

OFFICIAL REPORT OF PROCEEDINGS**Monday, 15 October 1984****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR EDWARD YOUDE, G.C.M.G., M.B.E.

THE HONOURABLE THE CHIEF SECRETARY
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
SIR JOHN HENRY BREMRIDGE, K.B.E., J.P.

THE HONOURABLE THE ATTORNEY GENERAL
MR. MICHAEL DAVID THOMAS, Q.C.

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR DISTRICT ADMINISTRATION

THE HONOURABLE LO TAK-SHING, C.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE ALEX WU SHU-CHIH, C.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, C.B.E., J.P.

THE HONOURABLE LYDIA DUNN, C.B.E., J.P.

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

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

THE HONOURABLE ANDREW SO KWOK-WING, O.B.E., J.P.

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E., J.P.
SECRETARY FOR HOUSING

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.

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

THE HONOURABLE COLVYN HUGH HAYE, C.B.E., J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

THE HONOURABLE CHEUNG YAN-LUNG, M.B.E., J.P.

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

THE HONOURABLE MARIA TAM WAI-CHU, O.B.E., J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE HENRY CHING, C.B.E., J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE CHAN NAI-KEONG, J.P.
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, J.P.
COMMISSIONER FOR LABOUR

THE HONOURABLE CHAN YING-LUN

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN

THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.

THE HONOURABLE YEUNG PO-KWAN, C.P.M.

THE HONOURABLE KIM CHAM YAU-SUM, J

THE HONOURABLE KEITH LAM HON-KEUNG, J.P.

THE HONOURABLE CARL TONG KA-WING

THE HONOURABLE MICHELANGELO PAGLIARI, J.P.
SECRETARY FOR EDUCATION AND MANPOWER (*Acting*)

ABSENT

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LI WING

Papers

The following papers were laid pursuant to Standing Order 14(2):—

Subject *L.N.No.*

Subsidiary Legislation:

| | |
|---|-----|
| Air Navigation (Overseas Territories) Order 1977. Air Navigation (General) (Amendment) Regulations 1984 ----- | 348 |
| Apprenticeship Ordinance Apprenticeship (Designation of Trades) Order 1984 ----- | 349 |
| Apprenticeship Ordinance. Apprenticeship (Periods of Apprenticeship) Notice 1984 ----- | 350 |
| Public Health and Urban Services Ordinance. Public Health and Urban Services Ordinance (Amendment of Tenth Schedule) Order 1984 ----- | 351 |
| Immigration Ordinance. Immigration (Places of Detention) (Amendment) Order 1984 ----- | 352 |
| Immigration Ordinance. Immigration (Vietnamese Refugee Centres) (Closed Centres) (Designation) (Amendment) Order 1984 ----- | 353 |
| Immigration Ordinance. Immigration (Vietnamese Refugee Centres) (Closed Centre) (Amendment) Rules 1984----- | 354 |
| Merchant Shipping (Safety) Ordinance. Merchant Shipping (Safety) Ordinance (Cancellation of Exemptions) Notice 1984 ----- | 355 |
| Public Health and Urban Services Ordinance. Declaration of Markets in the New Territories (Amendment) Declaration 1984 ----- | 356 |
| Magistrate (Amendment) Ordinance 1984. Magistrates (Amendment) Ordinance 1984 (Commencement) Notice 1984 ----- | 357 |

Sessional Papers 1984-85:

No. 14—Urban Council Annual Report 1984.

No. 15—Urban Council, Hong Kong—Accounts for the year ended 31 March
1984 with Report and Certificate of the Director of Audit

No. 16—Chinese Temples Fund—Income and Expenditure Account with Balance Sheet and Certificate of the Director of Audit for the year ended 31 March 1984.

No. 17—General Chinese Charities Fund—Income and Expenditure Account with Balance Sheet and Certificate of the Director of Audit for the year ended 31 March 1984.

No. 18—Pneumoconiosis Compensation Fund Board—Report for the year ended 31 December 1983.

Unofficial Member's Motion

THE FUTURE OF HONG KONG

MR. R. H. LOBO moved the following motion:—That this Council endorses the Draft Agreement on the Future of Hong Kong between the Governments of the United Kingdom of Great Britain and Northern Ireland and the People's Republic of China and commends it to the people of Hong Kong.

He said:—Sir, I rise to move the motion standing in my name. It reads:—

‘That this Council endorses the Draft Agreement on the Future of Hong Kong between the Governments of the United Kingdom of Great Britain and Northern Ireland and the People's Republic of China and commends it to the people of Hong Kong.’

Sir, I had the privilege to introduce the earlier motion carried on 14 March 1984, which deemed it essential that any proposals for the future of Hong Kong should be debated in this Council before any final agreement is reached.

It follows therefore that, with the publication of the White Paper on Wednesday, 26 September 1984, we should now debate the draft agreement to ensure that the views of this Council are conveyed to Parliament prior to their debate on this issue which is of such vital importance to the people of Hong Kong.

For the patient and hard working people of Hong Kong, the past 24 months have been a difficult period when their courage and confidence have been tested to the full; it has been necessary to accept so much on trust and Hong Kong has been no place for faint hearts.

Throughout these two long years of uncertainty and bewilderment we have prayed that the agreement under negotiations would mirror and alleviate our worries, fears and feelings on the future.

The long awaited agreement; the most important document in Hong Kong's history, is now before us.

In the course of this debate, my colleagues will no doubt express their own views and elaborate on views represented to them on the draft agreement and some will express reservations.

Inevitably, there are uncertainties and doubts and it is our duty to express these freely. I would also urge the community at large to make known their views, favourable or otherwise, to the Assessment Office. We have now been assured that these views will be kept under seal pending ratification of the agreement and destroyed soon thereafter.

But we should not forget the objective of the agreement, entered into freely between the two Governments, nor the background to this accord.

Nor should we forget that our choice is to accept this agreement or face the future without one.

The negotiations started out with the common aim of securing a means of maintaining the stability and prosperity of Hong Kong. Throughout the confidential talks we were troubled by many worrying rumours and stories.

It was within China's power to break off the negotiations or announce her plans for Hong Kong's future. But this did not happen. The two sides persevered to produce the detailed draft agreement before us.

It covers all the key points represented in our earlier debate in this Chamber and in the UMELCO statement of 9 May 1984.

Many will recall our controversial visit to London and it is gratifying to see that it also sets out the many constituent freedoms and factors which we have stressed in our mission to London as essential to maintaining the stability and prosperity of Hong Kong.

The fact that the two Governments of the United Kingdom and the People's Republic of China have committed themselves internationally to an agreement in such detail; that the P.R.C. should evolve and commit itself to the maintenance of two systems within one state; and that both Governments should see the agreement as a blueprint for maintaining the stability and prosperity of Hong Kong; all these factors persuade me that the negotiators have done their best to secure Hong Kong's future.

It remains—and is no less important—to determine the Basic Law in the same spirit.

But there is a vital factor that no written agreement or negotiation can provide. If we are satisfied that the two Governments have reached this agreement in good faith—and how can we see such a detailed international commitment in any other way?—What remains is the need for public confidence in the future.

We have a good agreement and it is now up to the people of Hong Kong and indeed the international community to make it work.

The end result must be a stable and prosperous Hong Kong. Anything less will erode the basis for the agreement and the case for preserving Hong Kong as a Special Administrative Region.

At this point, Sir, with your consent, I would like to include in the official records of the proceedings of this Council the statement made by Sir S. Y. CHUNG, Senior Unofficial Member of the Executive Council, at the press conference given by the Unofficial Members of the Executive Council in Hong Kong on Friday, 28 September 1984.

A copy of this statement is annexed to my speech and is tabled for this purpose.

I share the views expressed in the statement and I can only reiterate my belief that, in all circumstances—not least being the choice of accepting the agreement or facing the future without one—the draft agreement before us is a good one which can be commended to the people of Hong Kong.

Sir, I beg to move.

Annex

Statement by Sir S. Y. CHUNG, Senior Unofficial Member of the Executive Council, at a Press Conference given by the Unofficial Members of the Executive Council in Hong Kong on Friday, 28th September, 1984:

THE FUTURE OF HONG KONG

Last Wednesday you heard the speech of the Governor when he presented the Sino-British draft agreement on the future of Hong Kong. Yesterday the Governor answered various questions at a press conference. The objective of this press conference is to explain why the Unofficial Members of the Executive Council are endorsing the draft agreement and commending it to the people of Hong Kong.

As you will recall, the Foreign Secretary disclosed in April this year that it would be unrealistic to have British administration in Hong Kong after 1997 and the whole of Hong Kong would have to revert to China in 1997. Subsequently, UMELCO issued a statement last May in which they reflected the anxieties and wishes of the people of Hong Kong and listed the four most important requirements which they considered to be essential in the Sino-British agreement.

Since the publication of this statement, UMELCO have received a large number of representations from a wide cross-section of the community expressing their support. The South China Morning Post also commissioned an independent research firm to conduct a survey which showed that 82 per cent

of the community approved fully or in part of the statement. In addition, almost 70 per cent of the elected and appointed Unofficial Members of the 18 District Boards came out in support. From this response, it is clear that a large majority of the people of Hong Kong supported the UMELCO statement as reflecting their worries and wishes.

Briefly, UMELCO's paper outlined four basic requirements which were considered to be essential for the acceptability of the agreement. These were, *first*, that the agreement must contain full details of all the systems in Hong Kong after 1997; *second*, that it must state that the provisions of the Basic Law will incorporate the relevant provisions of the agreement; *third*, that it must provide adequate and workable assurances that the terms of the agreement will be honoured; and *finally* that the rights of Hong Kong British Nationals will be safeguarded. Given the support that UMELCO have received from the community on these four basic requirements, it follows that acceptability will, to a large extent, depend on how far the agreement meets these requirements. The Unofficial Members of the Executive Council, therefore, have assessed the acceptability of the agreement based on these four major requirements.

First, we believe that the agreement does provide sufficient details of the administrative, legal, social and economic systems which will be maintained in the Hong Kong S.A.R. after 1997. Some people, however, may still wish to see more precise details in certain areas. One should appreciate that it is impossible in an unique agreement such as this to define every aspect of Hong Kong life in thirteen years time. Nonetheless, we believe that the agreement does provide, with sufficient clarity and precision, a sound framework on which the people of Hong Kong can plan and build their future.

Secondly, the agreement fully meets our second requirement in clearly stating that the future Basic Law will incorporate the relevant provisions of the agreement.

As to the third requirement of providing adequate and workable assurances, this issue is somewhat subjective in nature, and different persons may have different assessments.

The important assurance, we believe, is the undertaking by both Governments to implement the Joint Declaration and its Annexes which shall be equally binding. We are advised by legal experts on international affairs that an international agreement of this kind is the highest form of commitment between two sovereign states and that the agreement is legally binding on both Governments. If there are any breaches by any one of the two signatories within the life of the agreement, the other will be obliged to make representations in the interests of the people of Hong Kong.

Lastly, on the fourth requirement of guaranteeing the rights of British Nationals: whilst there will undoubtedly be disappointment about the termination of transmissibility in 1997, the Hong Kong B.D.T.C.s will welcome the safeguard in the agreement of their right to use British passports after 1997.

On the whole, the agreement, in our opinion, does meet substantially our major requirements. In addition, in assessing acceptability, we have considered the alternatives. What is the alternative, particularly for those who cannot leave or do not wish to leave? The alternative is no agreement and the likelihood of a unilateral declaration by China. A unilateral declaration may *not* contain all the details we require; may *not* be binding; may *not* provide any assurances or an undertaking about the future Basic Law. It almost certainly would *not* safeguard the rights of Hong Kong B.D.T.C.s.

In addition, there are in the draft agreement many positive features which are to be welcomed. For example, on the issue of an elected legislature and on land matters; on the right of Hong Kong people to travel freely in and out of the S.A.R.; and on the various freedoms which we hold so precious in Hong Kong. The fact that this draft agreement contains much more details than many people expected indicates the efforts of both Governments to meet the concerns of the people of Hong Kong. We therefore believe that a mutually binding agreement, freely negotiated and entered into between two sovereign states and providing a workable framework, is much to be preferred to no agreement.

The last two years have been historic years for Hong Kong: sometimes frustrating and sometimes emotional for all of us. We would like to express our admiration to the people of Hong Kong for their patience in these uncertain times. We the Unofficial Members of the Executive Council were very conscious of our responsibility in reflecting the views and wishes of the people of Hong Kong. We were united and determined in one over-riding objective: that of securing an agreement which would provide the continuation of prosperity and stability of Hong Kong well into the future.

It is our belief that what we have today is the best agreement possible and one which we, the Unofficial Members of the Executive Council, can commend to the people of Hong Kong in good conscience. The world at large will observe the good faith with which it is implemented and we trust the people of Hong Kong can also take heart from this.

Finally, we would like to take this opportunity to pay tribute to the Governor of Hong Kong and his team. They have worked long and hard but the Governor deserves a special mention. There have been pressures on him from all sides, but in all these the Governor has always the interest of Hong Kong at heart. The people of Hong Kong owe him a debt of deep gratitude.

This statement was delivered in Chinese as well as in English

MR. TIEN:—Sir, on 26 September 1984, Your Excellency made a historical commendation to this Council. In your address on that day, Sir, you called upon the Members of the Legislative Council to accept the draft agreement on the future of Hong Kong.

At the same time Your Excellency paid a generous tribute to Members of both the Executive and Legislative Councils for being resolute, sincere and selfless in reflecting the views of the people of Hong Kong. Sir, this was a generous tribute. However we are all very conscious of the outstanding part which you personally played in bringing the negotiations themselves to such a successful conclusion. I do however suggest that we remember a wise word of caution: 'The trouble with a good many of us is that we come to a conclusion before we arrive at the end'. Much still remains to be done and we must work hard to ensure the best outcome for Hong Kong.

The burden imposed upon you by the negotiations must have been immense. I can particularly sympathise with you about the enormous amount of travelling involved. For some years I spent many hours in aircraft in my capacity as a travelling adviser of our textile industry and I well recall the witty remark of Sir Robert MENZIES that: 'International travel broadens the mind, but has singularly constricting effects on other portions of the anatomy'.

We are all grateful, Sir, for all your efforts.

As one of the members of the Hong Kong delegation to the celebrations of the 35th anniversary of the founding of the People's Republic of China, I was fortunate enough to attend the meeting with China's Premier ZHAO. As regards Hong Kong, Premier ZHAO took up the theme he touched upon in his speech at the national banquet. Indeed, he described the conclusion of the draft agreement as a significant event in modern history.

