. We agreed that detailed discussions should be left to the Airport Committee.

Naturally, it was constitutional issues that took up the bulk of my discussions. I firmly believe that my proposals would promote, not undermine, political stability in Hong Kong. I made that point in terms to our Chinese colleagues. My proposals command, I believe, the broad support of most people in Hong Kong. I had been told that China would not agree to increase the number of directly elected seats for the first SAR legislature. So, while we will continue to press the case for more directly elected seats with vigour, I have produced proposals which are wholly consistent with the Basic Law. The Chinese disagreed with this strongly during my visit, but I still have to hear a convincing argument that anything I have put forward is not in conformity with the Basic Law. I emphasized that if the Chinese Government did not like my proposals it really was incumbent on them to put forward alternatives. I would consider them seriously. I said that the Government would need to put legislation to this Council in the new year. Ultimately, as Honourable Members know, this will be a matter for this legislature to consider. The arrangements embodied in any legislation put before this Council would have to be open and fair and command the confidence of people in Hong Kong.

I was advised by a number of experienced negotiators that the principal response to my visit would come once I had left Peking. And so it has proved. I want to comment briefly, and diplomatically, on what has been said.

First, the airport. The airport, as Honourable members will know, consists of a number of different projects. So far, in the absence of overall agreement with China, we have let 17 projects at a total cost of about \$19 billion, \$3 billion below the estimated price. In other words, we are moving forward as best we can to construct the airport which everyone knows we will get. That is how I am sure we should behave.

I am also sure that the Chinese Government would expect the Government of Hong Kong to do all that we can to implement our commitments under the Memorandum of Understanding despite the unhappy fact that our previous spirit of co-operation has not so far delivered an overall agreement.

Secondly, let me turn again to political issues. I repeat that the proposals I have made, which are my best judgment on the point of balance in Hong Kong thinking on this important issue, do not breach either the Joint Declaration, the Basic Law, or any previous discussions between the present sovereign power and the future sovereign power. Honourable Members will recall that the main disagreement between Britain and China two years ago was over the number of directly elected seats. But what of the Election Committee and functional constituencies? The Basic Law is explicit that the Election Committee provided for in the Basic Law for 1999 will not be the same as the Election Committee for the first SAR legislature. A different composition is explicitly foreseen. To adopt the 1999 composition for the legislature spanning the transition would, therefore, be contrary to the Basic Law. So I find the argument put by Peking officials that the answer lies in the Basic Law somewhat difficult to follow.

Next, on functional constituencies, my proposals are directly in line with the concepts set out in the 1987 Green Paper and the 1988 White Paper. They made clear that functional constituencies should be substantial and of importance in the community, and that is a direct quote. My proposals do not amount to additional direct geographical elections. If they did, I would have included some groups of eligible voters whom some Members have urged me to include, for example, students, housewives and pensioners.

Let me repeat one simple point yet again. Nowhere in the Basic Law are we told what should be the composition of the Election Committee for the first SAR legislature. Nowhere are we told how the new functional constituencies should be devised. Nowhere are we told what the voting system for directly elected seats should be. I have put forward my own proposals; a serious discussion and debate demands that my critics should put forward theirs.

As Honourable Members will have noted, at the end of our discussions in Peking, major differences remain between us on these questions. These differences have not widened this week, nor, frankly, have they narrowed. I have said repeatedly that I am willing to discuss these matters at any time, anywhere, with anyone. I repeat that pledge to Honourable Members today, and we have agreed that discussions should continue between the two sides in the Joint Liaison Group. I hope those discussions bear fruit, but they are not discussions that can go on forever without bearing fruit.

It is conceivable that one or two Honourable Members may wish to ask a question and I will try to fit in as many as I can in the next 40 minutes. Perhaps, starting with Mr Allen LEE.

MR ALLEN LEE: *Governor, Mr LU Ping, in his press conference yesterday in Beijing, referred several times to the exchange of letters between the Chinese Foreign Minister and the Foreign Secretary, Mr Douglas HURD, with regard to the understanding and agreement reached on matters such as the Election Committee and other aspects of the election. Will you make those letters available to Members of this Council?*

THE GOVERNOR: Clearly, if the Chinese side and the British side wish to make those letters available, then I would have no objection whatsoever. It was a point that we discussed at some length during our discussions around the table. And let me take up one of the points which was the subject of some discussion: the composition of the Election Committee. I repeat what I said in my statement that what is abundantly plain is that the Election Committee prescribed in the Basic Law for the first SAR legislature should not be the same as that prescribed for the second. It therefore puzzles me when I hear references to agreements on that particular issue because the point is explicitly plain, I think Honourable Members will agree, in Annex II to the Basic Law.

