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Governor's question-and-answer session in LegCo

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Following is a transcript of the Governor, the Rt Hon Christopher Patten's question-and-answer session in the Legislative Council today (Thursday):

Governor: I thought that I would allow more time for questions by not making a statement today.

Mr Szeto Wah (in Chinese): Mr Governor, the Executive Council has to observe collective responsibility and so does the Preparatory Committee. If we have a person who is both an Executive Councillor and also a member of the Preparatory Committee, when there are different decisions between the Executive Council and the Preparatory Committee, where should his responsibility lie? And should it be the first one that should take precedence or should it be the last one that should take precedence over the previous one? Thank you.

Governor: I congratulate the honourable gentleman on such a clever, thoughtful, intellectually provoking, constitutional question.

It's not for me to comment on the working practices of the Preparatory Committee. Save to say that perhaps it's easier to have collective responsibility and confidentiality in a body as small as an Executive Council or a cabinet and perhaps a little more difficult, and that's not meant as a criticism, it's a statement of my views on human nature, a little more difficult when you've got 150 people. But I wish those who are organising the work of the Preparatory Committee the best of luck in that respect.

As for the dilemma which the honourable member mentioned, I would very much hope that were there such a dilemma in practice, the member of the Executive Council and Preparatory Committee would use his own judgement and apply his own integrity to decide what the honourable course of action was. I think it's difficult to answer the question in the abstract. I would only add that knowing who the honourable member has in mind, I have no doubt at all that the honourable gentleman concerned would, in that case, as in others, behave with complete integrity.

Mr Szeto Wah (in Chinese): The ExCo and also the Preparatory Committee have rules of confidentiality, so this person who has membership in both, how should we advise him? Should he try and keep things from both parties or should he try and please both? How can he really play the role of a bridge effectively?

Governor: I think he should apply his integrity and common sense in this particular instance as he has in others. Speaking for myself I think it's wholly welcome that we have a distinguished businessman playing this bridging role, if it's possible. It may be that in due course the tensions become very difficult, in which case I'm sure that the honourable member concerned would know how to resolve them, but for the time being I think the arrangements work perfectly satisfactorily. I don't hide from the Legislative Council that the member concerned raised these questions with me, raised his own concern about them and I urged him to remain a member of my Executive Council because I'm sure he'll be able to play a valuable role. But if it proves too difficult, both for him and for the two institutions of which he is a member then I'm sure he'll know what to do.

Mr Chan Wing-chan (In Chinese): Mr Governor, the SARPC has been set up recently in Beijing. In Hong Kong we have over 90 members and the Government has said that it will work with the SARPC. My question for the Governor is this: will you show your sincerity and will you therefore ask to see Hong Kong members of SARPC, and if you will do so, how will you go about it? And if you won't, what are the reasons?

Governor: I'm sorry, the honourable member asked me to do what with the Hong Kong members of the Preparatory Committee?

The President: To meet.

Governor: To meet?

Mr Chan Wing-chan (In Chinese): To communicate with them, to listen to their views. They may have views for you, so will you actually take the initiative and ask to see them and meet with them so that you can listen to their views?

Governor: I would be delighted to meet them and listen to their views. And any time that they would like to come and see me, to see the Chief Secretary, to see other members of the Administration in Government House, we would be delighted to meet them. It has been my experience in the past that sometimes when I've asked people to come and meet me they have had very full diaries. I would hope that since we are talking about 94 people that there might be the odd space in one or two of those diaries over the next 17 months.

Let me go further. When the Vice Premier talked about the importance of the Preparatory Committee listening to people in Hong Kong and taking the views of people in Hong Kong; when, in the rules, I think, governing the conduct of the Committee it notes the importance of listening to all shades of opinion; I hope that that doesn't just include the Governor and members of the Administration but members of Hong Kong's representative institutions as well.

Mr Chan Wing-chan (In Chinese): Mr Governor, what I actually meant was, in order to show your sincerity in co-operating with the SARPC will you be inviting, taking the initiative to invite these people either together or in batches, to meet with you? Will you take the initiative in other words?

Governor: I think the honourable member has made a very sensible suggestion and I will be delighted to follow it up.

Miss Christine Loh: Governor, I'd like to ask you how you will put together your policy address, the final policy address later on this year, because you said in your last policy address that obviously you will have to perhaps do your next policy address in a completely different way? I believe the team designate, led by the future Chief Executive of course, may actually not be in place during the time when you are drafting your policy address. So I wonder whether you intend to work with the Preparatory Committee on the drafting of your policy address or how you are going to put it together?

Governor: I'll put it together with my customary application and verve, with the help of the excellent team of staff in the Hong Kong Administration. But self-evidently the Governor's policy address in the autumn of 1996, is going to be a very different creature to the policy addresses of the last decades. I daresay it will be unique because I guess that no Chief Executive Designate will be facing the same challenging caesura in Hong Kong's history that we face in 1997. I think it would be extremely foolish if I were to try to map out the next five years in the same sort of way that I did when I made my first policy address in 1992. What I'll want to do and I don't want to give away all my trade secrets at this stage, what I will want to do is to review progress in working through the five year agenda that I set out in 1992, I'll want to talk about the Joint Declaration and the progress we've made in trying to ensure that the Joint Declaration is a reality after 1997. I'll want to talk about Hong Kong's role in the world and I'll want to talk, without in any way being prescriptive about the future, about some of the challenges which I believe Hong Kong will face and perhaps suggest ways in which they could be addressed. But I certainly won't attempt to steal the thunder of my successor who will want to set out for him or herself the agenda for the SAR Government.

I promise the honourable lady that I will be shorter than I was last year, but I hope that there'll still be enough of interest to keep the honourable lady's attention.

Miss Christine Loh: Yes, thank you Governor. As you know, I've always, in the last two years at least, taken a particular interest in your policy address. I'm obviously interested in what you might do in future. But, from what you are saying, when you're putting together your final address, as you said, since you can't map out in the same way as you have in the past, what role will this Council have? Because of course in the past your Officers have also taken the trouble to sound out the feelings of this Council and the follow-up question is also, do you expect the future Chief Executive Designate to be putting forward his or her policy address before the transfer of sovereignty in 1997?

Governor: First of all, can I say that I'm sure that there will be enough in my own policy address to warrant the preparation, it's become one of the more pleasant rituals of Hong Kong politics, the preparation of a shadow address by the Honourable Lady. I'm sure that the community will look forward to that as much as it always does.

It is the case that my officials and indeed I've done it myself have discussed before my policy address with honourable members what they want to see in it and what they think our priorities will be. I'll still want to consult honourable members as much as possible but as I said, we're moving into a situation where I imagine the Chief Executive designate will be wanting to consult the community about what he is going to say and he is going to do for the future, or she.

I don't think that anybody can reasonably expect the policy address this year to be exactly the same sort of animal that it's been in the past, but I hope that there will still be plenty to discuss and I hope that it will at least in a general way point ahead to a number of the important challenges which Hong Kong still has to face.

