

OFFICIAL RECORD OF PROCEEDINGS

Friday, 12 March 1993

The Council met at Three o'clock

PRESENT

THE PRESIDENT

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

THE CHIEF SECRETARY

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

THE FINANCIAL SECRETARY

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

THE ATTORNEY GENERAL

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

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

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

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

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

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

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

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

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

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

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

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

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

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

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

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

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

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

THE HONOURABLE PETER WONG HONG-YUEN, O.B.E., J.P.

THE HONOURABLE VINCENT CHENG HOI-CHUEN

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE CHEUNG MAN-KWONG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

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

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

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

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE GILBERT LEUNG KAM-HO

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

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

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

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

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

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

ABSENT

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE LEE WING-TAT

DR THE HONOURABLE PHILIP WONG YU-HONG

IN ATTENDANCE

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

PURSUANT TO STANDING ORDER 4AA, HIS EXCELLENCY THE GOVERNOR,
THE RIGHT HONOURABLE CHRISTOPHER FRANCIS PATTEN, ATTENDED TO
ADDRESS THE COUNCIL AND TO RECEIVE QUESTIONS.

PRESIDENT: Please remain standing for the Governor.

CLERK: His Excellency the Governor.

PRESIDENT: The Governor will address the Council and will receive questions.

GOVERNOR: Mr President, let me first of all apologize to Honourable Members for having to postpone my appearance before this Council yesterday afternoon at such short notice. I very much appreciate the inconvenience this will have caused to Honourable Members. We did, as Honourable Members know, receive a further communication from the Chinese side at about 1 o'clock yesterday; we had to consider this urgently during the course of yesterday afternoon, and I would not have been in a position to provide the Council with any more information than I was last week. So I apologize for that inconvenience and I hope the Council will understand the reasons for my action.

I am, however, in a position to make a further statement this afternoon.

Despite our hopes and our best endeavours right up until this afternoon, it has so far still not proved possible to resolve the differences between the British and Chinese sides that stand in the way of talks getting under way. I particularly regret this, as we consider these differences could and should be resolved quickly. I realize that this news will cause considerable disappointment throughout the community. It is a disappointment that I share. Hence the efforts that we have made to achieve the progress we would all like to see.

We have made clear since October that we are willing to talk without preconditions. That remains our position.

It is not for me, of course, to reflect the position of the Chinese side. But let me spell out unequivocally the basis on which the British side has been prepared to talk so that the community can see for itself that we have behaved reasonably and sincerely in these discussions.

First, we have said to the Chinese side that we are prepared to talk on the basis of the Joint Declaration, the principle of convergence with the Basic Law and the relevant understandings and agreements reached between Britain and China. We consider our proposals to be wholly compatible with these.

Secondly, we made plain that in any talks the British team would include the necessary Hong Kong officials with the relevant knowledge and experience, on the same basis as other officials taking part in the talks. Both the Prime Minister and the Foreign Secretary have made this point publicly in the last 48 hours. Hong Kong officials have participated in past discussions with the

Chinese side as members of the British team, including during the negotiations on the Joint Declaration and in the Joint Liaison Group.

We have also said to the Chinese side that Sir Robin McLAREN, the British Ambassador to China, would be the British representative, supported by a team consisting of Michael SZE, the Secretary for Constitutional Affairs, William EHRMAN, the Political Adviser, Peter LAI, the Deputy Secretary for Constitutional Affairs, and Peter RICKETTS, Head of the Hong Kong Department in the Foreign and Commonwealth Office. There would be no distinction between members of the team from Hong Kong and from London.

Let me recap briefly the history of our recent exchanges with the Chinese side so that Honourable Members can be clear in their own minds how matters have proceeded. As I indicated in my statement last week, having received a positive response on the principle of talks from the Chinese side, I decided to postpone our original plan for gazettal on 12 February, while making clear to the Chinese side that there could not be an indefinite delay, given the practical need to press ahead with legislation. We proposed an early starting date for the talks.

Despite the absence of a solution to the remaining difficulties, I decided, with the advice of the Executive Council, to delay gazettal for a second time on 19 February and a third time on 26 February. Last week, I told the Council of our decision to delay gazettal for a fourth time.

