

**OFFICIAL REPORT OF PROCEEDINGS****Tuesday, 16 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.P.

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

## Unofficial Member's Motion

### THE FUTURE OF HONG KONG

#### Resumption of debate on motion (15 October 1984)

MR. CHAN KAM-CHUEN:—Sir, the draft agreement on the future of Hong Kong was initialled by the British and Chinese Government representatives in Beijing at 10 a.m. on 26 September 1984. Pending its ratification by their respective parliaments the fate of Hong Kong and its people will be sealed. Thus the official count-down to 1997 had commenced and those who make long term planning for their families and business marked that date as 4 301 days from D-Day.

The people of Hong Kong are of course very concerned for their own future and there were long queues for the White Paper. One million copies in Chinese and a quarter of a million copies in English were distributed within a few days and a reprint had to be made. It is a pity that this publication was distributed gratis otherwise it would be recorded as the best seller of the year.

However, there were not many letters sent to the Assessment Office which is incommensurate with the 5.3 million population, hence my question in the last Legislative Council sitting about their confidentiality and destruction as a last ditch effort to allay fears and get some views from the silent, apolitical and absolute majority.

The future is not for us to see and some people turned to the Chinese almanac for an indication of a good or bad omen, but alas they found that the date was the last day of a cycle (盡日) and the time was an evil stem (凶時, 9 a.m. to 11 a.m. being the 6th two-hourly stem of a day) and therefore was not good for contracts. Of course, Chinese leaders do not believe in evils (不信邪) and the Royal Emblem in this Council is inscribed with 'evil to those who think evil' in Latin.

Belief in superstition and ism is very subjective and if religion is combined with politics in an argument between people, the controversy may be long and bitter and wars have been fought on such issues for centuries. Fortunately, the negotiations on our future were only political and were in the able hands of British diplomats. On the other hand, the Chinese are well versed in the principles of the famous military classic 'The Art of War' (孫子兵法) which is believed to be written by Suen Wu around 510 B.C. from which I make two quotations '全國爲上', '不戰而屈人之兵, 善之善者也' (i.e. to secure a state whole and intact without resorting to war is the most desirable strategy).

During the uncertainties of the two years of protracted negotiations in camera, the community of Hong Kong may be broadly divided into four categories, namely, the 'haves', the 'have-nots', the 'believes' and the 'believe-nots'.

The 'haves' are those with large international or Chinese business links; those with seven-figure bank accounts; those with expertise; those with foreign passports; those with experience of living abroad and those who have suitable relatives in foreign countries including those who have babies born by design in foreign countries.

Recently, I spotted some figures on applications for 'Certificate of No Criminal Conviction' in a local newspaper and after confirming that these figures were correct, I made some deductions and arrived at broad brush figures on the increase in the number of emigrants in the past five years:—

<i>Year</i>	<i>Applications</i>	<i>Students to U.S.A. CAN &amp; AUS.</i>	<i>Emigrants</i>	<i>Increase in Emigrants</i>
1979	12 408	5 609	6 799	Base
1980	16 273	6 820	9 453	+ 39%
1981	17 521	7 973	9 548	+ 40.4%
1982	20 683	8 377	12 306	+ 81%
1983	20 477	6 345	14 132	+ 107.9%

A small number of applications were rejected for such minor offences as a \$15 fine for being found in a gambling house and were not deducted from the above figures as the applicants could still emigrate. Emigrants and students who require no such certificates, such as those going to U.K., Taiwan etc., were not included.

There were many opinions expressed about brain-drain and financial-drain but there is another drain which may cause the competitive edge of our industries to be worn off and that is the draining of entrepreneurs in small manufacturing establishments employing under 50 workers, which form 92.6 per cent of the 46817 manufacturing establishments as at the third quarter of 1983 (this is quoted from the Hong Kong Monthly Digest of Statistics July 1984 issue, page 10). Many of them are providing supportive goods and services to the larger manufacturers and other sectors, such as buttons to the clothing industry and screws for almost all industries. Of course, one can get supplies from abroad but certainly not with such competitive prices and quick delivery. If these small manufacturers move out in large numbers, our industry will crumble from inside.

This is where the 'have-nots' who remain in Hong Kong come in. If they already have experience working for these small factories and have a small capital, they may take up this good opportunity for a profitable business and help stabilise the community.

The 'believes' are those who have expressed their confidence and will take up the challenge even before the publication of the draft agreement. For those who are sincere they would stick through 'thick and thin' and 'till death they part'. The community is only worried about the sincerity of those who loudly said 'I have confidence' in front of the T.V. cameras but had already sent in their applications for emigration.

Lastly, I turn to the 'believe-nots'. After expressing their worries, the people of Hong Kong got a letter of comfort with a cheque for an amount bigger than they had expected. Why are they still worrying about cashing it after 1 July 1997?

To understand the problem, one has to look at the composition of the Hong Kong people. About 0.15 million are non-Chinese and the rest are of Chinese origin. Of the 5.3 million people, about 2.6 million are Hong Kong born. The remaining 2.7 million mostly came to Hong Kong from mainland China during the various political movements. For people who live in a society governed by the rule of law, it is difficult to understand the turmoil which these people underwent. Some of them were suddenly deprived of all their earthly possessions and found that their own children turned into their prosecutors on a charge which is non-existent. Neighbours and relatives turned into witnesses and the mob is the judge. The earth seemed to have open under their feet and heaven came down like a collapsed ceiling. If they survived, their value of life would change and were willing to swim across shark-infested waters to come to Hong Kong for freedom. Hence, one does not see dancing and celebrations in the streets of Hong Kong when the settlement of their future is announced.

It is said that the wise man learns through others' faults; the average man learns through his own faults and the foolish man does not learn even after burning his own fingers.

The 'believe-nots' may not doubt the sincerity of the Chinese leaders nor are they unaware of the Chinese policy of open up for modernisation, but political upheavals could be as unpredictable and forceful as a tornado and it has been proven that even strong men succumb to its might. It is an on-going thing in history. However, these 'believe-nots' should not despair for there were many who came to Hong Kong in rags and became rich within ten years. These 'believe-nots' still have plenty of time to do so by learning some skills or expertise, learn English, work and save hard and run a small business and very soon they would find that they will have an option to stay or emigrate before 1997. Help to keep the community stable and prosperous now and see whether China's modernisation programme could succeed before making the final decision.

The year 1997 is still some years away, but there is something which makes one uncomfortable now. That is the ceiling placed on the sale of land. It does not boost confidence and has the following implications:—

- (1) It means that there is a lack of mutual trust between the Chinese and British Governments;
- (2) it casts doubts on the other subject, i.e. our reserves,
- (3) it means there would be a large decrease in our revenue and if heavier taxes are levied, it would make the business community and sandwich class move out and weaken our dollar; and

- (4) lastly but most important is that although the Hong Kong Government is not a 'lame duck', at least one string, however thin, is now attached to one of the duck's legs and make people doubt whether the Joint Liaison Group is another string on the other leg of the duck. Well, how is the duck going to fly?

In conclusion, I can only commend this draft agreement to the 'believes' and they don't need my commendation, and I can persuade the 'believe-nots' that the draft agreement is the best which can be obtained under the circumstances. Honestly, I have no answer to how 'high-fidelity' will be the implementation after 1997. After 2047, their future generations will be incorporated into the socialist system in China. It is 'whatever will be will be' and they all become brave Chinese taking up the challenges.

Since I am not a prophet, I cannot commend this draft agreement and foresee its full implementation without reservations.

With these remarks, Sir, I abstain from voting.

MR. STEPHEN CHEONG:—Sir, since the publication of the Joint Declaration on 26 September 1984, it is a true reflection to say that most public comments so far have been favourable. Yet, it is an equally honest observation that quite a number of people, deep in their minds, still cannot discard their fear that China might renege on the Joint Declaration via the Basic Law; and fear of possible changes in the Basic Law in future, or possible undue interference in the future S.A.R. Government. 'What safeguards are there', they seem to be asking, 'against the Basic Law being changed following a change in the political leadership in China?' 'What safeguards are there that China will not unduly interfere with the policies of the future S.A.R. Government?' 'How can we be sure that the one country two systems concept will work?' Given China's turbulent past, these fears are perhaps natural and understandable. But, in my view, our future certainly will not lie in our people constantly having fears and doubts. We somehow need to surmount this obstacle. As a start, should we not recognise that past experiences and history should only serve as a guide to any process of evaluation? They should not inhibit us from making a more objective assessment of the present or of the future. Should we not then attempt to examine all the facts and factors, inclusive of the Joint Declaration plus its equally binding Annexes, that may have a bearing on our future without undue influence from our doubts or fears? Sir, I have gone through such a process and my conclusion is that there are grounds for optimism in our future. Hence, I endorse the Joint Declaration and commend it to the people of Hong Kong.

In the first place, the negotiators on both sides have succeeded in putting together, in reasonably clear and concise language, a comprehensive package of arrangements for Hong Kong's future and, in so doing, succeeded in preserving the institutions, rights and freedoms which play a crucial part in the maintenance of public confidence.

I have even compared the Letters Patent and Royal Instructions, which represent Hong Kong's constitution at the present time, with the text of the Joint Declaration and its Annexes, on the basis of which China will draft our future constitution. The comparison clearly shows that the Joint Declaration covers far wider aspects of Hong Kong's institutions, rights and freedoms than do the Letters Patent and Royal Instructions. The latter, for example, does not guarantee—as does Annex I—that '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'. Nor does our present constitution explicitly enable Hong Kong to maintain its own economic and trade policies, to operate its finances autonomously, to maintain a freely convertible currency, to continue participating in the G.A.T.T. and in other international organisations, and so on and so forth. And nowhere in our present constitution are our civic rights and freedoms guaranteed as explicitly as in Annex I. Each of these elements plays a vital and inter-dependent role in preserving the society we know, treasure and are justly proud of. To the extent that the Joint Declaration takes none of these elements for granted, and to the extent that all of them have been explicitly provided for, we have before us a workable arrangement by which Hong Kong people can seek to build a future for themselves.

In the second place, it is a fact that leaders of China have repeatedly publicised their firm commitment to the policy that Hong Kong's previous capitalist system will remain unchanged for 50 years after 1997, and that Hong Kong would become a Special Administrative Region of China with a high degree of autonomy. Not only were these statements of policies made known in China, they have also been reiterated voluntarily in various international forums. Notable examples were General Secretary Hu Yao Bang in Japan; Premier ZHAO Zi Yang in Canada and Europe, and Foreign Minister Wu Xue Qian in the U.N. General Assembly. Furthermore, whenever they meet with world leaders, the Chinese leaders, inclusive of President LI Xian Nian and Chairman DENG Xiao Ping took pain to stress China's commitment to the 'one country two systems' policy. We should not take these lightly. For, apart from being able to demonstrate to us the high degree of sincerity of the Chinese leaders, such repeated statements of policy demonstrate China's determination and resolve in the execution of such policies. It will be highly improbable indeed that such avowed and well publicised policies would be changed for the worse without having an adverse effect on China's international reputation.

In the third place, given the thrust of China's modernisation programme, and the opening up of special economic zones, and the effective role Hong Kong might play in both, it is as much in China's interest as ours that Hong Kong should continue to feel confident about the future, without which ingredient we could neither prosper or be stable. In any case, if China really do not have the stability and prosperity of Hong Kong in mind, why should they bother to

spend so much time and effort in the negotiations, resulting in an agreement which in fact surprises most people in Hong Kong on the amount of details it contains.

Thus Hong Kong people have to face up to the fact that China and Britain can do no more than design the foundation. It is a good foundation. The actual construction of the foundation, no less than the design and construction of the superstructure, must be up to us. For those amongst us who may wish to search for another haven away from Hong Kong, we must wish them all the best and good fortune. But, for those who will remain in Hong Kong, we must be determined to contribute to the successful implementation of the 'One country, two systems' concept. Dwelling too long and nostalgically on what might have been is definitely not the answer. We must at least develop a frame of mind that can accept hope more readily than despair. Whilst at the same time, we must work realistically but solidly and diligently towards building a better future in Hong Kong. In any case, is it not a fact that the people who are determined to succeed will have a better chance of success in meeting the challenge before them? Therefore, it follows that as Hong Kong progresses towards a higher degree of autonomy, we should continuously bear at the back of our minds that the future is what we will make of it. More importantly, the autonomy that has been promised must not only be earned but should also be seen to be well deserved. Therein lies our best guarantee for the future against possible undue interference from China.

If this view is accepted it seems to me that it would be in Hong Kong's best interests to develop a system of government which as far as possible should eschew adversarial politics, and which should positively encourage our citizens to ask themselves primarily what they think they can do to help to secure a better future within, of course, the framework of the Joint Declaration and the future Basic Law. From now on, it is perhaps the appropriate moment for the people of Hong Kong to ponder seriously and act on the famous words of the late President John F. KENNEDY 'ask not what the country can do for you, ask what you can do for your country.'

If the future lies, as I believe, largely in our hands, a great deal remains to be done by us to ensure, first, that the Basic Law is formulated having full regard to informed public opinion in Hong Kong. Secondly, it is also up to us to ensure that both Britain and China will help us effectively in securing, for the post-1997 period, our present role in the G.A.T.T., in the Multi-Fibre Arrangements, in our air services agreements, in maritime agreements and in the councils of all those international organisations in which we now have a voice. A great deal can also be done by us over the next 13 years, to explore, develop and improve the opportunities for cooperation between Hong Kong and China. An obvious example is the transportation and freight-handling links which are so essential to the efficient movement of people and goods between Hong Kong and China. But more urgently, new links must also be forged, particularly those relating to attitudes of mind. For the past few years, not only trading activities have

mushroomed between Hong Kong and China. There has also been a notable increase in the exchanges of ideas in other fields such as academics and sports. No doubt these exchanges will continue and grow and these will help both parties to reach better mutual understandings. Nevertheless, politically we have been separated from China for many years, and in my view, and if there is one single group of individuals in Hong Kong who could explain the ingredients of the stable environment under which Hong Kong has prospered it is the senior echelons of the civil service. Thus I see, as an important step for the immediate future, the need for encouraging a closer dialogue between civil servants and their counterparts in China, particularly those at the policy making levels, for they have a positive role to play in securing the understanding, patience and support of the Government in China before 1997, when the drafting of the Basic Law has to be completed, and thereafter when they will continue to play an important role in ensuring that the administration of the Special Administrative Region runs smoothly.

Finally, there is one aspect of the Joint Declaration and its Annexes on which I would like to make specific comment, namely, the setting of an annual ceiling of 50 hectares for public land sales between the present time and 1997. According to press commentaries this ceiling reflects the concern of China that some of Hong Kong's most tangible assets might be exhausted by 1997. The concern is understandable, but the setting of this ceiling for annual land sales by the Hong Kong Government reflects an incomplete understanding on China's part of the way in which it disposes of land.

