

Following the Governor's announcement of plans to establish a central monetary authority, the Financial Secretary, Mr. Hamish MacLeod, said it would not be independent like the Federal Reserve in the United States or the Bundesbank in Germany and that control would stay with the Government.

Governor Patten has strongly reaffirmed the Government's commitment to maintaining the Hong Kong currency exchange rate link to the US dollar. The market responded approvingly to renewed confirmation but observers doubted the Governor's remarks would put an end to debate on the subject. The Hong Kong dollar last week crept to HK\$ 7.7240. Its highest level since 1991.

Stock market investors greeted Governor Chris Patten's speech with an afternoon rally on October 7, pushing the Hang Seng index up 74.61 points in the hour-long session. The index closed the day at 5,589.03, up 35.91 points in thin trading worth \$ 1.47 billion.

Nine state enterprises have been identified by China's State Council for listing on the Hong Kong Stock Exchange by the middle of next year. Companies would come under the joint scrutiny of the Securities and Future's Commission and China's central securities regulatory body, due to be set up by the end of this year,

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On October 7, Taiwan's Minister of Finance, Wang Chien-Shien, offered to

resign over a land tax controversy. His proposal that land tax should be based on market price rather than assessed value prompted criticism that it would discourage land sales. It is not clear whether Wang's resignation will be accepted.

On October 5, Taipei riot police briefly confronted demonstrators demanding that Taiwan adopt a "one China, one Taiwan" policy, a euphemism for Taiwan independence. The demonstration was organized by a newly-formed coalition of 20 pro-independence groups, and included opposition leader Hsu Hsin-Liang of the democratic progressive party.

Suite a la manifestation en faveur de l'indépendance du Taiwan, le premier ministre Hau Pei-Tsun a critiqué ceux qui prônent la politique d'une Chine, un Taiwan finit. Selon lui, sa majorité électorale dans l'assemblée nationale indique l'opinion du peuple du Taiwan sur la question de l'indépendance du Taiwan.

According to Taiwan's Ministry of Finance, Taiwan's trade surplus shrank 51% to US \$840 million last month compared to September 1991, with imports up 7.6% and exports down 6.7%. At US\$ 7.43 billion, the trade surplus for the first 9 months of 1992 was down 23% from a year earlier, with imports up 14% and exports up 7.6%.

Taiwan's tax revenue for the first quarter of fiscal 1993 (which began July 1) increased to C\$14 billion, up 19% from the same period last year. The largest increase was in the land