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Governor's question-and-answer session in LegCo

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

Mr Cheung Hon-chung (in Chinese): Mr Governor, in the past policy addresses, you made quite a number of promises and they have to do with many social policies which are important. One of them has to do with the solution to the temporary housing area. You have promised that by 1996, the end of it, you will clear all the temporary housing areas and also about the Western Corridor Railway and other railway extensions and also other housing promises, but none of these promises have been fulfilled. I would like to know when you made these promises, have you studied in depth into the feasibility of fulfilling those or is it that you have not done your utmost in order to fulfil those promises? Or is it that they are simply ways for you to collect political gains so that you are only making blank promises to members of the public?

Governor: Let me tell the Honourable Member what I actually promised rather than what he says I promised. What I actually promised in 1993 is that we'd make at least one re-housing offer to all those who were then living in temporary housing areas by 1997. So far we've offered re-housing to 53,000 of those who are living in temporary housing areas. That's 85 per cent and I very much hope and expect that we will be able to make offers to all by the date that I mentioned.

In 1993, we also pledged to clear all the pre-1984 temporary housing areas by the end of 1996. Let me say a word more about that. When I visited some of the temporary housing areas, one of the points that was put to me fairly regularly and it would have been put to Honourable Members as well, was that we weren't clearing the older temporary housing areas we were clearing housing areas according to our development needs rather than according to the social needs and according to the real problems faced by tenants in some of those temporary housing areas. So that's why I made that pledge and now I think I'm right in saying that 10 out of the 14 temporary housing areas created before 1984, have already been cleared and the remaining four will be cleared by the year end. So we will have kept our pledge.

There will, unfortunately, be some requirement for temporary housing provision and the Honourable gentleman knows as well as I do that a principle reason for that is that we have about 55,000 immigrants coming in legally from China each year, many of them requiring housing. The last two temporary housing areas that I've been to, I've been struck by the number of tenants that I've spoken to who were recent immigrants from China.

There is one point I want to make in addition. We will be aiming to provide older rental blocks as mainstream interim housing and we want to improve the quality of the remaining temporary housing areas. We've got a pilot project on new design which will be ready by 1997. I totally accept the priority which the Honourable gentleman attaches to clearing the temporary housing areas. I would have wished to have cleared them all by 1997 or as soon thereafter as possible. We've kept the pledges we did make. In some respects I think we will be able to say that we more than kept those pledges, but the number of people still coming into Hong Kong makes it difficult to go farther than I've described.

Mr Cheung Hon-chung (in Chinese): Mr Governor, according to opinion polls the public support that you get is dropping and many members of the public are complaining that you have spent too much time on political controversy and you haven't done enough in order to improve their lot and their livelihood. In your remaining days in Hong Kong will you change your style, spend more time on peoples' livelihood and spend less time on political controversy?

Governor: Well, that's an interesting make-up question, but the premise on which it's based is rather far from the truth. I don't know whether the Honourable gentleman goes to bed early, but if he'd stayed up last night to see a programme in which the Honourable Member Mr Szeto Wah starred on TVB, he would have seen an opinion poll which showed that the Governor's approval rating had gone up by 5 per cent since last year. I'm sure that would have given the Honourable Member as much unrestrained pleasure as it gave the Governor.

I'd also like to point out to the Honourable Member that when the transition project's survey of public opinion was produced the other day it showed a 67 per cent approval rating for the Government. Now that's obviously because of the talents and qualities of my senior colleagues in the Administration rather than because of the Governor. But it's the sort of record, on the whole, which Governments elsewhere in the world would be rather pleased with and it, of course, reflects the fact that we have done a great deal over the last four and a half years on livelihood issues. So much in fact that some of the Honourable Member's friends accuse us of welfarism and socialism and other terrible sins.

Miss Margaret Ng: A question of justice. One of the policy commitments is the use of Chinese at all levels of courts up to the High Court in criminal and civil proceedings by March 1997. However, little is said about preparation of the transition, such as training of lawyers to use Chinese or the translation of the Law Reports and the learned texts and authorities. Does the Governor agree that the emphasis on the use of Chinese rather than bilingualism, resulting in non-Chinese speaking lawyers and judges being rapidly excluded among other matters, will damage the international confidence in Hong Kong's legal system and indeed the quality of justice in our courts when we are so ill-prepared for the transition to Chinese?

Governor: I think the honourable lady has asked an extremely important question which I think though it raises a large number of difficulties, in a way misses what I have always thought is one of the most difficult problems of all, which is the translation of some of the concepts of the English Common Law into Chinese in a way which will be easily justiciable. Now I want to stress to the honourable lady that I believe that the point she has raised about the use of language in not just the proceedings of our courts but in the translation of the most important documents for the English Common Law, into the translation of learned journals, I think that is a subject which should receive priority.

And I also believe that she is right to put as much stress as she does on the training of lawyers in Cantonese where they don't already have that language. I think that if she wasn't such a fair-minded person she might criticise me and previous administrations for not having moved more rapidly in these areas, and particularly, perhaps, in the localisation programme in the past, though we have been trying to catch up on that as rapidly as possible.

All I would like to say at this stage is that I think she has raised issues of real priority and I will respond to her as soon as possible, as thoroughly as possible, having consulted the Acting Chief Justice, the Judiciary Administrator and the Attorney's Chambers.

Mr Choy Kan-pui (in Chinese): Mr Governor, in your policy address you use the words of many democracy fighters and revolutionaries and they include Tocqueville and Aung San Suu Kyi of Burma, and Mandela of South Africa. Is it that you are trying to encourage Hong Kong people too, after 1997, to adopt a confrontational attitude and to go on the streets to campaign?

Governor: The honourable member has mentioned three individuals who I think are among the most admirable representatives of decency and liberal values in the history of the globe. So if I was encouraging people to take their example to heart, I am sure that there are few examples which would be better. I mean he could have mentioned, as well, great religious figures, but as far as political figures are concerned he seems to me to mention three who everybody decent should admire.

I have never regarded myself as a revolutionary. The honourable member should hear what my political opponents in the United Kingdom used to say about me. I am a dyed-in-the-wool Tory - no revolutionary here. But I do very much admire the Burmese Nobel Laureate who seems to me to have worked with extraordinary restraint and decency for the values which I believe in and I hope the honourable member believes in. I regard De Tocqueville, as I said yesterday, as one of the greatest political philosophers and I don't think many people could regard him as a revolutionary - rather less revolutionary than Karl Marx for example. And as for Nelson Mandela, I think that he has given the whole world one of the most important lessons in magnanimity over the last few years and indeed much of the prospect for rebuilding society in South Africa rests with his quite astonishing generosity of spirit.

So if we could have the generosity of spirit of Mandela, the political wisdom and liberal insights of Alexis De Tocqueville, and the courage and restraint of Aung San Suu Kyi as our by-words, as our guides for the next few years, we would do jolly well and we would be an extremely civilised place in which to live.

Mr Choy Kan-pui (in Chinese): I would like to ask the Governor this: would you worry that in saying so you would be destabilising the community and upsetting Hong Kong people?

Governor: I don't think many people in Hong Kong would find the prospect of taking Nelson Mandela or Aung San Suu Kyi as a mentor a worrying or destabilising prospect. I think they would regard them as being inspiring people. So I think perhaps the honourable member and I have a different view of recent world history but I really would be surprised, particularly if he had read either of the biographies of Nelson Mandela or Aung San Suu Kyi, if he still regarded them as dangerous radical revolutionaries.

Mr Martin Lee: I'm looking at paragraph 96 of your speech, where you've quoted Jack London. I don't know whether you have the present LegCo in mind, which may expire sooner than you think, but if I change the wording a little, does it apply to your view of the provisional legislature?

"I would rather that it be stifled in dry rot,
but if it isn't then I would rather let its glow be
not longer than that of a meteor.
But as every atom of me feels sleepy, I'll just watch
and do nothing".

Governor: I'd like to congratulate the Honourable gentleman on his literary output. We will look forward to his versions of *The Call of the Wild* and indeed *White Fang* and I know that his colleague, the Honourable Szeto Wah, will be able to help him in reading Jack London.

I spent a good deal of yesterday setting out my views on the provisional legislature and reminding people of the views of the British Government. I still find it curious that we have to deal with these united front efforts to pretend that there is some difference of view between myself and the Prime Minister and the Foreign Secretary and the British Government about the provisional legislature. Anybody who actually thought that I could pronounce on an issue as important as that without being wholly in tune, wholly in line with the British Government would know precious little about British politics or relationships in British politics.

But putting that on one side, I say simply to the Honourable Member once again that the British Government believes that a provisional legislature cannot be found in the Joint Declaration and the Basic Law. We think that the proposal to dismantle this Legislature and to establish a provisional legislature is, to quote the Foreign Secretary, using words far stronger than any that I've used, "reprehensible and unjustifiable", and we think that the establishment of a provisional legislature before June 30, 1997, makes a bad idea even worse and British Ministers' view is that if that was to happen it would call into question China's compliance with the Joint Declaration.

Now I may have met only a limited sort of lawyer in my time and I confess that I did once have a solicitor who was called Mr Maybe, but in my recollection lawyers are reluctant to comment on the legality of this or that action before it actually happens. I think that a lot of lawyers as well take the view that it's a good idea to encourage people not to do things which you think may be foolish or unwise rather than to assume that they've done them. I still recall that Mr Qian Qichen assured the British Foreign Secretary in The Hague in the Spring that there would only be one Legislative Council, just as there would only be one Governor, and just as there would only be one Privy Council dealing with appeals before June 30, 1997. I remember the assurance that a provisional legislature, which we think is undesirable, would not assume its functions before June 30, 1997. So I'm bound to say to the Honourable gentleman that one of my first priorities, one of the British Government's first priorities is to try to ensure that Chinese officials do as Mr Qian Qichen said they would do. Beyond that it remains our unshakeable position that the dismantling of this Legislature would be a profoundly unwise thing to do and we would continue to oppose it.

Mr Martin Lee: But if that day should ever come, would you do nothing or would you do something which you are not prepared to tell us yet?

Governor: Well, the Honourable gentleman, with or without literary flourishes always encourages me to answer hypothetical questions. What I would refer him to is what the Prime Minister said when he was in Hong Kong in March, which I think most people regarded as an extremely robust defence of the British Government's and the Hong Kong Government's and the Hong Kong community's position. Everybody would prefer, I say everybody, most people would prefer to see this Legislative Council allowed to serve out its full four year term and it's very difficult, I have to say, to imagine that when those who drafted the Joint Declaration talked about a Legislature constituted by elections they could have had in mind one chosen by 400 people who themselves had been chosen, for a variety of reasons. I don't even think that former British Ambassadors in Peking would think that was what an election meant.

Mr Eric Li (in Chinese): Thank you Mr President. Mr Governor, in your Policy Address I think you have covered a lot of ground and you have detailed the achievements that you have made during your term in Hong Kong and you have also provided a number of pointers and even benchmarks for your successor.

Mr Governor, this is my question for you; is it your hope that Hong Kong people or even international media would compare the performance of you and your Administration to that of the future Chief Executive of the SAR Government?

Governor: To be honest with the Honourable gentleman, no that isn't my particular wish, though I would hope and expect that the position in five years' time would be even more successful than the position today. That is my hope though I think it's reasonable of me to point out from time to time the conditions which would make that hope likelier to be attained rather than less likely to be attained.

I think I made clear yesterday my optimism and I was therefore surprised by what one or two Legislative Council Members said, including I think some who are colleagues of the Honourable gentleman, and one or two of the newspapers were rather surprising as well. In one of our major newspapers this morning there was a column on the front page saying that I'd expressed more anxiety than certainty for the future and an article on the front page of a supplement saying that academics interviewed all thought I painted too rosy a picture of Hong Kong. Most of the international press, for example the Financial Times took the view that I'd struck a largely optimistic tone about Hong Kong's prospects. The Asian Wall Street Journal said that I'd eulogised Hong Kong's economic success during the uncertain years leading up to Chinese rule. It's certainly my view that provided Hong Kong sticks to a winning formula, Hong Kong will be even more successful in the future than it is today and those academics who think that that's too rosy a picture are not people that I'd agree with. But as I said there is a condition precedent and that is that we should continue to enjoy the rule of law and all the freedoms which are set out in some detail in the Joint Declaration.

Mr Eric Li (in Chinese): Thank you Mr Governor for your clarification. When you first came to Hong Kong Mr Governor, now you know that to give up the colonial convention you have done a lot and you have been praised for this and you did give people the impression that you acted in a very different way than past Governors. So with regard to the future Chief Executive, it seems in your Policy Address you have spent so much time letting people know expectations for him, so with regard to the Chief Executive, do you think he should try to find his own way, his own route or do you think he should follow your suit? Because you have really spent a lot of time in your Policy Address talking about the Chief Executive.