For Hong Kong to prepare itself adequately for the challenges of the future, there is a need for the Government to continue to invest in future infrastructural facilities. The scheme to increase the present number of container terminals in order to cope with an ever increasing volume of freight is a case in point. These important infrastructural projects are often most efficiently developed and run by the private sector, but they all involve the granting of huge tracts of land. If these projects are to be included within the ceiling of the 50 hectares, it would create severe constraints and problems for our future development. It is noted that the terms of reference of the Land Commission do permit it to lift this ceiling if the proposals submitted by the Hong Kong Government were accepted. To this end I welcome the setting up of the Land Commission. Nevertheless, it must be recognised that land issues are complex and that China and Hong Kong have, in the past 35 years, held quite different views on such issues. I would therefore urge both sides to work in a spirit of cooperation and mutual understanding.

My honourable friend Mr. F. K. HU has already dealt with a number of specific land issues. I would like to mention two more which the Land Commission would have to address. First, under the current private sector participation scheme in the housing programme, the Government invites tenders from the private sector which may include certain elements of land value. Therefore, the premium sharing scheme as described in paragraph 6 of

Annex III of the Joint Declaration would probably apply. However, the P.S.P.S. also obliges the Government to buy back unsold flats at a fixed price. If the Government were to buy back those property and, as a result of market conditions, have to dispose of the flats at a price below the fixed price, this would have an adverse effect on the determination of the value of the land. It is, therefore, necessary to devise a claw back arrangement in case the Hong Kong Government were placed in such a situation. Secondly, the Hong Kong Government is obliged to redeem Letter B. Information to date suggests that there are still outstanding Letter Bs that would require 110 hectares of land if they are to be redeemed in full. It is hoped, of course, that prior to 1997 the Hong Kong Government would be able to complete all redemptions, but in case this could not be achieved by 1997, a solution would have to be found by the Land Commission.

In closing, Sir, may I share the sentiments of my colleague Mr. Allen LEE in his remarks on the dedication and hard work of all who helped to deliver this Joint Declaration. Irrespective of one's personal feeling on the roles successive British governments might have played on this issue of our future, one can at least be satisfied that for the past two years, the heart of Officials and Unofficials alike in Hong Kong were and still are in the right place. Amid tremendous pressure from all sides, they worked hard for the interest of Hong Kong. May I therefore echo the tributes paid to you, Sir, and to all our Executive Council colleagues without whom Hong Kong would most definitely be poorer.

With these remarks, Sir, I support the motion.

MR. CHEUNG YAN-LUNG delivered his speech in Cantonese:—

督憲閣下：一位現已移居海外的香港居民，收到一份香港前途協議草案時，作出反應說：「這好得幾乎令人不敢相信」。

香港許多人都和這位人士有同樣感覺。他們一方面因為協議草案所列條文詳盡而鬆一口氣，但另一方面，則懷疑是否確會這樣好？

香港五百五十萬市民，掛慮了七百三十三天後，現已可以從四十六頁的白皮書中，看到香港的前途。但他們是否確能看到？本人明白很難在協議草案內詳細列明香港前途的每項建議，但本人在閱讀幾次協議草案時，有數點看不通透的地方希望獲得澄清。

協議草案正如整理地盤的工程一樣，為香港的安穩前途鋪路。基本法的草擬也即如基本建設工程的開始，到那時，我們才初次看到香港前途的輪廓，待至香港特別行政區成立，我們已建成了上蓋，到那時候，我們便可判斷建築結構上有沒有錯誤的地方了。

基本法的草擬工作將為邁向一九九七年的下一個重要步驟。我們已獲得保證協議草案的大綱將納入基本法內，使香港在一九九七年後，保持現時的資本主義制度和生活方式，五十年不變。協議草案更進一步說明，基本法由全國人民代表大會根據中華人民共和國憲法制定並頒佈，規定香港不可以實行社會主義的制度和政策。

中國的現代化政策，特別是最近強調要促進生產，似可稍為減少中國社會主義思想與香港資本主義制度間的相異之處；但中國踏上現代化道路的時間頗短，而香港的整個歷史是建立在自由企業的唯一原則上。由於兩地在政治思想上及經驗上有頗大的差異，故本人

促請參予草擬基本法的人士，以適合本身的步伐去工作，從容詳細研究香港的情況，了解我們為何希望保持現狀，及我們的如何去保持現狀。本人衷心希望草擬基本法的人士，能全心全意致力於這項繁複的工作，懇切而廣泛地徵詢社會上各階層及各界人士的意見。在此方面，他們最好的諮詢各區議會的意見。我們已有一份良好的協議草案，我們須確保有一套良好的基本法。

基本法為將來的香港政府架構作出安排，而該政府內的行政長官及立法機關成員的委任是很重要的。作為特別行政區的首要領導人，上述人員不單為香港人注目，舉世亦會注視他們。因此，無論這些高層行政人員是通過選舉或協商產生；甄選程序必須經過週詳考慮，以求盡善盡美，因為我們須保持及促進國際投資；香港今日的成就有賴於此，不然，香港將會迅速退回原先的狀況。

目前，香港總督亦是駐港三軍的總司令。一九九七年後，人民解放軍會駐守香港，將來的行政長官會否因維持社會治安所需而獲授權頒發軍事訓令？有關軍事方面還有一問題；一九九七年後本港市民須否服兵役？關於此點，本人代表香港許多身為家長的市民尋求一較肯定的答覆。作為中國公民，香港男青年須否在中國軍隊服兵役？抑或因他們居於特別行政區原故而獲免服役？

協議草案就保障基本權利和自由作出規定，其中包括遷徙和旅行的自由。關於遷徙自由，在中國範圍內，一九九七年後香港的中國公民是否要接受中國政府隨意遣派在國內居住或工作呢？

香港市民假如沒有旅行證件，則一九九七年後所賦予的旅行自由，對他們來說，並沒有多大作用。同時，如果旅行證件不獲其他國家的承認，亦無多大用處。在此方面，協議草案說明英國政府將尋求國會批准立法，以適當的名稱，給予英屬土公民一種新的身份。可惜在上述兩種情況下，本人感到他們都能被視作「三等公民」。實際上，我們不難覺察協議草案內容具諷刺性的一面，協議雖說新的身份將包括「有權使用英國護照」，但英籍不是早已隨「英國屬土公民」護照的簽發而喪失了嗎？更切實一點：中英兩國政府分別利用備忘錄對國籍問題作出保證，這是否表示中英兩國皆不願就此事作出確實的承諾？

在土地契約方面，協議草案具體說明，舊批約地段、鄉村屋地、丁屋地和類似的農村土地的承租人，其父系為一八九八年在香港的原有鄉村居民，可獲豁免增加租金。但是，假如新界原居民確實將土地售與新的地主，而這些地主確信他們在購買土地後，即可享有新界原居民的權益和特權，這些情形又該怎樣處理？實際上，香港法例第九十七章新界條例的第二十四條聲明：「產權轉讓須視作包括屬於或被認為屬於土地或其他任何部份的自由使用權、特權、地役權、權益及利益等等。」儘管本人明白到協議原文並無的具體論及新的地主，但是，假如這些地主認為他們在舊批約地段、鄉村屋地等的租金方面，不能享有與新界原居民同等待遇時，他們的想法是否正確？

此外，協議草案聲明所繳納的新租金將按土地的應課差餉租值計算。但是，農地目前是不用繳納差餉的，所以沒有應課差餉租值。因此，如何去評估此類農地的新租金？

閣下與其他談判代表辛勤工作，運用技巧和耐心去達成協議草案，這值得我們衷心讚揚。但是，本人認為我們應特別稱頌賀維爵士。我們在事後回想賀維爵士在耶穌受難日那天在香港舉行記者招待會，明白到他實際上已在不違反會談的保密原則下，完全告訴我們他所能說出的事情。

毫無疑問，賀維爵士及其他英國大臣堅決要看到協議草案成功實現，在這方面，本人懷疑駐倫敦的香港辦事處是否已作好準備，處理有親友在香港或與香港有其他聯繫的英國居民所提出的許多詢問作出滿意解答？

最後，本人再促請香港人大膽談論協議草案，為香港前途作出貢獻。這是香港歷史上最重要的文件。現有很多人耐心排隊索取白皮書，但我們不要輕易被他們的動機所欺騙，

因為據本人得到的可靠消息，他們當中大部分是學生，這些學生誤聽謠言，說協議草案不久將會成為學校考試的科目。也許這就是香港人的特性，他們應該永遠如此？

壞協議不如沒有協議，而這個協議總比沒有協議好。嚴肅地說，我們祇憑承諾和誠意，決定我們子孫的命運。這使本人想起王子復仇記裏王子的獨白，從來沒有人穿過這段路程走回來，這就是要冒險的地方，但亦是對作出大膽決定的一個挑戰。由於這些承諾是具誠意的，本人謹向在一九九七年後仍為香港居民的人士推薦。

督憲閣下，本人謹此陳詞，支持動議。

*(The following is the interpretation of what Mr. CHEUNG Yan-lung said.)*

Sir, a former Hong Kong resident now living overseas, who received a copy of the draft agreement on Hong Kong's future, reacted with the comment 'It's almost too good to be true.'

His sentiment is echoed by many in Hong Kong who on the one hand are relieved that the draft agreement is as comprehensive as it is, but on the other hand, are wondering, can it really be?

After 733 suspense-filled days, the  $5\frac{1}{2}$  million people of Hong Kong can now read all about the future in the 46 pages of the White Paper, or can they? While I appreciate that it is difficult to include every detail about the proposed future of Hong Kong in the draft agreement, I seek clarification on several points into which I for one read shades of grey.

The draft agreement like site formation work, has prepared the way for a well-constructed future. But it is only when work commences on the infrastructure or Basic Law, that we shall begin to see the shape of what is to come, and only when the superstructure of the Hong Kong Special Administrative Region is established, that we can judge if there are structural faults.

Meanwhile the drafting of the Basic Law is a crucial next step towards 1997. We have been assured that the Basic Law shall incorporate the broad terms of the draft agreement whereby the capitalist system and lifestyle of Hong Kong is not to be changed for 50 years after 1997. And the draft agreement further states that the Basic Law is to be enacted and promoted by the National People's Congress in accordance with the Constitution of the People's Republic of China, stipulating that the socialist system and socialist policies shall not be practised in Hong Kong.

China's modernisation policies, and in particular, her recent emphasis on greater productivity, make her socialist ideology seem less alien to that of capitalist Hong Kong. But the road to modernisation is one China has travelled but a short time, whereas Hong Kong's entire history is based on a single principle, free enterprise. With such a big difference in ideology and experience, I urge those who will draft the Basic Law to do so at their own pace, to take the time to learn in detail about Hong Kong, and to understand why we wish to stay the way we are, and how we are to stay the way we wish. I sincerely hope that

the drafters of the Basic Law will devote their minds and their hearts to the complex task at hand, and to consult extensively and sincerely public views at every level of and in every sector of society. In this they might do well to consult our District Boards for their views and advice. We already have a good draft agreement. We must ensure that there will also be a good Basic Law.

The Basic Law will set the tone for the future government of Hong Kong which chief executive and legislature will in turn constitute vital appointments. As the first community leaders of the S.A.R. they will have not just the eyes of Hong Kong on them, but the eyes of the world. Consequently, I think it is very important that due consideration be given to the best selection process for our future top executives whether by elections or consultations, given the need to maintain and enhance the international investments that have made Hong Kong what it is today, and without which Hong Kong would very quickly become what it was before.

At present, the Governor of Hong Kong is the Commander in Chief of the military forces stationed in Hong Kong. With the prospect of P.L.A. troops to be stationed in Hong Kong after 1997, will our then chief executive be empowered to issue military directives if so required to maintain public order? Still on the subject of the military, I speak for many Hong Kong parents when I seek a more definitive reply on the question of military conscription in Hong Kong after 1997. As Chinese citizens, will our young men be required to serve with the Chinese military forces, or will their S.A.R. residence preclude such military service?

The draft agreement stipulates the preservation of basic rights and freedoms, among them freedom of movement and freedom to travel. With regard to freedom of movement, would Chinese citizens of Hong Kong be, after 1997, subject to state direction regarding their movements within the framework of China?

Freedom of travel after 1997 would not be of much good to Hong Kong people without the travel documents to do so, and such travel documents would be of little use if they are not duly recognised by other countries. In this regard, the draft agreement says that the U.K. Government will seek parliamentary approval for legislation which will give British Dependent Territories citizens the right to a new status with an appropriate title. Sadly, it has been suggested to me that they might consider 'third class citizen' best suited in both cases. Indeed it is hard not to read irony into the draft agreement text which states that the new status will include 'the entitlement to use British passports'. Surely that passed away with the advent of the B.D.T.C. passport? But more to the point, does use of separate Memoranda to contain the various pledges on nationality suggest that neither Britain nor China is willing to make a firm commitment?

On the subject of land leases, the draft agreement specifically exempts from rent increase 'a person descended through the male line from a person who was in 1898 a resident of an established village in Hong Kong', with reference to old

schedule lots, village lots, small houses and similar rural holdings. But that of those cases in which bonafide land sales were made by indigenous villagers to new owners who believed in good faith that with the purchase of the land, they became entitled to the same rights and privileges as the indigenous villagers? Indeed, section 24 of the New Territories Ordinance (Chapter 97) states that 'A conveyance shall be deemed to include ... liberties, privileges, easements, rights and advantages whatsoever appertaining or reputed to appertain to the land or any part thereof'. While I appreciate that the text of the draft agreement does not specifically mention the new land owners, would they be correct in thinking that their claim to equal treatment with indigenous villagers over rentals for old schedule lots, village lots, cannot be entertained?

Furthermore, it is stated that the new rental to be paid will be calculated according to the rateable value of the land. However, at present, agricultural land is not rateable and hence has not rateable value. How therefore, will the new rentals for such agricultural land be assessed?

Sir, you and the other negotiators whose hard work produced the draft agreement heartily deserve the praise which you have received for your skill and patience. But I think that Sir Geoffrey HOWE too, should be singled out for praise. With hindsight, we must realise now that when Sir Geoffrey gave his Good Friday press conference in Hong Kong, he told us virtually everything he could without breaching the confidentiality of the talks.

No doubt he and other ministers in Britain are determined to see the draft agreement succeed, and in this context, I wonder if the Hong Kong Office in London is geared to handle the many enquiries of U.K. residents with relatives or other links in Hong Kong, and give satisfactory answers?