Mr James Tien: Thank you Mr President. Governor, the business community has always been very supportive of an executive-led Government, especially in areas dealing with labour policy. As we all well know that on labour policy, businesses always will voice their concern, it's tough to make a living, rents are high and so forth, difficult to get people and on the employees side it's always complaining about unscrupulous employers not paying their wages, skipping town and everything. So all along, all this is under the Labour Advisory Board advising Government and under the good management of SEM. Government have been able to strike a right balance between the interests of the employer and the employee for long-term benefit of Hong Kong.

However, under the new legislature formed by, Governor, you, the balance seems to have tilted a little bit in favour of the labour side, together with the Democrats in this Council. Will the Governor shed some light, how should the business community tackle this problem? Shall we just decide to give our hands up, let the union leaders do whatever they want or (does) the Governor have some bright ideas for us? Thank you.

Governor: The Honourable gentleman raises an important question and perhaps I can respond at reasonable length.

First of all, it seems to me that when one look at Hong Kong's success in the area of labour relations, it's due less to the lead given by Government than by the co-operation that there's been, institutionalised through the LAB, between employers and employees. The Government has been there to hold the ring but by and large we've had exceptionally successful labour relations in Hong Kong because we've had a consensual approach to labour matters and because, as in so many other areas of Hong Kong's life, people have looked for co-operation rather than confrontation.

I happen to believe myself that there is no reason at all why the development of democracy in Hong Kong should threaten that and after all, we're only part of the way along the road. The Basic Law promises us, if that's what Hong Kong wants, a completely directly elected Legislative Council. It also suggests, in due course, the election by universal suffrage of the Chief Executive. So the process of democratisation which has begun in Hong Kong isn't suddenly going to end, it's going to continue and we have to learn to live with it and make it work in the best possible ways to underpin Hong Kong's strengths rather than to corrode them.

I think that the whole community would be very surprised indeed if any actions taken by this Legislative Council put at risk the consensual approach to labour matters and in particular, put at risk the LAB and its work. What are those who give their time and energy and commitment to the LAB to make of it, if after having reached a deal they find that deal chucked out by others. I quite understand the arguments about trying to ensure that the LAB has a better and closer working relationship with this Council. That's not in dispute. Our excellent Secretary for Education and Manpower is talking, I think to the honourable member among others, about how we can best achieve that. But I don't myself see how it's in anybody's interest to overturn a system of trying to deal with labour market problems which has worked extremely well and I don't think people in the community would understand that.

Let me just add one other point. We have heard a lot about the importance of consensus and co-operation and I welcome what we've heard. Perhaps the best example we've seen of consensus and co-operation was the work led by the Secretary for Education and Manpower to find a way of dealing with the problems associated with labour importation which could have the support, however reluctant, of employers and employees. We had summit's, we had meeting after meeting. We worked and talked and eventually we came up with proposals which got the endorsement of unions, which got the endorsement, whatever their reservations, of employers, which got the support I think of the majority of the community for dealing with labour importation. What is to be said for simply ignoring that, for driving a coach and horses through that as though all that work, all that consensus building was for nothing. I don't think that's an approach which the community would welcome and I very much hope that people will think again, just as I hope they'll think again about issues like fees and charges.

This is, I repeat, what I've said a thousand times before, an incredibly moderate community. It wants a more responsive Government, it wants a more accountable Government, but it doesn't want Government turned on its head and it doesn't want, with great respect, confrontation day after day. So I hope that we'll actually respond to the sort of community which Hong Kong has been and wishes to be in the way we develop all of our institutions.

Mr James Tien: Governor, for once I fully agree with what you have said on your views on labour relations, but unfortunately the union leaders in this Legislature plus the Democrats do not seem to agree with you. I fully agree with you that the hard work of the Labour Advisory Board members on both the employer and employee side should be well respected but based on what happened yesterday, you can see that this is not happening.

So would the Governor agree that on labour issues, since the Government cannot be executive-led, is it time to dissolve the LAB and let the manpower panel of this Legislature decide everything?

Governor: I certainly don't think that there's a case for dissolving the LAB, but I do very much agree with what the Secretary has been arguing for, that is, ways in which we can associate the work of the LAB more with the work of this Legislative Council. I think that yesterday's vote was most unfortunate. I think that it will have made a lot of employers, actually quite a lot of employee representatives as well, think 'what on earth is the point?'. What's the point of us making these commitments at meetings, if we're going to see people simply walk away from them. I think it's a way in which Hong Kong would start to import some of the worrying labour practices which have

done so much damage elsewhere. Which is not to say that everything which has been done for the last 45 years has been perfect. Which is not to say there aren't abuses, some of them abuses brought to our attention recently by the unions, in the importation of labour schemes. Let's be honest about it. There are problems on both sides but the people of Hong Kong don't want those problems addressed in a confrontational way.

It goes wider than labour relations. It touches on some of the issues that members introduce private legislation on. We've got a Housing Authority which probably manages the biggest public housing agency in the world. Which has probably the biggest public housing building programme. There are problems which need to be addressed in the way it works, nobody disputes that, but I don't think anyone seriously supposes that it makes sense, without any public discussion, without the sort of involvement of the community in the outcome, I don't think anybody seriously supposes the sensible thing to do is simply overturn it overnight without adequate public discussion and debate.

So it's an issue which touches on other matters as well, but I'm sure that good sense will prevail and I'm sure that people in Hong Kong will continue to expect our affairs to be conducted in as co-operative a way as possible with as much public and shared trust as possible and as I say, it covers the issues I have mentioned. It also covers, I think, the very strong feeling of people in Hong Kong that there isn't such a thing as a free lunch whatever may be done from time to time about fees and charges.

Mr Chan Kam-lam (in Chinese): Thank you Mr President. Mr Governor, I am sure you are well aware of what happened last evening; we had a very vigorous debate. A motion moved by Miss Emily Lau fearing that there might be a shadow government and a second power centre, and the motion urged us that there be one man one vote for the selection of the Chief Executive and also the Legislature. And the voting result was 26/26 and the President invoked a 19th century practice and put his casting vote. Mr Governor, if you had been in the Chamber then, how would you have cast your vote?

Governor: If I had been in the Chamber it would have been, I imagine, as President which is what the Governor of Hong Kong always used to be, and it is one of the real pleasures which other governors enjoyed which I have denied myself: the ability to sit for hour after hour in this Chamber and listen to the speeches made by honourable members. Had I been here, I would therefore have cast my vote in exactly the same way as the President did because he was following the constitutional proprieties in what he did.

Can I just add one other point. The Basic Law points the way, eventually, to the election by universal suffrage of the Chief Executive of the SAR of Hong Kong. And I'm sure that like most if not all members of this Legislative Council, I hope that that day comes sooner rather than later. I am democratic to the core of my being and feel very strongly that in any society the greatest legitimacy in credibility is provided through the process of election, and that goes for me as well as it goes for everyone else. Plainly, the business of election, the process of election, provides credibility and legitimacy in the way that appointment doesn't and can't.