I explained to the Council that we wished to go the extra mile and give the Chinese side every opportunity to respond. Today is the fifth Friday since we originally decided to defer gazettal. Unfortunately, the outstanding differences have not been resolved and we still have no date for talks. I have to tell the Council that we have not even been able to obtain agreement after all this time that an announcement about talks could be made early next week. I have made clear that we could not go on deferring gazettal indefinitely. Having deferred gazettal on four occasions, I have therefore decided, with the advice of the Executive Council, to gazette the draft legislation this afternoon. Having taken this decision, we will have to judge, in the light of subsequent developments, when to introduce the draft legislation into the Legislative Council.

I want to emphasize to Honourable Members and to the community as a whole that we remain ready to hold talks with the Chinese side without preconditions. The remaining issues are matters which, given the will, could be solved quickly. I still hope they can be. For our part, we have done all we reasonably can. That is how we will continue to act.

Thank you, Mr President.

PRESIDENT: In accordance with Members' wishes, questions will be allocated on the same basis as normal question time, namely priority will be given to

those Members who have asked the least number of questions during Governor's Question Time up to this point; where Members have equal priority, seniority will decide. I will ask for a show of hands before each question. An early show of hands will not achieve priority. The Member concerned may, if he wishes, ask a supplementary question for the purpose only of elucidation, but the supplementary should be a short, single question so as not to cut into the time available. The Governor has to leave not later than 4.00 pm. Show of hands.

PRESIDENT: Mr NGAI Shiu-kit.

MR NGAI SHIU-KIT (in Cantonese): *Mr Governor, you have said just now that you are going to gazette the draft legislation on political reform today. Will this action, this decision of gazettal, render your political reform package the basis for talks? Will this set a precondition for the talks? Will this go against what you have been saying, that is, to hold talks "without preconditions"?*

GOVERNOR: No, I want to assure the Honourable Member, as I have said on many previous occasions ever since last October, that we have no preconditions whatsoever for talks. We have not had preconditions, we do not have preconditions today, we will not have preconditions in the future. It has not, since early February, been the British Government or the Hong Kong Government which has been raising issues which might be characterized as preconditions for talks.

PRESIDENT: Next question. Mr Henry TANG.

MR HENRY TANG: *Mr President, Governor, considering that you are gazetting the Bill this afternoon, would you explain to this Council why you have to gazette the entire Bill? Can it not be done in phases, because there are certain elements which are not contentious with the Chinese and can be done earlier while certain other phases can be done later? The earlier ones relate to the District Board elections to be held in 1994 which are different from the Legislative Council elections to be held in 1995. Could you explain to this Council please?*

GOVERNOR: Well, of course we have proceeded in that way already, because the Council has before it the legislation on the Boundary and Election Commission which is, I understand, an issue which has not raised controversy in discussions between British and Chinese officials. I think when the Honourable Member has the opportunity of looking at the Bill, as of course Chinese officials have had the opportunity for some weeks past, the Honourable Member will observe that the Bill fits together and fits together, for example, when one looks

at our approach to District Board elections and to the position of the Election Committee. So it is not easy to disentangle the various elements of the legislation in the way that the Honourable Member requests. Clearly, if, for example, you want to stand in the District Board elections next year, you would want to be able by this autumn to have a pretty clear idea about the boundaries for your likely ward, you would want to have a pretty clear idea about the arrangements for those District Board elections and the District Board elections, I repeat, have a considerable relevance to the Legislative Council elections. There is one other point that I would perhaps like to make: the issues that we are discussing and debating have to be resolved sooner or later and I would like to see them resolved sooner so that we can get back to debating other matters. I am only sorry that in the last few weeks matters have been raised which, even though they have occasionally been the source of controversy in the past, have never caused the sort of obstacles that we see today. Hong Kong government officials have been members of the British team for 10 years or more in negotiations. Why now is that a problem?

PRESIDENT: Mr David LI.

MR DAVID LI: *Mr President, Governor, last Friday you mentioned that only a few points of disagreement between Britain and China remained which, you believed, could and should be resolved quickly. Will you inform this Council how many points of disagreement still remain unresolved and what they are?*

GOVERNOR: I do not want to put myself in the position of explaining the view of the Chinese side to these talks about talks. I have set out very clearly the basis on which we were prepared to talk and I would be very surprised if there was any Member of this Council who regarded the basis that we were prepared to accept as being unreasonable. Some might think that we had gone too far but I think by and large it would be very difficult for anybody to argue that we had behaved unreasonably. It remains the case that after all these weeks I was not in a position today to come to the Council and announce a date for the commencement of talks. I was not even able to come to the Council and say: Early next week — if we defer gazettal today — we will be able to announce a date for the commencement of talks.