Finally, I would once again urge the people of Hong Kong to make a contribution to the future by speaking up and out about the draft agreement. In the history of Hong Kong there has never been a more important document. But lest we are too easily deceived as to the intentions of the large numbers of people who lined up patiently to collect copies of the White Paper, I am reliably informed that a great many were students who had heard the rumour that the draft agreement would be the subject of a school's examination in the near future. Need I say more than, perhaps, this is Hong Kong, and I hope it always will be?

No agreement is better than a bad agreement, and this agreement is better than no agreement. In great seriousness, we are determining the fate of our children and grandchildren, on a chart based on promises of good faith. It reminded me of Hamlet's soliloquy, a trip from which no one has yet returned. The risk is there. But it is also a challenge for a bold decision to be made. Because the promises are made in good faith. I commend it to those who will be residents of Hong Kong after 1997.

Sir, with these remarks, I support the motion.

MRS. CHOW:—Sir, since the publication of the White Paper on the Sino-British Joint Declaration on the 26 September this year, there has been a wide range of views expressed in response to it. Such views span from the one extreme of euphoristic acceptance to the other of skeptical reservation. Assessment of its acceptability is a highly subjective exercise, and each individual differs from the next according to his own circumstances, experience, expectations, aspirations, and options available to him.

But whatever the personal circumstances and considerations let there be no illusions. The approach must be totally realistic, a word that I for one have come to accept after much persuasion and repetition by British politicians and ministers. I believe the agreement must be viewed in the proper perspective, and the parameters which govern it must be borne in mind, both in our analysis of the document as well as in our projection of what the future holds.

Firstly, the reality of the situation regarding the agreement cannot be more clearly stated than what is in the White Paper.

‘The text of the agreement has been initialled by both sides. There is no realistic possibility of amending the text. The agreement must be taken as a whole.’

The alternative to acceptance of the present agreement is to have no agreement.

In this case (i.e. in the case of no agreement) the Chinese Government would publish its own plan for Hong Kong.

The choice is therefore between reversion of Hong Kong to China under agreed, legally binding international arrangements or reversion to China without such arrangements.’

Secondly, China has made it abundantly clear that the concept of ‘one country, two systems’ does not mean independence for Hong Kong. The agreement categorically states that foreign affairs and defence will be the responsibilities of the Central Government. In other words Hong Kong will enjoy as high a degree of autonomy in internal administration as can be tolerated by Beijing so as to enable Hong Kong to maintain its present prosperity and stability. If I may borrow Sir S. Y. CHUNG’s analogy here, the relationship between Beijing and Hong Kong can be compared to the relationship between a multinational corporation and its newly acquired, highly profitable subsidiary. In spite of its performance and achievement, the subsidiary cannot afford to overlook the corporate structure. And for its own sake, it had better maintain its profitability.

Having gone over the basic determining features of the agreement, we would attempt to understand its significance and meaning.

Again each individual interprets the agreement differently, depending on whether he is an optimist or a pessimist, an idealist or a realist, whether he intends to stay or leave as circumstances permit.

I happen to belong to that category of people who would very much like to stay, for Hong Kong is my home.

Our interpretation of the parameters governing the agreement, the agreement itself, and our vision of the future must be so conditioned.

For us, the choice between the agreement we have now and no agreement at all is crystal clear, as my honourable colleagues. Mr. Bill BROWN and Mr. WONG Lam put it, it is a Hobson's choice. Much as we resent this fact, does it necessarily render the agreement unworkable and unacceptable?

The concept of 'one country, two systems' has no precedence, so our assessment of its success or failure is pure guess work. Doubt has been expressed as to whether the two ideologically conflicting systems of Chinese socialism and Hong Kong capitalism can complement each other under the same roof. But these are no longer the days of the Cultural Revolution in China. Today top priority is given to the Four Modernisations Programme. Economic growth, which remains the motivating force for Hong Kong, has also become the propellant of China. The last few years have demonstrated China's determination to implement her national policy to build economic strength. Within that same policy, Hong Kong definitely has its own role to play and can make a tremendous contribution to China while holding its own in the world arena by perpetuating its prosperity.

Against a background of 'one country, two systems' linked by a consistent national policy of economic growth, it would not be difficult for us to persuade ourselves to come to terms with the agreement as an acceptable and workable framework on which to build our future. Indeed, we must be able to place our faith in it so that we have the will to make it work.

On that premise we must voice our opinions to the agreement, drawing attention to the inadequacies and raising questions where they ought to be raised, for the agreement signifies not so much the end of the negotiations but the beginning of a major change in our history, and if we abdicate our rights and our responsibilities now towards our future, what should be the beginning of a new phase can only become the beginning of the end for Hong Kong.

I would like to comment on four major areas concerning the agreement.

- (1) Given that we will have an elected legislature to which the executive authorities are accountable, who then has the power to dissolve the legislature? I would like to think that the power is vested in the Central Government and not in the chief executive, so that the balance of power between the legislature and the executive can be guaranteed.
- (2) I am puzzled by section II of Annex I which states that Hong Kong laws shall be maintained save those that contravene the Basic Law. It further states that laws enacted by the legislature which are in accordance with the Basic Law shall be regarded as valid. Since the Basic Law is not yet

drafted, we do not know as yet which of the Hong Kong laws might contravene the Basic Law. Although assurance is given under clause 3.12 of the Joint Declaration that basic policies outlined in the agreement will be stipulated in the Basic Law, section II of Annex I which is also part of the agreement could be taken as an escape clause. Clarification of this aspect of the agreement could only come with the drafting of the Basic Law and its subsequent interpretation. It is therefore essential that there should be Hong Kong input in the drafting, a freehand for Hong Kong in its implementation and independence in its interpretation. I appeal to the relevant authorities that there should be provision for the participation of persons whose integrity and competence are acknowledged by both Hong Kong and Beijing in the drafting committee of the Basic Law so as to enhance the acceptability of the Basic Law in Hong Kong. Furthermore, the idea put forward by Sir S. Y. CHUNG, Miss Lydia DUNN and Mr. Q. W. LEE during their visit to Beijing in June this year that a Basic Law Advisory and Monitoring Committee consisting of Chinese people of international standing and reputation be formed to advise on the drafting, implementation and subsequent amendment to the Basic Law should be seriously considered.

- (3) As for foreign affairs and defence, it is of course sound in principle that the Central Government should assume these responsibilities on a national level. But the fact that Hong Kong's historically established international ties and agreements are given due recognition indicates that China is prepared to be flexible and practical in her approach. So while the need for defence should not in any way be underestimated, China must give due consideration to the fear with which the people of Hong Kong regard the stationing of the P.L.A. here and the further fear of possible abuse in the name of national security.
- (4) The Joint Liaison Group has been viewed with suspicion by many who still regard it as a means whereby the autonomy of the Hong Kong administration can be threatened. In order that this group gains the trust and co-operation of the people here, there is a lot of merit in the inclusion of Hong Kong representatives. This move to involve the people of Hong Kong in the smooth transition of Hong Kong will also be seen as a sincere effort to prepare for our people for true autonomy.

The agreement is a successful conclusion to the negotiations and the hardwork of all those who have tried in one way or another to influence it in the interest of Hong Kong. I am sure I am echoing a popular sentiment by expressing deep appreciation to Your Excellency who have flown 284 408 kilometres, since the start of the negotiations shuttling between Beijing, Hong Kong and London to ensure the voice of Hong Kong is heard. I also feel deeply indebted to our Executive Council Members, often underrated and misunderstood because of their commitment to confidentiality, who, although not elected, have done everything they possibly could have to fight for our future.

I believe the people of Hong Kong has been fortunate to have had Sir S. Y. CHUNG as the leader of the Unofficials in UMELCO. His moral courage and unshakeable integrity have been the guiding light and constant reminder to UMELCO regarding our duty to the people of Hong Kong.

With the initialling of the agreement, the one major problem that we had in the last two years has been removed—the uncertainty of our future. We can now look ahead once more, plan again, and make decisions for our next generation. But another question still hangs heavily in the minds of some of us. Will the agreement be faithfully implemented?

The answer is to be found not only with the Chinese Government, but also with ourselves.

China has, in my view, shown its sincerity of intention by taking into account all the views that we, the people of Hong Kong, have expressed regarding the agreement, in order that we may have confidence in accepting and implementing it. Only time will tell whether China can maintain its present stability and carry on its present economic policies. Only time will tell whether the Chinese leadership can successfully exercise restraint over their own officials from interfering with Hong Kong and let me say that it is a fact that many here do not believe China could refrain from interfering, and hence they do not believe the Hong Kong S.A.R. will be truly autonomous.

There is also grave doubts as to how much China really understands the spirit of free enterprise as we have it in Hong Kong. Will the State become the competitor for the private entrepreneur? In the future, will the ingenious Hong Kong businessman be in a position to create or exploit opportunities as he has been encouraged to do by the present system?

Confidence can be gained if China is to practise, and is seen to practise, positive non-intervention in Hong Kong. This can only be possible if understanding, trust and, most importantly, mutual respect are cultivated on both sides.

But the crux of the matter is, without the will and effort of the people of Hong Kong, we are doomed from the start. If we do not do our share in maintaining our own stability and prosperity which we have worked so hard to establish, we would lose our entire value of existence, to ourselves and to China. Conversely, if we continue to perform, it would not be in the interest of anyone to disturb or disrupt our status quo. So assuming promises are kept the answer to the problem is to be found here, and we should stop looking to others for a key to the solution that we firmly hold in our hands.

Sir, I support the motion insofar as the agreement can serve as a sound basis for our further development. At the end of the day, the success of our future will depend on the faithful implementation of the agreement through determination and efforts of Britain, China and not in the least, ourselves. There is a good chance we can do it.

MISS TAM delivered her speech in Cantonese:—

督憲閣下：閣下於本年九月二十六日，在本局宣佈中英兩國已作一聯合聲明，將兩國就本港前途問題，達成之協議公之於世。

在此兩星期間，行政局非官守議員，已一致表示整體上接納該協議，並向市民推薦此聯合聲明。此外，亦已有八個區議會，另加上市政局各議員，經他們各對此協議之內容舉行討論後，同樣地接受此項聯合聲明。至於經各團體及大眾傳播媒介舉辦之公開討論中，各參予者均表示該協議具有足夠詳盡之細節，以保障香港現有之社會及經濟制度。尤其是列明了「立法機關由選舉產生，行政機關必須遵守法律對立法機關負責。」以使香港擁有一足以促成高度自治之行政架構。由各方面之反應觀之，閣下兩年來於中、英、港三地為此事辛勞，至今得香港市民中各界對影響我等五百多萬人前途之聯合聲明有此普遍而良好的反應。閣下足以引以為慰。

協議中又列明香港原有法律，「除與基本法相抵觸或香港特別行政區的立法機關作出修改者外，予以保留。」又謂，「公民權利和政治權利國際公約和經濟、社會與文化權利的國際公約，適用於香港的規定將繼續有效。」關於此等國際公約，對保障人權與自由之重要性，伍周美蓮議員將會作闡釋。

本人謹在此指出，香港法例，對市民的自由，尤其是人身自由，是有極高度度的保障，例如要保障人身自由，可以依高院條例第五十四項的人身保護令的法律程序來達到。如一九八一年吳遠紹一件案，此案最後是在一九八二年英國每週案是例的第二輯，第七百三十五頁登載。證明政府部門不可非法扣押市民，即使他是一個非法移民。又如日前律政司唐明治先生在本局指出，政府錯誤扣押市民蔡玉輝，也要作出合理賠償。此等法律程序及觀念，於特區法例中，必要繼續留存。另一方面，目前在香港駐守之英國軍隊及工作人員都要受香港法律之約束，將來駐港之中國軍隊及工作人員，也必須遵守香港特別行政區之法律。

本人雖然明白附件中已列明香港原有法律可予以保留，但基本法仍未訂定，港人對中國憲法與軍法並未瞭如指掌，可能中國方面對香港現行之法律亦未融會貫通，兩者源流不同，基本言語及概念亦有異，故本人特別指出上述兩點之重要性，以免將來基本法與特區法例互相抵觸。

此外，本人覺得香港市民面對此歷史上之轉捩點，是用實事求是之態度，一方面正確地接受此協議能具體地保持香港之社會，經濟制度，另一方面，市民又提出了一連串的問題。

第一種問題是對協議的內容要求澄清的。例如「宗教組織所辦學校、醫院、福利機構等均可繼續存在」，則志願團體所辦之福利機構能否繼續存在？本人認為中國方面在其基本方針第五點說：「香港的現行社會經濟制度不變；生活方式不變。」附件一第十項中又說：「承認學歷及技術資格等政策。」基本上每一行業，不論是小販或教授，均可繼續其工作。當然，政府若能對各界特別關注之澄清協議內容之問題作答，對受影響者之心理，必然有助。

第二種問題是對協議會如何執行而發者：例如如何保障基本法能反映協議之內容？如何向香港人諮詢？能否讓港人參與草擬之工作？中國會不會要香港特別行政區之市民服兵役？英國將會如何保證新的英籍護照在國際上受到認可？中英雙方如何致力用聯絡小組為香港爭取國際貿易之地位？在一九九七年後出生而沒有中國血統的孩子，會是什麼國籍等等。而我在本局亦聽見許多議員用同樣問題發出詢問，可想是相當重要。這是香港人展望將來前景時浮現的問題，他們都冀望中英雙方政府給予滿意的答案。

第三種是唯有歷史與時間才可證實的問題。例如中國會不會守約？英國會不會對新護照之效力作出承擔？香港將來是否真的可以高度自治？本人相信中英雙方均有誠意履行此協議，及備忘錄中之承諾。閣下亦已指出，在此十多年間，香港政府必致力保持此地之安定與繁榮，本人深信，對香港而言，一國兩制，祇許成功，不許失敗，港人應努力使此理想實現。

閣下，本人支持此項動議。

*(The following is the interpretation of what Miss TAM said.)*

Sir, on 26 September this year, Your Excellency announced in this Council that the Governments of the United Kingdom and of the People's Republic of China had concluded and jointly promulgated a draft agreement on the future of Hong Kong.

In the past two weeks, the Unofficial Members of the Executive Council had unanimously pronounced that they accept the draft agreement as a whole and commend it to the people of Hong Kong. The draft agreement has also been discussed by eight District Boards as well as by the Urban Councillors, and is likewise accepted by them. In open discussions sponsored by various institutions and the media, all participants opine that the draft agreement includes adequate and detailed provisions to maintain the social and economic systems we are at present having in Hong Kong. In particular, the draft agreement stipulates that 'The legislature of the Hong Kong Special Administrative Region shall be constituted by elections. The executive authorities shall abide by the law and shall be accountable to the legislature', thus enabling Hong Kong to have a highly autonomous administrative structure. During the past two years, Sir, you had travelled frequently between China, Hong Kong and the United Kingdom toiling at an agreement which affects the future of over five million people in Hong Kong. Considering that the draft agreement receives extensive favourable response from people from various sectors in the territory, you, Sir, should feel gratified with it.