Premier ZHAO emphasised that after investing two years of time and effort in the Sino-British negotiations in order to bring them to a mutually agreed conclusion, there could be no doubt that the spirit and the letter of the agreement would be faithfully implemented. There is no point, he said, in negotiating so long if there was no intention to observe the terms of the outcome, the terms of the agreement. All the Chinese leaders committed that the terms of the agreement will be faithfully implemented and no changes will be proposed. He repeated this theme again and again. He declared that the Chinese leadership believed that the agreement would stand the test of time and history.

In view of these solemn and unequivocal assurances at this moment in time made by the Premier of the P.R.C., I find the whole package generally acceptable.

Sir, I wish now to comment upon some of the economic aspects of the agreement. So far we must welcome the assurance that the Hong Kong S.A.R. will be able to participate in relevant international organisations and international trade agreements such as the G.A.T.T. In July this year I led a delegation of Hong Kong Garment Manufacturers and Exporters Group to Beijing and was received by President LI Xiannian as well as the Director of Hong Kong and Macao Office, Ji Pengfei. They promised that China would try its best to retain Hong Kong's present status in international trade bodies such as the G.A.T.T. and M.F.A. We are, and must remain, an international city. I think

it is a sign of China's goodwill that this point has been included in the draft agreement. The agreement also says that export quotas, tariff preferences and similar arrangements obtained by Hong Kong S.A.R. will be enjoyed exclusively by S.A.R. It is important to stress the word 'exclusively' in this connection and I hope that it would definitely be included in the final agreement.

Now after negotiations on the agreement are over, and while we are waiting for the completion of the final formalities, it is necessary for certain action to be taken so that the agreement becomes a spring-board for our economic development. First, steps must be taken urgently to ensure the health of the property market in the interest of the largest stability. Second, steps must be taken to attract more Chinese and foreign investment in Hong Kong. Attempts are being made to induce Hong Kong businessmen to invest in China, and this is more likely to happen if China in turn invests in Hong Kong thus stimulating confidence in Hong Kong's industrial future. The future will no doubt be 'Ever Bright'. Third, on a related point, I should like to see the Hong Kong Trade Development Council playing a bigger role in encouraging foreign investment in our industry. The T.D.C. is well placed to increase its efforts in this field and must be called upon to do so. Finally, action must be taken to maintain the impetus given to vocational training to sustain the growth of Hong Kong's industry. Manpower training is essential for our continued prosperity and our efforts in this field must be maintained. With such training, Hong Kong can still walk tall.

Finally, Sir, let me comment upon the proposed Sino-British Joint Liaison Group which is to be set up. I am in support of the proposal but note that the exact role which Hong Kong people may play in the group is not mentioned. I believe it is important that once the principal base of the group moves to Hong Kong in 1988, it should include members drawn from the local community. It will be preferable to include some Hong Kong people right from its establishment next year. In addition, I would like to see a strong representation of Hong Kong people on the committee which is to draft the Basic Law. 'What touches all should be approved by all', as the wise saying has it.

Sir, I support the motion.

MR. ALEX WU delivered his speech in Cantonese:—

督憲閣下：爲了香港前途問題，閣下在過去兩年中，奔波勞碌，負起空前絕後的艱鉅擔子，完成任務，本人謹隨同本局議員，向閣下致萬分謝意。

行政局非官守議員，多次向有關方面闡述兩局意見，備極辛勞，本人一併致謝。

經過兩年來的努力，香港前途問題，終於達成協議，這份在香港歷史上最重要的文件，是經過無數艱鉅的磋商，運用靈活的外交手法，再加上工作人員卓越的才智所得來的成果，能夠將一個極端敏感的主權問題，作周詳而有遠見的處理。同時又盡量將香港民意包括在將來建立安定民心的基礎。難怪聯合國秘書長及很多國家元首，都認爲這是用作解決世界紛爭辦法的一個典範。

閣下在今年九月二十六日的演詞裏面，強調這一個協議，是值得為港人接受的，而行政局議員，亦都一致推薦。

本人在細讀協議草案內容之後，覺得協議中的特色是：除了為主權轉移而引致必需的轉變之外，一切可以維持現狀，協議更強調港人生活方式不變，尤其值得重視。

此外，「一國兩制」這個新構思，為談判提供了突破。本人對它的實踐寄予厚望。世事無論大小，都可以用取長補短，互相學習的原則來解決。去月義和資，本主義，都是提高國民生活水平為最終目的，用不同的辦法去實現。治理想，祇不過是殊途同歸而已。本人希望我們今後三十年來，在這種獨特的制度下，現港人確能治港的能力，令到在二〇四七年之後，仍能夠在這種獨特的制度下，享受人生。

關於協議內容，在今日和明日兩日的辯論裡面，很多位議員將逐項來討論。香港的市民亦可向民意審核專員辦事處提出意見，本人僅就其中一項，發表意見。

協議聲明，將來香港行政基本方針政策，由特別行政區基本法規定，既然基本法是將來香港政制的基礎，那麼我們便要在這一方面集中注意力。現在本人提出下列的建議：

第一，基本法草擬應該有港人參與同時應該早日完成。協議草案裏面並無明文的規定。如果對這兩個問題加以澄清，對安定人心有更大的作用。有港人參與草擬，可以說我們已經踏上了「港人治港」旅程的第一步。

第二，現在香港前途問題既然已經明朗化，港府應該經由英國駐華大使，毫無顧忌地邀請若干中國決策人士，包括對香港較為陌生的人大代表，到香港訪問；讓他們能夠親自體會香港的實際情況；深入瞭解我們的政制，生活方式，和我們理想中的基本法。這樣，對將來擬訂基本法和解決很多懸疑問題的時候都有極大的幫助。目前，港府經常邀請英國國會議員訪港，本人覺得中國領導人和人大代表應該同樣得到邀請。

第三，本人呼籲社會人士對將來基本法的制訂，儘量發表意見，俾基本法草擬委員會有所依據。民意審核專員辦事處是正式紀錄民意的機構，如果我們放棄了這個機會，那便是我們幾百萬人的損失。我們應該在期限以內，毫無保留地道出心聲。區區幾百封信是沒有力量的。幾千，幾萬封信，就可成為一股民意洪流，使民意審核專員辦事處能夠發揮真正的作用，香港政府對民意保密處理方法的迅速反應，是值得稱許的。

督憲閣下，協議為香港人帶來了一個難能可貴的機會。讓我們好好地來利用這個機會，接受挑戰，為我們自己的前途，作出詳盡而妥善的安排，來達到維持安定與繁榮的目的。

我們要改變以往一貫祇是作「乘客」的態度，立即開始學習作為優秀的「領航員」。這樣，本人相信我們不難創造一個政經並茂的奇跡。

督憲閣下，本人支持當前動議，並希望香港的人正視無可避免的現實，用積極和樂觀的態度來應付這份香港前途問題的協議。

(The following is the interpretation of what Mr. Wu said.)

Sir, in the past two years, you have shouldered the unprecedented heavy burden on the question of the future of Hong Kong. After much travelling and hard work, you have now accomplished your mission. Together with my other colleagues, I would like to express my heartfelt thanks to you.

Unofficial Members of the Executive Council have, on many occasions, conveyed the view of UMELCO to the parties concerned. Here, I would also like to extend my gratitude for their efforts.

After two years of hard work, an agreement is finally reached on the future of Hong Kong. This most important document in the history of Hong Kong is the result of arduous consultations, adroit diplomacy and the excellent ability and wisdom of the negotiating teams. The extremely sensitive issue of sovereignty has been handled in a comprehensive and far-sighted manner. At the same time, the draft agreement has taken account of almost all the views of the Hong Kong people, which lays the foundation that put the people's mind at ease. No wonder the Secretary General of the United Nations as well as heads of various countries consider this a model for solving international disputes.

Sir, in your address on 26 September 1984, you commended this agreement to the people of Hong Kong and Unofficial Members of the Executive Council also share your view.

After reading through the draft agreement carefully, I feel that its outstanding feature is: except for the necessary changes brought about by the transfer of sovereignty, the status quo can be maintained. It is most important that the draft agreement stresses that the life-style of the Hong Kong people will remain unchanged.

Moreover, the imaginative concept of 'one country, two systems' has provided a breakthrough for the talks and I have high hopes in its implementation. Problems, big or small, in this world can be solved by the principle of learning from other's strong points to offset one's weaknesses. The ultimate aims of both socialism and capitalism are to improve the living standard of the people. The realisation of this political ideal by divergent methods is just to attain the same goal via different routes. I sincerely hope that in the coming 63 years, we can show that Hong Kong people can truly govern Hong Kong so that even after 2047, we can still enjoy life under this unique system.

The content of the draft agreement will be discussed item by item by Members of this Council in today and tomorrow's debate. Meanwhile, members of the public can give their opinions to the Assessment Office. Here, I would like to give my views on one particular aspect of the draft agreement.

It is stated in the draft agreement that Hong Kong's basic administrative policies will be stipulated in the Basic Law of the Special Administrative Region. Since the Basic Law will be the basis of Hong Kong's future political system, I would like to make the following suggestions:—

Firstly, the Basic Law should have the participation of Hong Kong people and should be drafted at an early date. No date has been given in the draft agreement. If these points can be clarified, then it will help greatly in putting the people's minds at ease. With the participation of Hong Kong people in the drafting of the Basic Law, it can be said that we are on the first step towards 'Hong Kong people ruling Hong Kong'.

Secondly, the Hong Kong Government should extend, through the British Ambassador to China, open invitations to Chinese leaders, including Members

of the National People's Congress (N.P.C.) who are less familiar with Hong Kong to come here for visits, so that they may see for themselves the actual circumstances here and get an insight of our political system, our lifestyle as well as the Basic Law that we expect. This will greatly help in the future drafting of the Basic Law and the solving of outstanding issues. At present, the Government often invites Members of the British Parliament to visit Hong Kong. I hope that Chinese leaders and Members of the N.P.C. would be given a similar courtesy.

Thirdly, I appeal to the public to give their views on the drafting of the Basic Law as far as possible so that the drafting committee can have something to base on. The Assessment Office is the official body for recording public opinion. If we give up this chance, the loss is ours, the several million people of Hong Kong. We should voice our views without any reservation within the specified period. A mere several hundred letters are not powerful enough. Thousands and ten thousands of letters will become a mighty torrent of public opinion which makes the Assessment Office effective. The Government is to be commended for having responded swiftly to the question of how to keep the views conveyed confidential.

Sir, the draft agreement brings an unprecedented opportunity to the people of Hong Kong. For our own future, let us make good use of this chance and accept the challenge. For our future, we must make sound and detailed arrangements to preserve the stability and prosperity of Hong Kong.

We must change our past attitude of being a 'passenger' and learn to become a good 'navigator' right now. In this way, I believe we will build a political as well as economic miracle.

Sir, I support this motion. I hope the people of Hong Kong will face squarely the inevitable reality and deal with the agreement on the future of Hong Kong in a positive and optimistic manner.

MR. S. L. CHEN:—Sir, in your address to this Council on the 26 September, you have explained clearly the provisions in the draft agreement, their purposes and the reasons for them. I would not therefore go over all these grounds once again but suffice for me to say that the draft agreement does provide sufficient details designed to inspire confidence that our present judicial, social, economic and financial system and life-style would be preserved. I also accept the fact that an international agreement of this kind is the highest form of commitment binding two sovereign states. Nevertheless, I would like to highlight one or two important aspects of the draft agreement.

In section I of Annex I which is an elaboration by the Chinese Government of its basic policy regarding Hong Kong, it explicitly states that after the establishment of the Hong Kong Special Administrative Region, the socialist system and socialist policies shall not be practised in the Hong Kong Special Administrative Region and that Hong Kong's previous capitalist system and life-style shall

remain unchanged for 50 years. Thus the Government of the People's Republic of China has re-affirmed publicly by means of an international agreement, as a commitment to their 'one country, two systems' policy. The success of this innovative concept may have profound political implications on the future development of world politics. Few should have reason to doubt the desire of the leaders in China to make this a success. Their conviction and commitment in this important policy venture should be accepted as grounds for confidence.

There is, however, one other important aspect in the draft agreement which deserves very careful consideration. In section II of Annex I, it states that after the establishment of the Hong Kong Special Administrative Region, the laws previously in force in Hong Kong shall be maintained, save for any that contravene the Basic Law. In other words, the continuation of the existing laws in Hong Kong is subject to the requirement that they would not contravene the Basic Law which is yet to be drafted. Furthermore, following the statement in section I of Annex I, it is quite clear that the real constitutional authority for the administrative structure of Hong Kong after 1997 must derive from the Basic Law. It is therefore of utmost importance for Hong Kong that the people of Hong Kong should have a place in the drafting of the Basic Law so as to ensure that details which were not included in the draft agreement should be adequately reflected in the Basic Law. This, I believe, would no doubt enhance confidence of people in Hong Kong and investors from overseas. To this end, I urge the public to come forward and be positive in airing their views on what the Basic Law should contain and who should be involved in this drafting.

I reiterate my support for what Sir S. Y. CHUNG said at the press conference of Unofficial Members of the Executive Council held on the 28 September that there are in the draft agreement many positive features which are to be welcomed and that what we have today is the best agreement possible and that it does provide with sufficient clarity and precision a sound framework on which the people of Hong Kong can plan and build their future. Nonetheless, some may still say that although the draft agreement has provided on paper all the essential ingredients for the continuity of our existing social and economic system and life-style, nonetheless the proof of the pudding still remains in the eating as it were. To such people I would say that it is pointless to talk about proofing unless we have the pudding first. I believe we now have all the necessary ingredients for the pudding. The only thing remains is who should do the cooking. To this end, I believe both the people and Government of Hong Kong should have an important role to play.

A good agreement alone is not sufficient to maintain our prosperity and stability. Given the necessary support which the people of Hong Kong can rightfully expect from both the Chinese and British Governments, the responsibility of maintaining Hong Kong's prosperity and stability rests squarely on the shoulders of the people and Government of Hong Kong. Now that the long shadow over our lives has been removed, we must move ahead again and get back to doing what we have been doing so well right up to 1982, which is to

maintain Hong Kong as a strong and healthy economic community. A strong and healthy economy is the surest guarantee for our future survival.

Sir, I support the motion before Council.

MISS DUNN:—Sir, as a Member of Executive Council I have been closely associated with the negotiations as they have unfolded. I endorsed the decision of Her Majesty's Government to initial the draft Joint Declaration and Annexes and I have already commended the agreement to the people of Hong Kong for their acceptance. It goes without saying that I support the motion: that support flows logically from the advice I have already given to the Governor and, through the Governor, to H.M.G.