I have set out what our views are on the team that should take part in the talks and it is for the Chinese side to explain why that which has been acceptable, for example, in the Joint Liaison Group — which some Chinese officials were suggesting should be where we discuss these constitutional matters — is not acceptable for the talks which we have been discussing over the last few weeks. It is very difficult, I think, for me to understand and I suspect it will be very difficult for many members of the community to understand.

PRESIDENT: Next question. Mr CHEUNG Man-kwong.

MR CHEUNG MAN-KWONG (in Cantonese): *Mr Governor, the United Democrats of Hong Kong is very happy to learn that the draft legislation on political reform is to be gazetted but actually when will the draft legislation be introduced into the Legislative Council? Does it mean that the Legislative Council will, through the scrutiny, amendment and passage of the draft legislation, be able to influence the decisions of the Chinese and British Governments on behalf of the people of Hong Kong? Would you agree that, when Sino-British talks, if any, are to be reopened one day, the Legislative Council will not only be one of the legs of the "three-legged stool" but also play a pivotal role, and that both the Chinese and British Governments should accept this Council's decisions as long as they are not in breach of the Joint Declaration?*

GOVERNOR: I think the Honourable Member has asked two questions which are rather different. One is about the timing of introduction of legislation and the other is about the precise constitutional role of the Legislative Council. And perhaps the honourable gentleman will allow me to answer both questions in some detail.

There are a number of steps as one approaches legislation. First of all, the Executive Council has to endorse legislative proposals, and in the case of the proposals on the 1994-95 elections that has been done. Secondly, the Administration has to gazette those proposals and that, after not having taken that action for four Fridays, we intend to do today. The next step is the introduction of legislation to this Council. We will have to consider taking that step in the light of other developments but I want to say to the Council straightaway that I still hope that it is possible to have talks about the arrangements for the 1994-95 elections. I say that, however, recognizing that time moves on, recognizing that we are not imagining the difficulty as we proceed into this legislative Session of having less and less time for considering these very important matters. I do not imagine that Members of this Council will take a decision to limit the amount of debate they want to have on these proposals merely because we have taken an amount of time to actually introduce them to the Legislative Council. So while we will have to take account of other developments, we will also have to take account of the fact that we need to give the Legislative Council adequate time to discuss these matters.

The honourable gentleman also referred to the role of the Legislative Council and I hope that Honourable Members will allow me to say a word or two about that because it is an issue on which, I think, in the last few days there has been some unnecessary confusion. Life is difficult enough already, as I have said, without imagining other difficulties and without creating huge hypothetical constitutional problems. The role of this Council in legislating is clear. A number of Honourable Members have in recent days and weeks

explained that role to officials in Peking. We have to take account of the judgments of this Council on the legislation that we put before it. The Council will also know of the constitutional position of the sovereign power and the constitutional position of this Council. It will, I am sure, be aware of the fact that under section 26 — it might not have remembered the number — of the Royal Instructions, I cannot accept legislative proposals which go against treaty obligations entered into by the United Kingdom, the sovereign power. And in relation to legislative proposals, the electoral arrangements for 1994-95, there are two very obvious treaty obligations. The first is the Joint Declaration and the second is the Convention on Civil and Political rights. I do not think that this Council would be likely to take a decision which went against those treaty obligations, but I think this Council would know perfectly well what the Governor would be obliged to do were it to do so.

Now to state that constitutional position as clearly as I have does not in my view, in any way detract from the fact that this Council has to legislate on the proposals which I am gazetting today and which perhaps in due course we will be introducing.

PRESIDENT: Mrs Elsie TU.

MRS ELSIE TU: *Mr President, I would like to ask the Governor a question by way of clarification. I remember in the past when Hong Kong people attended these meetings — I believe Mr Eric HO was one of them — they had to take British nationality before they were able to take part in the meetings. Now if Mr Michael SZE and Mr Peter LAI have not had to do that, it would appear to me to be a precondition that has been made, which is different from the past. I am not quite clear on that but I would like some clarification.*

GOVERNOR: No, I do not think the honourable lady is right on that particular point though I will — it is the first time it has been raised with me — come back to her if there is a problem on that.