Governor: I didn't think I had. Indeed some people say I didn't spend enough time talking about the Chief Executive. What I did was underline in two or three pellucid paragraphs, ways in which in general we would wish to assist the Chief Executive and to sketch out some of the issues which as it were will still be in the in-tray when the Chief Executive arrives in Government House or wherever he or she chooses to live and to take as a base. I think it's difficult for people to have it both ways, though I know they are keen to try. Some people have criticised us for not setting out a detailed programme for the future. If I'd done that people would have rightly accused me of being presumptuous and rightly accused me of trying to seize the ground which was rightly the ground of the Chief Executive. So I didn't do that. On the other hand I thought it was reasonable to sketch out some of the problem areas that did remain for the future and some of them people would be bound to say I should have tackled more energetically myself. I don't seek however to hobble the Chief Executive. I don't seek to constrain intellectually any of the choices that he will face or she will face. The Chief Executive Designate will be his own man or her own woman and I'm sure that they will do the job according to their own likes and their own instincts and their own principles as I've tried to do. I think that it always shows when people in public life behave in a way which is unnatural or isn't in line with what they're really like. If people don't like the way I do the job there not liking me, not just on the surface, but right the way down.

Mr James Tien: Governor, this does not mention a word about the huge workload this Council must shoulder in its final nine months of existence, yet the Chief Secretary says that the Government intends to submit about 80 to 90 bills to this Council along with more than 30 left over from last year. That's incredible. During all of the last Council session we only dealt with 65 such items. We are now likely to tackle double that number of laws between now and June 30, 1997. Some of these laws are vital to the transition and must be thoroughly scrutinised and should not be casually passed without forming a Bills Committee. In such a rushed schedule, how are we to ensure that those laws related to the transfer of sovereignty are properly dealt with before July 1, 1997?

I also find it ironic that in order to get the legislative business done in haste, that this Council may become a rubber-stamp, which is what you are against in principle.

Governor: Oh, I don't think there is any danger of this Council becoming a rubber-stamp. I mean if the honourable gentleman is making any offers, I'm quite prepared to do a deal but I would anticipate that we might have a bit of argument from time to time about some of the programme that we were putting forward. It is our job to put forward the legislation which we think is in Hong Kong's best interest and I hope that we can get a high proportion of it through the Legislative Council. It would be a very poor business if we told the honourable gentleman that we were going on a sort of permanent vacation for the next few months. We will put legislation forward and we will hope that it will be properly processed by the Legislative Council.

The honourable gentleman would be amazed if I didn't add that of course there would be more time for the Government's legislation if there were slightly fewer private members' bills, but that's an old argument and the honourable gentleman has heard me say it before.

There is an issue which is relevant to all this and I am sure that in view of the honourable gentleman's position it is something he will have been interested in himself. I always find one of the most interesting things to read each week is the Asian Executives Poll which appears in the Far Eastern Economic Review, probably the foremost economic journal in this part of the world, and they have done a review, a series of questions this week with their sample right across the region, asking executives about the relationship between good government and a strong opposition. And here are Asian executives asked, for example, would a country's economic progress be hindered by a strong opposition to its government? Across the region 64.5 per cent say no it would not be hindered, 35.5 per cent think it would be. In Hong Kong, apparently, 79.3 per cent said that they didn't think a strong opposition to government would hinder economic progress, and I imagine, given the comprehensive ubiquity of the honourable gentleman's organisation, at least some of that 79.3 per cent must be members of the Hong Kong General Chamber of Commerce.

I also think it is worth noting in that Asian Executives Poll that in Hong Kong 72.4 per cent thought that the opposition to government was too weak. Now I want you to know that Secretaries and the Governor are not going to be quoting that figure as we try to get our legislation through in the coming weeks. But it does actually suggest that the view of most executives, of most businessmen, to some of the arguments that we have had, to the discussion we are having now, is far more sophisticated than is customarily suggested by some of the newspaper headlines.

Mr James Tien: Governor, thank you very much for your answer. Now to my real question. In the very likely event that a substantial part of these bills or ordinances might not be passed before July 1, 1997, would your Administration be willing to have your civil servants co-operate, persuade, the provisional legislature after July 1, so that some of the work that is left over, that is not passed before next year, could be passed as soon as possible? Or is your feeling that this should actually wait until the first SAR legislature is elected all the way in 1998 before all this good work that you have started be finalised?

Governor: I think the answer I give is one that the honourable gentleman might anticipate and my view is that the best way of completing any legislation which is not completed during the second annual session of this Legislative Council would be to complete it in the third annual session of this Legislative Council after July 1, 1997. It is a very good argument for continuity, provided of course that legislators go through some objective test such as taking an oath to the Basic Law and the Special Administrative Region. But that would be the best way through that particular conundrum and if we can have the honourable gentleman's support for that solution, I think we will all be jolly grateful, and surprised.

President: But by that time the Governor will no longer be the boss of the civil service.

Governor: It is true, by the time that happens the Governor will have taken up gardening as his career.

Mr Mok Ying-fan (in Chinese): Thank you Mr President. In your yesterday's policy address, Mr Governor, you mentioned that the Hong Kong Government is now sitting on a huge surplus and the reserves are getting larger and larger, and GDP is getting higher and higher. And have you noticed that all this time the unemployment rate is also climbing and the disparity between low-income and high-income groups is getting wider and wider and the real wages enjoyed by our people are also dropping. And what is even more serious is that last year some elderly people actually died of cold in a cold-spell. And so, Mr Governor, I would like to know how do you look at our people's livelihood; how can you ensure that our huge surplus and reserves would improve the livelihood of our people?

Governor: It will be for the Chief Executive and his team, in discussion I am sure with this Legislative Council, to decide how best to use the spectacular reserves which will belong to Hong Kong in the interests of the further development of the Hong Kong economy. I would only add that I think that the iron rule that we have followed in the last few years of not allowing public spending to grow more rapidly than the trend growth rate in the economy, whatever the scale of the reserves, is a very sensible principle to follow, though I totally accept that there is a serious argument and a serious debate to be had within the community about that proposition and the right place to have that debate is in this Legislative Council chamber, where I think that quite a few honourable members who would disagree about other subjects would find themselves on the same side on that basic issue of political economy.

Let me touch on the other two points that the honourable member made. First of all employment - the unemployed rate has come down since it peaked last November, it has come down from 3.6 per cent to 2.8 per cent. It is at its lowest level for 15 months. We have seen a fall in the absolute numbers of unemployed from 110,000 to 90,000. That is no room for complacency, it reflects the fact that once again the number of people joining our workforce has been more or less in line with the extra number of jobs that we are creating rather than the number of jobs we are creating lagging slightly behind the increase in the workforce.

I think that it is fair to say that the concerns about unemployment last year sharpened up our determination in government to improve our own local employment services and our labour market mechanisms. In the first half of this year more than 12,000 people were helped into work by our local employment services, 80 per cent of the 4,000 registered applicants under the job-matching programme were offered jobs in the first half of 1996, so I think that the Labour Department's machinery is working better and more effectively. But we must do even better than that and obviously, the present reviews that we are undertaking of the work of vocational training and the work being done in retraining, those reviews are very important to the future employment pattern in Hong Kong.

On the elderly - the honourable member will I am sure recall what the Director of Health said about the cold-snap and the elderly last year. I would add that since 1992 we have increased spending on the elderly - housing, health, welfare - by 55 per cent in real terms. We have increased CSSA payments to single elderly people by 32 per cent in real terms. Those are the sort of figures which have led some to accuse me of welfarism. I don't think that is a fair charge. I do think we owe a particular responsibility to the elderly, just as we owe a particular responsibility to try to help anyone who wants to work to do so.

Mr Ngan Kam-chuen (in Chinese): Mr Governor, the Government has pledged that by 2001 the Western Railway will be completed but it seems that there may be problems with completion now. Yesterday the policy address did not mention the reasons or the situation about the completion of the Western Rail and there are no proposals for the relevant future development, so the residents in the north-west NT are very disappointed. Mr Governor, we want to ease the traffic congestion in the north-west NT and you encourage people in Tuen Mun to take ferries in order to take the pressure off traffic. It seems that you are avoiding the crux of the matter; you want to shirk off your responsibility and pass it on to the citizens. Is it a responsible government? Isn't that another of your frustrations apart from the one you mentioned yesterday?

Governor: Speaking for myself I am delighted that the pressure on the Administration now is to get on with the Western Corridor Railway and related infrastructure developments rather than not to get on with it until we have talked endlessly about it with other people. It does seem to me that the argument seems to have shifted somewhat in recent months. What we are doing is conducting as expeditiously as we possibly can the surveys which need to be carried out in order to allow us to reach a conclusion about the Western Corridor Railway - about alignment, about engineering problems, about financing and so on. I hope that we will be in a position by the end of the year, or soon after, to arrive at some decisions and when we do we will obviously have to share our views with the Chief Executive Designate and with the Chinese members of the Joint Liaison Group and others.

This is going to be one of the biggest capital programmes undertaken by the SAR Government after 1997. I want to do everything we can as rapidly as possible to get on with that project but obviously it is going to be one - and I am not shuffling off responsibility, I am stating what is an obvious fact - it is going to be one which is largely built during the early years of the SAR Government rather than started or built before.

I want to underline my agreement with the honourable member about the importance of this project to the communities who live in the north-west New Territories. It was for precisely that reason that I pressed, myself, very energetically, for the extension of the Western Corridor Railway from Tuen Mun North to Tuen Mun Central and I do recognise that those honourable members who represent the north-west New Territories, who live in the north-west New Territories, will continue properly to press the government to get on with this project as soon as possible.

Mr Szeto Wah (in Chinese): Mr Governor, during your term whether it be public housing or private housing, the volume of construction lagged far behind indicators or targets and at the same time the prices of private flats have risen three times. In your opinion, concerning the increase of wealth of property developers, do you think you have made a contribution?

Governor: A contribution to the wealth of property developers, is the honourable gentleman saying?

President: Correct.

Governor: I'm not sure that's their view. We undertook to complete over 100 flats a day and we've been doing that but as I said yesterday, I think housing is an area which the community is going to have address imaginatively and perhaps radically in the next few years and I'm sure that the long term housing strategy review which should be completed very shortly and published will provide a very good basis for that debate and that discussion.

I don't want to go into the figures, though I can mention those if the honourable gentleman would like, but I think all of us know that there are two real problems. The first is that while we commit a very substantial amount of resources to our Housing Authority, which is superbly led and does an excellent job, while we commit all those resources we still have too many people living in bad housing conditions for too long and paying a higher proportion of their household income for bad accommodation in the private sector than is paid by sometimes better-off tenants living in the public sector. So the first problem we have is that we commit a lot of resources to public housing but we still haven't got the waiting list down much below six, six and a half years on the way to our aim of five years and five years we should all think is anyway too long.

Secondly, while we're committing all those resources to public housing and some resources to encouraging people to become home owners, we've also got a community which is better and better off but where it's still all too difficult for many people to become home owners.

So there does seem to me to be something of a mismatch which we've got to address. It's not going to be an easy problem to address and I'm sure that some property developers will have views on some of the argument and debate that comes out of the long term housing strategy review.

I would only add this, when we were faced two, three years back, by the explosion in property prices, and took measures to deal with it, we were strongly criticised for those measures but they did prove in the event to be pretty successful. We damped down the housing market, the inflation in the housing market without knocking the pins from under it. It was a difficult exercise to carry through but one which I think we managed pretty successfully.

But the honourable gentleman has posed very eloquently the dilemma which I think we're going to face, or my successor is going to face in the housing field over the next few years.

Mr Szeto Wah (in Chinese): Mr Governor, in order to solve the problem of housing, a very important means is to increase the volume of construction of public housing. Three days ago the Housing Authority which you praise so very eloquently tried to complain to me saying that the Government has not allocated sufficient land to them and they actually asked me to apply pressure on your Administration. In the coming nine months will you be increasing the allocation of land for the construction of public housing?

Governor: Well, I'm delighted that the honourable gentleman has responded to the suggestion from the Housing Authority so rapidly. I'm sure that the community will want to look at future decisions about land allocation very seriously in the light of the housing strategy review. I don't think it would be sensible to make decisions before that is published. From all that I hear it's going to be the focus of a great deal of lively debate.

I'd only add that we do at present have in the pipeline plans for building 141,000 new rental flats between now and 2001, and again between now and 2001, we're helping over 175,000 families to buy subsidised flats. That's a pretty substantial building programme but the honourable gentleman is entirely right to say that it still isn't meeting demand.