The draft agreement provides that 'the laws previously in force in Hong Kong shall be maintained, save for any that contravene the Basic Law and subject to any amendment by the Hong Kong Special Administrative Region legislature'. It also states that 'The provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong shall remain in force.' Regarding the importance of these international covenants to the protection of human rights and freedoms, my colleague Mrs. Pauline NG will give an elaboration in her speech later. I would like to point out that at present the Laws of Hong Kong provide a high degree of protection to a person's freedom, say for instance, if you want to protect a person's freedom we can make use of a writ of habeas corpus under the rules of Supreme Court Order 54. And in the case of Mr. NG Yuen-siu in 1981 which was reported on page 735 of the 1982 (II) Weekly Law Report it proves that government authorities cannot unlawfully put a citizen

under detention even if that citizen is an illegal immigrant. Also, a few days earlier, the Attorney General had pointed out in this Council that the Government had to make reasonable compensations to a citizen Mr. CHOI Yuk-fai who was wrongfully detained. Such legal proceedings and concepts must be preserved in the laws of the Hong Kong S.A.R. On the other hand, British military forces and other personnels presently stationed here are subject to the laws of Hong Kong, and so should Chinese military forces and other personnels stationed here in future observe and abide by the laws of the Hong Kong S.A.R.

Although I understand the Annex of the draft agreement has stated that the laws previously in force in Hong Kong shall be maintained, yet the Basic Law has not yet been drafted. The people of Hong Kong have not yet thoroughly understood the constitution and military laws of China, and possibly China also does not yet have a sound knowledge of the laws currently practised in Hong Kong. The laws of China and those of Hong Kong have different origins; they also differ in language as well as in concept. For this reason, I specifically point out the importance of these two points so that the future Basic Law will not contradict China's laws relating to special administrative regions.

Furthermore, I feel the people of Hong Kong are facing the turning point in the history of Hong Kong with a pragmatic attitude. On the one hand, they accept rightly that the draft agreement can maintain the social and economic systems of Hong Kong. On the other hand, they also raise a series of questions.

The first kind of questions concern requests for clarification of the contents of the draft agreement. For example, provision is made in the draft agreement that 'schools, hospitals and welfare institutions run by religious organisations may be continued.' Then, will welfare institutions run by voluntary agencies be allowed to continue to exist? I understand that subparagraph (5) of the basic policies of the People's Republic of China regarding Hong Kong states that 'The current social and economic systems in Hong Kong will remain unchanged, and so will the life-style.' Also, section 10 of Annex I stipulates 'the recognition of educational and technological qualifications.' Basically, every trade, hawkers and professors alike, can continue with their work. Of course, if the Government can give a reply to the questions which are of particular concern to various sectors in connection with the clarification of the text of the draft agreement, then psychologically it will be of assistance to those who are affected.

The second kind of questions are about the implementation of the draft agreement. For example, how to assure that the Basic Law will reflect the text of the draft agreement? How to consult the people of Hong Kong? Can the people of Hong Kong be allowed to take part in the drafting of the Basic Law? Will China require citizens of the Hong Kong S.A.R. to serve in the military forces? In what way will the United Kingdom assure that the new British passport will be internationally recognised? How will the British and Chinese Governments make use of the Joint Liaison Group to fight for Hong Kong's status in international trades? What will be the nationality of those children born after

1997 who are not of Chinese descent? I have heard the same questions repeated by Members of this Council during this debate, and this shows that the questions are very important. These are questions which reveal when the people of Hong Kong look at their future prospects. The people earnestly hope that the British and Chinese Governments will give them satisfactory replies.

The third kind of questions are those which only history and time can answer. For example, will China keep her promises? Will the United Kingdom make undertakings on the effectiveness of the new passport? Can Hong Kong really enjoy a high degree of autonomy in future? I do believe that the United Kingdom and China have good faith to fulfil the draft agreement and the commitments set out in the Exchange of Memoranda. Sir, you have also pointed out that the Hong Kong Government will endeavour to maintain the stability and prosperity of Hong Kong in these thirteen years. I deeply believe that Hong Kong can only afford to succeed but not to fail in the implementation of 'one country, two systems'. So, the people of Hong Kong should strive towards the realisation of this ideal.

Sir, I support the motion.

DR. IP:—Sir, I rise to commend to the people of Hong Kong the draft agreement on our future. I do so because, in earnest sincerity, I believe that, as Sir S. Y. CHUNG said, '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'. The draft agreement has given us more autonomy than what we have ever had before. The future chief executive comes from within one of us. The court of appeal will be in Hong Kong. Furthermore, as a bonus we will receive the protection of a sovereign state at absolutely no expense on our part.

The agreement is a good one, better than what anyone has hoped, an excellent compromise for all three parties concerned. Here, I must pay tribute to Sir S. Y. CHUNG's leadership of the Unofficial Members of the Executive Council, in pressing for more and more, until the last drop of advantage has been squeezed out. The next three generations or more have so much to thank him for a job well done.

If we have no confidence in China, in our future, or in ourselves, we have not got the agreement to blame, but only ourselves. Before the agreement came into existence, it was the agreement which might give us confidence. Now we have the agreement, and everybody agrees that it is a good one, it is the Basic Law which may give us confidence. When we have the Basic Law, some might like to wait until after 1997, and see for themselves. To do all that, one would have lost 13 valuable years in one's life.

I can understand the anxieties expressed:—

—the possible executive function of the Joint Liaison Group;

- the limitation on the quantity of sale of land;
- that the Government of the United Kingdom of Great Britain and Northern Ireland might not secure for us the same access to other countries as we now enjoy;
- that the chief executive appointed may not be to our satisfaction;
- that telling the truth to the Assessment Office may one day be used against us;
- that if China breaks the agreement, the British Government may not fight for our rights;
- and many others, all expressed by my colleagues before me.

I would like to ask this question, is life itself not full of uncertainties? As long as the certainties are adequate, life must go on. We must then stand firm on our feet, and with courage and confidence strive ahead for a stable and prosperous future in Hong Kong.

Five years ago, as 1997 began to encroach upon us, we were like ostriches, burying our heads in the sand and blinding ourselves of the question of 1997. We were very happy, we worked hard, we were falsely confident. Then two years ago, we peeped out of the sand, didn't like what we saw, and had a confidence crisis. The truth is always difficult to accept, but having accepted it, we should become more realistic. Dear people of Hong Kong, what we can see now is in fact better than what we refused to see before. Concertedly, let us get Hong Kong back to what it was a few years ago. To do that we need the effort of each and every one of you!

The freedom which we have been given according to the draft agreement is more than many people in the world can enjoy. Philosophically, does anyone in this world have complete freedom? Do we now have complete freedom? Can a poor man have the choice to live on the Peak? Can a man without ability, money or family connection emigrate to other countries? Can a mentally handicapped child have the freedom to choose a school he wants, or for that matter, just any school? Can government medical officers, being civil servants, criticise the Government Medical Services (*laughter*) if deficiencies within it curtail their ability to treat patients to the best of their abilities? We don't. (*laughter*)

We will have freedom to travel, to leave Hong Kong, to own property, to take money out of Hong Kong without exchange control, to marry whom we love and bring up a family, to choose the type of education for our children, and to have our own religious belief. Of course, you also have the freedom to continue on your confidence crisis doing yourself more harm and injustice ... but I hope you won't!

At the end of the day, it all comes back to the word 'confidence'. This reminds me of a patient who developed a chronic illness, this is another story, which can

only be cured by a very rare and unusual drug. 40 years ago the drug before purification had given rise to near fatal side effects, but according to the academicians, theoretically the drug should work and limited trials have shown encouraging results. He had no confidence in the doctors, the academicians, nor the drug and so he waited and waited and waited for more trials on other people before he would try it on himself. His condition became worse and worse and by that time he decided to try the drug, however at that point of time his disease was too far advanced to be treated! Confidence breeds confidence but the lack of it is a vicious circle. We cannot afford that.

Of course, we will not be complacent, and will continue to aim at improving the agreement, and try to secure for the people those points not mentioned in the draft. And we will do our best in reflecting their opinion on the drafting of the Basic Law, the actual operation of the Joint Liaison Group, etc, etc. But in the meantime you must get your confidence back, in yourself, in Hong Kong, in our future!

I must express a warning, that for fame, for self interest, for money and for the return of possible favours, unscrupulous people will make use of our transitional state by borrowing the namesake of the Chinese Government backing, giving a bad impression to mar their goodwill. But let us distinguish between the wolves and the dogs.

Sir, I respect all that has been said by my colleague Mr. K. C. CHAN especially that the agreement is a good one. I think he is humble to abstain from voting because he says he cannot predict the future. I cannot say I can, but my calculated guess, Sir, is that the agreement will be implemented. On that basis I commend this draft agreement on our future to the people of Hong Kong. And I sincerely hope that they will cease to flounder more wasted time and energy on the uncertainties and let us pounce our energy back on building up Hong Kong. Hong Kong needs each and every one of you. Help yourselves and help China in its modernisation programme such that in 13 years plus 50, narrow the gap between China and Hong Kong.

Sir, this, in my belief, is the best way to ensure the stability and prosperity for Hong Kong. With these remarks, I support the motion.

MR. CHAN YING-LUN delivered his speech in Cantonese:—

督憲閣下：經歷兩年艱辛轉折的香港前途談判，終於在中、英兩國政府互諒互讓的合作精神下達成一個令人感到欣慰的協議。這份具體而詳盡的協議，讓香港人深深體會到，我們現時享有的各種自由和權利，是如此的龐多和珍貴。協議如何得以有效執行需要中、英、港三方面的努力和決心。這是范徐麗泰議員和本人的共同見解。范徐麗泰議員因為要出席正在東加舉行的英聯邦議會會議，未能參加今天的辯論，深感遺憾。然而對於協議的見解，本人與她是一致的，以下便是我們一致同意的意見。

香港市民對於未來的冀望，簡略的說，有三方面：

- (一) 現有生活方式和各項自由得以保持；
- (二) 生活質素得以日漸提高；與及
- (三) 下一代的出路及前途，得以憑個人的努力去爭取，而不受個人的出身和背景所限制。

我們認為，若然協議能夠全面付諸實行，香港應可繼續保持繁榮及安定，而上述三點的冀望，方可得到實現。把協議的內容，由白紙黑字轉化為落實履行於香港社會，是需要中、英、港三方面的共同努力及決心。

英國方面已作出承諾，在香港這十三年的過渡期內，負責保證香港能有一個具有高度效率及能幹的政府。回顧港府歷年以來的治績，我們深信港府絕對有能力履行上述的承諾。雖然面對政制上的轉變，然而港府一貫的處事方針，是從謹慎中求進步，加上港人實事求是的態度，我們相信香港是可以有一個更開放、更有效率的政府。唯一令港人感到不安的，是有部份不明白香港實際情況的英國政客，作出一些在港人看來是不負責任的言論。我們無意去批評任何人，尤其當我們對於該類政客的動機，是一無所知的時候。但我們很希望，英國國會議員，會責無旁貸的支持英國政府所作出的承諾，以堅定的態度，去承擔應盡的責任和義務。

香港有不少人對協議會否切實執行，至今仍抱著懷疑的態度。因此，我們以為「信心問題」至今仍然存在。無論如何，大部份的港人把協議讀完以後，應會感到安心的。其實，現時的「信心問題」，是港人對於香港將來的發展，尤其是那些在港人控制範圍以外的發展，感到不少憂慮。但是，只要我們細意思索，便會得出一個結論，既然有些事情不為我們所可以控制，我們可說是無能為力的，那麼擔憂又有何作用呢？我們何不將精力放在那些可以控制的、可以由我們切實去做的事情上，積極的改進香港的一切，為香港將來的六十三年，奠立更堅固的基礎。這是每個香港人應盡的責任，為自己、為下一代，我們應該更積極地為本港的繁榮安定作出貢獻。因為大家均瞭解，一個繁榮安定的香港，才是達致我們所有冀望的最佳保證。

對於港人的各種疑慮，中國在協議附件一內，作出非常具體的承諾，由此證明中國的誠意是無可懷疑的。將來會否貫徹履行所言，當然有待時日的考驗。港人對中國的信任，是需要一點一滴的裝載累積起來。如果中國在三、五年內，政策路線維持不變，人民生活不斷提高，則港人對中國的信心，必定與日俱增，這得靠中國領導人的決心，與及人民的努力了。

有關日後成立的中英聯合聯絡小組，我個人認為最重要的，是要清楚界定聯絡小組的職權範圍，明確指出聯絡小組並無實際的行政與及監督權力，而只是貫徹協助香港順利過渡的原則與精神，使協議得以有效執行。在十三年的過渡期內，香港政令的實施，仍由英國政府透過香港政府來進行管治。而十三年後，轉而由中國政府授權香港特別行政區政府進行自治。在過渡期內，任何可以讓香港人感到香港之行政管理遭受干預的行動和做法，都會令香港人對聯絡小組的工作產生懷疑，直接影響香港人對協議履行的信心，後果是十分嚴重的。而且這樣也會引起香港人對未來特別行政區政府之獨立處理事務有所保留。因此，本人認為，聯絡小組是絕對不能干預香港政府日常的操作，而該小組的工作必要界定清楚，和規限於協議所定下之職責範圍內進行活動。

聯絡小組的成立，可讓中國有機會向港人證實不會干預香港的內政的承諾，而同時港人亦可從中獲知中國對香港的實際方針和態度。中、港兩地社會及制度上容有歧異，因而「一國兩制」的可行與否，有賴中國以事實證明來增加港人的信心，而聯絡小組工作的履行及實踐，亦是中國對協議之誠意的試金石。

香港之有今天的成就，除了香港人的努力耕耘外，還依賴香港與其他國家及地區的關係；所以香港在國際間的地位，對維持香港之安定及繁榮，至為重要。現時，香港與國際間約有超過八百多條國際性的協約在履行之中。中英聯合聯絡小組的首要工作，應如協議附件二所說，努力維持香港與國際間的各项協約和經濟及文化關係。例如確保香港可以在九七年後繼續在關貿協定、多纖協定等國際貿易協議上的地位。此外，聯絡小組亦應協助港人在九七年後能維持自由出入境，努力爭取國際間認許港人所持有的旅遊證件的有效性，無論是新英國護照或香港特別行政區護照，均可前往各國和各地旅行及經商。