But the issue that arises is a perfectly simple one; for 10 years or more, Hong Kong government officials have been members of the British team that negotiates on matters affecting Hong Kong. One of the Hong Kong government officials to whom the honourable lady has referred is a member of the British team in the Joint Liaison Group. So I am not quite sure why, suddenly, this issue has been raised.

Let me tell the honourable lady a worry which I have, which I am sure she will understand, even if she does not necessarily agree with everything I say or everything I do, and I think I might have got that right. (*Laughter*) I do not think that trying to diminish the standing of Hong Kong government officials would be a very helpful way of commencing talks about the political

development and the political future of Hong Kong. I cannot myself see how that demonstrates sincerity or how it demonstrates a commitment to make a success of talks, a success which I would like to see. I still hope — I repeat it strongly again — that we can have talks but I do not think that talks on the basis which I have described would be acceptable.

PRESIDENT: Dr K C LAM.

DR LAM KUI-CHUN: *Mr President, what factors would the Governor consider in his decision on the timing of the introduction of the Bill into this Council?*

GOVERNOR: I would have to take account of a number of factors; for example, despite the disappointing developments of the last days or weeks or months, I would have to decide whether there seemed a reasonable basis for talks and for discussion which would justify postponing introduction of the legislation. That is the sort of issue which I would have to consider. It may happen in the next few days, but we will obviously keep the matter under review with the Executive Council and of course keep the Legislative Council fully informed.

PRESIDENT: Dr Conrad LAM.

DR CONRAD LAM (in Cantonese): *Mr Governor, Hong Kong people are concerned about political development and livelihood as well. What worries us is: Would the Chinese side make things difficult for us if the Chinese and British Governments fail to settle the differences in the new airport project and the works that straddle 1997 thus affecting our livelihood and infrastructure? Mr Governor, have you worked out any measures to forestall such developments?*

GOVERNOR: As the Hong Kong Government made plain in the Financial Secretary's Budget the other day, we want to see greater investment in the infrastructure of Hong Kong as well as in the social and educational programmes of Hong Kong, because in our judgment that provides the best basis for the continuing stability and prosperity of this territory, the best basis for continuing the economic miracle which is Hong Kong. I do not think that anything that we have done or that we have said has in any way undermined the prospects of a better future with stronger infrastructural investment.

Honourable Members will recall what the Bar Council had to say about what others had said and done about matters affecting investment in Hong Kong. Others will recall what the Bar Council said about the extent to which those

remarks had violated the Joint Declaration and the Basic Law, not remarks made by the Hong Kong Government, not remarks made by the British Government. I very much hope that we can all remember that before 1997 and after the resumption of Chinese sovereignty in 1997, our principal concern must be the well-being of ordinary families and ordinary individuals in Hong Kong, and I do not want to see anybody playing politics with that.

PRESIDENT: Mr LAU Chin-shek.

MR LAU CHIN-SHEK (in Cantonese): *Mr Governor, will you tell us how the Government is going to prepare for the 1994-95 elections if there are no talks? What will be the possible timetable? In case talks are reopened, how are you going to ensure that the talks can be concluded before July so that the necessary legislative procedures for the 1994-95 elections will be carried through in time?*

GOVERNOR: If there are no talks, then in due course this Legislative Council will consider the proposals that we have put to it. I have a great deal of faith and confidence in this Legislative Council. As I said last week, no rubber stamp, as I discover Wednesday after Wednesday. I have great faith in this Council to produce proposals, to agree proposals, which will be in the best interests of the people of Hong Kong because I think this Council is in very close touch with the mood of the people of Hong Kong and understands their aspirations and understands how important it is to secure their hearts and minds. So I do not have any lack of confidence in the ability of this Council to come to sensible, balanced, moderate, modest decisions about the arrangements for the 1994-95 elections in good time for us to ensure that those elections are smoothly conducted.

If talks open, which I still hope will happen, then the Honourable Member is quite right to say that they would need to be concluded one way or the other in time to allow this Legislative Council to make the necessary arrangements for 1994-95, because, as I said earlier, I do not think there is going to be a self-denying Ordinance in this Council which encourages Honourable Members to agree that they would not debate the proposals before them for longer than a couple of weeks or some ridiculous time constraint like that. The longer, of course, it takes to get talks going, the less time there is for talks since talks have to finish in time to make the necessary legislative arrangements.