I do not believe, either, that anything which has been discussed in the past about functional constituencies entitles anyone to say that undertakings reached between the sovereign powers have been breached. But I repeat that if both sides agree to publicizing past correspondence, then it would not trouble the Governor of Hong Kong one bit.

MR MARTIN LEE (in Cantonese): *Mr Governor, before I put my question, I wish to make it clear that the United Democrats of Hong Kong (UDHK) support your constitutional proposals, because it has always been the stance of the UDHK that we must have more democracy. Although a bit dissatisfied with your proposals, we will continue to fight for improvements. Mr Governor, my question is: in the current, somewhat tense situation, will the Administration consider holding a referendum such that the people of Hong Kong can decide for their own future? Can you tell us whether you have any theoretical, philosophical or constitutional reasons for objecting to such a referendum?*

THE GOVERNOR: I realize that the argument for a referendum has been put, and is being put, by a number of Members of this Council. It was put to me only a couple of weeks ago, after my address to the Legislative Council, by a distinguished member of the Co-operative Resources Centre. I think it has been put more recently by Members of the CRC, though I think there may be some disagreement about whether or not it is still regarded as the most appropriate approach. I know that other Members have put the argument for a referendum as well. I have to say to Honourable Members that it is not at present on my agenda. One of my concerns about this whole debate is that we should all be clear where we stand. Nothing whatsoever can, at the end of the day, absolve Honourable Members of this Council from the responsibility of taking a view on

the future political development of Hong Kong. That is what Honourable Members of this Legislative Council will have to do, whatever the fireworks that streak across the heavens, whatever the noises elsewhere, and whatever the pressures for or against referenda. So, I repeat, it is not at present in my plans, and even if it were, which it is not, it could not absolve Honourable Members from making their own minds up.

MR LEE WING-TAT (in Cantonese): *Mr Governor, your proposed constitutional model, after it is unveiled, has won many people's support according to a number of local opinion polls. As our chairman just now said, the United Democrats of Hong Kong also support your views, though with some reservations. It is, however, obvious that your proposal is diametrically opposite to Beijing's views. As recently indicated by the Secretary for Constitutional Affairs, the model was just a proposal which might be revised. Mr Governor, how will you assess Hong Kong people's sentiment to ensure that the finalized model, when submitted to this Council for enactment into law, will not disappoint us? In other words, will you modify your views to please China or to gain China's blessing to an extent that your views will substantially differ from what the people in Hong Kong are supporting now? Your charisma can certainly galvanize widespread support now but it will disappoint many people if you back down. I would like to know your view on this.*

THE GOVERNOR: My view is that I owe the people of Hong Kong, as do the Honourable Members of this Council, my best judgment. And all of us have now and in the future to make a judgment on what is the best way forward for Hong Kong. But let me add two points which I think are important. I think that any governing institutions which are working effectively will survive and prosper. What I do not believe is that governing institutions which are not open, which are not regarded as having been fairly constituted, and which are not acceptable to the people of Hong Kong, will survive. And that is an extremely important point for everyone to recognize when they consider the issue of political stability.

I make one further point this morning, which I will make again and again. The notion that the people of Hong Kong, who operate as successfully as anyone in the world in every market known to man and woman, are not sufficiently responsible and sophisticated to manage a modest increase in the amount that they can participate in public affairs, in my view, shows an astonishing view of their aptitude and capacity. So I hope that it will be recognized that the proposals that I have put forward have been criticized — criticized in Hong Kong and criticized beyond — for not going far enough, criticized in part because others — and many in this community — have a very, very high view of what people of Hong Kong can be capable of, and that view of their capacity is shared by the Governor of this territory.