港人現時所冀盼的，是能在未來的十三年，平穩的過渡。為將來香港的發展打好基礎，協議能否切實執行，香港與國際間的聯繫能否持續，中英聯合聯絡小組的努力顯然非常重要。本人希望，中英聯絡小組除應周詳地照顧一切過渡期的問題外，亦應考慮讓港人直接參與安排過渡期之事項，以便將來能夠把整個行政體系順利交到港人的手裏。此外，聯絡小組應在「互讓互諒」、「坦誠合作」之精神下，來解決各種問題，而不能用互相衝突抗衡的方式，去展開工作。再者，協議附件二給予聯絡小組可設立專家小組的權力，本人認為，一如聯絡小組的工作規定，專家小組也絕對不能對香港政府的操作有任何的干預，這一點是值得我們留意的。

由於協議中已經達成，本人以往曾在本局反影有關香港前途問題的意見，有必要藉此機會作出回應。在「羅保動議」辯論中，本人曾表示，為確保港人意願受到政府的尊重和得到實現，香港在九七年時，應該建立一個民選的政府。本人當時提議，現時在協議內亦得到落實，而有志投身於服務香港的人士，現時是挺身而出，參加選舉的時候了。在「財政預算」辯論中本人曾提及公務員因前途不明而影響士氣，如今協議對公務員的明確安排，是不容置疑的。本人認為，政府能否有效的運作，實有賴公務員的行政經驗和嫺熟的操作。議員是改善社會的評議者，而公務員則是改善社會的執行者。所以協議必須能夠澄清公務員的憂慮，使他們可以繼續安心地服務社會。有關私有產權益問題，本人亦曾在本局。上年度「休會辯論」時反影，如今協議內詳列保障私有產業權益，令市民安心在港生活和工作，對安定社會起著很大的作用。

最後，本人重申對協議的圓滿詳盡而感到欣慰，亦希望協議能得以切實執行。

督憲閣下，本人支持動議。

*(The following is the interpretation of what Mr. CHAN Ying-lun said.)*

Sir, after two years' arduous and eventful negotiations on the future of Hong Kong, the Governments of the United Kingdom and the People's Republic of China have at last reached a satisfactory agreement in a co-operative spirit of mutual understanding and accommodation. This substantive and detailed agreement has enlightened Hong Kong people to the fact that the freedoms and rights we enjoy now are so numerous and so valuable. The effective implementation of the draft agreement will depend largely on the effort and determination of China, Britain and Hong Kong. This view of mine is shared by Mrs. Rita FAN who has sent her apologies for not being able to participate in today's debate as she is, at the moment, attending the British Commonwealth Parliamentary Conference in Tonga. Concerning the draft agreement, Mrs. FAN and I hold common views. These views are set out in the following paragraphs.

The expectations of Hong Kong people for the future may be briefly summarised into three aspects:

- (i) The maintenance of the existing life-style and freedoms;
- (ii) The steady improvement of the quality of life; and
- (iii) The right of the next generation to continue to strive for their future and career by their personal efforts without being restricted by their origin and background.

We believe that, if the agreement can be fully implemented, the prosperity and stability of Hong Kong will be maintained and the above expectations of the people will also be realised. The concerted effort and determination of the three parties of China, the United Kingdom and Hong Kong are needed to translate the written words of the agreement into practice in Hong Kong.

The United Kingdom has promised that Hong Kong will have a highly efficient and competent government in the coming 13-year transition period. It is beyond doubt that the Hong Kong Government, with its fine track record, can fulfil the above promise. With the Hong Kong Government's conventional basic principle of seeking progress with caution, and the practical and realistic attitude of the Hong Kong people, we believe that Hong Kong, though faced with a change of political system, can have a more open and efficient government. The only element that worries the people of Hong Kong is that some British politicians, without knowing the actual situation here, have made some comments that apparently sound irresponsible to the people of Hong Kong. We have no intention to criticise anybody, especially when we know nothing about the motives of such politicians. However, we hope that Members of the British Parliament will support the U.K. Government in fulfilling its promises and resolutely honouring its responsibilities and obligations.

Many people here in Hong Kong are still doubtful as to whether the draft agreement will be implemented. Thus we think that 'the question of confidence' still exists. Nevertheless, the majority of the people of Hong Kong should feel at ease after reading through the draft agreement. As a matter of fact, 'the question of confidence' is now directed towards the future development of Hong Kong, particularly developments beyond our control. This is the one aspect the people are quite worried about. However, if we think carefully, we shall arrive at a conclusion. Why worry about something that is not within our control and thus beyond our capability to interfere? Why not use our energy to do something which can really be done, actively engaging ourselves for the betterment of Hong Kong so that the sixty-three years ahead can be built on a firm foundation? This is the responsibility of all the people of Hong Kong. For ourselves, for the next generation, we all should do better to make positive contributions to the prosperity and stability of Hong Kong. As we all understand, a stable and prosperous Hong Kong is the best guarantee for the realisation of our expectation.

In view of the doubts in the mind of the people of Hong Kong, the People's Republic of China has made very specific commitments in Annex I of the draft agreement. This shows that the sincerity of China is beyond doubt. Whether or not such commitments will be thoroughly honoured is subject to the test of time.

The faith of the people of Hong Kong in the People's Republic of China will have to be built up little by little. If in the next three to five years, the prevailing Chinese policies are maintained and the living standard in China is being raised continuously, the faith of Hong Kong in China will definitely increase with time. This is something resting on the determination of the Chinese leadership and the efforts of its people.

As regards the establishment of the Sino-British Joint Liaison Group in the days to come, I personally consider that the most important thing is to clearly define the terms of reference of the Joint Liaison Group, specifying precisely that the Joint Liaison Group has in effect no executive and supervisory power, and is set up merely to assist Hong Kong in the smooth transfer of government in order that the agreement can be effectively implemented. During the thirteen years of transition, the implementation of policies in Hong Kong will be managed by the U.K. Government through the Government of Hong Kong. Thirteen years later, the Government of the People's Republic of China will authorise the Hong Kong Special Administrative Region Government to run on autonomous administration. It must be noted that during the transition, any move or action which may be perceived by the Hong Kong people that Hong Kong's administration is being interfered with may throw suspicion on the work of the Joint Liaison Group, thereby undermining the confidence of the Hong Kong people towards the implementation of the agreement. Besides having serious repercussions, such action or move will also lead to doubts over the independence of the future Hong Kong Special Administrative Region Government in managing its own affairs. So I am of the view that the Joint Liaison Group must not in any way intervene in the day-to-day administration of the Hong Kong Government and that the work of the Group must be clearly defined, so that its activities are strictly confined to the terms of reference as laid down in the agreement.

The establishment of the Joint Liaison Group provides an opportunity for China to demonstrate her non-interference in the internal administration of Hong Kong. At the same time, it also provides an opportunity for Hong Kong people to see for themselves China's basic policies and attitude towards Hong Kong. As there are differences in the society and systems between China and Hong Kong, whether the 'one country, two systems' concept is feasible or not rests mainly on China's part to back up her policies with facts, which will serve to strengthen the Hong Kong people's confidence. In view of this, the work and actions of the Joint Liaison Group can also serve as a touchstone to test China's sincerity towards the agreement.

Apart from all the hard work of the people of Hong Kong, the achievements of Hong Kong so far depend on its relations with other countries and regions. Therefore, the international status of Hong Kong is of paramount importance to the maintenance of its stability and prosperity. At present, Hong Kong is a party to more than 800 international agreements which are still in force. As mentioned in Annex II of the draft agreement, the most urgent task of the

Sino-British Joint Liaison Group should be the maintenance of such international agreements Hong Kong has entered into as well as the retention of various economic and cultural relations. For example, the position of Hong Kong in international trade agreements like the General Agreement on Tariffs and Trade and the Multifibre Arrangements must be ensured after 1997. Besides, the Joint Liaison Group should also help the people of Hong Kong retain the freedom to leave and enter the territory after 1997 by striving to acquire international recognition for their travel documents, irrespective of whether they are new British passports or passports issued by the Hong Kong Special Administrative Region Government, so that they can go to other countries or regions for pleasure or business.

What the people of Hong Kong now hope is a smooth transition in the next 13 years during which they can lay the foundation for future development. Obviously, whether the agreement can be effectively implemented and whether Hong Kong can continue to have its international links depend heavily on the efforts of the Sino-British Joint Liaison Group. I hope that apart from dealing with all aspects of the transitional period in great detail, the Joint Liaison Group should consider allowing the Hong Kong people to participate directly in the arrangements for the transition, so that the whole administrative system can be smoothly passed into the hands of the Hong Kong people in the future. Moreover, the Joint Liaison Group should solve problems in a spirit of 'mutual accommodation and mutual understanding' as well as a spirit of 'sincere co-operation' rather than adopting a confrontational approach in its work. Furthermore, Annex II of the agreement empowers the Joint Liaison Group to set up specialist sub-groups. In my opinion, such sub-groups should never be allowed to interfere with the operation of the Hong Kong Government as is stipulated in the provisions of the Joint Liaison Group. This point really merits our attention.

Since an agreement has now been reached, I would like to take this opportunity to follow-up on the opinion which I reflected previously in this Council on the future of Hong Kong. During the debate on the 'Lobo Motion', I suggested that in order to ensure that the wishes of the Hong Kong people would be respected by Government and be realised, an elected government should be established in Hong Kong by 1997. As the suggestion has now been incorporated in the agreement it is time for those who wish to devote themselves to serving the territory to come forward and take part in the elections. I mentioned in the Budget Debate that the morale of the civil service would be affected by the uncertainty of the future. Now it is beyond doubt that there are definite arrangements for them in the agreement. I believe that the efficient operation of the Government is dependent on the administrative experience and proficiency of the civil service. While the Unofficial Members suggest and comment on social improvements, it is the civil service that is responsible for implementation. Therefore the agreement must be able to clear the doubts of our civil servants, thereby enabling them to continue to serve the community. As regards

the rights concerning the ownership of property, I also spoke on that subject in last sessions adjournment debate of this Council. As the agreement has now set out in detail that these rights shall continue to be protected, the people can now live and work in Hong Kong with their minds at ease. This will indeed contribute greatly to the stability of the community.

Finally, I would like to reiterate that I am pleased to see such a detailed agreement and I hope that it would be faithfully implemented.

Sir, I support the motion.

MRS. NG delivered her speech in Cantonese:—

督憲閣下：本年九月廿六日，中英兩國發表了關於香港前途的協議草案，不單在香港引起了各階層人士的關注，而且亦引起了世界各國的關注。這一份協議草案，詳細地列出了一九九七年後香港的管治情況及種種安排，使香港維持穩定繁榮的局面，在此本人對協議草案表示歡迎和支持。

協議草案本身所列明的基本方針政策，已經相當具體，但一個地方的事務繁多，許多細節亦不能盡錄於協議草案之內，因此，市民對協議本身提出的種種補充，是有意義的，本人希望將來中國制定香港特別行政區基本法之時，能採納市民對於協議內各點的補充和建議，使香港市民對前景和未來，充滿無比的信心，邁步向前。

香港市民，久居於一個相對地十分自由的地方，種種的自由，都在法治之下得以鞏固了。協議草案內附件一第十三節已寫下了香港原有法律中所規定的權利和自由，在香港特別行政區政府之下得到保障。更重要的，是指出《公民權利和政治權利國際公約》及《經濟、社會與文化權利的國際公約》中適用於香港的規定將繼續有效。一般來說，這兩份公約的條文，反映了聯合國「世界人權宣言」所載列的各項權利，凡認准《公民權利和政治權利國際公約》的國家，均承擔以法律保障人民不受殘酷、不人道或可恥待遇，並承認每個人都有生存、自由、個人安全和隱私的權利。這份公約禁止奴隸制度；保證公平審判的權利；保障個人不受恣意拘捕或扣留；並確認思想和宗教信仰自由；言論自由；和平集會以及結社等的自由。至於認准《經濟、社會與文化權利的國際公約》的國家，均承認有責任提高人民生活條件，並確認每個人都享有工作、社會保障、適當生活水平及免於饑饉、健康和教育等的權利。

因此，中英協議草案附件一第十三條對各種自由的保證，已經是很廣泛的了。一般市民所關心的，是協議內各種自由保障的執行辦法。剛才說及的兩份公約，是由聯合國擬定及由至少三十五個國家認准才告生效的，假若這些公約締約國發現其中一個公約締約國未能履行《公民權利和政治權利國際公約》者，則可以由一個締約國投訴聯合國人權委員會，該委員會可就有關投訴設立特別調停委員會，針對有關問題進行斡旋及達成友好的解決辦法。這就是聯合國執行的層面。本人希望香港市民對將來繼續享受各種現有自由上，可以放心，一來中英協議具有法律約束力以保障協議各項的執行，此外亦希望透過中國與聯合國的聯繫，參與公約的監管工作，來共同實現推動世界各國尊重人權的宏旨。

值得一提的，是英國在簽署及認准這兩份公約之時，曾發表了公約中與香港有關的聲明，保留及不引用公約中某些條文於香港，這些保留，已有些不合時的感覺。舉例來說，英國聲明不引用《公民權利和政治權利公約》第二十五條乙項於香港，該段原意是確保選舉權必須普及而平等，使公民有權利及機會在真正、定期之選舉中投票及被選。環顧目前代議政制繼續步推行的時刻，直接和間接選舉都在各階段中實施，因此這段保留似不適用。此外，在第二十五條丙項，英國亦在聲明段內所述的「以一般平等之條件，服本國公職」不應用於香港政府聘用女性僱員的條文，這亦是過時之舉。凡此種種例子，可見該兩份公約內由

英國所列明對香港的各種保留，不應完全接芋 A 而且應更加開放，接受更多公約中合理的條文，來配合這個歷史性時刻的轉變。

本人歡迎協議草案中附件一第十條關於九七年後香港享受到的文化、教育和科技方面的自由政策，使各類學校均能保留其自主性。此外，在整體教育政策方面，包括教育體制及管理、教育語言、經費分配、考試制度、學位制度、承認學歷及學術資格等，都在香港特別行政區政府下自行制定。本人希望香港特別行政區在制定這些教育政策時能更加民主，改善目前香港教育政策的諮詢系統，並且由現在至九七年之間的過渡期，能依照國際顧問團於八三年發表的報告書為起步，逐步進行改革，以期在九七年，達到高度的民主教育決策制度。協議草案中說及學生享有選擇院校和在特別行政區以外求學的自由，實在是非常重要而又有價值的安排，因為將來香港特別行政區將仍然是國際文化科學技術的交匯點，在特別行政區內的學生，若能繼續自由選擇外出求學，則對香港的繁榮更有貢獻。

協議草案中亦提到九七年後香港特別行政區享有出版及言論的自由，這一點對香港將來的地位十分重要，只要不作誹謗的言論，本人希望中國能容許不同意見的表達及批評。本人更希望將來基本法的制定中，具體地說明出版與言論自由的實質和界限，使香港特別行政區繼續享有全東南亞最擁有出版及言論自由的地區之一。

九七年後香港特別行政區的權力來源是中國憲法第三十一條制定和頒佈的香港特別行政區基本法。因此，基本法的制定是香港人十分重視的大事，本人希望中國在制定基本法的過程中，除了納入中英協議各項外，還加以補充，詳盡說明，兼且廣納香港市民的意見，詳細諮詢，然後制定通過。本人亦希望香港市民盡量踴躍發言，提供意見給基本法草擬委員會考慮。

由現在至九七年的過渡期間，中英聯絡小組將會研究磋商政權順利交接事項，而香港政府應逐漸配合九七年後的安排，在過渡期間實行新措施和政策，例如「代議政制白皮書」的草擬必須配合九七年的政制而制定；加強學校及公民教育中社會事務和意識的訓練和培養；逐漸加強使用中文的主導地位等等，使香港能漸漸邁向一個嶄新、穩定、繁榮的時代。

本人相信中國在收回香港之後的種種安排，不但有利於香港的安定與繁榮，亦有助於中國現代化的推進，故此，香港人在這歷史轉折期扮演了重要的角色。我們應該充滿信心，積極工作，為香港的前途而努力。

閣下，本人謹此陳辭，支持動議。

*(The following is the interpretation of what Mrs. NG said.)*

Sir, on 26 September this year, the Governments of the United Kingdom and of the People's Republic of China published the draft agreement on the future of Hong Kong. This has not only drawn the concern of the people from various social strata in Hong Kong, but also the concern of all nations in the world. The draft agreement sets out in detail the administration and other arrangements in Hong Kong after 1997 so that Hong Kong's stability and prosperity could be maintained. I therefore welcome and support the draft agreement.