In the shorter term there won't be election by universal suffrage but the process of election which is now being discussed by the Preparatory Committee will, we all hope, be as open and transparent and fair as possible. And I'm sure that the 14 members of this Council who arrived here by a process themselves which was transparent, open and fair, will ensure that those criteria are met in the selection of my fortunate successor.

The President: I should have ruled your question out of order for being hypothetical.

Mr Chan Kam-lam (In Chinese): Thank you Mr President. Mr Governor, a question: there were 17 rounds of talks between China and Britain and they failed, and the Chinese Government said that they would set up another stove. So, Mr Governor, at this point do you still attack this approach of a second stove?

Governor: First of all can I just make the point that if hypothetical questions were always ruled out of order in this Chamber, I'd have a much easier time. Which is no criticism, Mr President, of your own rulings but hypothetical questions are not unknown in this Chamber.

The President: There'd be less showtime then.

Governor: We might indeed have shorter question periods. We did have 17 rounds of discussions with Chinese officials in order to try to agree on arrangements for elections to this Council and, alas, we didn't succeed. I think that it is generally agreed, whatever people may think about the Chinese criticisms of our proposals, that the proposals themselves, in the event, were fair and open, commanded confidence here in Hong Kong, and produced a balanced and representative Legislative Council.

Now I ask myself why in those circumstances - particularly given all the checks and balances which exist in the Basic Law which perhaps don't exist today - I ask myself why would anybody want to change those arrangements. Would people like to change those arrangements in order to make the arrangements for a Legislative Council election more fair, more free, more open? Is that what the argument is all about? Are we going to have an even more democratically elected Legislative Council if this one is, as a matter of ill-judgment, dismantled in 1997?

There is no need, there is no reason for dismantling this Legislative Council. I remind honourable members of something that I said earlier: Hong Kong is promised a steady and increasing pace of democratisation. We have only just started along the road. Either that process is genuine or it's not, and that I think is what the argument in 1992 and 1993 was largely about.

The President: You had already. Are you that the question has not been answered?

Mr Chan Kam-lam (in Chinese): Yes, my question is not answered. Thank you Mr President. With regard to my question, it is not a hypothetical question it's a reality. In fact the Governor has once said that he didn't want to see a second stove. And in fact the Preparatory Committee is doing what the Chinese side have planned, they are going to build the second stove and the Governor said he will co-operate fully with the Preparatory Committee. I find it strange that if he is thinking about another thing and he is doing something else, then how can he co-operate sincerely with the Preparatory Committee? I hope the Governor and the present team of senior officials will sincerely and truly co-operate with the Preparatory Committee.

We see that another debate on a resolution before coming to any agreement somebody brings something before the Council in order to achieve something. I don't want to see that again.

Governor: Well, I think we're perhaps suffering from the stove metaphor. As I understand it, a second stove was a phrase coined for the Preliminary Working Committee and meant - whether this was the intention or not - meant the attempt to have a rival centre of power in Hong Kong, another place where you could cook the dinner. I don't think that that is what the argument about the Legislative Council is about because we are talking, as I understand it, about a future stove rather than a second stove.

Answering in that context, let me remind the honourable member of what I have always said. I've always said that we would want the maximum co-operation with the Preparatory Committee provided - and these were the reasonable parameters I spelled out I think first of all in 1984 - provided that is in line with the Joint Declaration, provided it's in interests of Hong Kong and the people of Hong Kong and so on. We gave some perfectly reasonable conditions.

I don't think that it would be in the interests of the people of Hong Kong to chuck this Legislative Council out or to try to turn the clock back on the process of democratisation in Hong Kong. I don't think it would be in the interests of the people of Hong Kong to try to go back on the promises that were made about elections in the Joint Declaration and subsequently. So I see no reason at all why the Government should collaborate in the destruction of this Legislative Council to which it is accountable.

Mr Tsang Kin-shing (in Chinese): Thank you Mr President. Mr Governor, whether it's lucky or not, last Wednesday, no last Friday you didn't pass Hau Tak Estate. Actually you like to visit many places in Hong Kong. Last week if you passed Hau Tak Estate, you would be crushed under the footbridge. I don't know whether you are lucky or not but somebody was unlucky.

On the whole, in terms of industrial safety, I think the Government has not done its part in terms of licensing of construction workers, there is no such licensing apart from plumbers.

I'm talking about labour issues. I'm not talking about the Preparatory Committee. Well my question on the Preparatory Committee cannot be answered by the Governor.

Concerning the Chek Lap Kok airport, the Chek Lap Kok airport is having a size similar to that of the Kowloon peninsula but there is no emergency hospital service, it's a labour issue.

In recent months there are problems with the imported labour, you had summit meetings. The foreign workers were dismissed. The Government has done nothing about it. Does the Government admit that there is not enough manpower in monitoring the importation of foreign workers and you have not done your part? .

Governor: First of all can I offer my sympathy to those who suffered as a result of the bridge collapse.

Can I also say that I agree with the concern which the honourable member has about Hong Kong's record of industrial safety and in particular, of safety in the construction industry. We have, partly at the prompting of the honourable member and some of his colleagues, taken over the last couple of years a number of steps in the area of industrial safety which I hope will lead to a considerable improvement in our record, not just in the construction industry but in manufacturing industry as a whole. There have been some improvements in the figures, but we've still got a long way to go to meet the sort of goals which a society as prosperous and successful as this should set for itself.

On the question of abuses of the labour importation scheme, particularly in relation to the ACP, I think the honourable member is aware of the considerable efforts the Government has made over the last few months. First of all, to tighten regulations and secondly to route out abuses and thirdly to provide more information to those who come into Hong Kong to work about their rights in general and their entitlements under their contracts in particular. Many of the proposals that we've put forward have been at the prompting of representatives of employees and I'm grateful for that. There are further proposals that we're acting on, which I hope will mean that we see no abuse in the future. We do need the importation of some labour in order to complete the ACP but, of course, priority has got to be given to local employees, not least local employees in the construction industry and the honourable member will know we've set up an office to try to ensure that we get more local employment to match local vacancies in airport core programme projects.

We will continue to pursue any instances where our labour law or our immigration law is abused by contractors or sub-contractors. It's absolutely essential that any importation of labour is pursued with the maximum integrity and that those who come and help in the building of Hong Kong enjoy the protection of our labour laws.

Mr Tsang Kin-shing (in Chinese): Mr President, I don't believe the Governor has answered one of my questions. That is, whether there will be an A & E Department in the airport in order to treat people suffering from accidents, because the airport is in a very remote place?

And then secondly, there's been dodging of wages and it is only because we've got pressure from the labour sector and we have got all these cases exposed and there's been reprisal. So would the Governor agree that from 1991 - 1996 there's been dereliction of duty with the Administration?

Governor: First of all the question of Accidents and Emergencies and the provision of proper facilities, perhaps I can look into that question which hasn't been raised with me before and get in touch with the honourable member when I've had an opportunity of talking to the Health Department and the Hospital Authority and the Airport Authority as well, and I'll let the honourable member know our views on that.