MR CHEUNG MAN-KWONG (in Cantonese): *Thank you, Mr Governor. I wish to follow up the question raised by Mr Allen LEE a moment ago. You said that you would make available those letters in connection with arrangements for the 1995 elections if the Chinese side should raise no objection. But what I am concerned about is whether the Chinese and British Governments have reached any secret agreement on the 1995 Legislative Council election arrangements. If there was, would it not be absolutely meaningless to carry out any consultation about the mode of the 1995 Legislative Council elections these days? If there was no secret agreement, would you take a decision on our future political system based on the outcome of a referendum should such a form of consultation be widely supported by the public?*

THE GOVERNOR: Well, I have given my views as candidly as I can on a referendum and I do not want to go on repeating the same arguments. There was no secret agreement about the 1995 elections, but there was a very public disagreement. There was a public disagreement about the number of directly elected seats proposed for 1995, or rather for the first legislature of the SAR. It is not a matter of confidential exchanges that the United Kingdom Government has for the last two years pressed for a faster pace of democratization. It is not a matter of confidential exchanges that the United Kingdom Government has during that period pressed for an increase in the number of directly elected seats. That is well known to everyone. It has been argued for in the House of Commons at Westminster, it has been argued for in meetings between the foreign ministers of the United Kingdom and China, it has been argued for elsewhere.

It was precisely because Chinese officials argued that such a proposal would violate the Basic Law, or rather would necessitate a redrafting of the Basic Law, that I suggested a different approach to the question of the 1995 elections, a different approach which a number of Honourable Members, for understandable reasons, regard as an insufficient response to the demands for greater democracy in Hong Kong. So I just want to be clear what has been a matter of public disagreement in the past on the 1995 elections.

And one more thing: the Governor of Hong Kong has not invented the fact that we need to put forward proposals on the Election Committee. The Governor of Hong Kong has not invented the fact that we need to put forward proposals on functional constituencies. Nor have I invented the fact that I have to propose, for example, arrangements for the voting method for 1995. Those are obligations on me. And if there are those who do not agree with what I say, they really must put forward their alternatives; otherwise, I have to say, it is extremely difficult to have a rational discussion.

MR TAM YIU-CHUNG (in Cantonese): *Mr Governor, I am not satisfied with your answers to the questions raised by Mr Allen LEE and Mr CHEUNG Man-*

kwong about whether the Chinese and British sides had come to some form of agreement. Neither did you state clearly what agreement both sides had reached on Sino-British issues. However, during a press conference yesterday Mr LU Ping made it very clear that there were file records to bear this out and that it was put down in black and white in respect of the discussions between China and the United Kingdom on the composition of the first legislature and their agreement that it must converge with the Basic Law. Do you think China's strong reaction to your proposals is because of the British Government's breach of faith on the diplomatic front?

THE GOVERNOR: No.

MISS CHRISTINE LOH: Mr Governor, my question relates to the agreements. Even if those agreements were to show that the British Government had compromised the promise to Hong Kong people of Hong Kong people ruling Hong Kong and a high degree of autonomy, would you and the British Government now be prepared to give us back that promise?

THE GOVERNOR: Well, since I do not accept the premise, it is difficult to answer the question, except to repeat what I have said already. I am obliged to put forward proposals for the 1995 elections. And on all the areas where I have put forward proposals, the Basic Law is silent. Since it is silent, the Governor of Hong Kong, and in due course this Legislative Council, is obliged to speak. It is not enough for anyone to say, "Go to the Basic Law and see what to do about the Election Committee." Where, in the Basic Law, do I find what to do about the Election Committee, since Annex II makes it perfectly plain that the Election Committee for the first SAR legislature should be different from the one in 1999? Where in the Basic Law does it tell me what to do about the nine new functional constituencies? Let anybody show me where it says in the Basic Law. Where does it say in the Basic Law what I should do about the voting method?

MISS CHRISTINE LOH: Mr Governor, the agreements that LU Ping has alluded to, not the Basic Law.

THE GOVERNOR: I repeat, there are no agreements that bind the hands of either party. The main disagreement was about the number of directly elected seats. If one looks, for example, at past debates about functional constituencies, what is absolutely clear is that Britain accepted again and again that functional constituencies represented an indirect way of election. I accept that functional constituencies are an indirect way of election, an indirect way in which substantial groups representative of the whole of Hong Kong society can be represented in this Legislative Council. That is not a direct election, and that is why I have put forward the proposals I have for 1995.

I want to see us broadening the base of this Legislative Council in a way which can and should survive. That is why I have put forward the proposals I have, and that is why, until somebody suggests a better set of proposals, I remain wholly wedded to mine. But because I am such a reasonable fellow, like everyone in this Legislative Council, that is why I am very happy to receive other proposals from anyone.