Ms Emily Lau: Governor, as you yourself admitted just then, you spent some time yesterday sketching out problems facing Hong Kong and one of them, of course, is the question of civil liberties and you place a lot of importance on press freedom. Do you not recall that when you first came to Hong Kong in 1992, you promised us that you would launch a programme to reform laws, especially those that relate to the Bill of Rights, those that are in breach of the Bill of Rights you would amend them.

You've done quite a bit, but you know there is one big piece that's left and that's relating to offences involving Article 23 of the Basic Law, cessation, subversion, sedition, treason and the theft of state secrets. But in the legislative programme that you published yesterday, that is not anywhere to be found. There is only a passing reference in the introduction that you may introduce further changes to this programme.

But Governor, you know your time is running out. That programme lists your intentions. The fact that Article 23 offences are not in the programme sends a very strong signal to me and to many people in the Hong Kong community that you have no desire to tackle that problem, which is right now with the JLG. So will you please use this occasion to clarify for all of us in this Council, who are very concerned and for the journalists who are watching you, what the hell are you going to do about it?

Governor: I'm grateful for the direct and demotic way in which the honourable lady has asked the question.

Can I just first of all clarify one thing. The way in which we have dealt with this issue in the legislative programme document, the highlights document, is exactly in line with the way we have in the past dealt with laws that were being discussed by the Joint Liaison Group but hadn't yet been agreed through the Joint Liaison Group. So there is absolutely no difference, there is no attempt at artifice in the way that we've covered the question of Section 23 of matters in this legislative programme.

It's not just, of course, a question of Basic Law 23, there's also the question of the Official Secrets Act which the honourable lady could've mentioned as well. We have passed both those pieces of legislation, difficult pieces of legislation to Chinese officials. They've had them for some time. I hope that they will give us their views speedily so we can proceed to legislate and add those Bills to those which the honourable gentleman to my right thinks will be burdening the Council in the coming months.

I know how important the Council think those matters are. I know that the Council is aware of the fact that I've committed myself again and again to bring Hong Kong's Statutes into line with the Bill of Rights. The honourable lady is right to say that we've dealt with the bulk of those issues, about 80 per cent of the provisions have been dealt with but there are some that still need to be done and I haven't changed my intentions.

Ms Emily Lau: Mr President, the Governor knows time is running out. I don't know how much longer you are going to leave these issues with the JLG. Can you not give us a more categorical answer this afternoon? Because the Secretary for Security told us a few months ago that if they cannot reach an agreement with the Chinese, they will unilaterally review the proposals to the whole world, but I don't think that is enough. We need to legislate. Are you going to legislate unilaterally or are you saying that if there is no agreement with China, you will leave all these things to the post-1997 Administration?

Governor: Well, I'm going to say what I've said about every previous piece of legislation which has fallen into this category. I'm going to say that I very much hope that we can proceed on the basis of an agreement through the JLG with the Chinese side. The honourable lady will know what my record and the Administration's record is on these matters and she'll have to decide for herself whether to believe in our good faith or not.

I would only add one point by way of clarification and that is that the proposals that we have put on Basic Law 23 offences and on the Official Secrets Act are in our judgement completely in line with the Bill of Rights and that's an argument for getting them on the Statute Book as soon as we reasonably can though they will obviously be the occasion for some debate. They're not, I'd just like to add, the only things that we have to do in order to complete the job of aligning our Statute Book with the Bill of Rights, there are one or two other pieces of legislation as well which are also contentious.

Mr Howard Young: Mr Governor, I don't want to go through worn out arguments on the legality or otherwise of the Provisional Legislature, or whether it is a good idea or a bad idea or necessary, but I notice you used the term "dismantle" the current LegCo a while ago. I was wondering whether you were using it in the constitutional and legal sense or in a more general sense because I believe that this Council's platform ends anyway with the end of British rule.

Can you confirm whether there are any moves in Parliament to change or amend the Royal Instructions or Letters Patent to allow the current Legislature to straddle beyond 1997? If there are not then do you not think that the argument really should focus on allowing members to continue to serve the Legislature up to the day, which, by the way, is a different nomenclature in Chinese. It's really the argument should be focused on allowing all, or if not all then as many as possible who are willing to serve the Legislature of the day after 1997?

Governor: I appreciate the point the honourable gentleman is making and even though, as he knows, I don't entirely agree with him I recognise that he tries to approach these issues in a constructive way. He is of course right to say that there is a change of sovereignty on June 30, 1997, and there was never any way in which this Council could proceed to the end of its term without something happening which took account of that fact, of that changeover.

In the discussions that we had in 1992-93 we were proposing to Chinese officials that the trigger which could be pulled on June 30, or rather, perhaps I can make it sound less dangerous, the gear-change which should take place on June 30, could be in the form of some sort of oath which honourable members would take, recognising the change that had taken place in sovereignty. I think it is an open secret that Chinese officials wanted to apply a subjective test as well as an objective test and that was not something which we could accept.

But the honourable gentleman is right constitutionally in what he says, no British Act of Parliament could deal with matters post June 30, 1997. On the other hand, good sense and the interests of Hong Kong should, in my judgment, have made it possible for this Legislative Council - should still make it possible for this Legislative Council - to complete its four-year term.

Mr Howard Young: Governor, will your difference in view regarding the Provisional Legislature prevent you from fully co-operating with the Chief Executive Designate which you have pledged to do, or will it water-down that co-operation?

Governor: I hope the Chief Executive Designate will be operating in the sort of way which implicitly was described by Vice Premier Qian Qichen when he saw Mr Rifkind in the Hague in April. That is, a Chief Executive Designate will not have any quasi-legislative body working alongside him because such an organisation, such an institution, would be unconstitutional and would have no basis, would be built on very questionable foundations. So I very much hope that a Chief Executive Designate, though he or she will need to do a great deal of preparation for June 30, 1997, will be able to do so without Chinese officials seeking to oblige him or her to work alongside a body which would inevitably post-1997 raise question-marks about appointments and laws.

Miss Christine Loh: Thank you Mr President. Mr Governor, I would like to ask you a question about what you said in relation to the Joint Liaison Group. You mention in paragraph 50 that a significant amount of work still needs to be done in the short time, then you go through some of these issues which includes transfer of government legal matters, localisation of laws etc., etc., and then you say that with determination and energy on both sides, I am sure we can finish most of this work and that it would be inconvenient and worse if that were not done.

Does it seem to indicate that you are not confident that all the work can be finished and which are the sort of categories of work that you think may not have a chance of being finished and what consequences would that cause for Hong Kong?

Governor: Let me clarify. I hope that all the things that are really important for Hong Kong can be sorted out by June 30. The Joint Liaison Group of course continues after June 30, but most of the issues I talk about here, I talked about yesterday, need to be sorted out in advance. It's possible to cope if, for example, not all the air service agreements are sorted out. It's possible to work out interim arrangements but it's far from ideal. I think that we have made, and I pay a tribute to the not often thanked members of both teams, we have made a lot more progress in the last year or so on the JLG subjects. Some mundane and prosaic, some extremely important. If they can keep up that striking rate I'm sure they'll be able to get through all the important jobs by 1997.

I think the community is becoming a little anxious, understandably about one or two issues. For example, the whole nexus of right of abode and immigration issues and I'd very much hoped that recent helpful discussions we'd had on those subjects could conclude with an acceptable solution as soon as possible.

Miss Christine Loh: I think precisely on this issue of rights of residency, are you able to give us any indication at all as to when we might have further news and when we do have some further news, is it likely to be fairly substantial in terms of explaining the various positions and expanding upon Article 24 of the Basic Law?

Governor: I hope that recent discussions between experts will enable us reasonably soon to make the sort of comprehensive announcement that the honourable lady quite rightly says is required. All of us know, I know from my visit earlier this year to Canada, the Chief Secretary knows from her recent visit to Australia, that these are questions which greatly concern people from Hong Kong who are now living elsewhere but they're also questions which concern people who are living in Hong Kong and people are jumping to conclusions about what is going to be required of them, which aren't always I think justified. So the sooner we can have a comprehensive announcement the better and I'm sure that's a point which is put to Chinese officials by members of the preparatory committee.

End

Governor in RTHK's phone-in programme

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The following is the transcript of the RTHK's phone-in programme in which the Governor, the Rt Hon Christopher Patten, took part this (Thursday) morning:

Presenter: Before we take our first question, Mr Patten, the NCNA has been predictably critical of your speech so could I ask you that if you still have some hope that China will abandon its plans for a provisional legislature, why you would take such an aggressive approach? Surely, by annoying China you just make it even less likely that they will change their minds.

Governor: What I did was to repeat clearly and firmly but I don't think provocatively, exactly what British Ministers have said to Chinese officials and exactly what Malcolm Rifkind was saying recently, both when he met his opposite number in the spring in the Hague and what he said more recently at the UN General Assembly. There are two particular issues, one is that we think that it is a bad idea to dismantle this Legislative Council; secondly we think it would be an extremely bad idea and divisive and confusing to set up an alternative Legislative Council as it were, before June 30 next year. Now we are not going to shift from those positions. It's not the British Government or the Hong Kong Government which is being provocative, it is those who are proposing a provisional legislature before next June which is totally unnecessary, a point that the Chief Secretary made to Director Lu when she was in Peking a few months ago.

Question: Good morning Governor Patten. Clearly, all Hong Kong people will thank you for coming and reporting to us, particularly listening to our comments and complaints, if any. I hope we have a Governor after 1997 who will be caring like you, sharing like you and also listening to people's views and he should not be a puppet and afraid in the hands of the Chinese Government.

Governor: Can I first of all say that I think it is very important that, as it were, the Governor or head of the administration should make him or herself open to questioning from the men and women of Hong Kong. This is the fifth question and answer session like this I have done after one of my policy addresses. I also did a mid-year one, as it were, so I have done six. Whether I will be wanted back again is another matter but I just think it is an important part of developing the accountability of Hong Kong.

I am sure that my successor - and we will all wish my successor the very best of luck - will want to make him or herself accountable as well. I am sure that he or she will recognise the importance of being seen as Hong Kong's representative in Peking rather than the other way round. And I am also absolutely sure that the fact that my successor will be local, will be a member of this community, will be rooted in this community, will be a great asset and one on which my successor will be able to draw the whole time, both for political sustenance and in a sense moral sustenance as well. Everybody knows that at the end of my term I go back to the United Kingdom and that puts me in a different position to that which my successor will be in.

Question: Yes, but will you be able to help if there is any violation of basic rights; like you have been supporting us, will Britain support us after something happens? Where do we look first?

Governor: Yes, you can count on Britain. It was a point that the Prime Minister made very clearly when he was here in March when he said that Hong Kong wouldn't walk alone. We very much hope that there won't be any of the problems that you mention. That is my devout and strong wish. But of course Britain has a continuing moral commitment to Hong Kong because we are one of the signatories to the Joint Declaration, and it is equally the case that the whole international community will be watching what happens here with great interest we'd hope. But I am sure that people will be concerned if anything goes wrong.

Question (in Chinese): I have been in the Harmony Home and I was an abused wife and I was rather disappointed with the Policy Address because recently we have experienced a very important social problem which is the battering of wives and I don't feel that the Governor is concerned enough about this. Mr Governor, you are leaving Hong Kong very soon and this is in fact a very serious problem, so shouldn't you actually have done more?

Governor: I very much agree with you that we need to develop our social services, we need to develop our caring network in order to give more assistance to not only battered wives but abused children, and you will find in the very, very long Progress Report that we produced yesterday, and in our statement on policy commitments, both of which are miles longer than my speech, how we are hoping that we can help in those areas.

I think we should recognise that in Hong Kong we do have some of the social problems that other communities suffer from. We do suffer from some of the problems of marital breakdown. I guess that it is one of the prices we have paid for development. We need to help people both through assisting the non-governmental organisations which work with battered wives and by providing the necessary network of social care, of welfare, not just for battered wives but for children who are being abused, and we say a good deal about that quite specifically in our policy commitments which I am just looking at as I talk to you.

Question (in Chinese): Yes. What I wish to say is this: it is not just non-government agencies, I feel that within government, now people like me, I think it is the government's responsibility to do some publicity. Recently we have people who have been left in dire circumstances for a long time and yet they do fail to get relevant information, so shouldn't the Government take on some responsibility. At 10 o'clock there will be a press conference on this in Kwan Fuk in Lai King.

Governor: Can I first of all say that you're not the only person who presses me on this issue. My wife, when she was working professionally in the UK was a lawyer and she worked in particular on marital issues. She worked on issues like battered wives and child abuse and child custody, so she goes on at me a good deal on the subject and I am sure that she will be as interested as I am in what happens at your press conference. You mentioned it wasn't just a question of wives but of children as well and we are, of course, making additional social workers available for the Child Protective Services Unit, which is a sort of indication of how concerned we are about the issue.