The agreement is, in my view, satisfactory as to intention, content and form. That is not to say it should not be critically scrutinised and I have no doubt that some of my colleagues on this Council will argue that the agreement is deficient or insufficiently explicit in some respects. But I believe, Sir, that if one looks at the agreement as a whole objectively—and by the agreement I mean the Joint Declaration and the three Annexes and the exchange of memoranda—and if one studies the Explanatory Notes on pages 35-46 of the White Paper, the only fair conclusion to be drawn is that this is a satisfactory agreement: it is descriptive; it is legally binding; it is stipulated that the Basic Law will reflect the terms of the agreement.

Above all, perhaps, the agreement is based on an imaginative concept: the concept of 'one country, two systems'. This gives the agreement an international as well as bilateral dimension, a point stressed by both Premier ZHAO and Chairman DENG in their speeches during the recent National Day celebrations in Beijing.

In this debate, Sir, I wish to deal with one question only. It is, if you like, a residual question. A careful study of the historical background to, and the course of, the negotiations, of the terms of the agreement itself and of the Explanatory Notes can only lead, in my view, to this conclusion: that the arrangements proposed for Hong Kong as an S.A.R. under Chinese sovereignty provide good grounds for believing that there will be a continuity of established systems and a preservation of our familiar life-style. The arrangements proposed, therefore, should secure our social stability and economic prosperity for many years to come.

So far, so good, but this question remains: will the terms of the agreement be implemented in the letter and the spirit? After all, the political philosophies underlying capitalism and socialism are essentially incompatible; and in saying that I am not making any value judgment as to the relative merits of either philosophy. Again, imaginative the 'one country, two systems' concept may be, it is a unique and untried concept developed by the present leadership of China. Given the many discontinuities which have characterised the policies pursued by successive leaderships since the establishment of the People's Republic, what

guarantee is there that a future leadership will honour the terms of the agreement?

So this residual question, based as it is on legitimate doubts, is a fair question and deserves to be answered. But I believe there are at least six reasons why the terms of the agreement will be faithfully implemented. First: it is a formal and legally binding international agreement freely negotiated, against a background of friendship, between two sovereign states. It may not be legally enforceable but, when the Joint Declaration is signed, both Governments will have formally agreed to implement the terms of the Joint Declaration itself and its Annexes. The honour and reputation of both Governments will then be committed internationally. The world at large will be watching with interest and that provides a real assurance that the terms of the agreement will be implemented. The world at large will also be watching during the next twelve years or so for any signs that the terms of the agreement will be disregarded.

Second: the Chinese leadership would surely not have committed so much negotiating effort into reaching an agreement with H.M.G. and why should they have agreed to set out their intended policies for the Hong Kong S.A.R. after 1997 in such detail if they have no intention of adhering to the terms of the agreement.

Third: the Chinese leadership have stated with conviction, and with apparent sincerity, and certainly in explicit terms, that the agreement will be implemented. They have thereby publicly staked their personal prestige and reputation in the eyes of the world.

Fourth: the Chinese leadership on several occasions have stated that it is in China's national interest to implement the terms of the agreement. Why? Because Hong Kong's continued stability and prosperity is important to the successful implementation of the historic task of China's reunification and the four modernisations programme. To repeat, if China has no intentions of implementing this agreement, why should they have spent two years negotiating it? After all, 92 per cent of Hong Kong reverts to China on 1 July 1997, with or without an agreement. Indeed, I submit that the Chinese leadership negotiated 'long and hard' in the last two years so that the terms agreed would be acceptable to them and to succeeding generations and so that those terms can realistically be implemented. In so doing they have in effect said that those are the terms of a settlement which we perceive to be in the national interest.

This brings me to a fifth reason why I believe the Chinese side will faithfully implement the terms of the agreement: having tasted the fruits of post-Cultural Revolution policies, the Chinese people themselves will not easily accept any move which is likely to diminish the beneficial impact of those policies, including a failure of the Hong Kong S.A.R. to fulfil its destiny, that is to say, to help in the reconstruction of China.

Finally: the Chinese leadership, preoccupied as they are, as a matter of national policy, with the reunification of China cannot afford to prejudice the

ultimate achievement of that objective by failing to observe the terms of the Sino-British agreement on Hong Kong with all the damaging consequences for China's reputation abroad of a decline in Hong Kong's stability and prosperity.

So much for the intentions of the present leadership: there is still the question of the likely attitude of future generations of Chinese leadership. Will they implement the agreement, however legally binding it may be and whatever the intentions of the present leadership? No country—not even the greatest democracies—can guarantee the political persuasions of future governments. Indeed, the historian and political scientist might argue that the risks Hong Kong faces are less than most other countries. Hong Kong never has had, in fact, any guarantee for its continuing existence, given that no Chinese Government since the overthrow of the Ching Dynasty has recognised the treaties that provided for Hong Kong's present status. Yet not only has Hong Kong survived and prospered, its territorial and political integrity was not breached during even the worst excesses of China's political upheavals.

Sir, there are no absolute guarantees in life. There are only weak or strong indications of what life's expectations may be. In this case the indications clearly are good: China's modernisations policies are working; real incomes in China are rising; purely ideological precepts are being tempered by pragmatic considerations. The Chinese leadership, collectively, have embarked on a path which is designed to raise the rising standard of living of the nation once and for all. To stray from this path would be fraught with dangers for the present leadership and succeeding generations. It follows, it seems to me, that they are most unlikely to overlook the contribution to national prosperity of a stable Hong Kong.

At the end of the day, the acceptance of this agreement is an act of faith, but it is one which has a sound basis. The best way to minimise the risks of change is for the people of Hong Kong to play their part in maintaining the dynamism of Hong Kong. Some changes there will be within the limits defined in the agreement and, of course, the transfer of sovereignty from the United Kingdom to China is a significant change in itself inasmuch as the course of Hong Kong's history in the future will tend to reflect China's, the S.A.R. status of Hong Kong notwithstanding.

What we must now do, as a matter of urgency, is to erect a suitable structure of government well before 1997 which will stand the test of time after 1997. It must be at least as effective as the present structure, albeit with different roots. It must be founded in the historical experience, energy, talents, industriousness and natural confidence of the people who live here. There must be no opting out for any reduction in Hong Kong's usefulness to China will put autonomy at risk. Let it not be said that, by their hesitation and ineptitude and lack of vision, Hong Kong people brought about the very situation they feared as a mere possibility.

Sir, I support the motion.

MR. PETER C. WONG:—Sir, since the initialling of the agreement on 26 September, so much has been said and published that it would be difficult now to say anything original. Be that as it may, every citizen in Hong Kong should express his or her views on the agreement as it is a historical document which provides the blueprint on which our future is to be built. On my part, I shall try to crystallise my thoughts and attempt to comment on some salient points relating to the agreement.

Initial reaction to the agreement both locally and abroad has been generally favourable. Certain concerns and reservations have been expressed. And anxieties linger on. This is not unexpected. However, it is important to note that the agreement should be judged as a whole and viewed in the light of historical, geographical and political realities. Admittedly, the agreement is not perfect. Nor does it answer every question or solve every problem relating to Hong Kong's future. Nevertheless, it is an agreement which in the words of Your Excellency—

‘takes account of Hong Kong's needs and the realities of history. It foresees that change must come but in providing for that change it provides also for the preservation of the essential elements in our society. In as far as it is possible for governments today to provide for the future, it removes the uncertainty which existed because of the 1997 deadline. It constitutes a blueprint for a new stage in Hong Kong's development.’

Regrettably, there is no realistic possibility of amending the text. The agreement must be taken as a whole. Rejecting it would mean that China will make its own unilateral declaration which would not necessarily include all the elements included in the agreement nor would it have the same status as a legally binding agreement.

In my view, the agreement is a good one and I strongly commend it to the people of Hong Kong. The agreement provides a workable framework in which Hong Kong will be able to preserve its unique economic system and way of life after 1 July 1997. It preserves Hong Kong's familiar legal system and the body of laws in force in Hong Kong, including the common law. It gives Hong Kong a high degree of autonomy in which it will be able to administer itself and enact its own laws. The agreement will enable Hong Kong to continue to decide on its own economic, financial and trade policies, and to participate in international organisations and trade agreements such as G.A.T.T. I share Her Majesty's Government's confidence that the agreement provides the necessary assurances about Hong Kong's future to allow the territory to continue to flourish, and to maintain its unique role in the world as a major trading and financial centre.

The agreement marks the beginning of a new era for Hong Kong. It is now up to the people of Hong Kong to take full advantage of this freely negotiated accord and build for themselves a prosperous and democratic region in which they will be proud and happy to live and work and build for themselves a successful future.

Sir, if I may, I would now like to turn to certain specific points—

1. Some concern has been expressed as to whether the agreement is in fact legally binding. Legal experts on international law are of the opinion that it is. There is no reason to think otherwise. The Exchange of Memoranda deals with the single issue of passports. Since it is a formal exchange and associated with the agreement, there is nothing to suggest that the contents will not be honoured. In the context of international law, a declaration denotes, *inter-alia*, a treaty proper, for example, the Declaration of Paris 1856, and an exchange of notes or memoranda, is an informal method very frequently adopted in recent years whereby countries subscribe to certain understandings or recognise certain obligations as binding on them. I myself would not worry unduly about the legality of the documents or their implementation, but would rather place emphasis on the fact that the accord was freely negotiated in a friendly spirit and that the agreement together with the Exchange of Memoranda is made known to the world.
2. Most people would concede that the agreement contains far more details than expected. One well known publication called it a remarkable document by any measure, containing as it does a detailed account of the rights and freedoms that have helped make Hong Kong the world's third largest financial centre and the most prosperous city ever built on Chinese soil.
3. Some commentators would have us believe that anything untried is necessarily unreliable. I do not share this view. Admittedly, the concept of 'one country, two systems' is a bold one. But undeniably, it is both imaginative and pragmatic. I for one would be prepared to give it a try. Given time and the right approach, the chances of success are by no means remote.
4. Reaction to the nationality issue is less than favourable. One would have hoped that a better solution could have been found. Regarding the new status to be conferred on B.D.T.C.s, my own view is that only a minority will take advantage of this proposed arrangement, especially if the Hong Kong S.A.R. passport will confer privileges not less favourable than the new British passport. This difficult issue serves as a reminder that the cold facts of life and politics are not always palatable. As to the so-called minority question, obviously the British Government would have to find a solution. Indeed, the Government has indicated that some appropriate arrangements will be made in the future.
5. The Basic Law is yet to be drafted. It will be the responsibility of the Chinese Government. China's basic policies as set out in the Joint Declaration and elaborated in Annex I will all be stipulated in the Basic Law. In this respect, there is room for flexibility within the bounds of the stated policies. The Chinese Government has stated that it will take into

account the views of the people of Hong Kong. To that extent, it would be highly desirable to state positively our preferences in the hope that the Chinese Government would consider them sympathetically. Furthermore, it has been reported that Sir Geoffrey HOWE has left open the possibility of subsequent supplements, amplifications and clarifications between now and 1997. After all, the fact that the agreement may not be amended is not as grim as it sounds.

6. It is a matter of paramount importance that the people of Hong Kong should spare no efforts in establishing a good and friendly relationship with China. Much will depend on its goodwill and assistance. Cooperation, mutual trust and respect are the key factors to a successful Hong Kong, China.

Sir, two important issues deserve special attention—the Hong Kong legal system and the public service.

THE LEGAL SYSTEM

Our legal system is a vital corner-stone upon which our thriving society is built. In the Joint Declaration China declares that the laws currently in force in Hong Kong will remain basically unchanged. Annex I elaborates on this policy at some length, as well as the policy on the judicial system which will remain independent and free from interference. My Unofficial colleagues, Mr. Alex WU and Mr. S. L. CHEN have expressed their views on the Basic Law. Mr. John SWAINE, Miss Maria TAM, Mrs. Pauline NG, Mr. Keith LAM and others will be speaking on the important subject of our legal system and also on the Basic Law. I myself will explain briefly the laws currently in force in Hong Kong (i.e. common law, rules of equity, ordinances, subordinate legislation and customary law).

To the layman, ordinances and subordinate legislation such as rules and regulations prescribed under relevant ordinances do not need explanation. Common law, equity and customary law, however, is a different matter.

Common law

Generally speaking, common law means the law as laid down by judges, and is usually taken to consist of various judicial precedents. This process began in England in the 13th century and common law as we now know it forms a vital component of our law. It is interesting to note that despite the increasing spate of ordinances, the basis of our law still remains common law. Even if all the ordinances were repealed, there would still be a legal system, albeit inadequate. But if there were only ordinances there would be no system—merely a set of incoherent rules, making no provision for many of the problems of daily life.

Equity

Equity, unlike common law, is not an independent system. It cannot stand alone. Rules of equity are based on conscience, and not opposed to common law. The two systems are in fact complementary. The English case of *Cresswell*

v. Potter (1978) is a recent example of the operation of equity. It was held that a purchase from a poor and ignorant person at a substantial undervalue is an unconscionable bargain where the vendor is not independently advised, and in such circumstances the transaction was set aside.

Customary law

Not many local lawyers would pretend to be conversant with what is commonly known as customary law. In 1841 two Proclamations were issued to the effect that natives residing in Hong Kong would be free to exercise their religious rites, ceremonies and social customs, and that they were to be governed according to the laws, customs and usages of the Chinese (every description of torture excepted). This then laid the foundation of the Hong Kong customary law, which after the lapse of 143 years is understandably difficult to define with any accuracy. Hong Kong Law Reports show that the number of cases coming before the Supreme Court on points of customary law has been on the increase. Disputes relating to intestacy is a common example. This is evidence that customary law is still of some considerable importance. In the next few years perhaps attempts should be made, if necessary by legislation, to remove areas where uncertainty prevails.

This brief explanation shows that our laws are not simply those contained in the various ordinances, rules and regulations collectively called the Laws of Hong Kong. The laws now in force in Hong Kong in fact cover not only the ordinances and subordinate legislation enacted by this Council but also the common law, rules of equity and customary law. The detailed sections in the agreement and Annex I are therefore reassuring. It is generally recognised that the preservation of our existing legal system is vital to Hong Kong's continued stability and prosperity and the best guarantee of the rights and freedoms we so dearly cherish.

THE PUBLIC SERVICE

Hong Kong owes much of its success to its dedicated, diligent and efficient public service. As we now move towards a new era, the public service has an even more vital role to play. The agreement recognises the importance of the public service and provision has been made for all civil servants to remain in employment after the establishment of the Hong Kong S.A.R., with conditions of service no less favourable than before. This I am sure will be welcomed by the civil service.