MR VINCENT CHENG (in Cantonese): *Mr Governor, you have just said that you are going to put certain legislation in the new year to this Council for us to consider it and take a view as to whether to support it. On the other hand, you said that you would carry on discussing it with the Chinese side. Mr Governor, I would like to ask you this: in the event that your proposals are accepted by this Council, are you going to carry on with the discussion with the Chinese side in the new year? If so, would it be necessary for this Council to scrutinize any new agreement you might reach with the Chinese side?*

THE GOVERNOR: I think the whole Council knows that we cannot carry on these discussions until the crack of doom. We do actually have to put forward proposals for this Council in the early part of next year, because, otherwise, we will not have arrangements in place for the 1994 and 1995 election. Though there are disagreements between Chinese officials and the Hong Kong Government on general issues, there is, I think, no disagreement on that particular matter. I think it is recognized by officials of the People's Republic of China that we do have in the early part of next year to start the process of legislation. So far as I am concerned, discussions can go on until then, but at that point, this Legislative Council will have to take a view and the Honourable Member is entirely right to imply that it would be preposterous to ask this Council to take a view on a set of proposals which one then changed halfway through the legislative process or after the legislation had been passed. So, the moment of decision for this Council will come in the early part of next year. And when I put proposals to this Council, Members will have to take account of all that has been said to me by Hong Kong opinion and by others, they will have to take account of what this Legislative Council has said to me — and I noted the debate in the Legislative Council a few days ago — and they will have to take account, of course, of any alternative proposals that I receive from Chinese officials; but I have not received any alternative proposals thus far.

MR TIK CHI-YUEN (in Cantonese): *You think that the constitutional reform you have just mentioned can get the point of balance right. But with such strident cries of objection from the Chinese side at the moment, would that upset your point of balance? Would you clearly explain to us the factors and principles that may sway you with regard to your proposals?*

THE GOVERNOR: I do not think that anything that I heard in Peking during discussions — which were rigorous, fairly forceful, but always entirely courteous — changed my view about what people in Hong Kong have been saying for the last three or four months to me and longer to Members of this Council. Perhaps I should not have been surprised that there appeared to be a difference of opinion between some Peking officials and most of the views expressed to me in Hong Kong, but there it is.

I would, if I was to change my mind, wish to be convinced that alternative proposals were better. But it is not a very easy way of consulting or co-operating to find that proposals do not get countered by alternative proposals but get countered by the arguments of a *cul-de-sac* or the arguments of a wall. In any spirit of co-operation, I think it is incumbent on those who wish to co-operate to put forward alternatives so that they can be properly discussed and debated. I have said again and again that the most important principles for me are that the arrangements for 1995 should be open, should be fair and should be acceptable to the people of Hong Kong. Those do not seem to me to be particularly outlandish principles. I would like to hear as passionate speech made in favour of not being open, of being grossly unfair and of putting forward proposals which the people of Hong Kong disliked. Anybody who would like to make a speech along those lines will need a silver tongue.

DR YEUNG SUM (in Cantonese): *Your predecessor has made us wary of the policies of the Governor. You said you would further discuss the constitutional model with China. Will you sacrifice Hong Kong people's democratic aspirations for good relations between China and the United Kingdom?*

THE GOVERNOR: I am, as I am sure the honourable gentleman will know, a man of almost limitless rationality and it would be unfair and unreasonable of me to say that I am not prepared to go on discussing my proposals as long as anyone wishes to discuss them. That is the position I am in. It would be irresponsible of me not to say that again and again. It would be irresponsible of me not to believe that and I do believe it with every fibre of my being. But — and the Honourable Member will forgive me — there is a limit to the number of times that I can say a discussion, consultation requires something to come from the other side. There is, I understand, a well known saying about the difficulty of clapping with one hand. I am a tennis player. Playing tennis on my own is a fairly fruitless occupation. Unless the ball comes back over the net, it is rather difficult to have a co-operative game. And what we are talking about here is not a game, what we are talking about is the prosperity, the stability and the way of life of Hong Kong. That prosperity, that stability, that way of life are not threatened or challenged by the Governor of Hong Kong.