Question: Mr Patten, it will ease our anxiety about 1997 a great deal if the present legislature is allowed to serve. Can you do anything at this late stage?

Governor: I very much hope that Chinese officials will take account of what people like you say. I very much agree with you. There are very few things which could give people more confidence about the future than a commitment to allow the present freely elected legislature to go through to the end of its four year term. I think the trouble about the threats or the undertaking to dismantle it is that it does raise anxieties about what might happen in other sectors. I don't want to go over old arguments but there is no question at all that people who are worried about the rule of law are understandably worried if they think that the body which makes the laws is going to be unsound or questionable. So I hope that at least to begin with it will be made clear that there will be no provisional legislature before June 30 1997 - none is required. And I hope that on the bigger issue of a provisional legislature after 1997, Chinese officials will think again. It would be greatly in their interest to do so.

Question: Moving on to autonomy post-1997, if there is a breach as the outcome of some people maybe not aware selling our birthright or extending intervention, how can you walk us down the road as you have already pledged in June this year, and also the Foreign Minister and also the Prime Minister?

Governor: What they both made clear and I am only repeating what they have said - there is sometimes an attempt by the Xinhua News Agency to suggest that there is somehow a difference of position between the British Governor and the British Government; there isn't of course and nor could there be - what the Prime Minister and the Foreign Secretary have said is if there are the problems that you mentioned, they would want to mobilise as much international support as possible to persuade China to keep its word under the Joint Declaration.

Now nobody wants, I think, to go into detail about exactly what would happen if there was a breach. We all very much hope - and I want to underline this - that there won't be, we all very much hope that things will go smoothly after July 1. Maybe Chinese officials will be more relaxed about Hong Kong after July 1. I would certainly hope that they would learn to trust Hong Kong a little more.

Question (in Chinese): Good morning Mr Governor. I've read your Policy Address. Mr Governor, it's actually more political than on the peoples' livelihood, particularly with pre-primary education. Exclusively it has been neglected for years. I hope that there will be some improvement here. Previously there has not been any significant improvement in that area. When we talk about nine year compulsory education, well that's primary and secondary. I hope that you can pay some attention to pre-primary education and extend the compulsory education to pre-primary level.

Governor: Can I first of all just say that my Policy Address was a little different from usual, but that doesn't mean that we don't have an extensive range of policy commitments right across the board, including education and I've got in my hand a 269 page policy commitments address which is full of the sort of things that Government will be doing over the coming year but it would have taken rather a long time to read it out to the Legislative Council.

Secondly, you are entirely right to stress the importance of education. We're spending about 19 billion at the moment on schools, on primary and secondary schools and so on. We've improved teacher/pupil ratios, we've increased the number of teachers and the number of graduate teachers and we've spent more on things like computers and improving classrooms. Now you quite rightly point to the importance of pre-primary education, of kindergarten education and of child care centres. About 80 per cent of children from three to five are now attending kindergartens. There's a lot more alternative child care centres available as well. We've reviewed and improved the subsidy scheme. We're giving more money to the Hong Kong Institute of Education to train kindergarten teachers and we're requiring 40 per cent of teachers in each kindergarten to complete a qualified teacher course by September next year. So I think we are doing a good deal but I know that people would like us to do more because the foundations of education are so terribly important.

Question (in Chinese): On subsidy, in fact there are a lot of families that cannot really afford the fees, particularly when we talk of kindergartens. They're rather expensive in fact. When we talk about an average or lower middle household, it is about 20 per cent of their income. So in other words I hope the Mr Governor, as the last Governor in Hong Kong, will try and effect some improvements here so that the burden on the parents can be eased.

Governor: I think, as you know, Mr Lau that we have improved the fee remission scheme so as to give more assistance to those families who need it. You're entirely right to say that in a community like Hong Kong with so many mothers for instance going out to work, it's very important to have a good kindergarten and child care provision and we must make sure that people aren't deterred from using it by shortage of cash in their pockets.

Question: Good morning Mr Patten. I'm fortunate to have been able to speak with you on the plight of Hong Kong ethnic minorities over the last few years. The community of affected people are indeed grateful to you for your personal support of our calls for British Citizenship. However, in spite of Mr Major's pledge to our community recently, one was simply seen as stating the obvious. We're concerned about the lack of success we have achieved in furthering our cause.

My questions to you today are twofold. In spite of your support, we seem to face local hurdles in Hong Kong when dealing with the issue. The LegCo House Committee recently experienced this with the Security Branch the other day. They said that it was costly and time consuming to fine tune the number of affected people who were established in the Government's recent survey. There might be difficulties and we need to know what these are. We also need to know that the Government will tell us how to overcome the difficulties, yet this is not so forthcoming. I wonder why?

My second question is in regard to what plan of action the Government has in terms of dealing with the issue? If you support our cause, this support cannot be substantiated without a plan. Shouldn't your speech have included at some part a plan of action as to what the Government plans to do over the next nine months?

Governor: Can I answer you with three points, and I totally accept the importance of the issue. It's one of the most important on my agenda.

First of all, I think you slightly underestimate what you and other extremely effective campaigners have managed to achieve by way of changing opinion in Britain on this issue. You've certainly shifted the Government's position, albeit not as far as you would've liked. You've shifted the position of the alternative Government, of the shadow Government, of the Labour Party, very significantly indeed and in a sense the Labour Party's position I guess comes reasonably close to what you've been pressing for.

Secondly, you talk about the LegCo Panel and what our Security Branch were saying the other day. I think the argument wasn't about whether we need a clearer view about the numbers involved. I don't think there's any more very much dispute about those and I think there's a recognition that only just over half the numbers are South Asian. There are a lot of others from Portugal and other places. I think the argument was whether a complicated registration of everybody involved would actually take us forward very far and I think there's a real doubt about that and I think there's also a feeling that it would take a very long time and not achieve very much.

Thirdly, I didn't mention everything in my speech yesterday, as I said earlier. Had I done so I'd still have been speaking. But we do intend to go on pressing the British Government to change its position on this issue. I'm sure that it will be an issue which will be prominent in many of the speeches, in the debate which the House of Commons will be holding in the autumn. I'll bet that you'll make sure it is and I certainly will too, but I'll be pressing Ministers about it again when I return later in the autumn.

Question (in Chinese): Good morning Mr Governor. In your Policy Address, you talk about welfare spending and it is only 18 per cent of GDP. But I can't agree because if you talk about medical services and education, in fact it far exceeds that percentage. So under such circumstances we have a lot of families and when they talk about taking care of the elderly, taking care of the young, they are shirking their responsibility and putting the responsibility on the Administration. Now our economy is suffering a downturn; if we talk about a four member household and if we are talking about CSSA, from CSSA, from medical care, from housing, from education, they get more than \$10,000 and the \$10,000 in fact far exceeds what an average worker is earning. So under such circumstances Mr Governor, how can you prevent Hong Kong from following the steps of the UK and say when people do not want to work?

Governor: Well, can I first of all put the figures in context. It is the case that our total public spending, total public spending on everything, education, transport, welfare and so on, in Hong Kong, represents about 18 per cent of our GDP, what we're worth as a community. And it's also true that that figure is lower at the moment than the figure was in the early 1980's. So even though we've been improving our welfare programmes and our education spending and our care for the elderly, because our economy has been growing as well, we haven't got into the sort of problem which many European countries have got to, where they have an excessively burdensome cost for welfare expenditure.

Secondly, I think this community recognises that we do have responsibilities to those who are in real need, who need a helping hand. That's why we've increased spending for example on the elderly in the last four and a bit years by, I think, over 55 per cent in real terms after inflation. You mentioned CSSA and what a four-member family would get. Actually we were looking at the figures and some international comparisons the other day and on CSSA a four-member family would get rather less than medium income in Hong Kong. At the same time it's worth recalling that a four member family on medium income wouldn't be paying any salaries tax either. I think that's not a bad balance, but I repeat I think we can afford a decent level of welfare, though all of us recognise that we mustn't get into the same difficulties that many European and North American countries have got into.

Question: Good morning. Thank you for your annual address which is so good an achievement. I would like to ask the question, who are the businessmen who go to China to report on our bad things because we now ourselves as you mentioned in your address yesterday. Please tell, relate to us, so we can take down those names, make known and give an account of those names and we can treat them as offenders. They breach our civil rights and spread rumours you see.

Governor: I think that I have probably said --

Question: You must mention.

Governor: I think I have probably said all that I need to say on that particular subject. When, yesterday at my press conference I said, "I don't think I need to refer to the cases which have concerned me and concerned the country do I?", there were a lot of people around the room who clearly by their body language were agreeing with me. I have registered the point. I would not back off from it one iota but having registered it, I think I will let people talk about it and I hope I'll let people recognise that the most important way of protecting our autonomy in Hong Kong is if all of us stand up for it.

I can give an example of what happens when we do all find ourselves singing the same song on the same side. I think that last year one of the reasons for getting a satisfactory settlement on the Court of Final Appeal was that everybody was saying the same thing to Chinese officials. So I very much hope that we will continue to stand up and speak up for Hong Kong and, just because a particular franchise or some other economic issue doesn't suit us, I hope that we won't find people questioning the Hong Kong Government. This is the Hong Kong Government. It's not the British Government. It's a Hong Kong Government overwhelmingly now staffed and run by local Chinese.

Question (in Chinese): Good morning Mr Governor, I have three questions, two questions on the Vietnamese refugees or Vietnamese boat people rather. And then you keep moving them around and you are not moving them back to Vietnam; because it is a lot of money spent when you want to move them to a different centre - and there might be riots - and then we have spent a lot of money on the Vietnamese boat people issue. When are we going to get the 1.1 billion for our taxpayers back from the UN.

And then coming back to the education issue. In the tertiary institutes their library is not well stocked when we compare them with overseas universities. Now apart from the universities, the tertiary institutions do not have a well stocked library. And then they go overseas and they may achieve very good results. And there are also tertiary institutions that have degree courses and yet they are not universities yet. Shouldn't you actually give them the status? Because in Lingnan for instance they do have degree courses and therefore they should be treated as universities and recognised as these.

Governor: Let me deal with those two separate important questions. First of all on the Vietnamese - I think I am right in remembering the figures that when I was first addressing the Legislative Council and answering questions like this in 1992 there were 50,000 Vietnamese migrants in the camps. Now there are 12,000 and the figure would be a great deal lower if we hadn't run into difficulties, not least because of things done and said by the American Congress in 1994-95. We are at present repatriating, sending people home at the rate of about 1,400 a month. I very much hope we can keep that up and deal with the problem as rapidly as possible because people in Hong Kong have been very long-suffering and are well aware of the amount of money it has cost us. We are going to go on pressing the UNHCR to pay back the 1.1 billion that we are owed and I can assure you we don't lose any opportunity for making that point to them.

Secondly, I absolutely agree with you about the need to make sure that all our tertiary institutions which now have university status with the exception of the OLI, the Open Learning Institute - though that is, I am sure, well on the way to university status - all the others should be treated properly and should be funded properly. Lingnan is a marvellous university and I think the campus there is absolutely terrific. It has got an extremely distinguished vice-chancellor, very good staff, and I am sure that they would agree with you about the importance of library facilities. Now I have seen their library and I don't know about the quantity of books and IT material but it looked pretty good to me.

The library I have seen rather more of is the one at the University of Science and Technology which is, I would guess, as modern a library facility as you could find anywhere in the world, run by one of the world's most distinguished academic librarians. I was immensely impressed by the amount of information which students could bring up on the screen there and I would doubt whether there were many better equipped libraries anywhere.

Question (in Chinese): We have remote courses. If I want to go to the public libraries and try and get some books for post-graduate courses it is extremely difficult; we have to go back to the Hong Kong U or to the Chinese U. However, I may not have access to these libraries and I have difficulties trying to get reference materials because I am on the distance learning.

Presenter: Governor, Miss Liu talked about libraries in Hong Kong. We can talk to the Governor ourselves. Governor may I put a question to you. In your policy address, in the last section you talked about how people are going surreptitiously to Beijing lobbying about Hong Kong Government's decisions. Now there were people who went to London lobbying, is it a really normal activity?

Governor: I don't think - and you would surprise me if you put the other point of view - I don't think that anybody who had gone to London while I have been Governor and had tried to get ministers in London to change or to block a decision taken by the Hong Kong Government would have got other than a very large flea in their ear. They would have been sent packing and they would have been asked to go and deal with the issue with the Hong Kong Government. It is very, very important to Hong Kong's autonomy that that should be the case today and that that should be the case in the future. And I am absolutely sure that whatever the present rather whipped-up controversy about this by the Xinhua News Agency, I am absolutely sure that my successor will feel as strongly about this issue as I do. And my successor may be in a rather stronger and better position to verbally wrap over the knuckles those who try to undermine his authority or her authority and that of the Hong Kong Government.