Secondly, I hope that the honourable member will accept that the new measures that we've brought in will ensure, or will come as close to ensuring as we can, that people don't have their wages docked, their wages cut for phoney purposes, large amounts taken away for allegedly the cost of meals or whatever. We know some of the things that have been done in the past and we want to stop them happening in the future. I don't think that it's fair to say that the Government has been guilty of dereliction of duty. I do think that any sensible Government, when it finds abuse in the system, works as rapidly as possible and as openly as possible to deal with it and that's what I hope we've been doing.

Dr Law Cheung-kwok (in Chinese): Thank you. When we talk about the setting up of SAR Government a lot of people in our community are very concerned and very worried that the SARPC will not take on board our views. So under such circumstances what can the Governor do for us?

Governor: Well, the Governor can continue to hope that the Preparatory Committee will do what it's Director, the Vice Premier suggested, which is to listen to the views of Hong Kong and listen to as wide a cross-section of the views of Hong Kong as possible. As I was saying a few moments ago, fourteen members of this Legislative Council have the honour and the responsibility of also being members of the Preparatory Committee and I'm sure that they will know how important it is for the credibility of themselves and of the Preparatory Committee that it is seen to take the greatest possible account of local opinions and that it's seen to respond as openly and comprehensively as possible to local concerns. It's not provocative to say that, it's a statement of the blindingly obvious.

Dr Law Cheung-kwok (in Chinese): I'm afraid I'm not satisfied with your reply Mr Governor. It seems as if you are saying that there's very little you can do. May I give you a concrete suggestion, that is, will the Administration consider this? When we talk about a promise in relation to the SARPC, then the Administration will have a large-scale survey done?

Governor: Well, the honourable member will know that I'm not myself a member of the Preparatory Committee and that I'm not responsible for its operations and I think were I to take the sort of action which the Honourable member has suggested, it would be regarded by PRC officials and by Members of the Preparatory Committee as a shade beyond my real responsibilities. I'm looking at one or two members of the Preparatory Committee to see if that observation is rejected consumedly, but I get the impression from the body language around the Legislative Council, that were I to propose taking surveys, public opinion surveys on the Preparatory Committee's work, it might be thought to be a fourth violation to add to the three non-violations of which I'm sometimes unfairly, ill advisedly accused.

But I assume that the Preparatory Committee will take account of public opinion, that it will be aware of the fact that there were opinion polls taken on, surveys undertaken on the work and credibility of its predecessor body which told a certain message and the message which I'm sure members of the Preparatory Committee would wish to be different when we're thinking about its own work.

Mr Lau Chin-shek (in Chinese): Thank you. In answering the question on labour relations asked by Mr James Tien, it seems as if the Government's position is rather equivocal and vague. Actually, there is tripartite responsibility here: the Government, the employers, the employees. Now when we talk about labour issues - employment, unemployment, safety - we seem to be faced with an increasing number of problems and it has been said that there is no long term labour policy.

Now, when we deal with labour policy we don't really have a separate policy branch and we have the EMB and the Policy Secretary is responsible for education and manpower. These actually are quite different issues in fact, so can consideration be given in separating them and to have a separate Policy Secretary for Labour? Will you consider that? If you don't, what are the reasons?

Governor: First of all, I am not sure that what I said on labour issues was vague. I think a lot of people will be saying, tomorrow, that it was all too clear. I do wholly endorse, wholly endorse, what the honourable member said about the importance of tripartite policy in this field. And I know that on a number of occasions the Honourable Member has himself stressed the importance of trying to deal with some of these very difficult problems, some of which have been on Hong Kong's agenda for years, by as co-operative an approach as possible. So I totally endorse tripartitism and hope that we can retain it.

I don't believe that criticisms of the Labour Department are fair. I think we have seen, not least in recent disputes, the Labour Department providing conciliation services in an exceptionally effective way and I would like to commend those who have done this difficult work for what they have achieved. I don't think one can entirely overlook, when one considers the work of the Labour Department, the astonishing record in the labour field of Hong Kong over recent years, the extraordinary low number of days lost through disputes, which is above all a tribute to the common-sense and decency of Hong Kong's work force but also a tribute as well to employee representatives and to employer representatives as well. I suppose one should also say that you are more likely to have decent labour relations when you are having the sort of economic growth that Hong Kong has enjoyed than if your economy is stagnating.

The question of institutional arrangements should therefore, I think, be seen against that backdrop and I don't - though it is not a question for me of principle and it is not a question on which I have got an entirely closed mind - but I don't see the advantage in separating education from manpower. Indeed, in some other countries we've seen in recent years them moving in the direction of Hong Kong and previously separated Departments of Labour and Education have been brought together. That has happened recently in the United Kingdom but I think it has happened in a number of other OECD countries as well. Why? Well, one reason is because of the growing recognition that education and skill-training are the most important elements in any labour market policy. Another reason is because of the overlap between academic learning and vocational training.

I think it is deplorable that for many years developed countries - and I hope this won't ever happen in Hong Kong - took the view that these different forms of education and training should be put into completely separate boxes, when in fact there are a number of overlaps between them. So I don't actually agree with the honourable gentleman on that institutional matter but as I say, it is not a matter on which I have got a closed mind and if he ever wants to talk to me further about it, my door is open.

Mr Lau Chin-shek (in Chinese) : I was waiting for the interpretation. Mr President, with regard to my question, I have not criticised the Labour Department; the Labour Department is only an executive arm. With regard to its efforts I would like to express my commendation towards the Labour Department. Actually, a lot of their staff are worked to ill-health; they have devoted much of their effort to their job.

I am talking about the Education & Manpower Branch. You said that there is a relation between education and manpower. Now let me talk about labour instead of manpower; labour is a clearer sector. If there is a branch to look at employment and the future development of manpower it should be something to be separated from education because there is a heavier workload for the labour sector. I hope you will consider my suggestion.

Governor: As I said, I don't rule out thinking about that as a matter of principle but I do think that there are practical advantages in relating education and labour market policies, and skill-training is only one aspect of that.

I acknowledge what the honourable member said in the first part of his second question when he paid, with his typical courtesy, a deserved tribute to the officials who work in the Labour Department and related areas.

Mrs Elizabeth Wong: Thank you Mr President. Governor, I shall not ask a hypothetical question, I would like to return to the question on working relations with the Preparatory Committee. I read in the papers - and I always believe what I read in the papers - that several thousand crack members of the Chinese Garrison will be posted to Hong Kong. And also, according to the papers, each soldier will be paid a miserable wage of between \$800 - \$1,100 per month - Hong Kong dollars - which is in fact less than Hong Kong's CSSA. Now some Hong Kong people feel very concerned about this as it is not fair to these soldiers; the cost of living in Hong Kong is very high compared with that in China.

My question is, if you ever get to exchange views with members of the Preparatory Committee, would you consider suggesting that the Chinese Garrison posted to Hong Kong should get a Hong Kong cost of living allowance additional to the salary, payable by the Chinese Central Government since defence and foreign affairs are strictly matters for the Chinese Government?

Governor: I think the Honourable lady's question will have made her even more popular in the People's Liberation Army than she doubtless is already. I think the fact that the honourable lady has raised the question will ensure that it gets public attention. I don't think it would be proper for me to comment on the pay and conditions of service of members of the PLA but obviously the Honourable lady raises a realistic issue.