However, the agreement is silent on the conditions of service of employees in voluntary agencies, subsidised educational institutions and quasi-government bodies such as the Trade Development Council and the Independent Commission Against Corruption. These organisations are undoubtedly providing an invaluable public service. May I therefore suggest that the continued employment of these employees should also be assured, their terms of service safeguarded and their independent status preserved.

The agreement provides for the retention of the existing system of appointment and promotion. This is important for the morale of the civil service. A distinctive feature of the present system is the substantial amount of public scrutiny. It is therefore of importance that the various advisory bodies such as the Public Service Commission and the Standing Commission on Civil Service Salaries and Conditions of Service should be retained to ensure fair and impartial treatment.

An issue which requires attention is the future arrangement for expatriate civil servants, particularly those whose career prospects may be adversely affected. The Chief Secretary in his letter to all civil servants on the agreement, states that special arrangement will be made in due course for such officers. While this is encouraging, an early decision must be made so that those affected will not be kept in suspense.

When Your Excellency announced in this Council at 7 p.m. on 26 September the contents of this agreement, the people of Hong Kong listened with bated breath. The die was cast. There is no turning back. In the days ahead, the people of Hong Kong with the co-operation of interested parties, will have to translate the agreement into reality. Whatever the odds, we have no alternative but to make it work.

Finally, Sir, I would like to pay tribute to all those who have made the agreement possible. In particular, I would like to express my appreciation of the vital role played by Your Excellency and your team, including our Executive Council colleagues.

Sir, the uncertainties of the last two years have now been removed. Hong Kong has been promised a new lease of life. Where there is life, there is hope. On this optimistic note, Sir, I have pleasure in supporting the motion.

MR. WONG LAM delivered his speech in Cantonese:—

督憲閣下：自一九八二年秋至現在兩年間，港人爲前途問題焦慮不安，使到本港的繁榮與安定，蒙上陰影。這些現象若繼續下去，後果實難樂觀，幸而在這個問題上，中英雙方能夠早日達成協議，令到本港前途明朗化，港人無須再作任何蠱測，能夠爲將來繼續努力。

中英雙方草簽的協議，內容比一般人預料是詳盡，而各項細節的安排也顯示出中英雙方是經過深思熟慮和細心推敲才達成的。這點充份反映雙方在謀求保持香港繁榮與安定上，在照顧港人的需要上，具有高度的誠意，並非敷衍了事。此點實在值得港人表示謝意。

雖然中英所公佈的協議內容相當詳盡，但有一些重要的問題，仍有值得補充之處。相信不少議員會就這方面作詳盡的討論，本人謹就其中較令人關注的表示意見。

首先是行政長官的任免問題，協議祇是在附件一說明「香港特別行政區行政長官在當地通過選舉或協商產生，由中央人民政府任命」。這樣簡短的一句無疑是不足夠的，行政長官將來是香港行政上的最高長官，對本港的重要性是不言而喻，但協議對其任免的問題竟不如法官的任免問題明確和詳盡。本人認爲協議（或其附件）應詳細列明行政長官產生的程序，同時明確界定在何種情況下才協商產生，在何種情況下可以選舉產生；中國中央人民政府在任命上是否有否決權，若有則在何種情況下可運用否決權等，不應籠統地說「通過選舉或協商產生」，否則就很容易引起混亂，例如在不公佈原因下候任人的任命被否決，

一般港人都相信中國政府極具誠意履行協議的精神和條文，尤其是容許香港作為特別行政區的高度自治方面。不過，港人亦希望中國政府這種不干預的政策能夠自最高領袖向下貫徹，使各級官員都樂意實行。這些上下貫徹不干預的精神是非常有意義的，中國政府應該考慮在可能的情形下加以制度化。這樣一方面可以發揚中國政府履行協議的精神，另一方面，亦可使港人在原有生活方式上，原有運作基礎上不受干預地繼續發展，保持本港的繁榮和安定。

對香港政府方面，港人應要求政府盡早成立良好的「港人治港」政治架構。本年中政府發表的代議政制綠皮書是一個良好的開始。本人希望各項政制改革能夠早日完成，使到港人遠在一九九七年之前，最好能夠在八十年代末期或九十年代初，即已實行相當高度的港人治港，推行高度自治的政策。祇有這樣才將一九九七這一年份淡出，才能將轉移主權所帶來的衝擊減至最輕。

對於港人自己，所謂天助自助者，港人必須對自己提出最嚴格的要求。首先港人應以勇敢和積極的態度，面對現實。過份樂觀或悲觀都不是解決前途問題應有的態度。前者會令人忽視問題的複雜和重要性，而後者令人失去面對將來的勇氣。祇有積極和勇敢的態度才能夠使人看清楚未來的問題和建立克服困難的信心，祇有這種態度能使港人繼續為未來而努力，使到本港無論在一九九七之前或後都保持繁榮和安定，使到本港能夠繼續與中國在貿易上或其他地方互惠互利，祇有一個欣欣向榮、充滿信心和上軌道的香港，能夠向中國證明容許香港高度自治和不干預是正確的政策。祇有一個自給自足和安定的香港，才不會成為中國的包袱和得到中國的信賴及尊重。

香港人的積極態度不應祇局限於處理經濟事務上，更應發揮於政治事務上。過往香港人對於討論和參與政治事務並不熱心，近年雖有若干程度的改變，但肯定仍未足夠。港人必須瞭解到今後治理香港的重要責任正落在自己肩上，才智之士尤其應當義不容辭地挺身服務社會，港人治港，這一名詞常被多方引用，好似將來必有傑出的人材的港人出來治港，其實並不是一定的。港人要避免的是庸人治港，嘩眾取寵或志大才疏的港人治港。要避免這一現象的發生，一方面要有才能之士能夠主動參與政事，另一方面是港人要加深對政治的認識，好使到在推選港人治港時，有能力明辨賢愚，作明智和正確的選擇。

部份港人在提及一九九七問題時，屢屢提及香港對中國今後應加深認識和在多方面作更大的貢獻。本人非常同意這些看法，但同時認為必須提醒港人的是：香港對中國的貢獻應從整體層次來着眼，不是在處理個別問題上都向中國請示，或以個別問題的處理方法是否對中國有貢獻作為取捨的依歸，因為這樣很容易淪於見樹不見林，忘記了香港繁榮以有利於中國的事實，而且也違反自由運作的原理而到頭來既不符合港人的利益，也不能在整體上為中國作出貢獻。中國政府既然賦於港人高度的自治權，便是相信高度自治下的香港能夠為港人帶來利益，也是間接為中國帶來利益，這點將來治港的人應有深切的體會。

一九八二年九月廿三日趙紫陽總理說過：「香港有甚麼好擔心呢？怕甚麼？」本人深信，在中英協議的基礎下，在完善和精細的基本法條款下，在中英互相合作保持香港繁榮和安定的誠意下，在中國積極貫徹不干預的情況下，在其他國家支持中英協議及繼續維持及延續香港所簽署的協議下，在港人積極面對將來的心態下，香港人實在毋須擔心和害怕的。

閣下，除了認為中英雙方在適當時間，應以適當方法來補充協議的不足外，本人支持此項動議。

(The following is the interpretation of what Mr. WONG Lam said.)

Sir, over the past two years since September 1982, the people of Hong Kong have been anxious and worried about the future of Hong Kong. The un-

certainty and anxiety among the public have overshadowed the prosperity and stability of Hong Kong and if the situation is allowed to continue, the consequences can hardly be cheerful. Luckily, an early agreement has been reached on this issue by the United Kingdom and Chinese Governments, and now that the future of Hong Kong is clear, the people of Hong Kong need not speculate any further and they can now continue to strive for a promising tomorrow.

The contents of the draft agreement initialled by the United Kingdom and China contain far more details than expected and the comprehensiveness of arrangements are results of much detailed discussion and careful deliberation by the two countries. This fully reflects a high degree of sincerity by both sides in their pursuit of maintaining Hong Kong's prosperity and stability and looking after the needs and wishes of the people of Hong Kong. The agreement was not reached on a perfunctory basis and it deserves a vote of thanks from the people of Hong Kong.

Although the agreement as announced by both the U.K. and Chinese Governments is detailed enough, on certain vital issues, there is still room for elaboration. I believe that many of my colleagues in this Council will debate on this vital issue and I wish to express my views here on some of the issues that people are more concerned about.

Firstly, the question of the appointment of the chief executive. In Annex I of the draft agreement, it was stated that 'the chief executive of the Hong Kong Special Administrative Region shall be selected by election or through consultations held locally and be appointed by the Central People's Government'. No doubt, this short and brief sentence would not suffice. The chief executive will be the highest ranking officer in the Hong Kong administrative system and needless to say, the importance of this office to Hong Kong cannot be lightly discounted. However, the agreement does not treat such an appointment with clarity and detail as the appointment of the judges. I personally consider that the agreement (or the Annexes) should give more detail to the entire process of appointing a chief executive and clearly define under what circumstances will the chief executive be selected by consultations, under what circumstances will he be elected, whether the Central People's Government has the right to veto such appointments and if so under what circumstances. It should not state so vaguely as 'by election or through consultations,' otherwise it would easily arouse confusion, e.g. an appointment has been vetoed but no reasons given, the person selected by election is not appointed, whereas the person not elected is appointed through consultations. In addition, the conditions governing the removal of the chief executive should be clearly spelled out (as in the case of the appointment of the judges in Annex I of the agreement) in order to ensure that an outstanding chief executive may not be removed from office at any time or that the incompetent has the opportunity to remain in office for unduly long periods.

Secondly, the question of how the executive authorities can be made accountable to the legislature. In this respect, Annex I of the agreement only mentioned that 'the executive authorities shall abide by the law and shall be accountable to the legislature'. This statement fails to define sufficiently the relationship between the two and the meaning of the word 'accountable' is not precise enough. On this very important question, it is essential that the agreement must clearly define the relationship between the executive and the legislature and how the latter can perform the function of monitoring the former.

There is also the question of the relationship between the laws already in force in Hong Kong, the Basic Law and the Chinese Constitution. The concept of 'one country, two systems' is undoubtedly very innovative. To promulgate a Basic Law suitable for Hong Kong under the Constitution of the People's Republic of China is also a very fitting arrangement; but, just because the two systems are different, the thoughts and living habits of the people are different and so are the operation of the economic system and many other aspects. These thoughts, habits, and the operation of the economic system though normal in Hong Kong may nevertheless be regarded as abnormal in other parts of China. There might exist a great variance in spirit among the laws currently in force in Hong Kong, the Basic Law and the Chinese Constitution, and there is even some conflict in certain details. The agreement should clarify on this point. For example, is the Chinese Constitution not applicable to Hong Kong under normal circumstances? In hearing cases in Hong Kong, shall the Courts refer to Basic Law and not the Chinese Constitution as the ultimate basis for final adjudication? Are the rights and freedoms provided for by the written and common laws currently in force in Hong Kong, including freedom of the person, of speech, of the press, of assembly, of association, of travel, of movement, of correspondence, of strike, of choice of occupation, of academic research and the religious belief, not subject to Basic Law and Constitution and can remain unchanged?

Sir, although I agree that on the whole the agreement on the future of Hong Kong reached by the U.K. and Chinese Governments is a beneficial one, yet I do not agree nor do I support the practice that the people of Hong Kong have the only choice of accepting the agreement in its entirety or not accepting it. Although in general practice an international agreement negotiated between two countries and initialled by both sides allows no amendments, this Sino-British agreement is different from others in that for other agreements the implementation takes place very soon, but for the Sino-British agreement the main parts will be implemented in about 13 years' time and during these 13 years, new developments, new factors may emerge, some may even be entirely unexpected by both parties at the time of the negotiations. This calls for necessary additions to the original text of the agreement provided these are in line with the spirit in which it was reached. Furthermore, I believe the people of Hong Kong may not ask for amendments to the original text of the agreement,

but seek to strike a compromise say, by way of Exchange of Memoranda acceptable to both sides in order to supplement on certain important issues. To allow the people of Hong Kong the alternative of no choice can easily rouse them to adopt a helpless and indifferent attitude. The fact that the newly established Assessment Office received only about 40 representations up to the 4 October might well demonstrate such helplessness and indifference.

Regarding the setting up of the Assessment Office, I consider it a waste of Hong Kong taxpayers' money. While admitting the need to convey to Members of the British Parliament the opinions of the Hong Kong people towards the draft agreement so to enable them to have sufficient information for reference before they debate this agreement, I think in Hong Kong there are already many channels whereby members of the public or organisations can make their views known. The City and New Territories Administration and the UMELCO Office are very much at home in collecting public opinion and they are more familiar to and trusted by the Hong Kong public than any newly established office. In fact, given that the majority of the seats in the British Parliament are held by the Conservative Party, given that some Members of Parliament, though unaware of the contents of the agreement, already expressed their belief that the agreement will meet the needs and wishes of the Hong Kong people, given that the alternative is either accepting or rejecting the agreement in its entirety, the agreement's passage through the Parliament is a foregone conclusion. It is rather meaningless therefore, to set up an Assessment Office to invite members of the public to express their opinion on whether to accept or not to accept the agreement in its entirety, or to express some opinion which will not be enshrined in the agreement. It is not surprising therefore that although the Assessment Office advertised extensively at the time when the draft agreement was initialled up to the 4 October, only about 40 representations were received.

I consider that after the draft agreement was initialled, the people of Hong Kong should handle the question of the future of Hong Kong by making proposals to four parties. The first is to both the U.K. and Chinese Governments jointly. The second is to the Chinese Government. The third is to the Hong Kong Government. The fourth is to the people of Hong Kong themselves.

To the U.K. and Chinese Governments, the people of Hong Kong should ask both Governments to accept the proposal that at the appropriate time the original agreement could be supplemented by means of an exchange of memorandum with certain points which may emerge as a result of political changes or new developments so long as they are not contrary to the spirit and principle of the agreement. Provided both the U.K. and Chinese Governments continue to co-operate with the interests of Hong Kong's future at heart, this is something that can be done.

To the Chinese Government, the people of Hong Kong should ask that in the drafting of the Basic Law, it should have an open mind and try as far as possible

to accept the opinion of the Hong Kong people. On certain issues of particular concern to the Hong Kong people, they should be explained in detail in the Basic Law and suitable protection should be provided thereby. As regards the possible conflict between the Chinese Constitution and the Basic Law, it needs to be handled appropriately. Also, in drafting the Basic Law, it is hoped that the Chinese Government can invite legal experts from Hong Kong to take part so that they may make their contribution with their rich experience.