MRS MIRIAM LAU: *Mr Governor, you just mentioned co-operation. In your assessment, what impact will the absence of Chinese co-operation have on the other important Hong Kong issues during the remaining period of transition? And could you tell us what issues we must resolve with the Chinese Government before 1997? And how many of these issues the Chinese Government can legitimately say yes or no?*

THE GOVERNOR: Chinese officials have repeatedly stated that there can be no linkage between one issue and another. For example, they have said over and over and over again that there is no linkage between the airport and questions of political development. So I take it that we can believe what those officials say and I take it that we can deal with issues as we should on their merits. I have said before that, in my judgment, things survive and prosper when they work, whatever the rhetoric of one party or another might suggest. And I am sure that the proposals which this Legislative Council eventually endorses will be proposals that this Council will be able to make work and that this community will be able to make work, and that those who are pragmatic and those who are realistic and those who have the best interests of Hong Kong at heart would not, therefore, wish to disrupt those proposals. I do not think this Council is likely to reach the wrong decision about that.

MR MAN SAI-CHEONG (in Cantonese): *Mr Governor, what specific response do you have to the remarks of Mr LU Ping on the airport issue? Do you think he made those remarks on impulse? Do you think his views suggest that he is dismissing the possibility of Hong Kong building the new airport on its own?*

THE GOVERNOR: One of my ambitions in life is to contain arguments rather than allow them to spread too wide, and I answer your question in that spirit. I have been puzzled by some things that have been said about the airport, puzzled not only by one or two things that have been said about the airport in the last couple of days but in the last couple of years. The position is absolutely clear as I said in my statement. We have so far agreed and started work on 17 of the projects which together make up the airport project as a whole and that has involved a commitment, of which this Council is aware, of about \$18 billion. It is a very substantial commitment. We will have to go on adding, as it were, brick on brick as we can. And at every stage, when we put one brick on another, we will have to come to this Legislative Council and ask for the approval of this Legislative Council for the financing of individual measures and we will also have to explain to the Legislative Council at each stage how we see things being taken forward. That is how I intend to proceed in the future. We will shortly be discussing this matter in the Executive Council and then sharing our thoughts with the Legislative Council. There is, of course, an

element of unreality in some of these discussions because everybody knows that we will have an airport and a good airport. Everybody knows that the Hong Kong Government would like to achieve that sooner rather than later, everyone knows that if it is later it is inevitably going to be more costly and that the future SAR Government will not enjoy the economic benefits as soon as it would like of a successfully completed airport. I could say more, but I am becoming immensely diplomatic.

DR LEONG CHE-HUNG: *Mr Governor, for the last few weeks since your policy address people in Hong Kong in general are very strongly behind your proposed constitutional development. But, now that China has made its very, very strong stand against it, are you worried that some of your previous supporters would be changing their stance? And if so, how are you going to assess the situation?*

THE GOVERNOR: I have a considerable respect for people's intelligence and a considerable respect for people's sense of prevailing reality. I am not at all surprised by some of what one of our newspapers has called "the background music" to these discussions and Honourable Members will be more familiar with some of the background music than even I am. And maybe the background music will be louder, maybe it will be softer over the coming weeks but no background music from the Governor, no attempts by the Governor to create political instability and I am sure nobody else would wish to try to create political instability. I think if we all keep calm, if we all keep to reasonable debate and discussion, if we all try to apply our best judgment to what is in the best interests of Hong Kong, we will get the right solution; and I do not think that anybody should underestimate the people of Hong Kong when they try to arrive at their own personal judgments.

DR HUANG CHEN-YA (in Cantonese): *Mr Governor, all along we keep saying that we should converge with the Basic Law. However, Mr LU Ping seemed to have turned to open hostility from earlier subterfuges, as a Chinese saying goes, in the statement he made after yesterday's meeting with you. His interpretation of the Basic Law is different from that of the people of Hong Kong. For example, the election method for functional groups, according to him, is different from that employed by our functional constituencies. The present practice in Hong Kong is that a representative each from the legal constituency, the medical constituency and the health care constituency is to be elected from among lawyers, medical practitioners and health care personnel respectively on a one-man-one-vote basis. However, if I have understood Mr LU correctly, such practice is basically in breach of the Basic Law and should be revised accordingly. Mr Governor, I wish to know whether you would press Beijing*

for a thorough interpretation of the Basic Law for the benefit of the Hong Kong people to enlighten us as to what we are to converge with. Is the so-called "through train" headed for heaven or hell?

