



DAILY INFORMATION BULLETIN

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Transcript of the Governor's media session

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Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting the Southern District this (Wednesday) afternoon:

Governor: I'd just like to say one thing about my visit today. You know that I've started off today by looking at some of the Caritas services for children newly arrived here from mainland China. We are obviously extremely keen to develop comprehensive services for those who come from mainland China, new immigrants to Hong Kong. We want to ensure that they know what their rights and entitlements are in Hong Kong, know what they can be expected to receive and we've produced what I think is an extremely good little booklet which we are distributing as widely as possible. I think the whole community appreciates that in areas like education, we want to give new immigrants the best possible chance of settling down quickly in Hong Kong and making a real substantial contribution to our community and bettering themselves at the same time. So I'll be visiting one or two other services for new immigrants in coming months and I'm hoping to speak on the subject in the autumn.

Question: Mr Patten, Two questions. What do you think in your opinion the priority tasks of the Chief Executive (Designate)? And yesterday and today, some pro-Chinese figures send their praise to Mrs Anson Chan for her possibility to become the number one person after 1997, what is your opinion? And the second question is now there is still one year's time what do you think what remains to be done by your Government? And you personally do you think that you can improve relationship with Chinese side, especially do you think you can have the chance to meet Mr Lu Ping and discuss the transitional matters for Hong Kong?

Governor: What a question! Huge questions! Let me start with the first question. I don't think it's for me to set out the priorities for the Chief Executive (Designate) whoever that person may be. They'll have a very clear idea of what they need to do. But obviously in my Policy Address this year and in other speeches I'll want to set out what I think are some of the challenges ahead for Hong Kong, some of the problems which we haven't been able to completely or successfully tackle in the last few years, some of the difficulties that lie ahead. I think that one of them is a subject I referred to on a number of occasions. Hong Kong is going through two transitions. There is the political transition from British to Chinese sovereignty. But there's another transition as well. Hong Kong is at present a prosperous Asian city. It's on the way to becoming one of the most important financial and business centres in the world, and we would like to see that transition completed successfully. It requires that we ensure that we stay competitive. It means that we have to go on ensuring that our young people are as well educated and trained as possible. That's one reason why I'm delighted that we've been able to increase spending on education in the last four years in real terms after inflation by about 25 per cent. That isn't telling my successor what he or she should do. It's setting out what I think all of us recognise are some of the major challenges for Hong Kong over the next few years. There are others in the social field as well as in the economic, for example we're reviewing our housing strategy at the moment. It's something which Rosanna Wong whom I saw earlier today and Fung Tung have been working on, and obviously that's going to produce a new agenda in the housing field for the SAR Government.

The second question you asked was about.... The second question in the first, the second question in the first question. Obviously it's inappropriate for me to comment on who may or may not be the Chief Executive (Designate) of the SAR. What I can say is that Hong Kong today has an outstanding Chief Secretary who's recognised as such in Hong Kong and right around the world. She's impressed only recently American audiences just as much as she impresses people in Hong Kong which you can see from the opinion polls. And why does she impress people? Because she is honest, she is principled, she is decisive and she is a real leader. But I'm only commenting on her qualities as Chief Secretary. It's not for me to comment on or speculate about anything else. Your second big question?

Question: There is still a one year's time ... what remains to be done? And how about your personal relationship with China ...?

Governor: The relationship between me and China isn't a problem of my making. It's a problem, it's a knot which has been tied by Chinese officials and I think the whole community regards it as not very sensible, and I think the whole community wishes that Chinese officials would untie the knot. But that's a matter for them. I'm going to continue for the next year doing three things. First of all ensuring that Hong Kong is as well governed as possible and I'll hope that we can complete as far as possible the major programme of reform that I put in hand in 1992. Secondly, I'll continue to defend all the promises that were made to Hong Kong in the Joint Declaration and speak out for the values and freedoms that have helped to make Hong Kong so successful. And thirdly, there are of course some outstanding matters affecting the transition which still need to be cleared up. The Joint Liaison Group is I think working much better. I think there is a much more co-operative atmosphere, and I think there is a recognition on the Chinese side of how much more needs to be done in the next 12 months. There are issues like adaptation of laws which we need to be clear about. There are issues like right of abode where there are still some questions that need to be resolved. So we'll be working to clear up those matters too in the next 12 months.

Question: Some legislators have asked you to step in and help Albert Tong who is facing deportation. What is your position on this?

Governor: My position on Albert Tong is that I'll be sending the letter that I was given by Mr Ho and Mr Cheng today to the Home Secretary. I'll be asking ministers in the United Kingdom what the latest position is on Mr Tong's medical condition. I'm sure that ministers will want to take that into account in any decisions they'll take about deportation.