PRESIDENT: Mr Gilbert LEUNG.

MR GILBERT LEUNG (in Cantonese): *Mr Governor, as you have decided to gazette the draft legislation on political reform today, it will undoubtedly escalate the row between China and the United Kingdom and will have a great*

impact on the Hong Kong community. Has the Hong Kong Government assessed the possible impact of this action on our society? What contingency measures are there in store to cushion the impact on the people of Hong Kong? If, in response, the Chinese side "starts a new kitchen" because of the gazettal of the draft legislation, what contingency plans does the Hong Kong Government have in mind?

GOVERNOR: I am not sure that the Honourable Member is right to assume the worst of China and Chinese officials. Is the Honourable Member seriously saying that China will attempt to make the next four years as difficult as possible for the ordinary people of Hong Kong? I do not think that would be a very sensible thing to do and I do not believe that China will regard that as being a sensible basis for the resumption of Chinese sovereignty in 1997. I hope that China will still join us in talking about the 1994-95 arrangements. I repeat we have set no preconditions for those talks. If there are not to be talks then I hope that Chinese officials will have the same confidence in the good sense of the people of Hong Kong that I do.

Can I just, on a point of elucidation, in response to another question — a question from the honourable lady who asked me about members of British teams in formal diplomatic talks with the Chinese who did not have British passports — say that others have identified three such officials for me and I can give those names to the honourable lady any time she would like.

PRESIDENT: Mr Eric LI.

MR ERIC LI: *Mr President, Mr Governor, you have now gazetted the Bill but have not made a decision to introduce it to this Council. That clearly seems to indicate that you still hope that talks will resume and that you may be willing to amend your proposals before you put them to this Council. Do you have an absolute deadline beyond which you will not be prepared to wait for China's response before introducing the final Bill to the Council? And once the Bill is introduced, will it imply that the Government will no longer consider making any amendment to the Bill irrespective of the outcome of the talks?*

GOVERNOR: On the latter point, whether or not there are talks I certainly could not give any guarantee that the executive would not seek to amend the legislation when it is being considered by the Legislative Council during its passage through the Council. For example, let me take an obvious point: I think that individual Councillors will have views about the legislation and they may have views which are different from the Government's and they may have views which are different from the Government's and command majority support in this Council, in which case the Government may well have to take account of those views in subsequent parts of the Bill. It may have to amend other parts of

the Bill to take account of amendments made by the Legislative Council itself. On the honourable gentleman's first question, we do not have an absolute deadline. If I had had an absolute deadline I would not have been able to wait since early February in order to gazette the legislation. But, as I have said before, we do want to ensure that the Council has the amount of time it will require and it would want in order to discuss the proposals that are before it. I think it would be pretty insulting to the Council if I was to say we do not need to have any idea of when we bring the Bill forward into the Council because the Council will spend as little time as we require on debating these matters. I do not want to set a deadline, I do not want to ring a date in the calendar, but time is not infinite and if there are not going to be talks, then I am sure that many Honourable Members will take the view that we should get on with legislating.

PRESIDENT: Mr Stephen CHEONG.

MR STEPHEN CHEONG: *Governor, it is very disappointing that there is no talk being announced today, and should further attempts for talks fail will you please inform this Council how you and the British Government will ensure a smooth transition promised to us in the Joint Declaration if continuity of systems cannot be guaranteed? And will the British Government do their own thing between now and 1997 and then let the Chinese Government do their own thing after 1997?*

GOVERNOR: I would like to see, as much as the Honourable Member, a smooth transition. I would like to see a smooth transition of arrangements, for example, for elections which are fair rather than a smooth transition of arrangements which were not fair. It would not seem to me to make very much sense to have a smooth transition of arrangements which this Legislative Council and which the community as a whole might regard as dishonourable. So we want to see a smooth transition but we also want to see a smooth transition of sensible electoral and administrative arrangements.

There is one other thing that I should say. In order to secure a smooth transition it is absolutely right to be as accommodating and conciliatory as one possibly can be. While millions of words of abuse have been heaped on the Hong Kong Government and the Hong Kong Governor over the last months, I have tried to keep as mild and quiet and calm as possible. But nobody should think that being accommodating, being conciliatory is the same as abandoning one's principles. I think that this Council would be surprised to discover that what is meant by a smooth transition is that the Hong Kong Government and the Hong Kong people should never, in discussions, have a bottomline. That is not the basis for a sensible smooth transition.