THE GOVERNOR: Well, I very much hope that from wherever trains start they arrive at agreeable destinations, with as many people on board as possible, with as much freight as possible, and on time — and that is the end of that railway metaphor. I would like to concentrate on my proposals for both existing and new functional constituencies. We all know what the texts say. We all know that the texts tell us that functional constituencies represent, or should represent, substantial interests. We all know that there has been some criticism about the extent to which some existing functional constituencies really represent substantial interests. And I tried to address that particular point in my proposals, not, I think, to the total satisfaction of Members of this Legislative Council, but I am sure it is a matter which the Legislative Council will spend some time debating at some point next year. I also put forward proposals which seemed to me to reflect everything that had been written or said, whether in public or in private, about functional constituencies; I tried to reflect that in the proposals I put for the nine new functional constituencies. If anyone, however distinguished, is attempting or would like to put forward new interpretations of what a functional constituency should be and, in the light of that interpretation, to say what functional constituencies we should actually choose for 1995, I am sure the whole community will be interested in hearing that, including doctors and engineers and nurses and others.

MR LAU WAH SUM: *Mr Governor, if you should fail to reach agreement with the Chinese on the constitutional reform package, would you choose to go it alone in 1995, disregarding convergence with the political system in 1997?*

THE GOVERNOR: I have said in my statement, as I said to the distinguished Foreign Minister, as I said to Director LU, that I was very happy to continue discussions, and I imagine discussions will continue in the Joint Liaison Group. So I think, not least before we have had the opportunity of studying any counter proposals by PRC officials, it would be premature to make assumptions about breakdowns, such as the Honourable Member suggests we should be making. I have not broken down, despite a puncture in my car (*laughter*). I do not think that discussions have broken down. I never think that it is sensible for political leaders to try to close all the doors and close all the windows. So I remain open to discussion, I remain open to hearing other proposals.

I hope Honourable Members will take the point I have made that we really do have to hear some alternatives. It would have been nice if that had been the way we had conducted business on the airport. I think it is imperative that that is how we should conduct business on the political development of this community.

MR ERIC LI (in Cantonese): *Mr Governor, you stated clearly a moment ago that you hoped the Joint Liaison Group would continue with the discussion. I know you would very much like to see this happen. Mr Governor, can you tell us the following: first, whether the Chinese side would wish to continue with the discussion, and second, since you said you hoped both the agenda and the proceedings of the Joint Liaison Group, which are confidential and cannot be disclosed except with the consent of the Chinese side, could be made public as far as possible, do you have any special arrangements ready to convince the people of Hong Kong that these closed-door discussions are not deals between the Chinese side and the British side?*

THE GOVERNOR: Keen as I am on open government, I think if I were to suggest that the meetings of the JLG took place under the television cameras there would be some polite surprise around the community and some objection. But I find myself, occasionally at present, criticized for having been too open about our discussions. Despite the fact that I know this Council has argued from time to time that we should be open with the community before we go and negotiate with the PRC, I have found one or two Honourable Members, in the debate earlier this week, were criticizing me for trying to be open with the community. I think it is terrible for political stability to try to wrap everything in total secrecy when one is talking about things on which everybody is talking. One knows perfectly well what happens — great bubbles of speculation, the most spectacularly imaginative exegesis of every comma, every punctuation mark — in the Governor's every press conference at an airport. That is no way to behave in a sophisticated community like this. But some discussions should take place in confidence, even if one makes the proposals that one is putting in those discussions public.

Chinese officials have again and again and again made a distinction between the confidentiality of discussions and publicizing the proposals they put forward. So I do not think it is reasonable to argue that the Governor of Hong Kong is somehow, on this occasion, changing the rules of the game. As for discussions in the JLG or anywhere else, the point at which Honourable Members will have to judge whether we have behaved honestly and honourably is the point at which we put discussions to this Legislative Council. And I repeat, any proposals which are put to this Council on the 1995 elections will, in the judgment of the Governor of Hong Kong, be open, fair and acceptable to the people of Hong Kong.