Generally speaking, the people of Hong Kong believe that the Chinese Government has great sincerity in implementing the terms and underlying principle of the agreement, especially in allowing Hong Kong to be a Special Administrative Region with a high degree of autonomy. However, the people of Hong Kong also wish that this non-intervention policy by the Chinese Government can be carried through from the top downwards so that all levels of officers are happy to follow and implement the policy. Given the significance of this non-intervention policy, Chinese Government should consider institutionalise it if possible. This will on the one hand show the sincerity of the Chinese Government in implementing the agreement, and on the other hand it can allow the people of Hong Kong to continue to develop under their original life styles and basis of operation, and the prosperity and stability of Hong Kong will be assured.

To the Hong Kong Government, the people of Hong Kong should ask for the early establishment of a political structure to usher the era of 'Hong Kong people ruling Hong Kong'. The publication by the Government in the middle of the year of the Green Paper on the Further Development of Representative Government in Hong Kong is a good start in this direction. I personally hope that all the necessary changes can complete at an early date. This will enable the people of Hong Kong, long before 1997, preferably in the late '80s or early '90s, to practise the system of 'Hong Kong people ruling Hong Kong' with a high degree of autonomy. Only by so doing can the year 1997 be taken out of focus and the impact brought on by the transfer of sovereignty reduced to the minimum.

To the people of Hong Kong, the saying 'God helps those who help themselves' is relevant and they should set strict demands on themselves. First, the people of Hong Kong should face reality with a courageous and positive attitude. Over optimistic or pessimistic is not the right attitude to take in resolving the question of Hong Kong's future. The former will render people imperceptive to the complexity and importance of the issue, while the latter will deprive people of the courage to face the future. Only with a positive and courageous attitude can people view the future in its proper perspective and thereby build up the confidence to overcome difficulties. Only this kind of attitude can make the Hong Kong people continue to work for the future, to ensure prosperity and stability both before and after 1997, to continue to make Hong Kong and China mutually beneficial to each other as trade partners and in other aspects. Only a thriving, confident and properly run Hong Kong can

bear good proof to China that it is the right policy to allow Hong Kong a high degree of autonomy without external intervention. Only a self-contained and stable Hong Kong will it not become a burden to China and instead gain the trust and respect of China.

The positive attitude of the Hong Kong people should not only be limited to the handling of economic matters but also on political affairs. In the past, the Hong Kong people were not enthusiastic about discussions and participation in politics. In recent years, there is a certain degree of change but it is definitely not enough. The people of Hong Kong must realise that in the years to come, the very important responsibility of administering Hong Kong should fall on the shoulders of Hong Kong people themselves. Able and talented leaders should come out and serve the community. The phrase 'Hong Kong people ruling Hong Kong' has often been quoted by all quarters and it looks as though some outstanding talent will eventually emerge to administer Hong Kong. but in fact this may not be so. What we must avoid is to have Hong Kong administered by the incompetent Hong Kong man, empty-vessel-type Hong Kong man, or high sounding but incapable Hong Kong man. To prevent this from occurring, the able and talented leaders should take the initiative to participate in politics on the one hand, and the people of Hong Kong should strengthen their political awareness on the other hand so that when the time comes for selecting Hong Kong people to be administrators, they can discern between the right and wrong, the capable and the incapable, and thereby make the sensible and right choice. When the question of 1997 is brought up, some Hong Kong people often mention that Hong Kong should seek to know China better and to make a better contribution in many ways. I fully agree with this view but at the same time I must remind the people of Hong Kong that Hong Kong's contribution to China should be taken as a whole and not just on certain levels. We should not consult China in the handling of every individual question, nor should we take the stance that the way to handle individual question is dictated by whether or not it makes any contribution to China. If we do, we can easily see only the tree and not the forest forgetting the fact that Hong Kong's prosperity is already beneficial to China. It will also be against the principle of free enterprise and not in line with the interests of the people of Hong Kong. Since the Chinese Government has given a high degree of autonomy to Hong Kong, it is given in the belief that under such a highly autonomous system, Hong Kong can bring benefits to its people and indirectly to China. This point must be taken to heart by the future Hong Kong administrators who administer Hong Kong.

On 23 September 1982 Premier ZHAO Ziyang made this remark: 'What is there for Hong Kong to worry about? What are you afraid of? I firmly believe that on the basis of the Sino-British agreement, under the terms of the comprehensive and intricate Basic Law, with the sincerity of the U.K. and Chinese Governments working together to preserve Hong Kong's prosperity and stability, with China actively pursuing the non-intervention policy, with many other countries lending support to the Sino-British agreement and

continuing to maintain and extend the agreements signed with Hong Kong, with the Hong Kong people taking a positive attitude to face the future, there is really no need for Hong Kong people to feel worried and scared.

Sir, except for my proposal that the agreement be suitably supplemented by both the U.K. and Chinese Governments in an appropriate way and at an appropriate time, I rise to support this motion.

DR. HO:—Sir, when I have to make an important decision, I normally would ask myself the following three questions, namely: —

- (i) What are the facts related to the decision?
- (ii) What are the implications of that decision, with particular regard to the costs and benefits involved? and lastly
- (iii) What is the prognosis about the enforceability of the proposed solution?

Accordingly, I subjected the draft agreement on the future of Hong Kong to the scrutiny of this process.

I. *The content of the draft agreement*

The draft agreement stipulated the establishment of the Hong Kong as a Special Administrative Region of the People's Republic of China in 1997, with a high degree of autonomy. There will be an elected legislature, with the executive authority being accountable to it.

The detailed arrangements under which the Hong Kong Special Administrative Region will operate will be stipulated in the Basic Law. The Basic Law is in fact a blueprint spelling out the fundamentals of Hong Kong's unique social, economic, legal and other systems and the rights and freedoms to be enjoyed by its people for 50 years after 1997. These are the elements that have transformed Hong Kong into a modern, dynamic free port and international financial centre, with a free economy. Their preservation is the only way to ensure Hong Kong's continued success beyond the historic deadline.

II. *Implications of the acceptance of the draft agreement*

The draft agreement is a comprehensive and detailed document. It will help to dispel uncertainties and anxieties, which have considerably eroded confidence in the territory. With the lifting of uncertainties, industrialists and ordinary people alike can begin to make fresh plans for their future, which will invariably contribute to furtherance of our stability and prosperity. The process of regaining confidence, however, will be gradual, as the people of Hong Kong begin to see for themselves that Hong Kong will remain to be a truly autonomous region.

The level of autonomy provided by the draft agreement, reinforced by effective executive, legislative and judicial structures, will make interferences

from central Government unnecessary, just like our relation with the British Government at the present moment. This insulation effect will ensure that the essential elements of our systems remain intact and that our lifestyle undisturbed.

The provision for the setting up of a Sino-British Joint Liaison Group and for it to function up to the year 2 000 reflects the genuine concern and commitment of the two Governments over the smooth transition of Hong Kong to the new status of a Special Administrative Region and over the successful implementation of the draft agreement. Any outstanding issues or omissions in the draft agreement can be referred to the Joint Liaison Group for further consultation and cooperation. More importantly, it is hoped that this Joint Liaison Group can assist Hong Kong to participate in international economic, trade and cultural agreements and organisations. A successful transition will definitely establish a sound foundation for the 50-year 'Hong Kong people running Hong Kong' after 1997.

The freedom of travel in and out of the Hong Kong Special Administrative Region to other countries is facilitated by the provision that B.D.T.C.s in Hong Kong could continue to hold passports issued by the Government of the United Kingdom and holders of such passports will be entitled to British consular services and protection when in third countries upon request.

The conclusion of the draft agreement brings China and Britain into a new era of better cooperation and understanding. This harmonious relationship will generate more exchanges and contacts between Hong Kong and China in a wide range of activities, resulting in promoting greater mutual interests and understanding. Afterall, China is a vast market for our manufactured products and financial services.

III. *Enforceability of the draft agreement*

The crucial concern of the people of Hong Kong over the draft agreement is its conscientious and faithful implementation, given the contents of the agreement being so favourable. 'The music is good, but the song must be well sung', as some political commentators put it.

I am convinced that the Chinese Government has every intention of abiding by the draft agreement, because it was mutually binding, freely negotiated and entered into between two friendly Governments. As such, the draft agreement is the highest form of commitment between two sovereign states.

The provisions of the draft agreement are legally binding on the signatories. The fact that both the British Foreign Secretary and the Chinese Foreign Minister spoke of the Joint Declaration on Hong Kong in the United Nations General Assembly and had evoked favourable reactions from a number of countries, has invariably enhanced the commitment on the part of the two Governments.

The Chinese Premier re-asserted his Government's firm commitment to the Sino-British agreement at a meeting held on 2 October 1984, with the delegation of Hong Kong Government officials and UMELCO, of which I was a member. He said that the agreement was, firstly, conducive to the long-term objectives of China in its pursuit of national unification and modernisation; and, secondly, a successful and refreshing experience in the settlement of disputes between nations by peaceful means. He pointed out that China has a long-standing record of honouring international agreements, and it is illogical to negotiate in such a conscientious, painstaking manner, if the terms of the agreement are not abided by. It is evident that it is in the interests of all parties concerned in observing the spirit and the letter of the draft agreement.

The answers to the three questions that I raised earlier are to my satisfaction. They embodied the wishes and aspirations of the people and took into account the constraints of history and realities. To me, the draft agreement is able to provide for the continuation of prosperity and stability of Hong Kong well into the 21st century and for the preservation of our lifestyle. For these reasons, I commend the draft agreement to the people of Hong Kong in good conscience. It is our interest to make the draft agreement work, and it is up to us to take optimum advantage of the opportunities to be created by this historic document.

Having endorsed the draft agreement, I would like to make a few comments. Certain aspects of the relationship between the Hong Kong Special Administrative Region and the central Government need to be defined in more unequivocal terms. For example, local groups and individuals I met are uncertain about their civic responsibility towards the national military services. They are anxious to know whether conscription in Hong Kong Special Administrative Region will be administered at all.

Social welfare services as an important part of a social system were only given a cursory reference in Annex I of the draft agreement. As social welfare services have assumed an increasing role in enhancing the quality of life in the society, I would like to make a similar plea as in my speech in the debate on Social Systems and Hong Kong Future at the end of last session of this Council and urge that the existing system of providing social welfare services, including the funding of services, the role played by Government and voluntary welfare agencies and its relationship with other social systems be enshrined in the Basic Law.

In addition, I would like to seek some clarifications about the extent of legal binding effects on the two Governments in respect of the nationality issue, which was contained in the Exchange of Memoranda. Though the Memoranda formed part of the draft agreement, its legal status vis-a-vis the Joint Declaration and the three Annexes is not very clear.

Sir, the Basic Law will set out the framework which are in fact parameters governing our daily behaviour and activities. In order to safeguard our

interests, it is inadequate to rely on mere consultation with Hong Kong people in the process of formulating the Basic Law. Provisions should be made for overseas Chinese of international reputation to serve on the Basic Law Drafting Committee and for people from various sectors of the community to be represented on its specialist sub-groups.

The draft agreement will affect everyone in Hong Kong for many years to come. It is therefore vital that we must air our views. Our suggestions about deficiencies or omissions will be monitored by the Assessment Office and will serve as sources of reference for the Sino-British Joint Liaison Group and the Basic Law Drafting Committee. These views will eventually be relayed to the Chinese and British Governments, which I am sure will consider them in the same spirit of mutual cooperation and mutual accommodation.

With these remarks, Sir, I have much pleasure in supporting the motion.

4.05 p.m.

HIS EXCELLENCY THE PRESIDENT:—At this point Council might like a short break.

4.20 p.m.

Council resumed.

MR. ALLEN LEE:—Sir, 26 September 1984 was an important date for Hong Kong. It marked a milestone in the history of this territory. When the Sino-British draft agreement was initialled, many thoughts had come into my mind. It started with Mrs. THATCHER'S visit to Beijing two years ago and the subsequent joint announcement by the British and Chinese Governments of their intention to enter into negotiations with the aim of maintaining Hong Kong's prosperity and stability. When Mrs. THATCHER visited Hong Kong after the Beijing trip, she told the people of Hong Kong that the solution to the future must be acceptable to them. It is on the issues of prosperity, stability, and acceptability that I wish to comment this afternoon.

Prosperity and stability

There is no fixed definition of prosperity and stability for the people of Hong Kong. For the past thirty-five years, we have had occasions of disturbances and unrest, but generally speaking, Hong Kong has been stable and we have been enjoying the highest living standard in South East Asia. There are many factors contributing to Hong Kong's past success which many of my colleagues and I have spoken on previous occasions. The first factor is the system of government and its policies. The system of government will change in the future. Will it affect the stability of Hong Kong? I wish to address this in detail in the near future when the White Paper on representative government is ready for debate in this Council. But there is one point which I would like to make at this time.

The future Government of Hong Kong must have credibility in the eyes of the Hong Kong people and it must be accountable to them. Equally important is the composition of the Government which must be acceptable to the Beijing Government. In my opinion, it is not easy to achieve a credible Government unless we conscientiously and gradually evolve into a governmental system that is truly serving the people in the future. For my part, I would like to investigate further the opinions of the Hong Kong people. The second factor is an independent judiciary that guarantees the individual rights of the Hong Kong people and the third factor is the investors' confidence in Hong Kong which will lead to their continued investment, and in turn provide employment opportunities for the people.

The Sino-British draft agreement has specifically described the judicial system in Hong Kong after 1997. A friend of mine who is reputable in the legal profession has told me that if he were involved in the drafting of this particular section of the draft agreement, he could not have done better than the present draft. Therefore, he believed that the legal profession will accept this draft agreement.

I have spoken before on the confidence of the Hong Kong people. I had expressed to the Chinese leaders during my trip to Beijing in May 1983 my concern about the outflow of capital and the brain-drain in Hong Kong. During the past eighteen months, there have been several crises which have proved that there was a confidence problem in Hong Kong. There is no denying that some people who are able to leave have already left and the outflow of capital has been reported. Local investors' confidence in reinvestment is also reflected in the economic reports which I have been reading. Now that the draft agreement has been initialled, I cannot claim that the confidence of local investors will return immediately. We shall have to wait and observe for three to six months before we can see any signs of recovery in investment. On the other hand, I believe that those who are not willing to invest further in Hong Kong would not invest anyway. But for those who have been waiting for the agreement prior to making a decision of investing in Hong Kong, they should find this agreement encouraging. The draft agreement specifically states in paragraph VI of Annex I that the Hong Kong Special Administrative Region shall maintain the capitalist economic and trade systems currently practised in Hong Kong. The Hong Kong Special Administrative Region Government shall decide its economic and trade policies on its own. The Hong Kong Special Administrative Region shall retain the status of a free port and continue a free trade policy, including free movement of goods and capital. The Hong Kong Special Administrative Region may on its own maintain and develop economic and trade relationship with all states and regions. Also paragraph VII of Annex I of the draft agreement states that the Hong Kong Special Administrative Region shall retain the status of an international financial centre. All in all, I believe the common objective of the British and Chinese Governments of maintaining Hong Kong's prosperity and stability can be achieved provided that the future

Government is a credible government which can be relied upon to carry out these policies.