MR STEPHEN CHEONG: *Governor, you have not answered the second part of my question.*

GOVERNOR: Which was?

MR STEPHEN CHEONG: *Will the British Government do their own thing now and let the Chinese Government do their own thing after 1997?*

GOVERNOR: What we will attempt to do is to put in place arrangements, not only which are wholly in accordance with the Joint Declaration but which seek to buttress the principles enshrined in the Joint Declaration. Whatever arrangements are put in place in Hong Kong, we will also try to ensure what, in our view and in the view of this Council, is a smooth transition to the Basic Law. And I very much hope that the sort of arrangements which this Council would find acceptable before 1997 will be found acceptable by a credible Legislative Council after 1997, too.

PRESIDENT: Mr Howard YOUNG.

MR HOWARD YOUNG: *Mr President, Mr Governor, although you are right in saying that over the last fortnight various groups have explained to officials in Beijing the significance and necessity of legislation passed in this Council, I would think that time constraints might not have made it possible to explain these in very minute detail. So will the Government exert all efforts to also make clear that there is a distinction between gazetting and actually introducing legislation to this Council and that legally and procedurewise it is also possible that, in the event of talks commencing after gazettal, then there could even be gazetting of amendments or whatever which would take into account any reasonable and fair conclusions from any negotiations between first gazettal and formal introduction of legislation into this Council?*

GOVERNOR: We have made it clear in contacts over recent weeks that there is a difference between gazettal and the introduction of legislation. I think I have made it crystal clear again this afternoon and said that if the problems — which alas have become larger rather than smaller in the last day or two — can be resolved, we still hope that there can be talks. That is why I made the remarks I did earlier about having to take account of other developments in reaching a decision on when to introduce the legislation. It has obviously been a disappointment that Friday after Friday after Friday after Friday we have deferred gazettal but still have not made the progress which we would like to have made, despite the fact that we have had no preconditions for talks.

PRESIDENT: Mr WONG Wai-yin.

MR WONG WAI-YIN (in Cantonese): *Mr Governor, what would you do if China and the United Kingdom agree to sit down and discuss the differences as mentioned by you earlier, but the Chinese side requests that you should put on hold the introduction of the draft legislation into this Council or that the draft legislation be shelved if it is already under this Council's scrutiny? If you refuse to withdraw the draft legislation or to put on hold its introduction into this Council, then what factors do you foresee that would oblige you to act on the request?*

GOVERNOR: I may be being less intelligent than I should be, but I am not sure that I wholly follow the Honourable Member's question. There was a pile of hypotheses but I was not sure what he wanted me to say when he was standing on top of them. (*Laughter*) If the honourable gentleman — and I hope that I am seriously and sincerely answering what I think may be his point — is saying "Are there circumstances in which the Administration would amend legislative proposals on the 1994-95 elections put before the Legislative Council?", then the answer to that question must be yes. It would be bigoted, narrow-minded to say anything other than that. But one would have to be convinced that the proposals which would result from amendment were better than the proposals which are in the legislation which is being gazetted today. There would be little point in putting before the Council proposals which we thought were less good or less likely to command the assent and acquiescence of the community, little point in putting such proposals forward. But I do not want on this occasion or on any other to give the Honourable Member the impression that our proposals are carved in tablets of stone, which is not to say that they were written in invisible or easily wipeable ink.

PRESIDENT: Mr WONG, do you have elucidation?

MR WONG WAI-YIN (in Cantonese): *Perhaps I should put the question again in simple terms. If China and Britain resolve some differences and both sides are willing to sit down to have talks on the political reform package, but China sets a condition that you should put on hold the introduction of the draft legislation into this Council or that the draft legislation be shelved if it is already under this Council's scrutiny, would you do so as requested? If not, what circumstances do you think would lead to your withdrawal of the draft legislation?*