Question: Good morning Governor. I feel proud to talk with you. It is no doubt that you are the (inaudible) can get high degree governor on the present years.

Governor: You're too kind. Not everybody shares that view, as you know.

Question: On behalf of our special case and disease, because my parents have so many diseases in recent years as they are old. And another, I feel such as the mental illness patients, how could you guarantee they can get the treatment as well as now they are today? After 1997 can we get the same treatment as the illness treatment as the present time? Can you answer me please?

Governor: Yes. Can I first of all say that an earlier caller suggested that one reason for the increase in the costs of welfare was that some families weren't discharging their responsibilities to their relatives. You are one of the extremely brave and committed majority who do continue to look after relatives, elderly relatives, and I think all of us should commend you on that.

Secondly, I am absolutely convinced that a government after 1997 will want to continue the development of the Health Service which we have seen starting in the last few years. The Hospital Authority has been a tremendous success, it is providing more care, it is providing more care more rapidly. We have got more clinics. We promised in 1992 that we would open 13. I think we have opened 10 of those and there are three more to go which will open before the end of 1997. We are of course trying to develop our services for the elderly - geriatric outreach services, psycho-geriatric services and so on. We must make sure that we have the services which the elderly need because as people live longer so the care of the elderly becomes a larger part of the Health Service's responsibility.

I am sure all that will continue after 1997 and that people like you who are concerned about their parents and their parent's welfare will be listened to. We are spending, I think, at the moment about 23 billion on health care, that is 14/15 per cent of our current public spending, and the bill for health care has been increasing on average by about 20% a year over the last decade. I don't see that finishing.

Question (in Chinese): Good morning Mr Governor. Respected Governor, you're the last Governor in Hong Kong, you have stood up for us, given us rule of law, human rights and civil liberties. Unfortunately, this is sunset. In Chinese we have a saying that, well the sunset is beautiful but unfortunately it's the worst night. Well in fact you are quite helpless. You are trying to help Hong Kong but your people like Sir Percy, you've got the business sector in Hong Kong, they want to protect themselves and they've got the seven chambers of commerce and they criticise you and in the southern parts of China there might be floods and they also fight for Diaoyu. But why are they so quick in criticising you? I'm not afraid, I don't have too much money but I can survive and I feel that we need to be on moral high ground. After you have left Hong Kong, I think Hong Kong, you will still have friends. Now there are people who can't understand you. You are protecting us. You are speaking up for us. You are also protecting the civil liberties and also our business community and our cohesion. Well you don't want to name names, but I can just speak out for you. It's the seven chambers of commerce and they're interests are - - -

Presenter: Your point is well put. Governor, please.

Governor: Well, I am the last British Governor and I think that Hong Kong will welcome the arrival of a Chief Executive who is, as it were, home grown and everybody in Hong Kong will wish him or her the very best of luck. And as the last, as you say in that extremely colourful expression which I'll remember, as the last I come with the sunset I suppose. We've got an expression in English, 'red sky at night shepherds delight'. I very much hope that I fall into that category. But even if, as the last Governor, I represent the end of the day, I think the ideas which you're talking about represent the dawn and represent the dawn, not just in Hong Kong but in Asia as well. I think the sort of values which you've touched on, the rule of law, human rights, protection of civil liberties, I think all those freedoms that we take for granted in an open society, represent the sort of Asia which we're going to see in the next few years. I think Hong Kong to that extent is a beacon to the rest of Asia. Not a sign of how people don't want things to be.

And just let me add this point, which I think reflects the extent to which your views represent majority concerns. There's a very distinguished academic who's quite often on the radio called, Mr DeGaullier, who runs a project called the Transition Project at Baptist University. Now one of the surveys they did recently showed that when people were asked whether they were concerned about their livelihood after 1997, on balance they weren't. Only about 7 per cent thought that their livelihood would suffer after 1997, but 57 or 58 per cent were concerned about the sort of things you've mentioned. They were concerned about their freedoms, they were concerned about their civil liberties, they were concerned about the increase in corruption. Now what we all want to do is to have the self-confidence to stand up for our institutions so that we can go on living in a fair and free and decent society and I think that when people like you speak out on the subject, it's helpful in ensuring that Hong Kong remains a decent, open, Chinese city.

Question: Good morning. Well, first of all I'd just like to say to the Governor, as a few of the others have said, I do hope that his successor takes the time to go through the same exercise as he has today. I think that's very healthy and good for the transparency of Government.

Having said that, I would just like to say that listening to the other callers, it's clear that what's important to Hong Kong people are the grassroot issues, are the bread and butter issues. Education, health etc., etc. We all know what they are. But this to me makes it even more incomprehensible that the Governor, by his own admission, should decide to completely change this year's Policy Address, and instead of going through these kind of issues, basically turn it into an hour and a quarter or whatever it was, of his political philosophy and polemic. I mean I'd just like him to give his reasons for changing the whole set up of the policy speech at this very, very late stage.

Governor: Well, he didn't actually and I'll make sure that we send you a copy, not only of my Policy Address but of the policy commitments and the progress report which ---

Question: I have a copy.

Governor: Well, you'll see I think if you look that the policy commitments are about 270 pages, that the progress report is over 200 and if you go through my speech, what will you see that I talked about? You'll see that I mentioned the crime in Hong Kong has fallen over the last, now just over the last four years, but is actually lower today than it was ten years ago. You will see that we've cut taxes. You will see that we've managed at the same time to increase the amount of money in our reserves. You will see that we've increased spending on the elderly and the disabled. You will see that we've managed our economy in a way which earns the plaudits of the IMF. Now I could go on, but all those issues seem to me to be very germane to people's livelihood. The lowest level of inflation for ten years, at the same time as we've got continuing growth at five per cent a year, strikes me as being a pretty good sort of record and in other societies is the sort of record on which Government's get re-elected.

Question: Yes, but I would put it to you that that's not policy making. That's back slapping.

Governor: Well, steady on. I mean if inflation was going up rather than going down, if unemployment was going up rather than going down, if crime figures were going up rather than going down, if taxes had gone up rather than gone down, you wouldn't say that the Government had nothing to do with that. You'd say, what a rotten Government. Well the fact of the matter is that all the indicators I've suggested, which are profoundly important for peoples' livelihood have been heading in the right direction and that wasn't what was predicted. Everybody said two, three, four, five, 10 years ago that the closer we got to 1997, the more Hong Kong would find itself riven by social disorder and facing economic calamity and it is to Hong Kong's credit and I might say a little to credit of the Government, that that hasn't happened and that we're actually extremely well placed to make the best of the millennium.

Question (in Chinese): I have two questions for the Governor. First question; I think the Governor doesn't know what the community wants and he knows that the majority is against the provisional legislature. However, as the representative of Government, why doesn't he challenge the provisional legislature legally? There are certain groups of people who are doing it in the community, is this the reason why the Administration is not doing it or is it because they want a better relationship with China? Because we want a democratic transition, that is according to the JD. But when you refuse to take that step, are you actually merely paying lip service to saying that you protect Hong Kong's democracy, rule of law etc?

And then secondly, I know that in the Western communities they have a human rights commission and yet in Hong Kong it seems as if this has been vetoed by the Hong Kong Administration. But you are stressing human rights and civil liberties and civil rights. Why won't you set up this commission? If you are worried that this particular commission will be marginalised or infiltrated by China. Now if you think in that way are you actually binding yourself hand and foot and what if you don't do these things, can you explain why you were so daring in your constitutional reforms? Now you stress that you will protect Hong Kong's rule of law and human rights and what exactly, what specifically have you got and do you have new thinking on this?

Governor: Well, can I first of all say that we, the British Government, the Hong Kong Government, the Governor, me, we do want a good relationship with China but we also want a good relationship with Hong Kong. I don't want to appear to be sacrificing the interests of Hong Kong in order to secure occasional bouquets or plaudits from Chinese officials. I don't think I'd be thanked for that.

Secondly, we do believe, as you know, that a provisional legislature before 1997, we think it would be bad at any time, we think that a provisional legislature set up before 1997, would be a questionable institution with questionable foundations doing questionable things and therefore it would be bound to, I suspect, to lead to questioning in the Courts in due course, but what we are intent on doing at the moment is trying to persuade Chinese officials not to do something which we think would be profoundly against Hong Kong's interest and I think that that makes much more sense than for me get involved in what some would regard as legal grandstanding. I do not wish the SAR Government to start off with people asking difficult legal questions about what it's doing and that's why I hope we can still persuade Chinese officials to behave sensibly.

Thirdly, you mentioned the human rights commission. I'd just say that there isn't an established, a regular practice in other open societies of establishing a human rights commission. Sometimes people follow the course that we followed, which is to introduce legislation like a Bill of Rights to guarantee peoples' civil liberties. In other cases people set up a human rights commission and try to do it institutionally. There's hardly any case, anywhere in the world of somebody doing both. I think there are perhaps a couple of countries where that happens. I think it made more sense for us to legislate on the issues like equal opportunities and discrimination against the disabled, to strengthen our legal aid departments, to work in other ways to bring our laws into line with the international covenants, rather than to set up an institution.

Presenter: Mr Chan, are you happy with the reply?

Question (in Chinese): On the first point I would like to have a supplementary question. Mr Governor, you stressed that to challenge this point legally might be rather complex. So does the Governor think that in fact the provisional legislature might not in fact be in breach of the BL and the JD? But whether it is legally unsound is actually something that is very obvious. But as Governor of Hong Kong, probably Mr Patten doesn't really want to take this issue to the court because that might destabilise Hong Kong and it might be detrimental to Sino-British relations. Could the Governor further elaborate?

Governor: Well, I think you've got to look at two different issues. First of all you've got to look at the question of a provisional legislature at all. Secondly, you've got to look at the question of a provisional legislature working before June 30, 1997. I totally agree with British Ministers who think that to establish a provisional legislature, acting as though it were the legislature, before June 30, 1997, would call into question China's compliance with the Joint Declaration. I mean Article 30 of which is extremely clear. I think I mentioned earlier in the programme that senior Chinese officials have said there can only be one legislature before June 30, and that if there were a provisional legislature it wouldn't assume any of its functions before July 1. I still very much hope that since that view has been expressed to British Ministers at the most senior level in the Chinese Government, that that will prove to be the case rather than some of the things we've heard recently and it seems to be more sensible for us to press on that front than to throw legal challenges around. I don't, I repeat, want to see this turned into a bitter argument so I hope we can persuade Chinese officials to behave a bit more sensibly.

Question: Good morning. I'd like to go back to two very vital issues Mr Governor. The first is, where you may not be able to point to as much improvement as the last list. The first is pollution and air quality and can you guarantee whether anything will actually be done to improve air quality, as a previous Minister of Environment you may be interested before you leave?

And the second one is immigration. In your tenure there's been a vast increase in the number of the population. Many of these are family reunions and the quality of the people coming in is not of the highest calibre. They often end up going straight on to the welfare system which is quite a burden to society. There may not be much you can do about that, but I would appreciate your point of view.

Governor: OK. On the environment I think it's one of the manifestations of Hong Kong becoming a more successful, prosperous community, that people place, understandably a higher priority on environmental issues. I'm sure they'll continue to do so. We have managed to cut, I think I've got the figures right, our dust emissions from new vehicles down by about 50 per cent since '92, sulphur dioxide down by about 42 per cent, about half our vehicles are now using catalytic converters. It was only about, I think hardly any were doing so in 1992, and 80 per cent of the petrol we now sell is unleaded. So all those are steps forward, but I know that people want us to do more. That's why we're doing things like investigating very urgently replacement for diesel and I think this will be inevitably a pretty high priority for my successor as it's been for me.

Secondly, the other issue you mentioned is also an extremely important one. We've got about 150 new immigrants coming in legally from China every day. That's about 55,000 or so every year and of course that creates some social difficulties, some problems in the housing and educational area. We have been doing a couple of things which I hope are important and useful. First of all, we've been trying to bring together the departments whose various responsibilities touch on this issue, to have them working closer together and one of the things that they've done is to produce quite a useful booklet for new immigrants telling them about Hong Kong and telling them how they can get particular services, how they can get in touch with the local employment services and so on.

Secondly, we've been also helping in the classroom by providing help with remedial teaching for the children of immigrant families who may have bad or inadequate Cantonese as well as English and I think that's a hurdle that we need to help people over. It's a very substantial social question this and it's not going to finish in 1997. So we've got to give it a lot of priority and I don't think any of us can kid ourselves that it's going to be an inexpensive problem to deal with but at the end of the day I hope that we'll ensure that the new immigrants who come to Hong Kong are able to play as creative a role in the next development of Hong Kong as previous waves of immigrants have played in the 60's, 70's and 80's.