Question: Some legislators ... that water fees should be frozen. What is your position on freezing water fees ...?

Governor: Freezing water fees. There is no such thing as a free lunch as you know and there is no such thing as a free bucket of water. Hong Kong has a programme of investment in water and in sewage and somebody has to be pay for that. I understand the concern of legislators that we should have as cost-effective a service as possible. I understand the pressure from legislators for greater efficiency in the delivery of water services and in the implementation of our sewage strategy. But if the money doesn't come from charges, then it has to come from the taxpayer, and if it comes from the taxpayer it means that money can't go on other things which legislators press us to spend on. So I think the simple reply is that while we understand the pressure for improved efficiency in the water service and elsewhere the money has to come from somewhere in Hong Kong as everywhere else.

Question: Governor, for German Television. What would you tell people who really worry about their future and think about emigrating and leaving Hong Kong? What do you tell these people, for example some of your friends who you've probably made here since you are here?

Governor: What I tell them is this. When others talk about Hong Kong, when others speculate about Hong Kong's future, they very often it seems to me do so as though the people who've made Hong Kong's success don't exist. They talk about Hong Kong as though it was hit by a neutron bomb, as though the six million people who live here, who've made this extraordinarily special and successful community simply were to be disregarded. I think that the main reason for being optimistic about Hong Kong's future is the six million people who live in Hong Kong, who've made it with no natural advantages one of the greatest cities in the world and will, I believe, continue to stand up for the things that have made Hong Kong successful in the future. Let me add just a couple of things. Sometimes people say that in Hong Kong people don't care all that much about human rights for instance. The majority of people in Hong Kong are here because of human rights. Two-thirds to three-quarters of people in Hong Kong are themselves refugees or the family of refugees. They know what the rule of law means, and they know what life is like without the rule of law. And they know that they can make a difference to the maintenance of Hong Kong's freedoms and values by speaking up for them, by standing up for them. Second thing I would say is that we have in Hong Kong not just the spectacularly successful economy but we have all the institutions of what political scientists call civil society. There is a commitment to those -- to professions, to churches, to independent courts, to non-governmental organisations, to political parties, to free newspapers -- there is a commitment to those things. And I believe that they'll survive provided that people want them to survive. What I can't do is to act as a character witness for China. What I can do is speak out as a character witness for the extraordinary qualities of people in Hong Kong.

Question: Will these people stand up and speak up after the take-over ...?

Governor: Well, you are not going to find in Hong Kong that at mid-night on the 30th of June next year, as a press statement pointed out yesterday, the Monday after the Queen's birthday, you are not going to find out, you are not going to find that at mid-night that night suddenly people are transformed, they become something else, that their concern about civil liberties, about having a share in the governance of this society is going to be snuffed out. They're going to be the same people, the same successful, brave, resilient people after the first of July as they are today.

Question: Would you please comment on Chairman Andrew Wong's decision that the last meeting on Legislative Council will be closed on the 25th of June next year?

Governor: Well, I've commented on it the other day. And my reply today is going to be remarkably similar to the reply I gave the other day. And I'll give it if you let me. The reply is this - that I haven't yet heard from the President of the Legislative Council about the dates of sittings of the Legislative Council next year. The constitutional position, now that I am no longer the President of the Legislative Council, is that I specify the date at which the Legislative Council will begin, the date on which I am going to make my Policy Address and I've already given -- that is the second of October this year. I then when I've heard from the President of the Legislative Council accept when the Legislative Council will close down for the summer. But I'll do that again this year. But none of that affects the fact that the British Government, the Hong Kong Government, and the overwhelming majority of people in Hong Kong think that the Legislative Council that was elected freely and fairly by a record number of people in September last year should continue to go through to 1999.

Question: And the civil service pay rise rate has been endorsed by the Executive Council.

Governor: It has indeed.

Question: And it is the lowest rate for the past ten years. Some of the civil service associations are afraid that it will destroy the morale of the civil servants during the transitional period. So how do you respond to their discontent?