Acceptability

UMELCO had issued a statement in May this year outlining four basic requirements which were considered to be essential to the acceptability of the Sino-British agreement. First, the agreement must contain full details of the administrative, legal, social and economic systems which will be maintained in the Hong Kong Special Administrative Region after 1997. Second, it must state that the provisions of the Basic Law will incorporate the relevant provisions of the agreement. Third, it must provide adequate and workable assurances that the terms of the agreement will be honoured. Fourth, the rights of the Hong Kong British Nationals will be safe-guarded. It is my opinion that these four basic requirements were met in the draft agreement. Some people may wish to see more details in certain areas but one must understand that it is impossible to include every minute detail. There are sufficient details in this draft agreement on which the people of Hong Kong can plan and build their future. The draft agreement clearly states that the future Basic Law will incorporate the relevant provisions of the agreement. It is also clearly stated in paragraph VIII of the agreement that the agreement and its Annexes would be equally binding. Finally, the rights of the British Nationals will be safe-guarded in the Exchange of Memoranda which state that Hong Kong B.D.T.C.s or persons born here before 1 July 1997 shall be entitled to hold a special status British passport. In my opinion, the right of B.D.T.C.s have not been eroded as they have no right of abode in the United Kingdom anyway. Furthermore, after 1997, Hong Kong will be no longer a British Dependent Territory. Overall speaking, considering the present circumstances, the draft agreement should be acceptable to the people of Hong Kong.

Sir, I would like to dwell a little bit in depth on the 'one country, two systems concept. I have expressed my concern about this concept on a number of occasions in my speech on 14 March 1984 in this Council. I had mentioned then that I had asked Dr. BREZINSKI, a political expert, of the feasibility of such a scheme and his answer was 'only time can tell'. I would be dishonest if I were to say that all my concerns have been alleviated by this draft agreement and I believe many people in Hong Kong share this view. 'One country, two systems is the boldest political thought that contemporary history has ever encountered. It is precisely this concern which has led me to listen and observe with intense interest what the Chinese leaders have been saying on this subject. The Chinese leaders, including Chairman DENG Xiaoping, Premier ZHAO Ziyang, President LI Xiannian and Foreign Minister WU Xueqian, have told leaders of other countries 'one country, two systems' is the way the Chinese Government will adopt towards peaceful reunification of China. We must continually remind ourselves of China's commitment towards 'one country, two systems'. I am convinced that we should be positive and we should be determined to strive for

a bright future. We should voice our opinions clearly and constructively and we should establish mutual understanding and trust. I was fortunate to be a member of the delegation led by Sir Philip HADDON-CAVE to Beijing during the recent National Day celebration on 1 October. During the visit, we met Premier ZHAO Ziyang. I believe the Chinese leaders understand the concern of the Hong Kong people. Premier ZHAO stated specifically that this agreement should stand the test of time and history. He even went further to say that this scheme was not the work of any single individual nor the thoughts of someone waking up in the morning, dictating that this was the way China would approach the problem of the future of Hong Kong. It was through lengthy consultations among the Chinese leaders that it was in the interest of China to have the present scheme implemented. He said he believed that even if there should be a change in the leadership in the Chinese Government in the future, it would not alter the commitment that the current regime had made on the future of Hong Kong. This agreement is achieved by hardwork and peaceful negotiations between two independent sovereign states. It is not a unilateral declaration. Therefore, I believe that the Hong Kong people must view it positively and to contribute our part to assure that Hong Kong will continue to grow in the future.

Finally, I would like to take this opportunity to pay tribute to the Members of the Executive Council and particularly to Sir S. Y. CHUNG. Only these Members know how difficult it has been to reach an agreement. They have the interests of the people of Hong Kong in their hearts and minds all the time. They have truly, sincerely and honestly reflected the views and wishes and fears of the people of Hong Kong. Equally, if not more important, you, Sir, being the Governor of Hong Kong, went to Beijing 23 times and to London ten times for the future of Hong Kong. It would be wrong of me not to mention the local delegations which had gone to Beijing to present their views, and the patience of the Chinese leadership in hearing the representations from the people of Hong Kong. I would like to quote Premier ZHAO Ziyang again when he spoke recently to Sir Philip's delegation. He said and I quote, 'I understand the concern of the Hong Kong people and the British Government about Hong Kong. I cannot claim that the Chinese Government is more concerned about Hong Kong than the people of Hong Kong and the British Government, but the Chinese Government is certainly equally concerned about Hong Kong.'

Sir, the draft agreement in my view is only the beginning of a new Hong Kong. It is up to the people of Hong Kong to make further contributions towards our future. I support this draft agreement with clear conscience and I support the motion before Council today.

MR. SO delivered his speech in Cantonese:—

督憲閣下：本人生在這個時代，覺得很幸福，不但可以就歷史事實遺留下來的問題作出選擇，更有機會在立法局參與辯論中英兩國政府就香港前途草簽的協議，並向港人推薦，我現在彷彿是站在歷史的名書中！反觀十九世紀時，住在香港的中國人，就沒有這份幸福了。相信他們沒有機會看到割讓香港的南京和北京條約，那是也沒有民意審核專員，審核居

民對條約的意見，更沒有監察團，監察民意審核專員辦事處的工作。聽說，租借新界時，本地人士還和英兵開戰，打敗他們，要勞動兩廣總督派兵五千打退本地的人士，香港政府才能接收新界。不過，在感到幸福的同時，本人也有受寵若驚之感。整體來說，協議草案照顧了大部份港人的意願，問題就是它的切實執行，承諾可靠嗎？

孫子兵法有云：「先知不可取於鬼神，不可象於事，不可驗於度，必取於人。」意思是說作任何明智的抉擇，絕不可求諸占星問卜；也不可以眼前的現象，嵌於過去的事，以類推臆斷或糊推瞎測，而要求合理的和真實的資料，予以冷靜分析。話是這麼說，尋求「先知」？談何容易！

可靠的「先知」，要來自熱愛中國人，認識英國人，和了解香港的偉人。除了孫中山先生外，我想不到還有誰人。孫先生生前的著作和事蹟可作見證，在這裡、讓我列舉兩三個例子。

孫先生在香港受教育，先後就讀拔萃書室，皇仁書院和香港西醫書院。西醫書院是香港大學的前身。唸書的時候，他結交了日後在英國倫敦遇難時營救他的康得黎先生，康先生當時在西醫書院擔任教務長一職。香港也是孫先生的革命基地，當時設在本港的乾亨行便是興中會的辦事處。孫先生亦認識本局。在一九二四年孫先生把香港殖民地與上海的情況比較時所發表的演講詞中有以下的一番話，孫先生說：「香港割歸了英國，英國的政府便派了一個總督來管理；那個總督為管理香港起見，設立了一個香港廳，另外又設立了一個立法局，所有關於管理香港土地人民的法律，都是由那個立法局頒布出來的；在那個立法局裏頭，還有幾個中國人，那幾個中國人在立法局裏頭，還有很大的發言權，還可以議訂法律來管理香港。」

談到信義，孫先生曾經這麼說：「講到信義，中國古時對於鄰國和朋友，都是講信的。依我看來，這信字一方面的道德，中國人實在比外國人好得多。在甚麼地方可以看得出來呢？在商業的交易上，便可以看得出。中國人交易沒有甚麼契約，祇要彼此口頭說一句話，便有很大的信用。……至於義字，中國在很強盛的時代，也沒有完全去滅人家的國家。」

孫先生堅持說話要親切有味，而且要選擇人人所知道的材料，所以他喜歡用比喻去表達和考究。他曾經講過一個苦力買彩票的故事。據孫先生說，那個故事是他在香港親眼見過的，所以我借用它來談香港的前途：「從前有一個苦力，天天在輪船碼頭，拿一枝竹槓和兩條繩子，去替旅客挑東西。每日挑東西就是那個苦力謀生之法。後來他積存了十多塊錢，當時呂宋彩票盛行，他就拿所積蓄的錢買了一張呂宋彩票。那個苦力因為無家可歸，所有的東西都沒有地方收藏，所以他買得的彩票也沒有地方收藏，他的謀生工具，祇是一枝竹槓和兩條繩子，他到甚麼地方，那枝竹槓和兩條繩子，便帶到甚麼地方。所以他就把所買的彩票，收藏在竹槓之內。因為彩票藏在竹槓之內，不能隨時拿出來看，所以他將彩票的號碼死死記在心頭，時時刻刻都唸着。到了開彩票那一日，他便到彩票店內去對號數，一見號數，知道自己中了頭彩，可以發十萬元的財。他就喜到上天，幾乎要發起狂來，以為從此便不用竹槓和繩子去做苦力了，可以永久做大富翁了，由於這番歡喜，便把手中的竹槓和繩子一齊投入大海中。」協議好比是彩票，它的號碼是一九九七，是可以發財的，竹槓和繩子是香港的現行社會、經濟制度、和生活方式，是香港人謀生的工具。雖然樂觀是人人要有的正常健康心態，但不可衝動或盲目，更不可利慾薰心。安定繁榮是恒久的努力和不斷加強的過程。我們需要的是冷靜和堅定的意志，面對前途的挑戰，專心如常過日子。中英雙方領導人慎之！香港人勉之！

督憲閣下，本人支持動議！

(The following is the interpretation of what Mr. So said)

Sir, I am glad that I live in this era. I do not only have the chance to make an option on problems left over from history, but also have the opportunity to take

part in the debate in the Legislative Council on the draft agreement between Britain and China on the future of Hong Kong and to commend it to the people of Hong Kong. I feel as if I was in the picture of history. However, the Chinese in Hong Kong in the 19th century were not so lucky. I believe they had no chance to catch a glimpse of the Treaty of Nanking and the Convention of Peking under which Hong Kong was ceded. There was then no Assessment Office to assess the people's opinion on the treaties, and there was no Monitoring Team to monitor the work of the Assessment Office. It was even said that when the New Territories were leased to Britain, the Governor of Kwangtung and Kwangsi had to sent 5 000 Chinese soldiers to suppress the local people who fought against the British army, so that the then Hong Kong Government could take over the New Territories. Apart from the feeling that I am lucky, I am also flattered by the unexpected favour which has fallen upon us. On the whole, the draft agreement has embodied the wishes and aspirations of most of the people of Hong Kong. The problem, therefore, lies in its implementation. And the question remained: are the promises reliable?

In the Sun-tzu's 'The Art of War', there was the following sentence: 'Person of foresight should not seek from ghosts and spirits, should not make induction from established matters, should not verify matters by guessing but should seek from people.' This means that in making any sensible decision, one should never resort to astrology and divination or make wild guesses by matching the present phenomenon with things in the past, but should seek reasonable and true information and then make analysis with staidness. Although we can describe what a 'person of foresight' should do, to find such a person would not be an easy task.

Only a great man who ardently loves the Chinese, knows the Britons and understands Hong Kong would make a reliable 'person of foresight'. In this respect, I cannot think of anyone else besides Dr. SUN Yat-sen. His writings and deeds would bear evidence to this. Let me give a few examples here.

Dr. SUN was educated in Hong Kong, studying first at the Diocesan Home, then at Queen's College and finally at the College of Medicine, the predecessor of the University of Hong Kong. While he was a student, he came to know Mr. James CANTLIE, dean of the College of Medicine, who later came to his rescue when he was kept in captivity in London. Hong Kong was also the base where Dr. SUN organised the revolution. The Kin Heng Hong, then established in Hong Kong, was an office of Hing Chung Hui (Revive China Society). Dr. SUN also had knowledge of this Council. In a speech in 1924 comparing the Colony of Hong Kong with the situation in Shanghai, he said, 'When Hong Kong was ceded to Britain, the British Government sent a governor there to govern the territory. To assist in the running of the territory, the governor set up a Hong Kong Office as well as a Legislative Council. All legislation concerning the administration of the land and the people of Hong Kong are enacted by this Council. There are several Chinese on the Council. They have a great say and may even propose and draw up laws to govern Hong Kong.'

On faithfulness and righteousness, Dr. SUN said, 'Coming to faithfulness and righteousness, faithfulness was always upheld in ancient China, whether it be dealing with neighbouring states or friends. As far as faithfulness is concerned, I think the Chinese have a better record than the foreigners. How can we be so sure about this? It is evident from the way the Chinese make business transactions. When the Chinese make a transaction, there is usually no written contract. All that is required is a verbal agreement between the parties concerned and it will be honoured...'. As for righteousness, China never wiped out other countries even when she was very powerful.'

Dr. SUN insisted that one should speak with cordiality, and one's speech should be interesting, and on subjects that people know. Therefore, in conveying ideas and discussions, he liked to make use of parables. He had once told the story of a coolie who bought a lottery ticket, which he had actually seen happened in Hong Kong. I would like to borrow his words here to draw an analogy on the future of Hong Kong:—

'Once there was a coolie who carried luggage for travellers at the pier, using a bamboo pole and two ropes to earn his living. The coolie managed to save up about ten dollars and bought a "Luzon Lottery Ticket" which was very popular at that time. Since he was homeless and had nowhere to store his belongings, he could hardly find a place to hide his lottery ticket. Finally, he had an idea. Since he had to carry his paraphernalia (which only consisted of a bamboo pole and two ropes) wherever he went, he found it very convenient to keep the lottery ticket inside his bamboo pole. And since the lottery ticket was put inside the bamboo pole, he could not take it out and read the numbers all the time. So he tried very hard to memorise the numbers and even by muttering it to himself all the time. Finally the day came for the announcement of the lottery results. He went to the lottery shop and discovered that he had won the first prize of \$100,000. He went into raptures. He thought that he no longer had to work as a coolie with his bamboo pole and ropes and that he would be rich for ever. Being carried away by his great luck, he threw the bamboo pole and the ropes into the sea.' The agreement is like the lottery ticket. The number is 1997. Like a lottery ticket, the agreement may become the key to prosperity. Similarly, the bamboo pole and ropes are like the existing social and economic systems and the way of life in Hong Kong. They are our means of making a living. Although to be optimistic is a normal and healthy attitude, we must not be impulsive or be blinded by greed for material gains. Stability and prosperity are the results of incessant hardwork. We must remain cool and firm in order to meet the challenge of the future and we must manage our affairs with our usual devotion. I sincerely hope that the leaders in China and Britain would be cautious and the Hong Kong people would do their best to strive for the continual prosperity and stability in Hong Kong.