I have to say in passing that though they are paid rather more, I think some members of the British Garrison in recent years have found the cost of living, not least the cost of beer, in Hong Kong rather more than they think their wages allow for.

But I hope that the PLA Garrison will behave with the same discipline and courtesy and restraint which has been shown by and large over the years by the British Garrison. And I very much hope that my successor, the Chief Executive, will find as I've found, that there is no need for anybody ever to question me or question him or her about the role of the Garrison. I am in a rather different position to the Chief Executive because I am Commander in Chief as well as Governor but I hope that the relationship between the Chief Executive and the distinguished General who is commanding the Chinese Garrison will be so close that the constitutional difference won't matter.

Mr Leung Yiu-chung (in Chinese): Mr President, recently, many people said that in the new term of the Council there are many labour representatives in this Council and the Democrats are fighting for the benefits of the workers and some investors will no longer invest in Hong Kong. Yesterday, the same argument was put forward before this Council and today, some Members also reiterated this point. And these views were also reflected to the Chinese Government.

In the Preparatory Committee we discover that the majority of the Preparatory Committee members come from the business sector. The people from the grassroots and also the workers are very concerned. Will the rights and benefits of the workers in future be reinstated so that what people are now enjoying will be taken away? They are very worried. How is the Governor going to solve this problem for the grassroots people?

Governor: I don't want to sound ideologically hostile to Marxist or Leninist ideology but one of the reasons for Hong Kong's success over the years is that it has never been subjected to a class war; it has never had to endure class war politics. As I said earlier, politics have been incredibly moderate and people have proceeded on the basis of co-operation and consensus wherever possible.

I don't think that it is only union members or representatives who care about the well-being of workers. There would be no centre-right government in the world if that was the case. And we all know of employers who have played leading roles in improving not only the conditions of work but the social conditions beyond of their work force.

Above all, of course, what employees want is a job. And in order to have a job they need an employer who can run a business in a competitive way and make enough profit to invest in the future. And that is a factor that we need to bear in mind when considering developments of labour policy and labour market policy here in Hong Kong.

We are - coming to the honourable member's specific question - we are, as members of the LAB know, reviewing a broad range of labour market issues, some of which have been on the agenda in Hong Kong for very many years, some of which have probably been on the agenda for too long, for too many years. But we are trying to find ways of dealing with them in that tripartite way commended earlier by Mr Lau Chin-shek and certainly commended by the Governor and the Administration of Hong Kong. I don't think that it helps to see these issues in them versus us terms. I hope we can see them in a more co-operative spirit.

Mr Leung Yiu-chung (in Chinese): Mr Governor, well, I think it's just wishful thinking; people doubt about it. Yesterday in the debate, workers are only asking for their lawful entitlements but they are criticised by the business sector. I want to ask you the question: before 1997, in order to protect the well-being of workers and in order to avoid retrogression, will you pass laws to protect the status of unions so that unions can protect the well-being of workers? Say, can there be legislation for collective bargaining and also unfair dismissal so that the rights of the workers can be protected, so that workers can have equal footing with employers?

Governor: A moment or two ago the honourable member may have inadvertently missed my reply. We are reviewing a range of labour market issues at the moment, including some of those touched on by the honourable member, and I hope that we can find ways of addressing them which enjoy the support of employees and employers in the LAB however its relationship with this Legislative Council develops.

I say this to the honourable member. Unless we do find ways of tackling these issues co-operatively, those ways won't survive. If we want serious improvements in people's working conditions, if we want serious improvements in their terms of employment and so on, then those changes have to be made with support across the community, otherwise they are not going to survive into the indefinite future. That would make any efforts in the next year or so entirely nugatory, entirely abortive. So, I hope that we can proceed in a way which maximises co-operation rather than maximises confrontation.

End

Government committed to defending press freedom

* * * * *

The Chief Secretary, Mrs Anson Chan, said today (Thursday) that the Government remains fully committed to promoting and defending the principle of freedom of the press.

Speaking at the launching ceremony of Nihon Keizai Shimbun in Hong Kong, Mrs Chan said the large number of newspapers which were available in Hong Kong today clearly added vitality to the community and demonstrated the success of this policy.

"Whilst our sovereign power will change on July 1 next year, the faithful application of the 'one country two systems' formula would ensure that freedom of press will continue in Hong Kong," she said.

"The Government, media proprietors and practitioners all need to work together to secure the faithful implementation of the guarantees laid down in the Joint Declaration and in the Basic Law.

"We must ensure that Hong Kong remains as free and open a society as it is today."

Mrs Chan said civil servants had become accustomed to critical comment, which was an almost inevitable consequence of embracing freedom of press.

"Constructive criticism is always useful in helping us look at situations from different perspectives.

"This is a healthy development and one which indicates to me a high degree of maturity in our society," she said.

End

CS on request from PAC for access to ExCo papers

* * * * *

The Chief Secretary, Mrs Anson Chan, has today (Thursday) replied to the Chairman of the Public Accounts Committee (PAC), Legislative Councillor Mr Eric Li, on PAC's latest request for the disclosure of Executive Council (ExCo) papers related to the review of the housing benefits provided by the Hospital Authority to its staff by the Director of Audit in his Report No 25.

In her reply, the Chief Secretary said the Administration had, after careful consideration and consultation with ExCo, reaffirmed its previous conclusion that it was in the public interest for ExCo papers to remain confidential and that they should therefore not be released to PAC.

She stressed that it was essential to maintain this long-standing and important principle in order to ensure the proper functioning of ExCo, which was clearly in the public interest.

The Chief Secretary also expressed full appreciation of the hard work of the members of PAC and reassured the chairman that the Administration was committed to assist PAC in its inquiry as far as it possibly could.

She reiterated that full details of the relevant parts of the ExCo memoranda and discussions relating to the decisions taken on the remuneration package for Hospital Authority staff had already been provided to PAC, and that she did not therefore believe that the disclosure of the ExCo papers requested would give PAC any additional assistance in its inquiry.

End

HK to continue to prosper and grow beyond 1997

* * * * *

The formula for Hong Kong to succeed will not be changed by 1997 and Hong Kong will continue to prosper and grow as the partnership between Hong Kong and China intensifies.

This was stated today (Thursday) by the Secretary for Financial Services, Mr Rafael Hui, when he addressed the Investors' Forum of the Money World Asia, Hong Kong 1996 Exhibition at the Hong Kong Convention and Exhibition Centre.

Mr Hui said this would be possible as long as businessmen continued to play their part and held fast to those values, beliefs and rules of the game that had made Hong Kong so successful and had enabled their businesses to flourish.

"It has been said that Hong Kong is about business, as it was in the beginning, is now and ever shall be," Mr Hui said.

The Hong Kong Government was only too aware of this and had tailor-made its fiscal policies all along to encourage businessmen to come here and set up their business, he said.

"Our taxes are low, simple and clear. We believe in, and we practise small government: we religiously ensure that the growth rate of public spending does not outstrip the growth rate of the economy, and that there will still be sufficient resources to operate a high standard of public services," he said.

