

A contract is a contract

AS the year draws to a close, the dispute over Container Terminal 9 (CT9) is no nearer a solution. With port facilities close to saturation, it is tempting to read a message of hope into Lu Ping's vague assurance that China has not given up hope of seeing the terminal built. But as the years of experience with the new airport testify, assurances of goodwill from the Director of the Hong Kong and Macau Affairs Office (HKMAO) do not always presage immediate progress. Even when apparently substantial accords are reached, they are often little more than what professional negotiators describe as Heads of Agreement. They give the Government confidence to sink billions of additional dollars into a project — but leave enough key business unfinished to block its completion, should China want to hold out for further concessions.

Reports of the HKMAO's open meeting with the Democratic Alliance for the Betterment of Hong Kong (DAB) this week suggest the Chinese side and its supporters in the territory may be trying to finesse the CT9 project in the same way. Mr Lu's deputy, Chen Ziyang, expressed interest in the DAB's proposal for the Hong Kong Government to fund the \$7 billion construction cost and leave the granting of franchises until later.

The Government has been rightly sceptical. The proposal is at best naive. But it is hard to believe either the DAB or the Chinese side expects the Hong Kong administration to accept it at face value. It is more likely to be interpreted as a cynical attempt to get the Hong Kong taxpayer to pay up, while China continues to block any franchise involving Jardines. Then, if the Government continues to refuse to bend to Chinese pressure to re-award the franchise, China will still be able to accuse it of extravagance. Once the site is formed, it is only a matter of time before China is in a position to re-award the franchise to anyone but Jardines.

The Government should, of course, examine the proposal in a spirit of friendship and co-operation. But it should not be fooled by any disingenuous displays. China must once again be reminded that a contract is a contract — and that the contract is with Jardines. If Hong Kong is to remain a world class economy, it cannot afford to be seen as a place where contracts can be torn up on a political whim. Article 160 of the Basic Law insists contracts signed before 1997 will not be unpicked after the transfer of sovereignty. Beijing should not be behaving as if the same rules did not apply before the handover.