Question (in Chinese): I was employed with the CLP previously and in order to cut expenses I was made redundant and I am now unemployed. Now you are the Governor of Hong Kong and the unemployment situation has been with us for quite some time and the problem has not been resolved. The Administration has not given any assistance to those who are unemployed and we are actually suffering great hardship. What can you do for them, Mr Governor?

Governor: If you, Mr Lee, leave your number with the switchboard, I will get somebody from the local employment service of the Labour Department to get in touch with you. They do provide free assistance and counselling to job-seekers. They have placed, I think, more than 12,000 people in jobs in the first half of this year, so they do a pretty good job. We will see if we can help through either the local employment service as a whole, through our job-matching programme which seeks to put together those looking for jobs with registered vacancies. I do want to see our Labour Department continuing to help nudge the unemployment rate down. It has fallen from 3.6 per cent last November to about 2.8 per cent today but I do recognise that for anybody who is actually unemployed the figure is 100 per cent, so we want to help you as much as we can.

Question: Mr Patten, I listened to part of your report yesterday and what the Hong Kong Government, the Hong Kong people, have accomplished in recent years is truly phenomenal and must be the envy of many a leader throughout the world. The question which I am asked and which I am now asking you is, how has it been accomplished? Because we've got reserves we don't run on a deficit, 65 per cent of the population don't pay taxes but we seem to have accomplished an awful lot.

Governor: The main reason why I think it has been accomplished is that we have pursued free-market liberal economic policies faithfully for 30 or 40 years. One of the things I quoted from yesterday was the Report of the International Monetary Fund. Now they are pretty beady-eyed observers of the world economy and they don't hand out prizes for economic management easily. They have once again given the management of the Hong Kong economy two thumbs-up. I think one of the things we have managed to do is to avoid doing too much. We don't try to second-guess business, we don't intervene in the marketplace, and I think a result of that is that Hong Kong's natural entrepreneurialism and natural vigour and natural hard work have achieved the sort of results which you read about in Adam Smith or Milton Freidman or in other classical textbooks.

There is just one other thing I would say. I think crucial to the operation of a successful market economy is the rule of law and is a clean civil service and we have had both of them as well, and I very much hope that we will continue to have them after 1997.

Presenter: Thank you. Does that provide some ammunition for when people ask you that question, sir?

Question: No, I think people say, "Well, it can't actually be that simple, it can't be that straightforward, there must be more to it."

Governor: Well there are other factors which have helped as well. We are in the part of the world which is growing most rapidly. We have been at the gateway of China while China has been opening up to the world in an astonishingly successful way. Those have also been factors in Hong Kong's economic success. But I do think it is fair to say that Hong Kong is as good a working model as you could find anywhere of liberal economics, it reads like a textbook of how to do these things.

It is not to say we don't have some problems but when I tell people from Europe or North America that we spend less than 20 per cent of our overall income, of our GDP, in public spending, when I tell them that 60 per cent of the workforce don't pay any salaries tax and that the top rate of tax is 15 per cent which is only paid by two per cent, when I tell them about our health statistics and the amount of extra money we have been able to put into welfare programmes at the same time as we have increased our fiscal reserves, they look at me as if I am making it up.

Question (in Chinese): You are my most respected Governor and we are most grateful to you, and we are also grateful to all the governors that came before you who have helped us through difficult times, and this is the last time I am going to talk to you. Yesterday you delivered your policy address. It was a very good policy address and we don't like those people who are whistle-blowers, who are informants who make trouble, and in fact we can ignore these people, we have had them with us for a long time. Now you will be leaving us; now the longer you stay, the more reassured we are.

Governor: I will be off - and I will be sad but it is a consequence of history - I will be off at the stroke of midnight on June 30 next year. And I will leave with, in some senses, a heavy heart because while this has been a difficult job it has been an immensely satisfying one and I have met many marvellous, kind, helpful, intelligent people while I have been doing the job.

I think I will also leave with a great deal of confidence in the future. One of the things that interested me today was one of our newspapers which has two headlines on different pages, one of which accuses me of being too anxious about the future, the other of which accuses me of being too rosy about the future. I think that my position, which is one of wary but cheerful optimism, is the right one for Hong Kong because I know that people like you have created this great city, one of the greatest cities in the world, and I don't think there is anything which can really end the momentum behind Hong Kong's success. I am sure that even though there may be some changes and there may be one or two problems along the road, that Hong Kong will continue to be a great place for people to live under, I am sure, a very talented and successful Chief Executive.

Question: I think I would just like to ask if the Governor would like to reflect on what has happened in Macau over the last month or so, where they have a situation where there is a franchise which is accepted by China, a level of franchise, and there will be a continuation of their political figures, and I just wondered if he would want to comment on that in the light of the more complicated situation we have in Hong Kong?

Governor: I don't think I really want to draw comparisons with Macau. Macau is in a very different situation from Hong Kong and you could go back to the late 1960s, to indeed 1967, and draw differences between the way things have been handled in Hong Kong and Macau. And I don't think, when you compare Hong Kong and Macau you would necessarily think that Hong Kong had suffered from things being handled slightly differently from time to time. But the Governor in Macau, who is an extremely fine man and a great friend of mine, has different but similar problems to those that I have and I wish him luck as he wishes me luck. I think that people in Macau recognise that at least part of their well-being in the future will depend on how well things go in Hong Kong, so we want to do well not only for ourselves but for them and the rest of the region as well. But I don't think that I could really draw a comparison, except to say that I don't think that the electoral arrangements which have satisfied people in Macau would have satisfied people in Hong Kong.

Question: Well if I can just come back on that, I mean I appreciate that the two places are different and have different histories but restricting our comments to the electoral arrangements and the electoral reforms which took place in Hong Kong, do you not think that the introduction of those reforms has led to us being in a less advantageous position than in Macau where people will continue because the electoral arrangements were not altered? And if I can also just say that in terms of any responsibility that you or the British Government felt that it had to Hong Kong, is the responsibility not best discharged by knowing how far one can go with our friends in China?

Governor: I think there is one quite important flaw in your argument, though I totally accept that it is a criticism which I have to answer today, have had to answer in the past and will have to answer in the future. The flaw is this: there is a sort of assumption that the alternative to disagreeing with China in 1992-93 about electoral arrangements, the alternative was a quiet life in Hong Kong. I don't think that is true for one moment. I think if we had been seen to put in place arrangements for our elections which are unfair - I don't want to go over old ground - that would have led to real political and social difficulties here in Hong Kong and I don't think that I would have liked to spend my four or five years as Governor fighting Hong Kong and fighting majority opinion in Hong Kong. But we will obviously have to disagree about that. In the meantime I wish Macau well just as I wish Hong Kong well.

Question (in Chinese): Is there still discrimination against the new immigrants regarding Hong Kong departments?

Presenter: The government departments definitely have no discrimination against new immigrants but are you talking about society as a whole?

Question: Yes, I am a new immigrant and I feel the discrimination. My son -- we work in the civil service and we are in the lower ranks and then we want to apply for education and yet they say that we have not been here for seven years and they don't give us subsidy for transport, etc.

Governor: There are some time limits for some assistance but I can assure you that there isn't discrimination against new immigrants. We want to make new immigrants welcome, we want to help you with the initial problems that you may confront and we want you to be able to play a full part in our economic and social life. I think you will recognise that when it comes, for example to getting public housing, it would not be fair if we simply allowed people to come into Hong Kong, having not been here for years, and jump up the waiting-list when some people have been waiting for four, five, even six years or more. So we do have to have some rules but I don't think they are unreasonable ones.

Question (in Chinese): Not true!

Governor: I don't know whether you have seen the booklet that we have produced which tells new immigrants what their rights are and what their entitlements are. If you haven't seen it, if you can leave your name with the telephonist I will certainly make sure that you are sent it and if you have got any particular problems and think you are being unfairly treated, if you mention that as well I will have it looked into. I repeat, we want - while being fair to people who have been in Hong Kong for longer - we want to give people who come here to live the opportunity of a full and free life.

Question: Good morning Mr Patten. I would like to refer to Mr Goodemall's (phonetic) remarks about the uncertainty regarding the status of the minorities in the future, and your comments. For instance he was talking, obviously, about the Indian sub-continent and you mentioned there are other minorities here and you specifically mentioned the Portuguese. But one group you did not mention were the Eurasian community who have done so much for Hong Kong in the past. For instance I was in Canada and the States very recently and I found it very sad to meet so many of these Eurasians who have had to leave Hong Kong because of the uncertainties in the future. For instance many of them had been educated at the Diocesan Girls School and the Diocesan Boys School; the only reason they left their home in Hong Kong was the uncertainty regarding their status in the future.

Now I do hope that when the minority issue comes up in the future with the British Government, whether it be the Conservatives or the Socialists, you will press for consideration for their right of abode in the United Kingdom because for instance in the past, that's about the 1970s, they had the right of abode in the United Kingdom but successive British governments who are meant to go for fair play and all the rest of it, have just eroded their rights. And so someone who had the right of abode in England it has been taken away from over the years. It is very sad and a very sad reflection in many ways on let's say the British code of honour. Perhaps you would like to comment on this, or maybe not now but at least bear it in mind in the future.

Governor: Let me comment straightaway and first of all recognise, which everybody knows to be the case, the remarkable contribution which many Eurasian families have made to the development of Hong Kong. There are of course many distinguished Eurasian families still in Hong Kong making a tremendous contribution but everybody knows that that is the case that they have made a tremendous contribution to our economic life, to our public service and to our cultural life as well. I think there are two particular aspects to the issue you raised.

The first is the question of a British Passport and right of abode in Britain, and you will know very well that I have taken up that issue and not always made myself very popular in the United Kingdom by doing so. But it has been the right thing to do, as it was the right thing for my predecessor, Lord Wilson, to do.

But secondly, there is also the question of right of abode in Hong Kong and I think that some of them who are in Canada and Australia for example, have been concerned about that issue rather more than they have been concerned about right of abode in the United Kingdom. I very much hope that the discussions we are having on that at present with Chinese officials will clarify some of the doubts about how people can secure right of abode in Hong Kong while perhaps having a Canadian or Australian passport, and I hope that will encourage some of those Eurasian families who have made a contribution to Hong Kong but, alas, left in the last few years, to return and continue to make a great contribution.

Question (in Chinese): Good morning. I would like to go on to the issue of housing. Why is it that - now I am talking about HOS - why is it so expensive? We are eligible and it is beyond our affordability. Is this policy therefore appropriate?

Governor: I think that there are two problems in the housing field. The first is that despite the efforts, the sterling efforts of the Housing Authority, despite the fact that we are still building so many new flats, there are still a lot of people in need who have been waiting for years for Housing Authority accommodation. Secondly, at the other end as it were, there are people who would like to become home-owners but find it too expensive. Now we are trying to help them. We will help about 175,000 families buy subsidised flats over the next four or five years and there are various ways in which we do that, for example through the Home Ownership Scheme, but I think that, as I said yesterday in my policy address, the housing problem is one of the most difficult, perhaps the most difficult.

Question (in Chinese): It is beyond our affordability. We can't afford HOS flats.

Governor: Well, that is something that obviously we will need to look at if there are people like you with a decent income who can't afford to purchase your own flat. Obviously, there are always going to be some people.

Question (in Chinese): I make about more than \$10,000 a month. We cannot get into public rental housing and yet we cannot afford HOS flats, so what are we going to do?

Governor: We have actually tried to increase the assistance that we provide through the Sandwich-class Housing Scheme. If you would like to drop me a note I will see whether your case would be one that was helped through the extension that we have made to the Sandwich-class Housing Scheme because we are concerned to help people who are, as it were, pressed between --

Question (in Chinese): Well I can't get into sandwich-class housing, we only make \$10,000 a month.

Presenter: This is an individual case. If you have any details just leave them with our colleagues and we'll see whether you can be helped.

Question: Yesterday in your speech you condemned self-censorship, I thought very rightly; it has been insidiously creeping into our society for some time and I heartily agree, in principle. But what about practice? The example of leading personalities who have expressed their minds, saying things about leading Chinese people - much less than other people have said about you for example - have suffered for what they have said or what they have done, even in this free society, and this is very worrying. It is all right for people, well like yourself who can speak out, and some others whose position is safe, but people at the middle level, for instance a legislator who speaks out, might find himself out of office, someone not with right of abode here might find himself in danger of having to leave. What is your advice to people wanting to speak their minds other than on a potentially anonymous programme such as this?