GOVERNOR: I am still having some difficulty (*Laughter*) in following the honourable gentleman's question and perhaps that is because it is the end of what has been a week that has lasted about 14 days! Let me say I hope that I am

answering the spirit of the honourable gentleman's question, even if I have failed to identify some of its inner significance. If we were to have talks with Chinese officials, there would be no point in having those talks in other than a constructive spirit. I have made that clear again, again and again. The truth is that I think talks would be very difficult but that does not mean that one would not enter into them in as helpful and positive a spirit as possible. One of the things that I was hoping we would discover early in any talks was what counter-proposals Chinese officials had to offer in comparison to those that we have had on the table since last October, any counter-proposals to those put together by the community in that vast compendium that we have assembled of alternatives. There have been millions of words from Chinese officials and newspapers which customarily, in a spirit of belief in free speech, support the position of Chinese officials — millions of words of criticism of the proposals which the Government has put forward, criticism of the proposals which Honourable Members have put forward, criticism of proposals which other members of the community have put forward. There have not been 10 words which have actually described a counterset of Chinese proposals. So if there are talks, I would hope that we would be able to look at Chinese proposals. And I repeat we would go into talks with an open mind, and if talks produced better proposals than the ones we have put on the table, I would have to share that perception with the Members of the Legislative Council and try to persuade them of it.

PRESIDENT: Mr HA Wing-ho.

MR TIMOTHY HA (in Cantonese): *Mr Governor, since the decision has been made to set the legislative procedure regarding the political reform in motion, will the United Kingdom continue its efforts to lobby the governments of other countries for their support of this package?*

GOVERNOR: The United Kingdom Government has not been doing that, nor has the Hong Kong Government. And the United Kingdom Government will not do that, nor will the Hong Kong Government. What we do perceive is that many countries, not surprisingly, are interested in what happens in Hong Kong and hope that Hong Kong will enjoy as successful a future as it has had a recent past. We find that many governments in other countries, while aware of the fact that the implementation of the Joint Declaration is a matter for the present and the sovereign power, take inevitably an interest in that successful implementation and are surprised that the modest proposals which have been put forward by the Government about the 1994-95 elections have drawn such a reaction from China. That is not internationalization of the issue and I am sure that Chinese officials did not think that Senior Minister LEE Kuan-yew's views on Hong Kong represented internationalization of the issue. That just reflects the fact that Hong Kong is one of the international centres of the world, is one of the most important communities in the world and many people look at what

happens in Hong Kong as a touchstone for their views on many other things. I will continue, as previous Governors have done, to represent Hong Kong in other countries. I will continue to explain what is happening in Hong Kong both here and in other countries. That will not be internationalizing Hong Kong, it will be doing what I am obliged to do today and what the Chief Executive of the SAR Government will be obliged to do after 1997.

PRESIDENT: Mr Edward HO.

MR EDWARD HO: *Mr President, Governor, although you have decided that time has run out and you have to gazette the legislative proposals no later than today, yet you have indicated that you have not decided when you will introduce these legislative proposals to this Council. If you can do the latter, why can you not postpone the former, that is defer the gazettal until it is absolutely necessary? Is it because you are worried about any criticisms that may be put to you of possibly caving in to the Chinese? And further to that, have you taken any soundings from Members of this Council as to the timing of the gazettal and are you prepared to take soundings from this Council on the timing of introduction of those proposals to this Council?*

GOVERNOR: If I was worried about criticism, I guess that I would have pursued a rather different path over recent months. I do not think that political leadership, I do not think that leadership of a community, is about looking over your shoulder the whole time at criticism. I think that if I attempted to govern Hong Kong in accordance with the plaudits of *Wen Wei Po* I would take some pretty curious decisions. We have to take decisions about legislation a step at a time. I explained earlier that the first decision for us to take was the decision of the Executive Council to endorse legislative proposals, and we did that. The next decision is the decision to gazette. The third decision is the decision when to introduce legislation. You cannot take the third decision without taking the second.

But I do suggest to the Honourable Member, and to other Honourable Members, that they look carefully at my statement, that they consider what we have been saying in the last weeks to Chinese officials, that they consider whether there is any element, any element at all, of the proposals that we have been prepared to stand on which is unreasonable. What, in the arrangements which we suggested, does the honourable gentleman think was an unreasonable stance by the Hong Kong Government? That is a decision which the whole Legislative Council and the whole community should actually take account of. I do not think that it is the view of the community or the view of individual Legislative Councillors that the Hong Kong Government should never ever under any circumstances have a backbone, or to put it another way, have a bottomline. That would be a very curious way to govern Hong Kong.