The basic policies laid down in the draft agreement are already quite substantial. However, there are numerous issues pertaining to the functioning of a place like Hong Kong and it would not be possible to embrace all of them in the draft agreement. It is therefore meaningful for the people of Hong Kong to make supplementary views and proposals on the draft agreement. I sincerely

hope that China will adopt these supplementary views and proposals at the time when they are formulating the Basic Law of the Hong Kong Special Administrative Region, so that Hong Kong people will have full confidence in their future and move boldly ahead.

The people of Hong Kong have been living in a relatively free territory and the various freedoms are secured by legislation. Section XIII of Annex I to the draft agreement stipulates that the rights and freedoms as provided for by the laws previously in force in Hong Kong will be maintained by the Hong Kong S.A.R. Government. It is further stipulated that the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong will remain in force.

Generally speaking, the provisions of these two International Covenants actually reflect rights as set forth in the Universal Declaration of Human Rights of the United Nations. States ratifying the 'International Covenant on Civil and Political Rights' all undertake to protect their people by law against cruel, inhuman or degrading treatment. They also recognise the right of every human being to life, liberty, security and privacy of person. This Covenant prohibits slavery, guarantees the right to a fair trial and protects against arbitrary arrest or detention. It also recognises the freedom of thought and religion, freedom of speech and freedom of peaceful assembly and association etc. As for those states ratifying the International Covenant on Economic, Social and Cultural Rights, they acknowledge their responsibility to promote better living conditions for their people and recognise that each and every person is entitled to the right to work, to social security, to adequate standards of living and freedom from hunger and the right to health and education.

Thus, a wide range of freedoms have been guaranteed in section XIII of Annex I to the Sino-British draft agreement. The general public are, however, concerned about how the assurances of these freedoms can be enforced. The two Covenants mentioned above were drafted by the United Nations and endorsed by at least thirty-five signatory countries before they came into force. Should it be known to the ratifying countries that one of them fails to fulfil its obligations under the International Covenant on Civil and Political Rights, a complaint would be lodged with the Human Rights Committee of the United Nations which may set up an *ad hoc* conciliation commission to deal with the matter under complaint. The commission will try to mediate and reach a friendly solution. These are the implementation measures enforced by the United Nations. I hope the people of Hong Kong will set their hearts at rest in regard to the question whether they can still enjoy the freedoms presently enjoyed by them. For one thing, the Sino-British agreement is legally binding in itself to ensure that all the provisions will be carried out. Besides, it is hoped that through her link the United Nations, China will take part in the monitoring of the implementation in order that the noble aim of promoting respect for human rights in every country may be achieved.

It is worth mentioning that when signing and ratifying these two Covenants, Britain made declarations relevant to Hong Kong that she would reserve the right not to apply certain provisions in Hong Kong. These reservations somehow seem to be out of date now. For instance, Britain has declared that Article 25 sub-paragraph (b) of the International Covenant on Civil and Political Rights would not be applied to Hong Kong. The provisions in that sub-paragraph were intended to ensure that universal and equal suffrage would be introduced so that all citizens would have the right and opportunity to vote and be elected in genuine and regularly held elections. But at this time when the representative government is taking shape progressively and direct and indirect elections are being introduced at various stages, reservations relating to this sub-paragraph may appear inappropriate. Moreover, with reference to subparagraph (c) of Article 25, Britain once declared not to apply the provision concerning the right 'to be employed in the civil service on equal terms' to women employees in Hong Kong. This, again, is no longer valid. From these illustrations, one may conclude that those reservations declared by Britain in respect of the application of the two Covenants to Hong Kong should not be accepted in full. Instead, a more liberal attitude should be adopted to introduce more of the reasonable provisions contained in the Covenants so as to tie in with the changes of this historical moment.

I am pleased to note from section X in Annex I to the draft agreement that Hong Kong will enjoy the right of making its own policies in the fields of culture, education, science and technology after 1997, thus enabling institutions of all kinds to retain their autonomy. On its overall education policies, the Hong Kong Special Administrative Region Government will on its own decide the policies regarding educational system and its administration, the language of instruction, the allocation of funds, the examination systems, the system of academic awards and the recognition of educational and technological qualifications. I hope that the Hong Kong Special Administrative Region will adopt a more democratic approach in formulating its education policies and improve the existing consultative system in the field of education. I also hope that in the transition period between now and 1997, Hong Kong will take the recommendations of the Report of the Panel of Visitors—A Perspective on Education in Hong Kong—as a basic to introduce changes to the education system progressively, with a view to achieving a highly democratic system in the making of our education policies. The draft agreement also stipulates that students will enjoy freedom of choice of education and freedom to pursue their education outside the Hong Kong Special Administrative Region. This arrangement is extremely important and valuable for the Hong Kong S.A.R. to retain its present status as the meeting point of international cultures, science and technology. Additionally, the fact that students having the freedom to pursue their studies outside the Hong Kong S.A.R. will be beneficial in maintaining the prosperity of Hong Kong.

It is mentioned in the draft agreement that the people in the Special Administrative Region will have the freedoms of the press and of speech. This is very essential in maintaining the future status of Hong Kong. As long as the contents of expression are not libellous, I hope that China would allow the expression of different opinions and criticisms. I also hope that the substantial contents and the limits of the freedom of the press and speech will be specifically defined in the future Basic Law, so as to preserve the Hong Kong Special Administrative Region to be one of the Southeast Asian places where people have the greatest freedom in the press and speech.

The authority of the Hong Kong Special Administrative Region Government after 1997 will be derived from the Basic Law of the Region which will be enacted and promulgated in accordance with Article 31 of the Constitution of the People's Republic of China. The formulation of the Basic Law is, therefore, a big event about which the Hong Kong people are most concerned. I hope that the Government of the People's Republic of China will not only incorporate the various provisions of the Sino-British agreement in the Basic Law, but also include supplements and detailed explanations for those provisions, and will widely canvass the opinions of the Hong Kong people and carry out in-depth consultations before the Basic Law is passed. I also hope that the people of Hong Kong will enthusiastically express their opinions and forward their comments to the Basic Law drafting committee for consideration.

During the transition period from now to 1997, the Sino-British Joint Liaison Group will study and conduct consultations on matters relating to the smooth transfer of government. At the same time, the Government of Hong Kong should gradually introduce new measures and policies during the transition period in line with the arrangements after 1997. For example, the White Paper on the Further Development of Representative Government in Hong Kong should be drawn up in such a way that it will fit in with the system of government in 1997; the teaching of public affairs and the cultivation of social consciousness should be strengthened in schools and civic education; Chinese should be used more widely as the *prima official* language. All these would help Hong Kong gradually move towards a new, stable and prosperous era.

I believe that the arrangements after China recovers Hong Kong will not only enhance the stability and prosperity of Hong Kong, but will also given an impetus to the modernisation of China. For this reason, the people of Hong Kong have an important role to play at this turning point in history. We should do our best for the future of Hong Kong with confidence and zeal.

Sir, with these remarks, I support the motion.

4.05 p.m.

HIS EXCELLENCY THE PRESIDENT:—At this point, the Council might like to have a break.

4.20 p.m.

HIS EXCELLENCY THE PRESIDENT:—Council resumes.

MR. POON:—Sir, the Joint Declaration of the United Kingdom and China has generally received favourable reaction from the public. The Sino-British accord contains more details and assurances than expected. Those involved in the negotiations have all worked very hard to produce such a document. They deserve our grateful thanks. The days of anxiety, patient negotiation and hard bargaining are over. Both countries emphasise that the agreement is binding and they have every intention of implementing it. The uncertainty disappears as the people of Hong Kong are presented with a blueprint for Hong Kong for the next 63 years which aims to maintain their basic systems and life style.

Notwithstanding that the draft agreement is generally acceptable to the public who do not doubt the declared intention of both China and the United Kingdom to honour the arrangements, some of them still consider that there is no guarantee that China will not change its policy yet again which will upset the whole bright scene. However, given the limited choice, the agreement is the best that can be obtained in the circumstances. No agreement is perfect because each individual has his own ideas and expectations. To my mind, the following specific points in the agreement are crucial to the future of Hong Kong.

The most important point is basic rights and freedoms of the individual. The provisions in the agreement, *inter alia*, refer to freedom of the person, of speech, of travel and movement, of owning property, choice of occupation and the right to challenge the actions of the executive in the courts. The Hong Kong people will continue to enjoy such rights and freedoms which are presently practised in Hong Kong. The provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong are to be maintained. If these are faithfully observed, the people in Hong Kong can live and work in peace and need not worry about persecution, arbitrary arrest or difficulty of travelling to and from the territory.

The second important point relates to Hong Kong's viability as an international financial centre and a strong economic entity. The Hong Kong Special Administrative Region will have autonomy in financial matters, including control of its own financial resources, accountability to the legislature and audit of public accounts. No part of its revenue will be handed over to the Central Government in China, which is a better treatment than any state or province under most federal systems of government. The Hong Kong Special Administrative Region shall maintain its capitalist, economic and trade systems, with full entitlement or use of its own export quotas, and can participate in trade negotiations on its own with all countries and regions. Ownership rights will be maintained and there will be no confiscation of property without proper compensation. Hong Kong Special Administrative Region will remain a free

port. No exchange control policy will be applied. The monetary and financial system, under proper supervision, will be maintained. There is therefore ample reason to believe that Hong Kong's trade, industry and economy will continue to flourish provided that the above advantages that currently exist are retained.

The third point is the stability of Hong Kong Special Administrative Region. In addition to the assurance of rights and freedoms, a sound and independent judicial system, and the continuation of Hong Kong as a financial and business centre, there are provisions in the draft agreement about the public servants to alleviate their concerns and anxieties as regards terms of service and pension rights. The internal security will be the responsibility of the future Government of the Hong Kong Special Administrative Region. The Annex on land leases is generally satisfactory and should put the minds of a lot of owners at ease. My reservation is whether the replacement of the premium for renewal of land leases by the annual rent of only 3 per cent of the rateable value of the property, the limit on land sales to 50 hectares per year, and the sharing of premium income from land transactions with the future Hong Kong Special Administrative Region Government will begin to affect the Government's finances before 1997 to an extent that taxes will have to be substantially raised to compensate for the loss of revenue from such sources.

Fourthly, the freedom of holders of valid travel documents to leave the Hong Kong Special Administrative Region without special authorisation, unless restrained by law, is a big psychological boost to local people's confidence. At present, the Hong Kong people can travel quite freely for business and other purposes. However, to ensure genuine freedom of travel, it is imperative that the meaning of 'restrained by law' be confined to that already practised in Hong Kong, e.g. restraint only for those who have committed serious criminal offences or failed to pay taxes due. Perhaps the Basic Law can amplify this aspect.

Finally, the political structure in future, though understandably flexible in certain respects, will support the concept of 'Hong Kong people ruling Hong Kong', as the Special Administrative Region Government will be elected and have a mandate from the public. It is however important that our future system must be formulated in a way suitable for the unique position of Hong Kong and we should guard against making any radical changes prematurely and hastily. We can take intensive swimming lessons but should not venture into high board diving before we are ready.

The terms of the agreement are good, China and Britain have repeated their assurances of their goodwill and assistance and the international response and support especially in respect of trade links and travel documents are surprisingly quick and encouraging. It is now up to the Hong Kong people to make the agreement work, to demonstrate to China and the world that we will try our best to make the concept 'Hong Kong people ruling Hong Kong' a success. We simply cannot afford to lose. Without undue and unfavourable outside interference

and with the support of China, Britain and other countries in the world, this goal can be attained. At present, many people are still cautious. Let us not be taken by euphoria. Restoration of the confidence of the local people and international investors will take time and require concerted efforts from all parties concerned. Nevertheless, the people of Hong Kong are adaptable to changes. We should therefore consolidate our position and face our destiny with courage and determination.

Sir, with these remarks, I support the motion.