Governor: Can I say straightaway that the ability to speak your mind, to speak out, though I hope in a courteous and not aggressive way, the ability to speak your mind is one of the fundamentals of living in a free society and what we are promised in Hong Kong under the Joint Declaration, under the Basic Law, is that we will continue to live in such a society and it therefore puzzles us when, for example, senior Chinese officials, as one did the other day, seek to make a distinction between the right to report things and the right to advocate things. It is not a distinction that we make or could make in our law, that we could make in a free society.

Of course we understand the importance of showing restraint on some issues but actually doctoring your views or your values for what you think is politically correct is, I think, a long step down a very slippery slope. Hong Kong has been as free a society as there is anywhere in Asia. Why have we got 58 daily newspapers in Hong Kong? Because this is an argumentative, open society in which just as there is an open market in goods, so there is an open market in ideas. And if that were to change, Hong Kong would be much the poorer, literally as well as figuratively.

Question (in Chinese): Mr Governor, in Beijing it was said that Mr Lu Ping said that when he meets you on June 30, 1997, he will say goodbye to you. Mr Governor, can you tell us how you would respond to Mr Lu Ping, please?

Governor: I will tell you exactly what I would do. I would say how sad it is that we hadn't met rather more frequently before. While of course in any civilised exchange between public servants, shaking hands and saying hello or goodbye in a courteous way should be taken for granted and shouldn't be the sort of thing that people write about in headlines, while that is true it would have been, I think, more helpful if Director Lu and I had met more frequently. But I mustn't make too much of a fuss about that. It would have been sensible, it would have been good for Hong Kong. I think that is what people in Hong Kong would have liked. But as it is I will have to wait until June 30 to see Director Lu and then wish him the best for the future, and I hope he will do the same with me.

Question (in Chinese): Good morning Mr Governor. A question, I think the legislature should straddle 1997. That was the situation before the arrival of Mr Governor. But now, after you've come here the situation has changed and they will have to get off the train, there will be a provisional legislature and you're saying that there shouldn't be such a legislature. But they are taking over. So why is it that they can't set up the provisional legislature? Is it that they will have to wait until June 30, 1997? That's what I wish to say.

Governor: Well, I would have liked the legislature to travel through 1997, but alas the arrangements that we tried to negotiate with Chinese officials in 1992/93 to accomplish that objective were in vain, despite the fact that we worked at it for well over 150 hours. I've never doubted at all that on June 30, 1997, even if we'd had an agreement for a through train for the legislature, legislators would of had to have past some sort of objective test in order to continue in their job. They'd have had to do something like take an oath to the Basic Law and the Special Administrative Region. There would have had to have been some mark of the change of sovereignty. I've never doubted that for one instant.

As for the question of the provisional legislature. There's no mention of a provisional legislature in the Basic Law or in the Joint Declaration. Quite how a provisional legislature is in line with those documents, it's for Chinese leaders I think themselves to explain. What is absolutely clear is there is no basis for a provisional legislature whatsoever before June 30, 1997, and I wish there wasn't going to be one afterwards as well.

Question: Good morning Mr Patten, my name is James. I just want to ask two issues. One is how can you make sure and what you will do in the coming nine months to ensure a clean and efficient government going through 1997? And the other thing is, I reckon from the report that some of the objectives about the social welfare cannot be achieved and do you think it is because of your inefficiency, the problem, or because of some other problem?

Governor: First of all we do at the moment have a clean and pretty efficient government, I think, in Hong Kong. We have tried to keep ourselves clean which is why we have been such enthusiastic supporters for the work of the Independent Commission Against Corruption. We have also tried to make ourselves more efficient by becoming more accountable and I want to pay a tribute to the extent to which our civil service, unlike perhaps some elsewhere in the world, has been prepared to own up to the things we have got wrong as well as try to take credit for the things we have got right.

Now that brings me to the second part of your question. We do, which is pretty unusual, every year produce our progress report in which we say very frankly and candidly where we have fallen behind with targets as well as where we have met them. Overwhelmingly we have met our targets but there are some that we haven't quite met and I think the main reason in the social welfare field is that we have had more difficulty than we would have liked in getting premises for some of the capital projects that we want to build.

We have managed to haul back some of the lost time in one or two areas and I think we will get pretty close to our targets in most areas or match our targets or even exceed our targets next year. But where we don't do so I want us to go on having the maturity to own up to it and to explain to the community why rather than to draw a veil over things. I think that is part of the development and growing-up of government and of an open community like Hong Kong.

Question (in Chinese): Good morning. I don't really have a question for the Governor, but I don't want to see him go. He has done a lot for Hong Kong. I would like to get a photograph of Mr Governor, a signed photograph as a souvenir. Could that be done?

Governor: Certainly. If you leave your name, we'll send you a signed photograph but alas for reasons which go back almost a century I won't be able to stay beyond 30 June, 1997. I'm sure you will have a Chief Executive who will be equally profligate with his photographs and I'm sure that you'll want his or her photograph as well and you'll have a very good Chief Executive, I'm certain.

Question (in Chinese): I think you have worked extremely hard in the past few years.

Governor: Thank you very much indeed. Thank you very much.

Presenter: And may we, Mr Patten, say thank you very much indeed, not for your just coming in today but for all the five years of your Governorship. It's been a very good exercise in transparency and Radio Television Hong Kong channels 1, 3 and 5 have been very pleased to take part in it and we hope that we do have the opportunity before you leave finally our shores to have another chance to talk to you.

End

Policy commitment on welfare programmes on target

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The Secretary for Health and Welfare, Mrs Katherine Fok, said today (Thursday) that she was disappointed to hear some misleading remarks made publicly by the Director of the Hong Kong Council of Social Service, Mr Y F Hui, about the Government's progress in meeting policy commitments on social welfare programmes.

These include Mr Hui saying that no new nursing home would be completed on target.

"This was simply factually wrong," Mrs Fok said.

"Four new nursing homes would be completed on target in 1997 while completion of two had slipped to 1998. The one at Kowloon Bay has been delayed as a result of disruption caused by the opposition of local residents."

She pointed out that the Government's Progress Report had made clear that only four of the 58 welfare commitments were behind schedule.

And the Director of Social Welfare has also explained clearly that those programmes behind schedule are only a matter of delay in completion rather than cancellation of the facilities concerned.

"Indeed, we are on target for some of our most challenging targets.

"For example, we expect by the end of 1997 to have produced another 1,800 residential places for people with a disability including the completion of the huge Aberdeen Rehabilitation Centre providing 1,400 places in one facility. We provided over 1,100 additional places last year.

"We value our partnership with the non-governmental organisation (NGO) sector in working together to meet these targets.

"It is unfortunate that the Council has apparently chosen to belittle those efforts and exaggerate the delays that have occurred. Those who have worked so hard in both the NGO and Government sectors to meet these targets must feel let down by such misleading remarks," Mrs Fok said.

End

Government puts every dollar of its spending to best use

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The Government must put every dollar of its spending to the best use if it was to hold true to its 'small government' philosophy and to strictly control the growth in its expenditure, Secretary for the Treasury, Mr K C Kwong, said today (Thursday).

Speaking at the opening of the Ninth International Federation of Purchasing and Materials Management Asia-Pacific Conference in Hong Kong, Mr Kwong said the Government did this through a two-pronged approach.

"On the one hand, we consult widely to ensure that we have a good grasp of the community's spending preferences and priorities," he said.

"We ensure that Government decisions are open and accountable to the community. Through our efforts, we aim to build a broadly-based consensus on where Government spending should be focused."

On the other hand, said Mr Kwong, the Government did everything possible to keep the cost of public services down.

"We must constantly strive for better value for money. We must continuously look for opportunities to do things, new and old, in a more cost-effective way," he said.

Mr Kwong said the Government now purchased goods with a total value of over \$6 billion a year.

"Our procurement policy is that we should aim to obtain the goods and services which represent the best value for money, having regard to their suitability for users' requirements, competitiveness in price, maintenance and other operational cost, reliability of performance and where applicable, after-sale support," he said.

To achieve these policy goals, the Government was constantly on the look-out for opportunities to improve the efficiency of its procurement process, he added.

He cited the building of a new Government Logistics Centre in Chai Wan as an example.

Mr Kwong said the Centre was to centralise storage and to tie in with its commissioning, a new computer-based system for warehouse operations, stock management and stores acquisition was being developed.

The completion of these projects will produce total savings of \$40 million per annum and significantly improve services to customers, he said.

End

Hong Kong/Philippines ASA negotiation concluded

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After six years of discussion, Hong Kong and the Philippines finally concluded negotiation of a HK/Philippines Air Services Agreement and initialled the text of the agreement yesterday (Wednesday).

The initialled agreement will be submitted to the Sino-British Joint Liaison Group for endorsement before it can be formally signed by Hong Kong.

The two sides further agreed on an expansionary traffic rights arrangement providing for increased services between Hong Kong and the Philippines. The Hong Kong/Philippines route is one of the busiest and fast growing in Asia.

"This agreement provides a proper legal footing for the smooth continuation of air services between Hong Kong and Philippines through and beyond 1997.

"It will assist both the development of our air services and further enhance the opportunities for trade and tourism between Hong Kong and the Philippines," said the chief negotiator representing Hong Kong on the negotiation, Mr Michael Arnold

With the successful conclusion of the talks on the HK/Philippines ASA, Hong Kong has now completed negotiations on separating HK air services from those of the UK in preparation for the change of sovereignty in 1997.

So far, Hong Kong has already signed 13 Air Services Agreements and arrangements are now in hand to sign four more agreements which have received clearance by the Joint Liaison Group.

A number of other agreements including those with the US and Japan are currently being considered by the Sino-British Joint Liaison Group.

"We are confident that all the remaining agreements will be approved by the JLG and signed well before the change of sovereignty in 1997," said Mr Arnold.

Mr Arnold indicated that his next immediate task would be the negotiation of overflight agreements following JLG clearance in September.

Overflight agreements are needed with a number of countries which Hong Kong airlines overfly on their key intercontinental routes and with which Hong Kong has not previously negotiated an Air Services Agreement.

End

No easy way out to maintain HK's economic bedrock: FS

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Hong Kong had to see to it that the four pillars embodying the territory's capitalistic system were not eroded by negligence or design, the Financial Secretary, Mr Donald Tsang, said in Boston, Massachutte.

"We have to stand firm. It is all too easy to take the easy way out; turn a blind eye; to agree to a little departure from the rules here, a little there," he said.

Mr Tsang was addressing the senior staff of John F Kennedy School of Government, Harvard University, and a group of business and finance leaders in Boston at a dinner hosted by the Dean of the School, his Alma Mater, this evening (Wednesday Boston time).

Mr Tsang told his audience that one of the four pillars of Hong Kong's economic system was the free enterprise spirit and level playing field.

"We in the Hong Kong Government take this very, very seriously and we are determined to keep this level playing field.

"We do not do industry targeting or impose investment priorities. It is our firm belief that such initiatives are self defeating in the long run," Mr Tsang said.

The other three pillars are the rule of law, corruption-free civil service and free flow of information.

Noting that some had expressed concern about Hong Kong's economy and society surviving the transition, Mr Tsang said the community's sentiment was one of anticipation. The community was waiting for the opportunity to meet and deal with the challenges of transition.

"In this period certain important events will occur. Not the least of these will be the appointment of the Chief Executive, the formation of the Special Administrative Region (SAR) government and the compilation of a 1997-98 Budget that will take us through from British to Chinese sovereignty," he said.

"As Financial Secretary of Hong Kong, I see my role as re-affirming the economic system that we have developed and refined over the past decades.

"I shall make sure that this system will carry through the transition, forming a solid foundation and inspiring more enviable economic advancement for the Hong Kong SAR."

Mr Tsang firmly believed that Hong Kong society would not only survive the transition but thrive on the challenge and prosper.

"It will continue to sustain a vibrant economic growth in Hong Kong into the next millennium. In turn it will bring benefits to the international community with whom Hong Kong vigorously trades," he said.

Mr Tsang will travel to New York on October 3 to officiate at the opening of the Hong Kong Monetary Authority's newly established representative office there.

He will make use of the opportunity to meet leading bankers in New York before concluding his visit in the United States.

Mr Tsang will then continue his journey to Europe where he will sign investment promotion and protection agreements with Belgium, Luxembourg and Austria and an Air Services Agreement with Italy.

End

Joint sea exercise enhances search and rescue co-operation

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A high-speed ferry sailing from Hong Kong to Macau this (Thursday) morning collided with another vessel along the Hong Kong-Macau ferry route.

The collision near the Qing Zhou Fairway between Hong Kong and Macau caused a fire in the engine room of the high-speed ferry, disabling the craft.

Some 50 passengers on board the ferry sustained various degrees of burns and injuries. The high-speed ferry master sent out a 'mayday' message.