Governor: Well, the percentage pay rise is lower because inflation has been falling. The actual rate of inflation today is half, less than half what it was in the year before I arrived in Hong Kong. I am delighted that Financial Secretary has helped to keep Hong Kong so competitive by edging inflation down though I still believe that it is too high. We have a formula for setting civil service pay and it's a fair formula. We have pay trend indicators which reflect what's happening in the private sector and I think there is a broad agreement in the community that is the fairest and most acceptable way of dealing with civil service pay. Now we follow that trend survey, and if we depart from it this year, what's going to happen in other years, conceivable years when the figures aren't as helpful. There is one other thing that we follow, and that is that we regularly raise the lower band percentage up to the middle band level when the lower band was lower. We've done that again this year at a cost as I recall of seven to eighty million dollars, at eighty million dollars. That's fair to the lower paid. But I don't think it would be right to overthrow the pay trend indicators because it would destroy at a sensitive time, the basis for fair civil service pay settlements. We all know that we have an outstanding civil service in Hong Kong. I think that we respond to that by ensuring that we have adequate investment in civil service training and that we give civil servants decent remuneration. The key indicators when you're looking at remuneration are whether what you are paying people motivates them, whether it recruits them, whether it retains them. And I think we can honestly say that the overall pay that we provide our civil servants in Hong Kong achieve those three objectives. Thank you very much.

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Government to take active approach to fight discrimination

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The Government will initiate legislation to ban discrimination on the ground of family status and adopt practical measures to address discrimination in the area of sexual orientation, the Secretary for Home Affairs, Mr Michael Suen, said today (Wednesday).

The way forward was devised on the basis of public views contained in more than 8,800 and 10,000 submissions received in response to the consultation documents on family status and sexual orientation respectively.

At a press conference to announce the findings of a two-month public consultation conducted earlier this year, Mr Suen said the submissions showed a clear public demand for legislation to protect the rights of persons of different family status and a majority preference for administrative measures to tackle discrimination on the ground of sexual orientation.

Mr Suen paid tribute to the many organisations and individuals who have aired their views.

"The enthusiastic response clearly reflects a deep concern of the community about the issues," he said.

He said most respondents felt that discrimination on the ground of family status was common in employment, education and provision of services, and was particularly affecting women who assume the responsibility of carers in the family.

Mr Suen said preparation for legislation to eliminate discrimination on the ground of family status would start immediately.

It could either be in the form of a self-contained bill, or alternatively, the Sex Discrimination Ordinance (SDO) could be extended to cover family status as an area of discrimination under the ordinance.

"The extension should be simple and straightforward as the SDO already prohibits discrimination on the ground of marital status, which is a form of family status," he said.

Legislation regarding family status will cover a similar scope of activities as SDO. SDO currently outlaws discrimination in the areas of employment, education, disposal and management of premises, provisions of goods and services, and activities of clubs and government.

"We also propose that the remit of the Equal Opportunities Commission be broadened to handle complaints and requests for assistance in this area," Mr Suen added.

Apart from a clear support for legislative means, feedback from the consultation also revealed a strong demand for non-legislative measures to help enhance equal employment opportunities and to relieve persons of a particular family status, especially single parents and those who have to take care of the elderly or disabled members of their families.

Mr Suen said to address public concern on this issue, the Administration proposed also to adopt the following administrative measures:

- * strengthening public education through civic education and family life education;
- * continuing to facilitate persons with family responsibility to re-enter the labour market;
- * encouraging employers to implement flexible working hours and parental leave system.

Turning to the result of the consultation on discrimination on the ground of sexual orientation, Mr Suen said submissions reflected divergent views on this issue.

While some pointed out that homosexuals suffer from public misconception about them and discrimination in the areas of employment and provision of accommodation, others maintained that the problem of discrimination on the ground of sexual orientation was not serious in Hong Kong.

Some made the point that homosexuality was against traditional Chinese culture which placed much emphasis on the institutions of family and marriage.

On the proposal to introduce legislation to prohibit discrimination on the ground of sexual orientation, over 85 per cent of the submissions indicated strong opposition. They were concerned about giving legal recognition to homosexuality and de facto relationships through anti-discrimination legislation.

Some educational and religious bodies were concerned about the possible impact of such legislation on young people while others considered laws to protect the rights of the homosexuals a form of 'reverse discrimination' against the rights of the majority who chose not to accept non-heterosexuality.

"Nevertheless, there is general support for non-legislative measures to address the problems concerned. Respondents to the consultative document came out strongly in favour of public education programmes to promote equal opportunities for all, irrespective of a person's sexual orientation," Mr Suen said.

He said the Government would pursue the following programme of measures to eliminate misconception, enhance public understanding of issues relating to sexual orientation and improve support services:

- * strengthening civic education to instil in the community proper respect for the rights of others, irrespective of one's sexual orientation;
- * covering the topic of sexual orientation in health or sex education at school to enhance students' understanding of the issue;
- * improving the quality of services for homosexuals by incorporating the subject of sexual orientation in the training of service providers such as social workers and clinical psychologists;
- * identifying possible financial resources to facilitate homosexual groups to enhance self-support services for sexual minorities.