MR. YEUNG PO-KWAN delivered his speech in Cantonese:—

督憲閣下：中英關於香港前途問題的草簽協議情況不但在香港電視台播出，在英國甚至英聯邦國家之一的莫島(Isle of Man)亦有轉播。本人適值出席在莫島舉行之第三十屆英聯邦國會議員會議，並覺得很高興能從電視中看到本局羅德承議員接受遠洋訪問。更令人感到興奮就是看到市民輪候領取白皮書的盛況，可見香港絕大多數市民對一九九七年後香港的去向問題，極表關注。希望市民能夠藉着細讀這本白皮書，加深個人的政治了解及民主意識，並能儘量提出意見，使將來基本法的草擬更趨完善。

在文字方面，協議已能達到使人容易明白了解的目的。在內容方面，引言一章使人能清楚明白歷史背景，以便更能深入了解聯合聲明中的附件內容、備忘錄的記載，而白皮書後部的註釋部份亦能以淺易文字解釋香港將來基本方針政策、中英聯合聯絡小組、土地契約及中英政府交換備忘錄的情況。此外，我們不應忽略將來語文應用的一方面。聯合聲明附件一指出「香港特別行政區的政府機關和法院，除使用中文外，還可使用英文」，由此可見將來中文使用的重要性。香港政府現在必須在各方面加倍訓練人材（包括公務員在內），特別注重中國語文應用方面，以便適應將來的政治運作。

今次的聯合聲明，最大目標是中國收回香港主權後，保證香港能繼續繁榮與穩定。中國總理趙紫陽曾指出：「一個長期穩定和繁榮的香港有利於中國的統一和四化建設，而一個動盪蕭條的香港不符合中國人民的長遠利益」。無可否認，這項協議草案清晰明確地提供一個健全的架構給香港人作為策劃及發展香港前途的基礎。既然白皮書詳列一九九七年後中國對香港的基本方針政策，確保本港現行制度五十年不變，前景得以明朗，十三年過渡期中，市民必須繼續致力維持香港繁榮，令香港變成一個更理想的安居樂業之地方。

一般來說，這項聯合聲明應可說符合港人意願。市民必須明白中國在一九九七年七月一日恢復對香港行使主權時，香港的基本方針政策，將會由基本法加以規定。為着爭取合乎聯合聲明精神的基本法，港人必須利用可行的途徑多提意見，並適當地以事實證明「港人治港」的可能性。此外，基本法應儘速制訂，以安定民心，而在制訂過程中，必須有洞悉協議草簽背景之資深港人參與，以便能真正反映港人意見。

九七年前的香港，仍由英國管治。在此過渡期間，香港政府將會逐步還政於民，推行代議政制，最後達到港人治港的目標。這項政制只許成功，不許失敗，而成功有賴市民的支持—支持力量來自市民全心推選賢能服務政府，關懷社會，因為辦事人選的問題將直接影響到政策方針與處事的態度。已登記作選民的，必須把握自己的權利，選賢與能作為民意代表；因為一個民選政府必須有一個良好基礎而協議內容已提供了堅實的基礎。

總括來說，十三年的政制改革，與未來五十年有密切關係，而香港人絕不能忽略中國的意願。九七年後，香港成為中國的一部份，中國要看到由香港人負責的政府必須能夠令香港繁榮與穩定。今次中英兩國能在互諒互讓精神下創造一份歷史性文獻—中英有關香港前途的聯合聲明—可稱為一項令人振奮的成就，亦正好預示了未來的香港將是一個繁榮安定的社會。

督憲閣下，本人支持此項動議。

*(The following is the interpretation of what Mr. YEUNG Po-kwan said.)*

Sir, the initialling ceremony of the Sino-British agreement on the future of Hong Kong was televised not only in Hong Kong, but also in the United Kingdom, and even in the Isle of Man, where I happened to be attending the 30th conference of the Commonwealth Parliamentary Association. I was glad to see on television our fellow Councillor Mr. T. S. Lo being interviewed from overseas. Also, it was heartening to see people queuing up for the White Paper which shows that the majority of the people in Hong Kong are very concerned about their future after 1997. I hope they would study the White Paper in detail, thereby increasing their political understanding and democratic consciousness. I also hope that they would do their best in voicing their opinions on its contents so as to facilitate the drafting of the Basic Law in future.

The agreement has fulfilled the purpose of being plain and being easily understood. As for contents, the introductory chapter enables people to have a clear knowledge of Hong Kong's historical background, so that they can better understand the Joint Declaration, its Annexes as well as the Memoranda. The explanatory notes contained in the latter part of the White Paper also uses plain language in explaining the basic policies for Hong Kong in the future, the Sino-British Joint Liaison Group, land leases and the Exchange of Memoranda. This brings out the importance of usage of language in future. Annex I states that 'in addition to Chinese, English may also be used in organs of government and in the courts in the Hong Kong Special Administrative Region', thus the importance of using Chinese in the future is evident. The Hong Kong Government should now double its effort in training talents in various sectors (including civil servants), particularly in the use of Chinese, to fit into future political operations.

The main aim of the Joint Declaration is to ensure the maintenance of stability and prosperity of Hong Kong after reversion of sovereignty to China. Mr. ZHAO Ziyang, Premier of China, had pointed out that 'a lasting, stable and prosperous Hong Kong can facilitate China's unification and the four modernisation programmes; but an unstable and depressed Hong Kong is incompatible with the long-term interests of Chinese people'. It is indisputable that this draft agreement clearly and specifically provides a healthy structure for the Hong Kong people as a basis for planning and developing the territory's future. As the basic policies of China regarding Hong Kong after 1997 are stated in the White Paper, with assurances that the existing institutions will remain unchanged for 50 years, our future is clear. We should continue to work hard towards maintaining the prosperity of Hong Kong during this 13 years' transitional period, and make it a better place for us to live and work.

Generally speaking, this Joint Declaration can be regarded as in keeping with the wishes of the people of Hong Kong who must understand that when China resumes the exercise of sovereignty over Hong Kong on 1 July 1997, the basic policies concerning Hong Kong will come from the Basic Law. In striving for a

Basic Law conforming to the spirit of the Joint Declaration, they must utilise the available channels to voice their opinions, and to demonstrate the feasibility of 'Hong Kong people running Hong Kong' by facts. Besides, the Basic Law must be formulated as soon as possible to put the heart of the people at ease. Its formulation must be participated by well-placed Hong Kong people who have a good understanding of the background to the agreement, so that public opinion can be reflected honestly.

Pre-1997 Hong Kong will still be administered by Britain. Through the introduction of a representative government, Hong Kong Government would be passing gradually the administration to the people during this transitional period, towards the target of 'Hong Kong people running Hong Kong'. This representative system must not fail. Its success depends on public support—the strength of support comes from people's whole-heartedness in electing capable men to serve the government and the society. Choosing the right men will have a direct bearing on policies and attitude to be adopted. For those who have registered as voters, they must make use of their right to elect capable people as their representatives. A democratic government must be built on a good foundation, and the content of the draft agreement has already provided one.

To conclude, the political reform in these 13 years has a close relationship to the following 50 years. And the people of Hong Kong should not overlook the wishes of China. Hong Kong would become part of China after 1997, and China would like to see that a government led by Hong Kong people can make the territory prosperous and stable. Based on the spirit of mutual cooperation and accommodation, China and Britain have now created a historical document—the Sino-British Joint Declaration on the future of Hong Kong—which can be regarded as an encouraging achievement. The document also foretells that Hong Kong in the future would be a prosperous and stable society.

Sir, I support this motion.

MR. KIM CHAM:—Sir, the publication of the awaited 'Draft Agreement on the Future of Hong Kong' is a welcomed development that helps reduce the secrecy that surrounds the fate of this territory and its people. The zipping drain of confidence, hopefully, can be arrested, now that the dust has settled, thanks to the efforts of the draftsmen of this document which impresses me for its rather detailed and comprehensive contents. Irrepective of the future course of our development, we have at least been presented with the blueprint of a system which will serve as a baseline for everyone to plan and adjust accordingly.

Amidst the recent euphoric discussion on the draft agreement, many questions may have emerged which are not answered in the White Paper and the White Paper makes no provision for subsequent procedures to clarify points of doubt. I venture to suggest that, with the public enquiries received, both Governments should issue a joint statement for the purpose of clarifying specific

provisions in the agreement. This will serve to remove any uncertainties arising from the interpretation of the document carrying with it a commitment from both Governments.

The Joint Declaration between the Chinese and British Governments makes clear their unequivocal commitment to their common and mutual object of preserving Hong Kong's economic prosperity and social stability. After the transfer of sovereignty, the Hong Kong Special Administrative Region will be continued as a capitalist system unaltered from the past. The latitude of safeguards provided by this diplomatic instrument is designed to anchor the continuous position of Hong Kong as an open economy of free enterprise after 1997. Viewing the significance of the draft agreement from this perspective, it may be said that the White Paper fashions a constitutional arrangement so as to make the future government effective, financially viable and accountable to the elected legislature. In parallel, the variety of legal, political and other institutional guarantees, prescribed now or later under the Basic Law, aim to maintain Hong Kong as a free financial and trading centre that serves the Chinese and the global economy.

The White Paper specifies the important ingredients of the financial and economic systems which shall largely retain the essence of our present structure. In addition, it spells out the essential measures whereby the future status of Hong Kong as an international financial centre is to be maintained. These include the preservation of the present free markets for foreign exchange, gold, securities and futures; the guarantee of free exchange, free flow of capital and the free operation of financial business. Furthermore, it permits the Hong Kong Special Administrative Region Government to manage its fiscal as well as monetary systems.

A central feature of our present monetary system and its stability is the viability and strength of our currency. The draft agreement guarantees the future convertibility of the Hong Kong dollar as the local legal tender, the issue of which shall be authorised by the Hong Kong Special Administrative Region Government. We should realise that a stable and creditable monetary system constitutes a potent tool that enables us to exercise discipline on our economy. Its efficacy affects strategically our economic performance, so that the unbiased operation of the future monetary system, especially in connection with the regulation of currency issue, is necessary. Although the White Paper does not expressly envisage a 'fully backed' currency, it makes explicit the need for it to be soundly based, stable and freely convertible.

For this reason, we should take note of two conditions necessary for the effective working of the future monetary system. First, the management and control of the Exchange Fund must be prudent in maintaining a mixed portfolio of currencies and instruments freely disposable in leading financial markets of the world. Secondly, the future monetary system should be kept separate from and independent of the official fiscal system, even if the Special Administrative

Region Government is charged with the management of both systems under the draft agreement.

The importance of prudent management and control of our Exchange Fund in a non-prejudicial and unbiased manner can hardly be underestimated. If the future Hong Kong dollar is not fully backed by a liquid Exchange Fund, the stability of our monetary system will be eroded and threatened. For the Exchange Fund to excel as a principal mechanism of an effective and stabilising monetary instrument, its portfolio mix of investments and the underlying convertibility of its reserve currencies are important. Furthermore, reserve currencies must be those traded in all major financial markets but not those traded only in isolated markets.

I attach key importance of stipulating the necessary discipline of an economic order, with the monetary system operating independently from the fiscal system. While the future legislature is made responsible for both the fiscal and monetary systems, the Exchange Fund also must not permit the non-discriminate increase of the money supply by yielding to extravagant political pressure for deficit government spending. Its independent and impartial management therefore helps to regulate government expenditure, which may find austerity difficult to practise. It will be tempting to indulge in an expansionist monetary policy for political expediency rather than economic rationale. Without any safeguards, we may lay our monetary system open to the vulnerability of technical abuses stemming out of political compromises, as they reflect the dilemma of difficult choices for the future legislature. This is the practical hazard of an ill-structured and ill-disciplined economy that we should avoid.

The substantial listing of the basic rights and freedoms for the individual is impressive for all of us who are concerned about the preservation of our future liberty. Certainly, these institutional guarantees lay the pillars for our future stability, prosperity and harmony. However, these measures and arrangements, even if represented unequivocally under the letters of the law, are no more than an empty-shell until and unless people feel confident that the economy will continue to function and thrive. The essence of our economic dynamics will still be our commitment to maintain Hong Kong as a free and open economy which serve efficiently the Chinese and the global economies. And the baton of such a policy is still that ability for us to work with a flexible and adaptive private sector, backed by low taxation and a non-coercive system of fiscal and monetary regulation. Let us strive towards this fundamental objective of accomplishing and upkeeping our economic self-excellence.

Sir, with these remarks, I support the motion.

MR. KEITH LAM delivered his speech in Cantonese:—

督憲閣下：中英關於香港前途的協議草案（《白皮書》）經已草簽並公開發表，全港矚目，議論紛紛。綜觀上下左中右，問題集中在三條，一是協議「就整體而言，是否可為香港人民所接受」；二是中英雙方是否會嚴格遵守及切實兌現協議的各項條款；三是對協議內

容是否需要作出補充或說明。本人認真地研讀了《白皮書》，並就上述三個問題作了一番考慮，有些初步意見，提出來與諸位共同商討。

本人在研究協議「就整體而言，是否可為香港人民所接受」時，曾考慮了下述一連串的問題：

- 一、 協議的內容是否達到基本程度的詳盡，亦即是否包含了保障「港人治港」和保障香港的現行社會、經濟制度和生活方式「五十年不變」的基本條件；
- 二、 協議的內容是否採納了港人合情合理、實事求是的要求；
- 三、 中英雙方如果不能在本年十月前達成協議，中方就會單方面公佈對港的政策。在這種情況下，是選擇中方單方面公佈的政策，還是選擇對中英雙方都具有約束力的「協議」較為上算呢？
- 四、 「協議」的內容是否具有切實的可行性？設立中英「聯絡小組」及「土地委員會」是提供中國政府參與或干預香港行政事務的途徑，還是為九七年的順利過渡提供諸種方便？

本人考慮了上述問題之後，認為協議為保障香港繼續安定、繁榮和發展，提供了明朗的前景，因而，就整體而言是值得香港市民接受的。

眾所周知，不少人對中英雙方能否遵守及切實執行協議，存在疑慮。本人也考慮過這個問題。本人認為應該就以下幾點來尋求答案：

(甲) 就中英雙方共同點來說：

- 一、 中英雙方是否懷着一個共同的目標，即保持香港的繼續安定與繁榮來進行談判呢？
- 二、 協議的內容是否對中、英、港三方都有利呢？
- 三、 中英雙方如無誠意履行協議，會否費時兩年作認真的談判嗎？
- 四、 中英協議是兩個主權國家在自願的基礎上作出的最高承諾，同時，中英雙方一直向國際表明履行協議的決心。那麼，歷來都珍惜自己國家信譽的中英雙方會否背約呢？

(乙) 就中國方面來說：

- 一、 中國領導層是否以中國的根本利益為出發點來締結這份協議？這份協議是否有利於中國的和平統一和四化建設？
- 二、 中華人民共和國前三十年的起落與近五年來各方面的進展，是否足以使中國現在和未來的領導層體驗到他們應該執行的正確政策呢？我們在直覺上是否認為，他們現行的政策確已提高及正在不斷提高人民的生活水準，而為廣大中國人民所擁護，即使以後更換的領導層想走回頭，人民會否同意及支持呢？
- 三、 中國是一個有着深厚文化基礎的國家。它正為順利草簽中英協議，為「和平解決國際爭端」提供新的經驗而感到自豪。那麼，它會否自己損毀對人類社會的這一新貢獻？