MISS EMILY LAU: *Governor, having experienced first-hand the way that communist Chinese officials behave, can you tell us, as a representative of Her Majesty's Government running this Colony, and as a staunch Catholic, that the handover of several million British citizens to Chinese communist rule in 1997 is morally defensible and an honourable thing?*

THE GOVERNOR: Well, that certainly livened up the proceedings! (*laughter*) I want to say this, without any reservation, to this Legislative Council. I believe that the Chinese Government is committed to honouring the undertakings given so explicitly in the Joint Declaration about the prosperity, stability and way of life of Hong Kong. But I want to add this, which I have said to Chinese officials in private, and I say to this Council in public: I think the Governor of Hong Kong has far greater credibility in giving the community those reassurances if the community believes that the Governor of Hong Kong will stand up for Hong Kong. I feel that very, very strongly. Those reassurances will need to be given again and again and again as we get closer to 1997, and when the Governor of Hong Kong gives them, this Governor of Hong Kong will, I hope, be able to do so as somebody who has battled for the best interests of this dependent territory.

DR LAM KUI-CHUN: *Sir, in considering the way forward, in view of the failure to reach an agreement with the Chinese Government on your constitutional reform package, would the morale and the stability of the Civil Service be one of the key factors in your deliberation, and how do you think the Civil Service would be affected if Mr LU proceeds as stated with the formation of the SAR Government's legislature and judiciary before 1997?*

THE GOVERNOR: Let me try to respond as positively as possible to that question and not go back over some of the ground which I have traversed already about the effectiveness of institutions being the main determinant in their survival. I believe that the officials of the PRC, including someone as knowledgeable about the affairs of Hong Kong as Director LU, want Hong Kong, before and after 1997, to be well governed, and wish that government to be conducted by the best people available. One of the things for which I am personally grateful is the reassurances which Director LU has given again and again to the excellent Civil Service in Hong Kong that they will be assured a smooth transition through 1997. Director LU has said that in public, other officials have said that in public, and I believe them.

MR JIMMY MCGREGOR: *Governor, first of all, I should like to say that the Hong Kong Democratic Foundation supports you fully and in general — there may be some argument with some of the smaller points in detail. As a very senior official with long experience of negotiation in the government of the United Kingdom, you are aware that you have begun a process of negotiation with China, which has been going on a very long time and you are now at a critical part of it. On the issue of the airport, separately from the issue of democratic reform in Hong Kong, do you have an agenda in terms of time? Is there a point at which you must come to a conclusion on further work on the airport without further Chinese input, and in terms of the democratic development of Hong Kong, is there a point beyond which you cannot go before you must make decisions? What are these points, please?*

THE GOVERNOR: First of all, so far as the tone and feel of the negotiations is concerned, these were not the first negotiations that I have had with Chinese officials, though they were the most important. I have to tell this Council that in comparison with some of the negotiations that I have conducted in the past in the European Community, these were carried out in a rational and calm and dignified and non-acrimonious fashion, however strongly views were felt on both sides. And I think that is partly a reflection on the quality of the officials with whom I was talking.

On the airport, I do not believe that it is fair to say — and I never have believed that it is fair to say — that we face one deadline. What is true is, first of all, that incomparably the best option is an agreement with China which gives us an overall package. We all know that. But if we cannot reach that agreement, which would give us the airport sooner rather than later, then we have to continue doing what we have started doing already, which is all we can, day by day, week by week, month by month. And that involves one facing up to a succession of decisions. The next decisions, as I said earlier, will come towards the end of November when the validity of the tender on the airport platform falls due, and we will have, about that stage, to take a decision with this Council about how to proceed on the airport platform. We will have a series of further decisions along the road.

I think, during the next few months, this Council will want to know how we see the way forward if we are not going to have an overall agreement, and I am sure this Council will want us to proceed in a way which always has the door open to a total agreement, to a total package, because everybody knows that that is the best way forward. But I do not, myself, believe that it is advisable to seek out deadlines, to seek out where you can throw switches and pull plugs, unless it is absolutely essential.

Where we have more difficulty is in the question of political development and the arrangement for the 1994 District Board elections and Municipal Council elections and the 1995 Legislative Council elections. On those matters, we cannot simply mark time until the end of 1993 or the end of 1994 or halfway through 1995; we do have to take decisions in order to get the arrangements in place. But as senior Chinese officials have accepted — and I had better not quote them — this Council will have to take a view, quite early in 1993, on these matters. It is not forcing the pace. I do not have, as I think the Council will know, a reputation as a confrontational politician. I used to be described — a badge I wore with honour — as an "arch wet". I am somebody who looks, whenever possible, for agreement, but, to coin a phrase, agreement on a principled position.

Adjournment and next sitting

THE PRESIDENT: I am much obliged to this Council. In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 28 October 1992.

Adjourned accordingly at twenty-two minutes to Twelve noon.