Sir, I support the motion.

MR. F. K. HU:—Sir, the Sino-British agreement initialled on 26 September 1984 was indeed a historic document which provides a sound basis for the future of Hong Kong. Not only has it managed to include all the essential details, it also reflects and echoes practically all the wishes which the Hong Kong people have expressed during the last two years. In response to the Government's request for comments on the White Paper, I have encouraged the staff of my organisation to carry out extensive discussions in small groups. These discussions were fully supported with enthusiasm and participation was most active. The great majority confirmed acceptance of the agreement with cautious optimism. However, a few points have been raised for clarification and I would like to take this opportunity to reflect some of them here.

Since the People's Republic of China will resume the exercise of sovereignty over Hong Kong with effect from 1 July 1997, it must be recognised that the Chinese Government has the right to station military forces in the Hong Kong Special Administrative Region for the purpose of defence. In order to ensure minimum possible disturbances or clash with Hong Kong residents, I would suggest that these forces should only be stationed in the remote border areas away from the concentrations of population. In case of emergencies, the Chief Executive of the Special Administrative Region should have the full authority to command the forces and be responsible for the co-ordination with the police in necessary actions required to meet the situations. During their stay in the Hong Kong Special Administrative Region, military personnel should be subject to Hong Kong laws on civil and criminal matters. Since the Hong Kong Special Administrative Region is responsible for the maintenance of public order, Hong Kong should retain its own volunteer regiment which will help to maintain order together with the police whenever necessary.

A number of Hong Kong people have expressed their concern over the question of conscription after 1997. The Chinese Government should make it clear that Hong Kong people will not be subject to conscription but they can volunteer to serve in the Hong Kong Regiment for the purpose of maintaining public order in Hong Kong.

It is mentioned in the agreement that the government and the legislature of the Hong Kong Special Administrative Region will be composed of local inhabitants. However, the definition of local inhabitants was not given. As the Chinese Government has repeatedly confirmed non-interference in the affairs of Hong Kong, I would suggest that the local inhabitants should be defined as those who were born in Hong Kong or have been living continuously in Hong Kong for a period of not less than 20 years.

I am generally satisfied with the arrangements in Annex III on land leases. However, I would like to make the following comments:

- (a) The agreement stated that land leases not having the right of renewal and expiring after 30 June 1997 would be dealt with in accordance with the relevant land laws and policies of the Hong Kong Special Administrative

Region. I consider this arrangement to be inconsistent with similar leases that are due to expire before 30 June 1997. To put the mind of those possessing the former category of land leases at ease. I would suggest that such leases can also be extended for a period expiring not later than 30 June 2047 without additional premium but at an annual rent equivalent to 3 per cent of the current rateable value of the property from the date of extension.

- (b) In the past, leases where the land is zoned for G.I.C. (Government, Institutional, Community) use or as open spaces on town plans were not regranted. It is proposed that this practice should continue but that instead of Government taking such properties into management on expiry of the leases, extensions should be granted which would take account of the need of development programmes. I would further suggest that similar arrangements should be adopted after 1997.
- (c) No decision has been made on 'leases for special purposes'. Many of these leases are private treaty grants for schools, welfare facilities and public utilities. Others were granted for recreational purposes to social clubs and sports organisations. all intended for the benefit of the community. There should be a commitment for such leases to be further extended upon expiry even beyond 1997 in order to give the lease holders concerned an assurance of continuity so that they may carry out further development before 1997 if necessary, provided, of course, they continue to serve the purpose for which the leases were originally granted.
- (d) The total amount of new land to be granted under paragraph 3 of Annex III is limited to 50 hectares a year (excluding land to be granted to the Hong Kong Housing Authority for public rental housing) from the entry into force of the agreement until 30 June 1997. This limit should be applied with reasonable flexibility. Should for any reason the sale of land fail to reach 50 hectares in any particular year, the unsold area should be carried forward to the following year. On the other hand, should the sale exceed 50 hectares in any particular year for any good valid reason, such sale should be allowed subject to an equivalent reduction of land sale to be made in the following year. As regards provisions for public rental housing, we should also include those for the Hong Kong Housing Society which is another public body undertaking public rental housing.

I understand that my fellow colleagues, Mr. CHEUNG Yan-lung and Mr. Stephen CHEUNG will also comment on other aspects of the land leases later on in the debate.

Personally, I have full confidence that the Chinese Government will fulfil the terms of the agreement because politically it will enable China to achieve the objective of unification and uphold her international reputation of honouring agreements; and economically it will assist her four modernisation programmes through the continued prosperity and stability of Hong Kong. There are, however, some doubts in the mind of certain people as to whether China will in fact implement the agreement to the full and in good spirit. It is imperative that

the Chinese Government should prove its sincerity by actual performance in the next 13 years in order to reinforce Hong Kong people's confidence in the agreement.

The future prosperity of Hong Kong is in our hands. We must have faith in our future. At the same time, we must be prepared to accept new challenges in our political structure which will gradually evolve towards representative lines. However, we must bear in mind that, in any event, prosperity and stability cannot be sacrificed for achieving democracy in a hurry, as it may damage a good investment environment. Hong Kong will only be of use to China if it remains prosperous and stable.

Sir, with these remarks, I support the motion.

MR. WONG PO-YAN delivered his speech in Cantonese:—

督憲閣下：中英聯合聲明的草簽，展開了香港歷史的新頁，使這海港訂下了重新回到中國的日期，解決了一個歷史遺留下來的問題。令人覺得值得鼓舞的是，中英雙方在談判桌上的代表，都能夠顧及香港人的意願與有關利益，作出這樣適當的安排，使得在一九九七年之後，香港仍會是香港人作為安居樂業的家，並且繼續對中國及英國以及全世界有積極的貢獻，這是一國兩制的構思，互讓互諒的精神，及香港人表現了對自己的前途關心，詳盡地表達自己意願，行政局議員們忠誠積極地反映這些意願與及督憲閣下，你作為成員之一的英國談判代表團，認真努力的結果。本人想在這裏對督憲閣下兩年來僕僕風塵的辛勞，致以最大的敬意和謝意。聯合聲明的內容發表了以後，據我所接觸到的香港居民絕大多數都表示歡迎和接受，可以說我在三月十四日「羅保動議」中所說的，一個政治與社會制度的運作，要有市民的全心支持才能成功，現在我們可以說這是可以預期的。

以一個香港人的角度來看，中英聯合聲明體現的兩國有約束性的協議充分顧及了香港人的要求，我的了解是在主權的大原則之下，香港人在這二年多來所提出的希望與要求都充分地在協議之內明白規定。我們的現行社會，經濟制度會延續下去，生活方式不變，我們的基本人權自由及私有財產等等都受保護，在經濟生活方面，香港將保持自由港和獨立關稅地區之地位，保持國際金融中心地位，資金進出自由，港幣繼續流通，自由兌換，香港將保持財政獨立，可與世界各國建立及保持各種經濟關係，凡此種種，提供了香港經濟活動可以在原有的特出的成就上更進一步發展的機會。

我們不必隱瞞，仍有少數居民懷有疑慮，他們用以前幾年的經驗作推測，恐怕這個基本上完善的協議未必會充分實現，未必會認真執行。這種懷疑的論調沒有因協議的草簽而消失。我認為這疑慮的存在對大多數人的努力會起一些抵消作用，因此，本人想對此點論述個人的意見。

在每個歷史階段的過程中，事物的進展並不是依照直線進行的，一定會有曲折與轉變，否則就不會出現歷史上興衰交替的現象。以我們的經驗來說，A個人會常常因為接受經驗的教訓而避免重複錯誤，至于一個數以億計的人的群體，每個人都會因為經驗的累積發展他們的思想。如果說這個群體一定會再次重複它一時出現的錯誤與缺點，實在是可以懷疑的。中國在過去三十五年中經歷了巨大的變化，有巨大的成就，也有痛苦的經驗，在總結了這些經驗之後，現在正在走向一個一般都認為是正確方向的路線，如果在這個時刻，人們仍舊抱着極大懷疑的態度來推測他們會向後走回老路，實在是不切實際的。一位中國的領導人曾經引用了一句古語「三十而立，四十而不惑」來說明他的看法。三十五年正是頭腦清醒檢討自己的成就與缺點進而堅定向前的時候。我實在找不出什麼理由，來懷疑他們集體表明的決心。回憶一九七四年，在巴黎的一個宴會上，坐在我隔鄰的一位法國資深記

者問我對當時正處在混亂中的文化大革命的看法，他問，這動亂延續下去會有什麼情況出現？當時我的回答是：我出生在中國，在中國接受教育，因此我認爲我瞭解中國人，我的看法是，中國有五千年悠久的文化，中國人不是沒有理智的民族，我敢斷定，那不合理的動亂不會維持很久，一定會有一日(some day)，會有一個方法(some how)把它解決，而我相信這個日子的來到不會很久。

督憲閣下，後來事實證明我並沒有估計錯誤，同樣我也相信我今天在這有記錄可稽的陳辭中，歷史會證明我沒有講錯。

本人的意見是，以歷史發展的過程看，從一九七九以後中國的政治、經濟、社會的變化看，我相信中英協議會由雙方政府忠實地執行，過多的疑慮是不必要的。經過了二年多的疑慮及不穩定，我們香港人應該清醒我們的腦筋，以理智與沉靜的態度保持我們香港人一向表現的毅力來尋求我們更好的前途。我們不必有動人心魄的口號，但是我們一定要有堅定的決心，在各個領域裏讓每一個人都盡力來維持香港的安定並發展香港的繁榮。

中英的聯合聲明是中英二國解決香港問題的詳盡的基本方案。在中國收回主權後，基本法將會是香港一切活動的準則與法理根據。無可疑問，是香港人最關心的。因此，基本法一定要得到香港人的衷心接受，我希望在中國制定基本法時，應該儘量採納香港人的意見，而要做到這一點，我以爲香港人參與基本法的制定是必要的。

聯合聲明的附件之一「中華人民共和國政府對香港的基本方針政策的具體說明」中的第六款，對香港資本主義經濟和貿易的保持原有制度有詳盡的規定，一一列舉目前本港各種對內對外在經濟貿易的實踐細則，具體詳盡而完整。本人以爲這些具體細則的實際施行屬於本港內部方面的部分是我們自己可以控制的，應該在基本法制定時有詳盡的規定。至於牽涉到外國的部分則一定要得到本港的貿易伙伴的地區及國家的贊同與接受，因爲這是雙方或多方面的事。故此在一九九七年之前，我們一定要採取步驟，尋求全球現在或將來與我們有來往的國家及地區的同意與安排。這個工作無疑不單是香港政府以及不久即會成立的中英聯合聯絡小組的責任，也是本港的每一個工商團體及工業貿易機構應該努力的目標。在與我們的貿易伙伴的交往過程中，在我們能力所及的範圍內，正確而詳盡地解釋這個政策的精神與實質，使得協議中所規定的各種經濟貿易地位在國際關係的範疇內得到實現，我呼籲本港的工商業者，今後除了注意自己的企業的經營之外，更要細心研究在過渡時期中及將來的實施方面的相應變化，使到自己的工作進行順利，進而使我們的貿易對手亦充分瞭解。

香港之所以有目前的地位和受全世界的重視，完全是因爲有經濟上良好的成就，在金融、商業、工業方面都有健全的系統。在未來的日子裏，要維持繁榮與安定，就要保持及進一步發展，維持經濟活動的正常運作。香港的經濟情況並不是全善全美的，在競爭劇烈的全球經濟活動中，如果不保持活力前進，遲早會落後，退步，逐漸受淘汰。過去二年中，因爲前途沒有明朗化，部分人士信心不夠，投資不夠積極，這從統計數字中可以明顯地看出，這種情況，在短期內可以用增加設備的利用率及提高工人的工作效率來補足，正如反映在我們過去二年間出口能夠有蓬勃的進展及國民生產總值的增長仍有高達百分之八的事實，但這種對生產力的額外延伸利用是有極限的。因此，在設備方面的新投資是急不容緩的事，據本人所知，部分商廠原本已有增加設備的計劃而在等待協議宣佈後才執行的，已經有行動，但以全局來看，如要補足過去二年的不足，必須有相當大的增加，根據市場調查結果部分本港通常應用的機器設備，不論是本港製造或須向外國採購的，交貨期都有顯著的推後，本港廠商爲着自身利益及維持自己的市場競爭地位起見，必須放棄觀望的態度，積極爲自己的競爭地位設想。

另一方面我們的貿易伙伴及對手都在密切關心及注視我們的動向，我們國外的買家要求的，是一個強有力的供應者能夠在數量上及質量上滿足他們的需求，如果我們表現軟

弱，猶豫不決，他們必會轉向他處尋求。至於我們的競爭對手，也在注視我們，在我們表現脆弱的地方，取代我們的地位，本人認為在未來的一、二年間是本港的關鍵時刻，我們的企業家應該保持積極的活力。因為等到落後情況出現後再來急追，會事倍功半，時間不會等待我們，時間對我們並不有利。與此同時，我認為政府必定要採取相應的措施支持企業家的努力。

中英聯合聲明的草簽，使香港終將成爲中國的一部分有一個確定的時間表，由於中國實行四個現代化的政策，使到香港的中外企業家有一個廣大的活動的新天地。中國的幾個經濟特區的建立及沿海十四個城市的開放以及即將到來的擬議中城市改革政策，爲香港的企業家開闢了一個新領域，我相信對於一個幅員這麼大，人口這麼多的市場，對貿易，企業改造，及科技引進的需求，隨着經濟的發展，所需要的資源遠遠超過香港所有的，香港在這裏所能起的作用，是除了應用自己的資源以外，更可以憑着過去二、三十年在全世界建立起的聯繫，起引導及橋樑的作用，香港的企業家在這過程中所可能做出的貢獻及享有的成果，肯定會遠遠超出自己的資源所能做到的，我相信本港的企業家應該珍惜並把握這個良好的機會，爲自己創造出更大的成就。

督憲閣下，在三月十四日本局的「羅保動議」的辯論中，本人曾經說過，中英二國政府在談判桌上及進行中的對話清楚表現他們的友善及誠懇在尋求一個最妥當的解決，來達到他們的共同目標，就是維持香港的繁榮與安定，這點本人很樂意指出，已經做到了。

督憲閣下，本人支持此項動議。

(The following is the interpretation of what Mr. WONG Po-yan said.)