Rescue craft, helicopter and launches from Zhuhai, Macau and Hong Kong rushed to the scene to offer assistance.

The "emergency" was only the scenario of a maritime search and rescue exercise held in the Pearl River estuary today to test the search and rescue strength of Guangdong, Macau and Hong Kong for dealing with an accident at sea.

This year's exercise, codenamed "Maritime SAREX96", was jointly organised by the Guangdong Provincial Marine Emergency Search and Rescue Centre (GDRCC), Macau Marine Department and Hong Kong Marine Department.

In today's scenario, 50 staff members of the Civil Aid Services simulated the injured passengers of the high-speed ferry provided by Chu Kong Shipping.

Since the position of the "emergency" was nearer to Macau, the Macau Marine Department assumed the role of the search director in the exercise.

The Macau Marine Department tasked three rescue craft for the rescue operation while GDRCC provided the rescue craft "Nan Hai Xun 33" from Zhuhai.

Hong Kong tasked two Marine Police launches to the scene to help the passengers. A Government Flying Service helicopter was also sent to carry out simulated casualty evacuation and delivery of the casualty ashore.

Under the co-ordination of the Macau Marine Department, some 50 qualified staff rescued all the "injured" passengers and sent them to Macau for medical treatment.

"With more people travelling between Hong Kong and the Pearl River by sea, it is necessary to conduct regular exercises in this busy waters to check the alerting, communications and responses of the search and rescue resources in Zhuhai, Macau and Hong Kong," said a spokesman for the Hong Kong Marine Department.

He said search and research exercises at a regional level could enhance co-operation among neighbouring authorities and Maritime SAREX96 met this aim.

A subsequent critique held in Macau in the afternoon identified that on-scene communication could be further improved, the spokesman said.

End

Open Learning Institute granted self-accrediting status

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The Government has decided to grant self-accrediting status to the Open Learning Institute of Hong Kong (OLI), subject to periodic external institutional reviews by the Hong Kong Council for Academic Accreditation (HKCAA).

Announced that today (Thursday), a spokesman for the Education and Manpower Branch said the decision followed the recommendation of HKCAA after it had conducted an institutional review of the OLI last year.

"The HKCAA reported favourable assessments of the Institute's overall performance, culture for quality assurance, internal academic quality assurance systems, and internal and external communications," the spokesman said.

He pointed out that in the 12-month transition period from June 1995 to May 1996, the Institute had further strengthened its quality assurance mechanisms and had jointly conducted programme accreditation with HKCAA.

"The Government will ask the HKCAA to undertake an external institutional review of the OLI every five years. The objective is to monitor the academic development of the Institute and the continued effectiveness of its quality assurance and improvement processes.

"The reports of the reviews would be made available to the public," the spokesman said.

End

Land Registry statistics for September released

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A total of 10,549 sale and purchase agreements for building units, which include both residential and non-residential properties, were lodged with the Land Registry last month.

The figure represents an increase of 5.8 per cent from that of August this year and an increase of 62.1 per cent compared with September last year.

The total considerations of these agreements in the month is \$29.2 billion which was down by 1.1 per cent but up 68.1 per cent compared with the amounts for August 1996 and September last year respectively.

The figures are contained in the monthly statistics released today (Thursday) by the Land Registry on deeds relating to property transactions received for registration in the Urban and New Territories Land Registries in September 1996.

Relevant statistics for August 1996 and September 1995 were provided for comparison. Figures on sale and purchase agreements received for the past 12 months and the year-on-year rate of change were also released.

These statistics generally relate to land transactions executed up to four weeks prior to their submission for registration, as there is usually a time lag between the execution of deeds and their lodgement for registration.

End

Yamen and remnants at former Walled City declared monuments

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The Yamen building and the remnants of the South Gate at Kowloon Walled City have been declared historical building and archaeological site respectively under the Antiquities and Monuments Ordinance.

A notice to this effect will be published in the Gazette tomorrow (Friday). These bring the total number of declared monuments in Hong Kong to 63.

The Yamen building

The Yamen building was originally the administrative office and residence of the Commodore of Dapeng. The building is a three-hall structure measuring 14 metres wide and 48 metres long.

The central part of the building was the office while the rear block served as the officer's residence. As a venue for both administration and residence, the Yamen building was built in a simple but functional design.

After the departure of the Qing officials in 1899, the Anglican Holy Trinity leased the Yamen and converted it into the Anglican Almshouse and the 'Kuangyin Yuan', Home for the Aged.

In 1918, the two establishments were handed over to the Chinese Christian Churches Union which ran the Yamen as a home for widows and orphans. From 1971, the Christian Nationals Evangelism Commission operated it as school and clinic until 1978. Since then, the building was used as an elderly centre until the clearance of the walled city.

The Yamen was fully restored in 1994-95 to its original splendour and has become an important historic feature of the Kowloon Walled City Park.

The remnants of the South Gate

During the demolition of the walled city, archaeological investigations of the site were carried out by the Antiquities and Monuments Office from November 1993 to June 1994 to trace the remains of the former city wall which was dismantled during the Japanese Occupation Period (1941-1945).

The investigations proved to be most fruitful and succeeded in locating the remains of the footings of the city wall. The most important discovery is the remnants of the South Gate of the former Walled City, which include its foundation, the walkway, and a drainage ditch.

The two original stone plaques of the South Gate, bearing the Chinese characters signifying the "Kowloon Walled City" and the "South Gate" were also uncovered.

In view of the importance of the remnants, the Antiquities Advisory Board recommended the preservation of the site in-situ as an archaeological site.

Its recommendation was subsequently adopted and the remnants are now open to the public as an archaeological feature of the Kowloon Walled City Park.

End

Medical Council examination results released

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The Licentiate Committee of the Medical Council of Hong Kong today (Thursday) announced that 88 and 11 candidates have passed the Proficiency Test in Medical English and the Examination in Professional Knowledge of the first Licensing Examination respectively.

On September 5, a total of 135 candidates sat on the Proficiency Test which is designed to test their use of English for professional purposes.

The Examination in Professional Knowledge was held on September 17 and 154 candidates turned up. This examination consists of two 3 1/2-hour papers and is designed to test candidates' professional knowledge in the disciplines of basic sciences, medical ethics, community medicine, medicine, psychiatry, paediatrics, surgery, orthopaedic surgery and obstetrics and gynaecology.

Candidates who have passed both parts of the Licensing Examination will be invited to sit the Clinical Examination to be held in early December.

End

Further control on halon imports

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The Government is to ban the import of portable fire extinguishers from all countries or places with effect from December 2 as a further measure to protect the Earth's ozone layer from depletion.

Arrangements for the ban are spelt out in the Ozone Layer Protection (Products Containing Scheduled Substances) (Import Banning) (Amendment) Regulation.

A government spokesman said today (Thursday) the ban would not affect the availability of portable fire extinguishers because non-halon type extinguishers were widely available at comparable prices as a substitute.

He said since 1993, the Fire Services Department had ceased to impose fire safety requirements based on halon portable fire extinguishers in building plans or licensing/registration conditions.

"Action is also in hand to phase out the existing halon fire extinguishers in all government buildings and public housing estates.

"We envisage the ban will encourage an early switch to more environmentally friendly fire extinguishers," the spokesman said.

Nevertheless, the amendment regulation provides that the Director of Environmental Protection may, in consultation with the Director of Fire Services, exempt halon portable fire extinguishers required for essential applications in emergencies.

Under the amendment regulation, a person who imports a halon portable fire extinguisher without any authorisation will be liable to a fine of \$200,000 and imprisonment for six months.

Major trade associations, registered fires services installation contractors, electrical and mechanical consultants, major halon product users and importers/exporters of halons have been consulted on the proposed ban and no objections were raised.

The amendment regulation will be submitted to the Legislative Council for approval on October 23.

Import of halons in bulk has been banned since January 1994 under provisions made in the Ozone Layer Protection Ordinance.

End

Duo jailed for exporting endangered species

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The public is today (Thursday) reminded that illegal trading in endangered species could end up in jail.

The reminder was issued by the Agriculture and Fisheries Department (AFD) after two men were convicted and sentenced to jail terms ranging from four to five months by a Tsuen Wan magistrate for attempting to export ivory without licence.

An AFD spokesman said under the Animals and Plants (Protection of Endangered Species) Ordinance, any person found guilty of importing, exporting or in possession of a highly endangered species for commercial purpose without a licence is liable to a maximum fine of \$5 million and two years' imprisonment.

The control covers a wide variety of endangered species, including ivory and ivory products.

The case came to light last month when Customs and Excise officers intercepted four men and seized 113 kilograms of raw ivory tusks and nine kilograms of worked ivory chops at the Kwai Chung Container Terminal.

A subsequent operation jointly conducted by Customs and AFD officers at a Pei Ho Street premises led to a seizure of another 170 kilograms of raw ivory tusks.

The case was heard in the Tsuen Wan Magistracy last Wednesday (September 25) when the two defendants, aged 40 and 44, pleaded guilty to charges of attempting to export ivory without licence. Each was sentenced to four months' imprisonment.

The 40-year-old offender was given an additional jail term of four weeks for possessing ivory without licence.

The spokesman believed the penalty would serve an effective deterrent to potential offenders.

He called on members of the public to comply with the restrictions on import, export and possession of ivory and ivory products, and other endangered species in general.

End

Equal opportunities promotion leaflet published

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The Home Affairs Branch (HAB) has published a bilingual leaflet to promote better public understanding and acceptance of people of different sexual orientation.

A spokesman for HAB said the leaflet provides basic information about sexual orientation with a view to addressing misconception and misinformation.

It highlights the ideal of equal opportunities for persons of different sexual orientation, stating that: "All human beings are born equal with inherent rights that all should be free to enjoy.

"Every one shall have equal opportunities in every aspect of life irrespective of race, colour, sex, religion, sexual orientation, or any other status."

"It also reiterates the Government's commitment to the principle of equal opportunities for all and its determination to eliminate all forms of discrimination," the spokesman said.

The main forms of sexual orientation - homosexuality, heterosexuality and bisexuality - are briefly outlined in the leaflet. So are common problems faced by sexual minorities, such as self-rejection and concealment of sexual orientation.

One part of the leaflet addresses common myths about homosexuals and bisexuals, distinguishing the facts from the fiction. These include misunderstandings about homosexuality/bisexuality and AIDS and the stereotyping of gays and lesbians.

Free copies of the leaflet will be distributed to homosexual groups, secondary and tertiary education institutions, public libraries, employers' organisations and chambers of commerce.

They are also available at the Marketing Office of the Information Services Department, 17th floor, Siu On Centre, 176-192 Lockhart Road, Wan Chai, and all district offices.

End

Soldiers host last Gurkha Fair

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Soldiers from 1st Battalion the Royal Gurkha Rifles (1 RGR) will host the last Gurkha Fair this weekend and hope to attract hundreds of visitors to their Headquarters at Malaya Lines, near Kam Tin, to help raise money for local and overseas charities.

The Fair, to be opened by the second runner-up in the 1996 Miss Hong Kong Beauty Pageant, Miss Chillie Poon, will take place on Saturday and Sunday (October 5 and 6) and open from 11 am to 9 pm.

Other units from the Garrison taking part include 29 Transport Squadron Logistic Support Regiment's lion dance and motorcycle display teams, which performed in front of the Royal Family at the Royal Tournament earlier this year, and the Defence Animal Support Unit's Army Dog Display Team.

Musical highlights will be provided by the Pipes and Drums of 1 RGR, the Salvation Army Band and the Royal Hong Kong Police Band. Children from the Gurkha Primary School will also perform traditional Nepali dancing.

The Fair will take place on the Polo Field at Malaya Lines, near Kam Tin, and money raised during the two-day event will be divided between the Gurkha Welfare Trust, the Army Benevolent Fund and the Disabled People's Home in Tuen Mun. Last year's Fair had raised over \$156,000.

End

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,164	0930	- 4
Closing balance in the account	2,128	1000	- 4
Change attributable to:		1100	- 4
Money market activity	- 36	1200	- 4
LAF today	NIL	1500	- 6
		1600	-36

LAF rate 4.00% bid/6.00% offer TWI 124.9 *+0.1* 3.10.96

Hong Kong Monetary Authority

EF bills		EF notes/MTRC				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.90	2 years	2808	6.00	100.05	6.06
1 month	4.99	3 years	3907	6.80	101.14	6.45
3 months	5.16	5 years	5109	7.32	101.54	7.06
6 months	5.27	7 years	7308	7.24	99.78	7.41
12 months	5.56	5 years	M503	7.35	100.62	7.32

Total turnover of EF bills and notes - \$13,642 million

Closed October 3, 1996

End