(丙) 就英國方面來說：

- 一、 英國除了現有的在香港的「既得利益」之外，是否還希望進一步加強與中國的友好關係，從而從中國這個世界上最大的市場獲取更多的利益呢？
- 二、 英國會不斷地疾呼要對港人負起「道義」上的責任。愛講「原則」的英國會否在這十三年過渡期內棄約呢？

本人認真地考慮了這三方面的問題，認為協議符合中英雙方現在的和長遠的利益，符合中英兩國人民的根本利益，因而，沒有必要在現在就對中英雙方能否履行協議存在疑慮，應該盡快地把協議向香港市民予以推薦，而由中英雙方以事實及時間去證明雙方都是守約的。

當然，協議本身也不是十全十美的。本人在研究「草議」時，初步覺得有關方面應該補充或澄清下列幾項：

- 一、 協議沒有說明除了憲法第三十一條外，還有沒有其他憲法條文適用或將加諸於香港或其「基本法」；
- 二、 有一教會團體在港島獲得英國批准了「永久地權」地契這種特殊「地段」的契約有否需要作一明確規定。在中國「地」永屬國家的；
- 三、 協議沒有明確說明中國在港駐軍無需在港徵兵；
- 四、 協議沒有明確說明，駐港的中國軍隊亦同其他市民一樣受到香港法律的同等約束；同時，駐港中國軍隊除了履行防務職責外，會否負起制止內地或其他國家、地區人員偷渡來港的責任。
- 五、 協議沒有明確說明永不會以各種藉口將港人調離香港。
- 六、 協議雖然較一般人預料的詳盡，但香港社會之運作十分複雜，其政策、法例，非三兩篇幅可以囊括。因而，本人不祇希望協議成為「基本法」之附錄，更望在基本法內能更具體更詳細地將協議內容及其精神加以申列，對於確保香港社會正常運作的任何細則，都應毫不含糊地加以制定。這將是一項十分繁複的工作，負責擬定的人需要對香港社會的各個方面都有着深刻的和實際的了解，要站在維護香港人民利益的立場上。但協議對於基本法的擬定程序未加說明，因而本人認為有必要指出，在未來擬定基本法的過程中，應吸納對協議過程有認識及願意參與的港人協助草擬工作，同時，除了一般的諮詢程序外，更應廣泛地徵詢民意，才能使基本法更加符合香港實際環境之需要，更加符合香港人民之意願。

以上是本人的初步意見。總括一句話，協議是香港市民所能得到及可以接受的最好協議。本人在此呼籲廣大香港市民認真深入地閱讀研究《白皮書》，盡自己的責任多提意見，務使正式簽定的「協議」及未來的「基本法」，能夠最大限度地確保「港人治港」和「五十年不變」，確保香港的安定、繁榮和發展。

本人堅信，有氣魄、有能力的香港人民祇要齊心協力、保持信心、堅守崗位，是能夠創造自己的歷史的，香港的前途是光明的。

督憲閣下，本人支持此項動議。

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

Sir, the Sino-British agreement (White Paper) on the future of Hong Kong has been initialled and published. The issue has drawn the attention of the entire population in Hong Kong and has caused much discussion. A close look at the draft agreement as a whole reveals that the issue can be examined from three aspects: firstly, the overall acceptability of the draft agreement by the people of Hong Kong; secondly, the strict adherence and faithful implementation of the provisions in the draft agreement by the two Governments; and lastly, the need for supplementary information and clarifications on the contents of the draft agreement. I have considered the White Paper carefully from these three aspects

and would like to advance my preliminary views for the consideration of my colleagues in this Council.

While assessing the overall acceptability of the draft agreement, I have asked myself the following questions:—

- (1) Does the draft agreement contain the necessary details to provide for the fundamentals that are necessary in carrying out the ‘Hong Kong people ruling Hong Kong’ concept and ensure the continuation of the existing social and economic systems and life-style in Hong Kong for 50 years?
- (2) Has the draft agreement embodied the reasonable and realistic requests of Hong Kong people?
- (3) On the condition that China would unilaterally declare its own policies for Hong Kong if no agreement was reached before October this year, would it be advisable to opt for a unilateral declaration by the Chinese Government or support and ‘agreement’ which is legally binding on both Governments?
- (4) Is the draft agreement actually enforceable? Is the setting up of the Sino-British Joint Liaison Group and the Land Commission a means for the Chinese Government to take part of interfere in the administration of Hong Kong or is it a means to pave the way for a smooth transition in 1997?

After careful consideration, I am satisfied that the draft agreement has created a bright prospect for the continuation of stability, prosperity and development in Hong Kong. Thus, the draft agreement should be an acceptable package to the people of Hong Kong.

As everyone knows, many people are still in doubt about the adherence and faithful implementation of the draft agreement by the Chinese and British Governments. I have examined this problem in the following manner:—

(A) On points common to both Governments—

- (1) Did both Governments share a common aim in conducting the negotiation, i.e. the continuation of stability and prosperity in Hong Kong?
- (2) Is the draft agreement beneficial to China, Britain and Hong Kong?
- (3) Would such painstaking effort be taken to carry on with the negotiation for two solid years if both Governments were not sincere about keeping the agreement?
- (4) The Sino-British agreement is the highest form of commitment made freely by two sovereign states. The Chinese and British Governments have all along spelt out their determination in implementing the agreement. Would the two countries possibly break their promises at the risk of damaging their national prestige which they have worked so hard to uphold?

(B) On the Chinese side—

- (1) Was it in the pursuit of its national interests that the Chinese leadership agreed to make this agreement? Would this agreement contribute to the peaceful reunification of China and accelerate its modernisation programmes?
- (2) Were the tribulations in the first thirty years of its history and the development in the last five years a good lesson for China's ruling hierarchy that they should adopt proper and suitable policies? Do we feel by intuition that the prevalent policies in China have been effective in raising the living standard of its people and that the support of these policies is so strong that it would not be possible for future leaders to gain the consent and support of the people if they want to revert to old policies?
- (3) China is a country of great culture. She is taking pride in having initialled the draft agreement and in having introduced a new concept by which international disputes can be settled between nations by peaceful means. Would China want to damage her innovative contribution to the human race?

(C) On the British side—

- (1) Other than its established interests in Hong Kong, would Britain look forward to securing better relationship with China in order to gain better access to the largest market in the world?
- (2) Britain has time and again declared its moral obligations towards Hong Kong people. Would Britain, a country which cares so much about 'principles', break the agreement during this 13-year transitional period?

Having considered all these points, I would like to conclude that the draft agreement has satisfied the long-term and current interests of Britain and China. It also meets the primary interests of the Chinese and British people. Thus it is not necessary to worry about the implementation of the agreement now. On the other hand, we should commend the draft agreement to the Hong Kong people readily and leave the Britain and Chinese Governments to show their sincerity in adhering to the commitment through the passage of time and by actual facts.

Certainly, we cannot say that the draft agreement is a flawless document. While studying the draft agreement, I feel initially that clarifications on the following points are necessary:—

- (1) The draft agreement has not made clear whether there are other provisions in the Chinese Constitution (other than Article 31) that would be applicable to Hong Kong or relevant to the enactment of the Basic Law of Hong Kong.

- (2) A certain religious body has been granted a 'Free-hold land' lease on Hong Kong Island by U.K. Perhaps it would be necessary to make specific arrangements for land held under such special manner since we knew that land in China is perpetually a property of the State.
- (3) The draft agreement has not specified that Chinese troops stationed in Hong Kong would not conscript their members from here.
- (4) The draft agreement has not stated clearly that Chinese troops stationed in Hong Kong should come under the rule of law as other citizens. Furthermore, other than taking up defence duties, it has not stipulated whether or not the Chinese troops in Hong Kong would take up the responsibility of preventing illegal immigrants from mainland China or from other countries from entering Hong Kong.
- (5) The draft agreement has not stated clearly that China would never post local people out of Hong Kong on any excuses.
- (6) Although the draft agreement contains far more details than what was generally expected, yet the functioning of Hong Kong is so complicated that it is hardly possible to list all the details of its policies and legislations in a few pages. Thus, not only do I hope that the contents of the agreement would be incorporated into the Basic Law in the form of an annex, but also wish that the Basic Law will specify in greater detail the contents and spirit of the agreement. All the details that are necessary in safeguarding the normal functioning of Hong Kong should be laid down unequivocally. It will be an onerous task. The people that are responsible for the drafting of the Basic Law should have in-depth and practical knowledge of Hong Kong in all aspects and they should take the stance of protecting the interests of the Hong Kong people. Nevertheless, the draft agreement has not given clarifications on the procedures by which the Basic Law should be drafted. Thus, I feel I have to point out that in the drafting of the Basic Law, it would be necessary to enlist the help of those who have a good knowledge in the drawing up of the draft agreement and are willing to participate in the work. At the same time, on top of the normal consultative procedures, it would be necessary to seek public opinion extensively so that the Basic Law would be able to meet the actual needs of the situation in Hong Kong as well as the aspirations of its people.

The aforesaid are my preliminary views on the issue. In short, the draft agreement is the best agreement attainable and is acceptable to Hong Kong people. I hereby call upon all Hong Kong people to study the White Paper in detail and play their part in giving their opinions so that the formally signed 'Agreement' and the 'Basic Law' of Hong Kong will function most effectively in implementing the concept of 'Hong Kong people ruling Hong Kong' and maintaining the existing systems for fifty years which would ensure stability, prosperity and further development in Hong Kong.

I am in full confidence that Hong Kong people have the boldness of vision and the necessary ability to make their own history so long as they keep their confidence, unify their efforts and remain steadfast in what they are doing. Hong Kong will have a bright future.

Sir, with these remarks, I support the motion.

MR. TONG:—Sir, I believe that the prosperity and stability of Hong Kong depends very much on maintaining the confidence of investors. The question is how do we assess investor's confidence? In many ways, assessment of investor's confidence in Hong Kong can be compared with assessment of investor's confidence in a business corporation—in this case, shall we say, 'Hong Kong Incorporated'.

In general, investor's confidence in a business depends on five key factors:

- (1) the general economic environment;
- (2) the market for the business' products;
- (3) the business' management;
- (4) the business' labour force; and
- (5) the adequacy of the business' system of procedures and organisation.

Now, let us consider these factors individually as they apply to 'Hong Kong Incorporated'.

On general economic conditions 'Hong Kong Incorporated's' business has been, and probably will always be, very much export led. As such, this is a factor which 'Hong Kong Incorporated' will have little control over. However, history tells us that given favourable economic conditions in its export markets, 'Hong Kong Incorporated' will always be one of the first exporters to benefit.

On 'Hong Kong Incorporated's' products, few will deny that it has been an overwhelming success story. To-day, 'Hong Kong Incorporated's' products are held in high regard, not only for its value for money, but also for its quality and workmanship. In the apparel industry, many international fashion houses now use 'Hong Kong Incorporated' as its subcontractor. And, in the high technology industry, an increasing number of computer hardware manufacturers—such as Digital and Commodore, have invested in significant manufacturing plants in Hong Kong. These are good examples in evidence of 'Hong Kong Incorporated's' strong position in the market.

As regards management, while no one can say improvements cannot be made, 'Hong Kong Incorporated's' management has a good track record and, in general, has managed it well in a professional manner. The labour force is highly motivated, performance orientated, highly skilled, loyal and is plentiful in supply.

On the system of procedures and organisation. 'Hong Kong Incorporated's' existing controls have provided satisfactory assurance to investors and must compare favourably against its competitors in South East Asia.

Now we are about to have a change of ownership in 'Hong Kong Incorporated'. Or to put it in business jargon—a takeover bid has been successfully made. Furthermore, the terms of the sales and purchase agreement have been embodied in a document—the White Paper. The next question before us is—how does this change in ownership affect investor's confidence? In other words, to what extent are the factors above affected by this change?

I believe that the first and second factors which I have discussed above shall not be affected. That is, the general economic environment will always be subject to external forces and, everything remaining equal, 'Hong Kong Incorporated's' market position should not be affected by the change in ownership.

The White Paper has explained that the objective of its provisions is to preserve the system before the change of ownership and to give 'Hong Kong Incorporated' a high degree of autonomy in which it will be able to administer itself and continue to decide on most of its own policies. This appears to take account of preserving 'Hong Kong Incorporated's' existing system in general.

Regarding management, in business, it will be unrealistic to expect no change in senior management in any takeover bid. No doubt, there will be management changes in this takeover bid which is about to take place. However, purely political changes will need to be avoided because it will undoubtedly disturb investor's confidence and should be kept to the minimum in 1997. Also, as we move closer to 1997, the management will become more uncertain about its own position. This uncertainty will affect its performance and continual loyalty. To counter this, management should be consulted and adequately informed throughout the thirteen years' transitional period. I believe that this can be most effectively achieved by including 'Hong Kong Incorporated's' management in the membership of the Joint Liaison Group.

As in the case of management, the labour force should also be adequately informed throughout the transitional period. An unsettled labour force could be highly disruptive to productivity and in turn will affect investor's confidence in 'Hong Kong Incorporated'. The importance of good employee (public) relations could not be over-emphasised.

In the final analysis, investors are most concerned with the return on their investment. If 'Hong Kong Incorporated' continues to be a success story, its management and labour force alike should not be unduly concerned about their position. However, it would be wholly unrealistic to expect no retrenchment in a business if the results are significantly less than desirable.

Overall, I believe that the investors should remain confident in 'Hong Kong Incorporated'.

Turning away from investor's confidence, and 'Hong Kong Incorporated', I would like to turn to two specific areas in the White Paper which I have some concern about.

Firstly, on nationality, the White Paper has not explained clearly the position of the non-Chinese British Dependent Territory citizens ('B.D.T.C.'s) in Hong Kong. There are, by a rough estimation, 10 000 non-Chinese Hong Kong citizens who are B.D.T.C.s. They include mostly citizens of Indian, Pakistani and Portuguese origin. It would not be right under any circumstances for these citizens to become stateless after 1997. The British Government, in conjunction with the Government of the People's Republic of China, must resolve to clarify on the status of these 10 000 citizens as soon as possible by making the appropriate public announcement.

Secondly, on the Basic Law, I believe that while in practice the draft agreement cannot be changed, the Government of the People's Republic of China should, in consultation with the British Government and in consideration of the views expressed by the people of Hong Kong, include the necessary refinement to the draft agreement in the Basic Law.

Sir, with these remarks, I support the motion. Also I ask the people of Hong Kong to put all the efforts in building on what they have. After all as in the case of 'Hong Kong Incorporated', the future lies in the hands of its excellent management and its labour force. In other words, the future is in our hands.

### **Suspension of sitting**

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now suspend the Council until 2.30 p.m. on Thursday 18 October 1984.

Suspended accordingly at four minutes past five o'clock.