Reiterating the Government's strong commitment to the principle of equal opportunities for all, Mr Suen said the proposed measures were aimed at removing potential injustice or unfair restriction of an individual's rights for equal opportunities in different aspects of life on account of his or her family status and sexual orientation.

Noting that legislator Mr Lau Chin-shek intended to introduce the Equal Opportunities (Family Responsibility, Sexuality and Age) Bill into the Legislative Council, Mr Suen wished the views of the community would be fully reflected and thoroughly considered at the Bill's Committee stage.

"The Administration will endeavour to persuade Legislative Councillors to accept its proposals to tackle discrimination in the areas of family status and sexual orientation.

"As the public consultation on age discrimination is underway, we hope members of the Legislative Council will see the merit of allowing the public to express their views and await the outcome of the consultation exercise before they proceed further with the Bill," he said.

Meanwhile, Mr Suen pledged to get on with drafting of legislation to outlaw discrimination on the ground of family status; to step up public education on equal opportunities for all, focusing particularly on the areas of family status and sexual orientation; enlist employers' support in promoting equal employment opportunities; and to identify possible financial resources for homosexual groups to facilitate their provision of services for sexual minorities.

A compendium comprising the written submissions for which the authors have given their consent to make public their views has been published.

End

ICAC Complaints Committee first annual report tabled

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The first annual report of the Independent Commission Against Corruption (ICAC) Complaints Committee for the year 1995 was presented to the Legislative Council today (Wednesday).

The report, covering the calendar year 1995, aims to keep the community informed of work of the Committee which monitors the handling of non-criminal complaints against the ICAC and its officers, reviews procedures and related issues which may give rise to complaints, and makes recommendations accordingly.

During the year under review, 24 complaints were received by the Committee, of which about 80 per cent were related to abuses of powers by ICAC officers and their conduct.

The committee also considered 20 investigation reports from ICAC. Four of the complaints were found to be partially substantiated.

An important and positive effect of an investigation into a complaint is that related ICAC internal procedures, guidelines and practices are carefully scrutinised. Changes and improvements are made as a result.

Ms Rosanna Wong was appointed Chairman of the Committee in November last year, following the resignation of Baroness Dunn.

Other members of the 1995 Committee included the Mr Denis Chang Khen-lee, Professor Edward Chen, Mr Allen Lee Peng-fei, Ms Anna Wu Hung-yuk, Dr Wilfred Chan Siu-yuen, and two ex-officio members, the Attorney General and the Commissioner for Administrative Complaints.

End

Research grants for tertiary institutions for 1996-97

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The Research Grants Council (RGC) today (Wednesday) announced its decisions on the allocation of \$331 million in research grants in 1996-97 to the seven institutions funded by the University Grants Committee (UGC).

The seven UGC-funded institutions are: City University of Hong Kong, Hong Kong Baptist University, Lingnan College, the Chinese University of Hong Kong, the Hong Kong Polytechnic University, the Hong Kong University of Science and Technology, and the University of Hong Kong.

RGC considered 1,040 applications for a total of \$931 million for academic research projects in a wide range of subject disciplines.

Each application was initially screened by one or more of four subject panels - Physical Sciences; Engineering; Biology and Medicine; and Humanities, Social Sciences and Business Studies - with the help of reports from external specialist assessors/referees.

The panels' recommendations were then considered by the full RGC meeting on June 19.

This year RGC again decided to allocate \$66 million (20 per cent of the funds available) to the institutions directly to support projects costing less than \$200,000.

Of the balance of \$265 million, some \$8 million was reserved for central allocation and \$257 million was allocated for projects in response to competitive bids from the institutions.

In selecting projects for funding support, RGC has regard for the projects' academic merit/integrity, their contribution to the academic development of the institutions and their relevance to the needs of the institutions and Hong Kong's overall economic and social development.

This was the sixth research grant allocation exercise undertaken by the RGC since its establishment in January 1991.

Announcing details of the grant allocation at a press conference, Chairman of RGC, Professor Ping K Ko, said: "This year, the Council was able to support, fully or partially, 464 projects compared with 454 last year.

"Among the projects supported this year, the RGC has funded 26 projects involving, to varying degrees, collaboration with academics in Chinese higher education institutions, and a further 56 involving collaboration with other overseas institutions.

"The quality of the bids was again very high. The top-ranked proposals, which made up 14 per cent of the total applications received, were of sufficient quality to secure funding in any competitive environment in other parts of the world," he said.