"The rule of law is staunchly upheld; there is freedom of movement of people, money, goods and services, and the playing-field is fair and level.

"The people in Hong Kong are only too aware of what make Hong Kong tick and have taken full advantage of the environment to do business."

The result was a highly prosperous Hong Kong with an economy which had out-performed so many others, Mr Hui added.

"In short, there is a strong consensus between the public and private sectors that the economy has to come first," he said.

"This ethos is very much entrenched. It is a way of life and philosophy to most individuals, not just businessmen.

"It would take much more than a change of sovereignty to change that attitude, and it won't just vanish into thin air. It is not just a flair for doing business; not just a desire to make money; it is also a deep appreciation of the essential ingredients, the essential values that are necessary to create the Hong Kong environment for doing business, and a readiness to embrace those values."

It was obvious that China understood and had always understood the Hong Kong way of doing business, he pointed out.

Citing examples, Mr Hui said both the Sino-British Joint Declaration and the Basic Law included extensive references to the maintenance of the current social and economic systems in Hong Kong, and the references to economic and financial matters were particularly extensive and detailed.

Another example was the heavy representation from the business and professional sectors, which, together constituted over 70 per cent of the Hong Kong contingent on the Preparatory Committee.

"This in fact, has been a cause for criticism from some quarters, but I dare say that businessmen are not complaining," Mr Hui said.

"Criticisms apart, this is yet another clear articulation of the importance China attaches to the business sector for the maintenance of prosperity and stability in Hong Kong.

"The fact is that business, commerce and trade have been integral parts of Hong Kong's success, and China would like to see Hong Kong continue to be successful," Mr Hui said.

End

Reply to critic of scale fees abolition proposal

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The Attorney General, Mr Jeremy Mathews has replied to the President of the Law Society, Mr Roderick Woo regarding the views of the Vice President of the English Law Society, Mr Robert Sayer against abolition of scale fees in conveyancing work. The views of Mr Sayer were enclosed in a letter to Mr Mathews by Mr Woo, and enclosed in Mr Woo's newsletter to Law Society members.

In his response Mr Mathews pointed out that in recent years, England had suffered its worst recession this century and this had inevitably affected solicitors in many areas of their work. The volume of domestic conveyancing halved between 1988 and 1992 and prices fell in real terms between 1986 and 1993 by 45 per cent.

Mr Mathews suggested that it was these events, not the abolition of scales fees, that was "the biggest disaster to hit the legal profession in the last two decades", to quote Mr Sayer.

He noted that the English Law Society's special working party on conveyancing services had made a number of findings, including the conclusion that compulsory and recommended fees scales would be unworkable and ineffective.

These were not the conclusions of those who "do not understand the conveyancing procedure or are blind to reality", but of members of the English Law Society's own special working party on conveyancing, he said.

Mr Mathews also pointed out that the English Law Society was anxious to overcome the problems that had arisen in respect of conveyancing, but was not proposing to reintroduce mandatory scale fees.

This was understandable, he said, given that the society's special working party on conveyancing stated that: "We have been advised that any scale of fees (whether compulsory or recommended) would be impossible to justify in the public interest in any (Monopolies and Mergers Commission) investigation."

It was misleading, Mr Mathews added, to refer to the abolition of scale fees as "the English experiment". Scale fees have been abolished not only in England, but also in New Zealand, Canada and most parts of Australia. That abolition was not "an experiment" but was a recognition of the fact that scale fees were anti-competitive and irrational, and could not guarantee the quality of conveyancing services, he said.

The following is the contents of the response by Mr Mathews:

Legal Fees for Conveyancing

Mr Robert Sayer's assumption that the problems referred to in his letter were caused by the abolition of scale fees is not supported by any empirical evidence.

Problems in England

Scale fees were abolished in England in 1973. Six years later the Royal Commission undertook a comprehensive study of conveyancing throughout the country. There is no reference in the report to any of the problems referred to by Mr Sayer.

In recent years, England has suffered its worst recession this century and this has inevitably affected solicitors in many areas of their work. The volume of domestic conveyancing halved between 1988 and 1992. Prices fell in real terms between 1986 and 1993 by 45 per cent. I suggest that it was these events, not the abolition of scale fees, that was "the biggest disaster to hit the legal profession in the last two decades", to quote Mr Sayer.

An equally profound change occurred in the financial services industry, where keen competition developed for the sale of a wide range of complex financial products. This development gave financial institutions a considerably enhanced influence over all aspects of the housing market.

It is clear that solicitors in England have been faced with serious difficulties in recent years, and many have become bankrupt. But there is no basis for assuming that things would have been different had scale fees still been in place. On the contrary, in March 1994, a report of the English Law Society's special working party on conveyancing services included the following findings -

"because of the state of the market, a compulsory or recommended scale of fees will be undercut while competitive advantage can be gained by doing so."

"We have concluded that compulsory and recommended fee scales would be unworkable and ineffective."

"Research has yet to establish a link between unrealistically low prices and higher-than-average levels of complaints or indemnity claims."

These are not the conclusions of those who "do not understand the conveyancing procedure or are blind to reality," but of members of the English Law Society's own special working party on conveyancing.

The statements in Mr Sayer's letter about corners being cut, claims against the Indemnity Fund increasing, and the activities of one firm in South London, are not demonstrated by the writer to be related in any way to the abolition of scale fees. Moreover the former chairman of the special working party on conveyancing, Mr Paul Marsh, wrote only last month that -

"Unhappily, claims about the level of negligence from conveyancing are exaggerated. Between 1987 and 1994 the profession conducted over 23 million conveyancing transactions, yet the Solicitors Indemnity Fund (SIF) had only 17,125 claims. In other words, seven claims for every 10,000 transactions. Despite extensive research no conclusive connection has been found between low cost conveyancing and negligence. There is no evidence available at the present time to begin to suggest that scale fees are necessary to protect the public from negligence."

The cure for English problems?

The English Law Society is anxious to overcome the problems that have arisen in respect of conveyancing, but is not proposing to reintroduce mandatory scale fees. This is understandable, given that its special working party on conveyancing stated that -

"We have been advised that any scale of fees (whether compulsory or recommended) would be impossible to justify in the public interest in any [Monopolies and Mergers Commission] investigation."

One of the main proposals (see note below) is that there should be guideline minimum fees, and that any solicitor charging lower fees should not be covered by the collective indemnity fund. However, any such change would need to be approved by the Master of the Rolls, Sir Thomas Bingham, who has already warned that the proposals may be unlawful or contrary to public policy.

In addition to the proposals in the Council's resolution, other proposals have made for improving the quality of conveyancing services in England. The special working party on conveyancing recommended the adoption of quality assurance standards and a Conveyancing Quality Mark. Its former chairman has recently proposed a Conveyancing Charter. These proposals recognise that quality cannot be assured merely by increasing fees.