Sir, the initialling of the Sino-British Joint Declaration marks a new era in the history of Hong Kong. A date for the return of this port to China has been set, and a problem left over from history has been solved. It is heartening and encouraging to know that both the British and Chinese negotiators have taken into consideration the wishes and interests of Hong Kong people at the negotiation table and suitable arrangements have been made so that after 1997 Hong Kong will still become a home where the Hong Kong people can live in prosperous and stable atmosphere, and they will continue to contribute towards to China, Britain and the world at large. This is the result of the 'one country, two systems' concept; of the spirit of mutual understanding and accommodation; of the concern shown by the people of Hong Kong about their future through meticulous expression of their wishes; of the efforts of the Unofficials of the Executive Council in faithfully and actively reflecting these wishes and of the efforts of the British Working Group, of which you, Sir, were a member. I could like to take this opportunity to pay the greatest respect to you, Sir, and thank you for your hard work. After the publication of the Joint Declaration, most of the Hong Kong residents I have come into contact express their welcome and acceptance. Just as I have said in the debate on the 'Lobo Motion' on 14 March 1984, no political or social system can operate successfully without the whole-hearted support of its citizens. We can now say this support can be expected.

From the viewpoint of a Hong Kong citizen, the Joint Declaration, a binding agreement entered into by the two countries, has adequately taken care of the requests of Hong Kong people. My understanding is that within the basic

principle of Hong Kong under Chinese sovereignty, the wishes and requests expressed by the people of Hong Kong in the last two years have all been clearly stated in the agreement. Our current social and economic systems will remain unchanged, and so will our life-style. Our basic human rights and freedoms, and private property will be protected. On the economic aspect, Hong Kong will retain the status of a free port and an independent customs territory. It will also retain the status of an international financial centre, and there will be free flow of capital. The Hong Kong dollar will continue to circulate and remain freely convertible. Hong Kong will have independent finances, and may on its own establish and maintain economic relations with all states and regions. All these provide Hong Kong with an opportunity to further develop its economic activities based on its existing outstanding achievements.

We do not have to hide the fact that some residents still have their doubts. On the basis of experience gained in previous years, they fear that this essentially sound agreement may not be fully realised and faithfully implemented. Such doubts have not disappeared with the initialling of the agreement. I think these doubts will have some counteracting effect on the efforts of the majority of the people. Therefore I would like to talk about my personal views on this point.

In the progress of history, events do not develop in a linear course. There are bound to be turns and changes, or else there will not be the rise and fall of powers. According to our experience, a person will often learn a lesson from experience and avoid repeating his mistakes. As to a community of billions of people, everyone will develop his own ideas from his accumulated experience. It is highly doubtful that this community will definitely repeat its mistakes and faults which happened at one time. China has undergone tremendous changes in the past thirty-five years. There were great achievements and also painful experiences. After summing up these experiences, China is now heading towards a direction which is generally considered to be correct. It is unrealistic for people to hold on to their doubts at this point in time and predict that she will turn back to her old road. To expound his views, a Chinese leader has quoted an old Chinese saying, 'At the age of thirty, one should be able to stand on one's own feet; and at forty, to be unperturbed.' After thirty-five years, it is time for one to make a clear-headed analysis of one's achievements and defects and then go marching ahead. Truly I can find no reason to doubt their collective determination. **Back** in 1974, at a dinner party in Paris, an experienced French reporter sitting next to me was asking for my opinion on the Cultural Revolution raging at that time. He asked what would happen if the chaos continued. I replied that I was born and educated in China, so I thought I knew the Chinese well. My opinion was that China had a culture of 5 000 years and the Chinese are not an irrational race. I was definite that the insensible chaos would not last long. Some day, some how a solution would be found and I believed that date would not be far away.

Sir, what had happened later proved that I was indeed right. Similarly, I trust history will also prove that what I am going to say today in my speech, which will be put on record, is correct.

In my opinion, judging from the course of history and from China's political, economic and social changes since 1979, I believe the Sino-British agreement will be faithfully implemented by both Governments, and there is no need for over-anxiety. After more than two years of anxiety and instability, it is now time for us to clear our minds and to seek a better future by maintaining, sensibly and calmly, the perseverance always shown by the people of Hong Kong. We do not need sensational slogans, but we must have a steadfast determination and everyone must try his best in all spheres to maintain Hong Kong's stability and enhance its prosperity.

The Joint Declaration of the British and Chinese Governments is the detailed basic programme by which the two Governments are to solve the Hong Kong issue. After China resumes sovereignty, the Basic Law will be the basis of the legislature as well as the guideline for all activities in Hong Kong. This undoubtedly is what the people of Hong Kong are most concerned about. Therefore, the Basic Law must be accepted by the people of Hong Kong without reservation. I hope that when China drafts the Basic Law, she will accept as much as possible the views of Hong Kong people. To make this possible, I consider it necessary for the people of Hong Kong to participate in the drafting of the Basic Law.

In Part VI of Annex I to the Joint Declaration 'Elaboration by the Government of the People's Republic of China of its Basic Policies regarding Hong Kong', there are detailed stipulations on the maintenance of the capitalist economic and trade systems now practised in Hong Kong. Rules applicable to Hong Kong's internal and external economic and trade policies are listed in full.

Regarding the actual implementation of these concrete rules, I think the internal part is something within our control and detailed stipulations should be made when the Basic Law is drafted. As for the external part involving other countries, it must be agreed and accepted by those territories and countries which are Hong Kong's trade partners, because that is a bilateral or even multilateral affair. Therefore, we must take steps before 1997 to obtain the agreement of and make arrangements with the territories and countries which are or will be associated with us. Undoubtedly this is not only the responsibility of the present Hong Kong Government and the Sino-British Joint Liaison Group which is shortly to be formed, but is also the objective which every local industrial and commercial organisation, and industrial and trade body should strive for. In the process of dealing with our trade associate, we should, within our ability, accurately and fully explain to them the spirit and substance of this policy, so as to ensure that the above economic and trade status, as stipulated in the agreement, can be realised internationally. I appeal to the industrial and commercial sectors of Hong Kong that, besides concentrating on the operation of their enterprises, they should also study carefully the corresponding changes resulting from the implementation of this policy during the interim period and in the future, so that they can proceed with their work smoothly and enable their trade counterparts to have a thorough understanding of the situation.

That Hong Kong has attained its present status and won the respect of the world is entirely a result of its good economic achievements and established sound systems in finance, commerce as well as industry. In the days to come, we must maintain the normal functioning of economic activities and keep on making further progress in order to preserve prosperity and stability. Our economic situation is not perfect. Amidst keen competitions in worldwide economic activities, one will lag and fall behind sooner or later and gradually be eliminated if one does not keep up one's energy to move forward. Over the past two years when the future of Hong Kong remained uncertain, some people did not have adequate confidence and did not actively throw in their investments. This is clearly reflected by statistics. Such a situation can be remedied on a short-term basis by increasing the utilisation rate of equipment and the efficiency of workers. The usefulness of this short-term remedy is shown by the fact that we still managed to make brilliant progress in our export trade and achieved an 8 per cent growth in our G.D.P. over the past two years. However, there is a limit to this additional demand on productivity. Therefore, it is an urgent task to inject new investments for the purchase of equipment. As far as I know, some manufacturers who were waiting for the announcement of the agreement before carrying out their original plans to purchase additional equipment have now started with these plans. But if we look at the situation as a whole, we will see the need for a considerable increase in the purchase of additional equipment in order to make up for the deficiency in the past two years. According to a marketing survey, the delivery dates of part of the commonly used machines and equipment in Hong Kong, whether they are manufactured locally or ordered from overseas countries, have been significantly postponed. For their own benefits, and to keep their status in the competing markets, local manufacturers must give up the wait-and-see attitude and pursue actively in boosting their competitive status.

On the other hand, our business partners and competitors are very concerned with and closely watching our moves. Our overseas buyers want a powerful supplier who is able to satisfy their needs both in terms of quantity and quality. If we appear to be weak and hesitant, they will certainly turn to other places. Our competitors are also keeping an eye on us. They will take our place in whichever aspects we appear to be weak. I consider the coming year and the one that follows to be a critical period and our entrepreneurs should positively keep up their energies. If we do not hurry up in the race before finding we are already lagging behind, we will only get half the result with twice the effort. Time will not wait for us and the time factor is unfavourable to us. At the same time, I consider it necessary for Government to take corresponding measures to support the efforts of entrepreneurs.

Following the initialling of the Sino-British Joint Declaration, a definite time-table is set for Hong Kong to return to China eventually. Since China is pursuing a 'Four Modernisations' policy, local and foreign entrepreneurs in Hong Kong will have a new and wide sphere for their activities. The establishment

ment of several special economic zones in China, the opening up of fourteen coastal cities, and the implementation of the city reform policy which is under planning, will provide a new market for entrepreneurs in Hong Kong. I believe that as a result of economic developments, this market, with a large population and a vast territory, will require resources to reform trade and enterprise, as well as the import of science and technology, more than those which Hong Kong has. In this respect, Hong Kong may, apart from utilising its own resources, act as a guide and bridge using the connections which it has established with the world over the last twenty to thirty years. Through this process, the contributions and successes made by local entrepreneurs will surely be bigger than what their own resources can possibly produce. I believe local entrepreneurs will treasure and make full use of this golden opportunity to make greater achievements.

Sir, I had said during the debate on the 'Lobo Motion' on 14 March that the conversations between the Chinese and British Governments over the negotiation table clearly showed that the two Governments were friendly and sincere in their efforts to seek the best solution and fulfil their common aim to maintain the prosperity and stability of Hong Kong. I would gladly point out that this aim has been achieved.

Sir, I support the motion.

MR. BROWN:—Sir, I speak towards the end of what has been a long afternoon on this subject and I shall be brief and avoid repetition.

Those of us who will be voting in favour of this motion have had to ask ourselves a number of searching questions. Perhaps the most difficult one to answer has been whether we are commending the agreement to the people of Hong Kong because we really believe it to be acceptable, or whether we are commending it mainly because we believe there is no option to do otherwise.

This historic document—and whatever one's views of its contents the word historic is surely a most deserved description—this historic document is remarkable both for its detail and also I would suggest, its honesty. In this latter context I refer to the quite explicit reference to the fact that there is no realistic possibility of amending its text, and that the people of Hong Kong are in fact, as Mr. WONG Lam said, faced with a Hobson's choice of either accepting it or rejecting it. In reality this is no choice at all.

Notwithstanding this, however, and perhaps bearing in mind Oscar Wilde's observation that when most people agreed with him he felt he must be wrong, I do find my own views coinciding with those of many who have indicated support for the agreement because of a general feeling it is reasonable and sensible, and for a particular belief that it addresses all of the issues raised in this Council, and elsewhere, whilst the negotiations were in progress. It would serve no useful purpose for me to repeat all of these issues. Indeed most of them have already been touched on by my colleagues this afternoon.

It is a truism that onlookers often see more of the game than the players. and it has been both interesting and I think most encouraging to note that the agreement has met with almost universal applause from parties overseas who have played no part in the negotiations themselves, but whom nonetheless are knowledgeable as to our circumstances and have knowledge of the issues involved. These have included the Secretary-General of the United Nations, and the leaders of all those countries we describe as our major trading partners.

It is of course always easier to say a thing than to do it. and the extent to which the agreement will be implemented will be determined by history much more accurately than the wisest prophet can forecast in 1984. Are we wise, therefore, to commend this agreement to the people of Hong Kong today? Mr. So's reference to wisdom reminds me that it is Theodore Roosevelt who said that nine-tenths of wisdom is to be wise in time. For the people of Hong Kong this is the time for wise judgement, and for the Members of this Council it is crucial that we ourselves read aright the present.

My own reading of the present is that the agreement marks the point in our history when we can leave aside the uncertainties and the worries of the recent past, and get back to what we all really want to do. That is to continue building a stable and prosperous society what we can be proud to hand onto the next generation.

Sir, the people of Hong Kong deserve a good agreement. They have not got a perfect agreement as I think is obvious from the various reservations expressed by my colleagues this afternoon, which I endorse. But nothing in life is perfect and I believe the agreement the people of Hong Kong have got is the best possible in all the circumstances. In supporting the motion I commend it to them.

MR. SWAINE:—Sir, this must be the most important debate in the history of this legislature. We are speaking of the lives and destiny of over five million people and of the generations of come.

The Joint Declaration is the result of two years of hard negotiation. There is much in it to commend. But is this package of proposals what the people of Hong Kong really want?

In the early days of the debate over the future, the overwhelming majority of the people wanted the retention of the status quo. They wanted British administration to continue because they saw this as a buffer between themselves and the Communist state. These people had a deep distrust of communism, many had suffered at its hands, and they could not bring themselves to believe in its promises.

They looked to Britain to negotiate for them, and for a while Britain persevered. But how hard did Britain try on their behalf? I am not persuaded that she did all in her power for Hong Kong. I think she went to the negotiating

table with one arm tied behind her back. She disabled herself a long time ago, when she closed the door to Hong Kong. She did this by a series of immigration and nationality acts which turned the Hong Kong passport holder into a second-class citizen.

If you don't want them, how hard will you negotiate on their behalf? Just as important, what is the Chinese perception of your negotiating stance?

Within these limits, I believe that Britain got us the best possible deal available. But it is the best of a bad deal. I cannot see the occasion as one for rejoicing.

The thing now is to make the agreement work. We must ensure that when the time comes, the high degree of autonomy promised is not an empty phrase.

I welcome the assurance of an independent Judiciary. for they must be the watchdogs of the personal freedoms that have been promised.

I welcome the provision which would permit of judges from other common law jurisdictions to be recruited, and also for them to be invited to sit in the Hong Kong court of appeal. When the time comes, will they be so recruited or invited?

Power starts at the top, and the Joint Declaration provides for the chief executive to be appointed by the Central People's Government on the basis of elections or consultations held locally. These terms are not defined and we have no assurance that the Chinese perception of them is the same as ours.

The legislature will be constituted by elections, but where are the safeguards that elections will be free and genuine?

Infiltration of the system and suppression of dissent by pressure or fear are our greatest dangers.

Despite the details contained in the Joint Declaration, the people of Hong Kong are still being asked to take a lot on trust. I don't believe people are packing his bags because of the agreement: he will continue to wait and see, but the overwhelming majority of the people do not have the luxury of choice.

I cannot endorse the agreement or commend it to them in the face of these reservations. I will therefore abstain from voting on the motion.

Suspension of sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now suspend the Council until 2.30 p.m. tomorrow.

Suspended accordingly at seventeen minutes past five o'clock.