Professor Ko noted that the Council also made a conscious decision, despite the additional money available, to raise the quality threshold, as evidenced by the overall lower success rate of 45 per cent as compared with 51 per cent last year, and a larger number of projects, 328 as compared with 216 last year, which were rated as fundable, but unfunded.

"Apart from disbursing grants, the RGC is also responsible for monitoring the use of government funding for academic research. Among the 80 completed projects assessed in 1995-96, 14 were rated 'Excellent', 60 were rated 'Satisfactory' and six were rated 'Unsatisfactory'.

"The Council has noted the performance of the principal investigators concerned and will take this into account in considering future applications," he said.

As part of its ongoing programme to evaluate the research environment of UGC-funded institutions, RGC visited the Hong Kong Polytechnic University and Chinese University of Hong Kong in December 1995 and June 1996 respectively.

Professor Ko said: "From these and earlier visits, the Council is pleased to observe that the research culture in Hong Kong continues to grow and there are clear signs of developing research excellence."

The RGC Annual Report 1995 which gives a detailed report on the Council's operations and activities during the period January 1 to 31 December, 1995, was published by RGC today.

Professor Ko hoped that the report would adequately reflect the scale and nature of the effort involved on the part of RGC and the institutions during the year.

He also expressed his thanks to all RGC panel members for their assistance in making the work of the Council and its subject panels run smoothly and effectively.

Professor Ko also announced that RGC had reached agreement with the Germany Academic Exchange Service (DAAD) to launch a pilot Germany/Hong Kong Joint Research Scheme with effect from 1996-97.

The scheme will provide grants for a series of exchange visits aimed at promoting co-operation in research between higher education institutions in Germany and Hong Kong. The total funding for the first year is about \$1 million. About 10 to 15 projects may be supported in the first year.

It will operate along similar lines to the UK/Hong Kong Joint Research Scheme which RGC has been operating jointly with the British Council since 1991, Professor Ko said.

End

Governor visits Southern district

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The Governor, the Rt Hon Christopher Patten, was updated on the general situation in Southern district during his visit today (Wednesday).

He first went to the Aberdeen Caritas Community Centre where he was briefed on the services provided by the centre. He also watched new immigrant children attending induction classes and adults taking retraining courses.

After sampling some fishballs in a local speciality store, Mr Patten went for a walk in Lei Tung Market in Lei Tung Estate, Ap Lei Chau.

He also called on the home of an elderly woman in a singleton unit in Tung Hing Mansion, Lei Tung Estate. Most of the 520 singletons in the building were senior citizens.

The district visit ended with a tea reception in the Lei Tung Community Hall where Mr Patten met local district board members and community leaders.

Accompanying the Governor were the Director of Home Affairs, Mrs Shelley Lau, and the Southern District Officer, Mrs Erika Hui.

End

Three lots to let

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The Lands Department is inviting tenders for the short-term tenancy of three pieces of government land in Kowloon and in the New Territories.

The first lot located in Yuet Lun Street, Lai Chi Kok, has an area of about 3,010 square metres. It is intended for open storage, concrete production, asphalt production and cement handling.

The tenancy is for three years, renewable quarterly.

The second lot is situated at the junction of Kwai Chung Road and Tai Lin Pai Road in Kwai Chung. With an area of about 3,150 square metres, the lot is designated for use as a fee-paying public car park for the parking of motor vehicles, including goods vehicles but excluding container tractors and trailers.

The tenancy is for three years, renewable quarterly.

Covering an area of about 12,700 square metres, the third lot is located in Siu Lang Shui, Area 38, Tuen Mun. The lot is intended for use as general open storage of goods and containers, concrete production and storage of sand and aggregates.

The tenancy is for one year, renewable quarterly.

The closing date for submission of tenders is at noon on July 12.

Tender forms, tender notices and conditions may be obtained from the Lands Department, 14th floor, Murray Building, Garden Road, and the respective district lands offices of Kowloon, Kwai Tsing and Tuen Mun.

Tender plans can also be inspected at these offices.

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	1,667	0930	+290
Closing balance in the account	1,952	1000	+290
Change attributable to :		1100	+290
Money market activity	+290	1200	+290
LAF today	-5	1500	+290
		1600	+290

LAF rate 4.00% bid/6.00% offer TWI 124.5 *+0.0* 26.6.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.96	2 years	2805	6.30	100.00	6.39
1 month	5.02	3 years	3904	6.30	99.02	6.79
3 months	5.21	5 years	5106	7.23	99.64	7.45
6 months	5.45	7 years	7305	7.60	99.74	7.79
12 months	5.83	5 years	M502	7.30	99.20	7.66

Total turnover of EF bills and notes - \$21,698 million

Closed June 26, 1996

End