The "English experiment"

Reference to the abolition of scale fees as 'the English experiment' is misleading. Scale fees have been abolished not only in England, but also in New Zealand, Canada and most parts of Australia. That abolition is not 'an experiment' but is a recognition of the fact that scale fees are anti-competitive and irrational, and cannot guarantee the quality of conveyancing services. Moreover, I am not aware of any jurisdiction that has abolished scale fees and has subsequent re-introduced them.

The public interest

The Law Societies of Hong Kong and England are entitled to their views of what is in the public interest. However, consumer groups in England and Hong Kong, and a clear majority of those who responded to the Consultation Paper on Legal Services, support the abolition of scale fees.

Note - Resolution passed by the Council of the English Law Society on December 14, 1995 -

The Council resolves:

(a) As a matter of urgency to obtain the advice of leading Counsel on the constitutional competition and vires issues of the matters which are the subject of consultation under paragraph (b).

(b) To undertake consultation as soon as possible thereafter as to whether the Law Society should:

(i) Publish guideline fees for such conveyancing transactions as shall be defined by the Council after consultation.

(ii) Seek amendments to the Solicitors Indemnity Rules with the intent that SIF indemnity cover should not generally be available in cases where fees are charged at rates lower than provided by the guidelines, but that in such cases solicitors should be required to arrange their own insurance cover through an authorised insurer.

(iii) Introduce mandatory conveyancing quality standards in return for the establishment of a reasonable level of mandatory minimum fees.

(iv) Take other action to procure reasonable fees and quality standards and procedures in conveyancing transactions.

(c) To authorise the Property and Commercial Services Committee and the Indemnity Working Party to settle the final text of a consultation paper setting out all relevant information and considerations in the light of the Council debate.

(d) That the consultation paper should be circulated to every solicitors' firm, local law societies and other interested parties.

(e) To authorise the President to approach the Master of the Rolls as part of the consultation exercise.

(f) To ask the Property and Commercial Services Committee and the Indemnity Working Party to set dates by which the consultation paper should be circulated and responses to the consultation should be made so as to allow changes of Rules to be considered by the Council no later than April 1996.

Agreed unanimously.

End

Concern over PE tragedy victim expressed

* * * * *

The Director of Education, Mrs Helen C P Lai Yu, today (Thursday) expressed concern over the Primary 5 pupil who died after a Physical Education (PE) lesson yesterday and sent condolences to members of her family.

Speaking in response to media enquiries on the tragedy, Mrs Yu said the existing PE Guidelines issued by the Education Department should be adequate and she was confident that school authorities had observe the guidelines closely.

Mrs Yu had been in consultation today with the Director of Health, Dr Margaret Chan, who agreed that parents with reason to suspect their child to be suffering from certain illnesses in need of specialist medical advice may approach the Department of Health for referral. Their child will then be referred to appropriate medical practitioners for examination if necessary.

Mrs Yu also appealed to parents that they should take early precaution for their children. They should participate in the new Student Health Service for timely health screening.

End

Draft Patents Bill to protect inventions

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A draft Patents Bill, which provides for a new patent system in Hong Kong for the protection of inventions, has been issued for consultation today (Thursday).

A government spokesman said: "The draft Patents Bill sets out the procedures for obtaining and maintaining patents in Hong Kong, the rights given to the owners and provisions for enforcement.

"It also includes provisions for short-term patents, also known as petty patents, which will protect inventions with a short-term commercial life.

"This will provide a new alternative form of protection for inventions for the many local businesses which make products with a short-term commercial life."

The spokesman noted that the existing patent law in Hong Kong relied on the United Kingdom patent law.

He said: "The existing patent system in Hong Kong is basically a system of protection in Hong Kong of a patent granted by the United Kingdom Patent Office or the European Patent Office designating the UK. To be protected, the overseas patents must be registered in Hong Kong.

"The proposed new patent system will provide for the grant of an independent patent in Hong Kong.

"The owner of a UK patent, a European patent designating the UK or a Chinese patent will be able to obtain a patent in Hong Kong based on the patents granted by authorities in these countries," he added.

The spokesman said: "The draft Patents Bill largely follows the recommendations made by the Patents Steering Committee in its Report issued in May 1993.

"It also reflects the agreement reached in the Sino-British Joint Liaison Group in November 1995."

The draft Patents Bill has been issued to concerned parties in the industrial, professional and academic fields for their comments before its introduction into the Legislative Council.

The consultation period will last until early March and the Bill is expected to be introduced into the Legislative Council during the current Legislative Session.

End

School placement help for Chinese immigrant children

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The Education Department has set up a team at its headquarters to help newly arrived immigrant children from China find a place in Hong Kong's primary and secondary schools.

The central placement team, comprising three principal education officers and a secretary, will serve Chinese immigrant children who have difficulties in finding a school place in their district of residence.

The three principal education officers from the department's Schools Division are in charge of Hong Kong, Kowloon and the New Territories regions respectively.

The Assistant Director of Education (Schools), Mr Kwan Shu-tsun, noted that in the past, immigrant children who could not find a school place from a particular District Education Office had to be referred to another District Education Office, which would take some time.

The problem usually happened with those looking for secondary school places, of which there were comparatively fewer, he said.

"The setting up of a central placement team at headquarters is to improve the previous arrangement," Mr Kwan said.

"Under the new arrangement, District Education Officers who cannot find a place for immigrant children in their respective district or encounter problems with unco-operative school heads will bring the case to the attention of the central placement team. The team has vacancy information about schools in every district in the territory and is able to make a quick decision on where the child should go to attend school."

"The department will then contact the school to which the child is supposed to go. If the school head agrees, admission arrangements will proceed immediately," Mr Kwan continued.

"Should the school head disagree, Education Department staff will explain the decision, stating why there is no better alternative.

"If the school head still refuses without a good reason, the Director of Education will have to exercise his powers under the Code of Aid to place the immigrant child in the school."

Schools may appeal to the Advisory Committee on Pupil Placement against the decision. The committee, membership of which is mainly non-official, will consider the justifications submitted by the school and then advise the Director of Education.

Mr Kwan said factors such as the pupil's language abilities and the convergence of curriculum would be taken into account in arranging school placement.

"There are bound to be differences in curriculum between China and Hong Kong. Perfect matches are sometimes out of the question," he said.

"I hope that schools will understand this and co-operate with the Education Department. We should first solve the problem of the child not attending school. Schools can then provide counselling and other forms of assistance to help the child integrate into the local education system."

Meanwhile, the Education Department will, from February or March, distribute a newly published pamphlet to Chinese immigrant arrivals at Lo Wu. The pamphlet, complete with a postage-paid reply envelope, will help collect information about immigrant children.

Departmental staff will then contact the parents of the immigrant children to find out the position of their schooling and to offer assistance as necessary.

Mr Kwan said the department was not expecting a large number of cases to be referred to the central placement team.

"This is because the vast majority of cases, particularly those looking for primary school places, can be resolved at district level," he said.

End

Seminar to tackle child abuse

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About 200 child welfare professionals will attend a seminar tomorrow (Friday) to exchange views and ideas on how to tackle child abuse.

The professionals comprise social workers, doctors, clinical psychologists, police officers and child care workers.