The honourable gentleman asks next whether we will take account of the views of the Legislative Council in the decision that we take on introducing the legislation. We will take account of the views of the Legislative Council on that, and we will take account of the views of the community on that, but I do not believe that the Honourable Member or other legislators are going to say to the Government: "We will give you a guarantee that we will not need very much time to debate these Bills; so you can go on putting off introducing them to the Legislative Council as long as you like." I do not think that is going to be the position of Legislative Councillors. I would be very surprised if it was.

MR EDWARD HO: *Mr President, could I have elucidation? I think the Governor has misunderstood my first question. My first question was not relating to the reasonableness of the proposals. It was really about the timing between gazettal and introduction of legislation. So, for instance, if introduction were not to take place in the next seven days, then my question would be: Why cannot the gazettal be deferred seven days, because introduction and gazettal could more or less take place at the same time?*

GOVERNOR: But at any stage when we gazette, the same question about introduction comes up. I could — if I was not leading a government of such legendary patience — take the view that we should proceed, in view of our experience over the last four or five weeks, directly to introduce the legislation. I have said again and again this afternoon that we will want to look at other developments and still hope that we can have talks. But I think if I had come to the Council this afternoon and said to the Council: "We have not got a date for talks; we have not even got a date when I will be able to give you a date for talks; we have not got agreement that Hong Kong government officials should be part of the British team as they have been for the last 10 years" and then going on to say: "Nevertheless, we will not gazette again for another Friday", I think this Council would have regarded me as being more than a trifle indecisive; I think the community would have regarded me as more than a trifle indecisive; I think a lot of members of the business community would have regarded it as indecisive, because I have heard more and more people saying: "We want to know where this is going, we want a decision, we do not just want to go on hanging about."

PRESIDENT: One more question. Mr Martin BARROW.

MR MARTIN BARROW: *Mr President, Governor, can we take ourselves away from constitutional development for a moment? As you said earlier, there are many other matters which we need to get on with outside constitutional development. For example, on 7 October you emphasized your determination that Hong Kong should be the most business-friendly place in Asia. Could you advise what specific action is being taken to ensure that that remains the case?*

GOVERNOR: I made a particularly moving speech to the Institute of Directors yesterday, in which I tried to answer that question as well as I could. The Honourable Member, who is himself a distinguished member of the business community as well as undertaking many public service obligations, will, I think, be aware of the decisions taken in the Financial Secretary's Budget which confirm the thrust of government policy in order to ensure that this community continues to grow and expand on the basis of unfettered private enterprise. I think that guaranteeing sound macro-economic policy with low tax, with public spending which grows in line with the economy rather than ahead of growth in the economy and with reserves which will be greater in 1997 even than we were predicting last year and taking decisions which confirm those elements of macro-economic policy will ensure that we remain the most business-friendly community or one of the most business-friendly communities in the area.

But there were other decisions which I thought, if I may say so, were also very helpful. First of all, I thought of the additional and well justified assistance that we are proposing to give to the tourist industry. Why do I mention the tourist industry? (*Laughter*) — A former British Prime Minister once in a speech said, "Why do I speak about the navy today?" And a heckler shouted out, "Because you are in Chatham". (*Laughter*) — Why do I speak of the tourist industry? Not only because of the Honourable Member's service to the tourist industry but also because the Honourable Member knows that there are 6 million tourists — sorry, I think it is more than that — 7 million tourists coming to Hong Kong every year; it is the most popular tourist centre in Asia and we want to keep it that way.

Secondly, I think the decision that we have taken about the extension to the Convention and Exhibition Centre, confirming success and underlining the enormously valuable job which the centre has done, which the Trade Development Council has done is another example. I hope that in due course the Financial Secretary will be able to make an announcement about further support for industry and not just for the promotion of our exports. I think that the decisions that we have announced about the Monetary Authority and about broadening the management of the Exchange Fund are all helpful to business and industry. What we have done about education and retraining is yet another example. I could go on almost as long as I did to the Institute of Directors to whom, I am afraid, I did not mention tourism — but not only because the honourable gentleman was not there.

adjournment and next sitting

PRESIDENT: In accordance with the Standing Orders I now adjourn the sitting until Wednesday, March 24 1993.

Adjourned accordingly at seven minutes past Four o'clock.