The seminar, organised by the Tai Po/North District Committee on Child Abuse, will be held at the Riverside Ballroom of the Regal Riverside Hotel, Tai Chung Kiu Road, Sha Tin, at 9.30 am.

Regional Officer (New Territories East) of the Social Welfare Department, Mrs Katherine Shin, will officiate at the seminar.

The Tai Po/North District Committee is one of the five district committees set up in 1995-96 to better co-ordinate multi-disciplinary resources against child abuse on a district level. Other district committees have been set up in Eastern/Wan Chai, Tuen Mun, Sham Shui Po and Kwun Tong districts.

End

Four nominations received for DB by-election

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A total of four nominations were received for the Tuen Mun District Board by-election in respect of Tin King constituency to be held on March 3, after the two-week nomination period closed today (Thursday).

Ms Li York-lan, a 41-year-old teacher, withdrew her candidature today.

Details of the nominations are as follows:

<u>Name(Age)</u>	<u>Occupation</u>	<u>Tel No</u>
Mr Lee Hung-sham, Lothar (46)	Senior technical officer	2465 5140 (day) 71139998-1002(pager) 9463 5353 (night)
Ms Ho Hang-mui (38)	Teacher	2457 3706 (day) 7888 2697 (night)
Mr Tse Yee-fong (39)	Technician	2453 2077 (day) 2455 1233 (night)
Mr Lee Yiu-hung (32)	Master degree student	2467 6321 (day) 71109138-907(pager)

End

109 VMs depart on orderly repatriation flight

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A group of 109 Vietnamese migrants (VMs) returned by air to Hanoi, Vietnam, today (Thursday) on the 29th flight under the Orderly Repatriation Programme (ORP).

All but six of the returnees, comprising 62 men, 25 women, 14 boys and eight girls, are from South and Central Vietnam.

The majority of them arrived in Hong Kong in 1991, with the remaining in 1988, 1989, 1990 and 1995.

The group brought to 1,958 the total number repatriated on ORP flights since November 1991.

The Refugee Co-ordinator, Mr Brian Bresnihan, said most of the returnees on today's flight were transferred from High Island Detention Centre to Victoria Prison on January 25 and 26.

"After counselling by Correctional Services Department staff, they came forward voluntarily for the transfer.

"This is encouraging and I certainly hope that all the VMs in our camps who have been determined as non-refugees will accept that they have no future in Hong Kong and must return to Vietnam," he said.

End

Monitors' Report submitted to CS

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The monitors appointed to observe the Orderly Repatriation Programme operation this (Thursday) morning have submitted their report to the Chief Secretary.

The monitors were Mr Chiu Chun-bong, a Justice of the Peace, and Mr Christopher Stokes from Medecins Sans Frontieres.

End

Kwun Tong District Festival to begin

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The Kwun Tong District Festival '96, featuring a wide variety of artistic activities to encourage community participation, will be launched on Sunday (February 4) and last until February 11.

Speaking at a press conference today (Thursday) to announce details of the annual festival, Kwun Tong District Officer, Mr Tsang Hing-kay, expressed hope that it would help to create a harmonious atmosphere and that residents from all walks of life would join the fun.

An opening ceremony cum "arts extravaganza" will be held at 1.30 pm at Hong Ning Road Playground on Sunday in which popular singers, Chinese musical groups, dancers, magicians and acrobats will give performances. There will also be puppet shows and a display of traditional handicraft.

In the same afternoon, a dancing carnival will take place in another densely populated area - Lok Wah North Estate. Local groups will give a demonstration of various styles of dancing and all residents are welcome to join in.

Another highlight of the festival will be a drama workshop to be held at 2 pm on February 10 in the podium of Tak Tin Estate Shopping Arcade.

Telford Gardens and Shun Lee Estate will be filled with a sense of nostalgia during the "Night for Songs of the Oldies" to be staged on February 9 and 10 while Cantonese opera devotees will be entertained by professional groups in the district's community centres.

Children with an artistic bent will be given a chance to exercise their talents at a children's drawing carnival scheduled for February 11 in the Laguna City. They will be encouraged to submit works to express the theme of "I love Kwun Tong".

In addition, there will be film shows, a flower arranging competition as well as a variety show to mark the finale.

A pamphlet with details of the festival programme is now available at the Kwun Tong District Office and its sub-offices.

The festival, involving a total of \$1 million, is jointly organised by the Kwun Tong District Board, Kwun Tong District Office and Urban Council.

End

Airport Post Office extends business hours

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The Postmaster General, Mr Robert Footman, announced today (Thursday) that the business hours of the Airport Post Office will be extended to 9.30 am to 8.30 pm, Monday to Saturday, with effect from Monday (February 5).

"The extension will bring about a better service to our customers which include tourists, airport staff and other users in the vicinity of the airport. The extension to the evening, which is a popular time slot for passenger departure, will be particularly welcomed," said Mr Footman.

As part of the policy to further expand the philatelic office network, the Airport Post Office will also become a philatelic office upon extension of its business hours. A full range of local philatelic products and selected foreign philatelic products will be available for sale.

Philatelic covers posted at the special posting box provided at this office will be cancelled by a pictorial datestamp depicting an aircraft.

"With the addition of the Airport Post Office, philatelists in the Kowloon East area will be better served," added Mr Footman.

Other existing philatelic offices are the General Post Office, Beaconsfield House Post Office, Peak Post Office, Tsim Sha Tsui Post Office, Granville Road Post Office, Sha Tin Central Post Office and Tsuen Wan Post Office.

On Monday, a hand-back service giving the Airport Post Office philatelic pictorial postmark will be provided at the Airport Post Office for any locally addressed covers bearing the "First Day" indication.

End

Lowering of LAF rates

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The Hong Kong Monetary Authority (HKMA) announced this (Thursday) morning a lowering of the key interest rates, the Liquidity Adjustment Facility (LAF) rates, by 25 basis points.

In line with the 25 basis points decrease in the US discount rate announced by the Federal Open Market Committee last night, the HKMA lowered the LAF bid and offer rates to 4% and 6% from 4.25% and 6.25% respectively, with immediate effect.

The determination of the best lending rate and interest rates on deposits with maturities of seven days or more is a matter for individual banks. The interest rates on retail deposits with maturities of less than seven days will be determined by the Hong Kong Association of Banks, having regard to the action taken this morning by the HKMA.

End

Hong Kong Monetary Authority money market operations

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	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	2,412	0930	+90
Closing balance in the account	2,253	1000	+87
Change attributable to :		1100	+87
Money market activity	+41	1200	+87
LAF today	-200	1500	+87
		1600	+41

LAF rate 4.00% bid/6.00% offer TWI 124.0 *-0.1* 1.2.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.39	2 years	2711	5.60	100.78	5.20
1 month	5.34	3 years	3901	5.57	100.68	5.39
3 months	5.23	5 years	5012	6.38	102.68	5.82
6 months	5.19	7 years	7211	6.82	104.38	6.12
12 months	5.15	5 years	M502	7.30	105.21	6.11

Total turnover of EF bills and notes - \$16,293 million

Closed February 1, 1996

End