



DAILY INFORMATION BULLETIN

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TAC ENDORSES FINAL REPORT ON TAXI POLICY REVIEW

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THE TRANSPORT ADVISORY COMMITTEE (TAC) TODAY (TUESDAY) DISCUSSED AND ACCEPTED THE RECOMMENDATIONS OF THE FINAL REPORT OF THE SUB-COMMITTEE ON TAXI POLICY REVIEW.

THE RECOMMENDATIONS WILL BE SUBMITTED TO THE EXECUTIVE COUNCIL FOR CONSIDERATION SHORTLY.

THE TAC ALSO SUPPORTED THE USE OF THE KOWLOON POINT PIER FOR RECREATIONAL FERRY SERVICES BETWEEN KOWLOON AND MUI WO ON SATURDAY AFTERNOONS, SUNDAYS AND PUBLIC HOLIDAYS FOR THE COMING SUMMER PEAK SEASON COMMENCING IN MID-JUNE.

THE SERVICE, TO BE OPERATED BY THE HONGKONG AND YAUMATI FERRY COMPANY, WILL BE ON A TEMPORARY BASIS AND THE OPERATION WILL BE REVIEWED IN OCTOBER.

MEMBERS LOOKED INTO THE PROPOSED AMENDMENTS TO THE PUBLIC BUS SERVICES ORDINANCE AND REGULATIONS WHICH AIM TO CODIFY THE EXISTING ENFORCEMENT AND PENALTY PROVISIONS FOR BUS PASSENGERS INTO REGULATIONS AND BY-LAWS, AND MAKE THEM CONSISTENT WITH OTHER TRANSPORT-RELATED LEGISLATION.

THE COMMITTEE ALSO EXAMINED THE MEASURES RECOMMENDED BY THE WORKING GROUP ON ROADS TO EXTEND THE SAFETY PROVISIONS OF THE ROAD TRAFFIC ORDINANCE TO PRIVATE ROADS AND TO REGULARISE THE ENFORCEMENT ACTIVITIES OF PRIVATE DEVELOPMENTS IN CONTROLLING UNAUTHORISED PARKING.

A PROPOSAL TO AMEND THE ROAD (WORKS, USE AND COMPENSATION) ORDINANCE TO SIMPLIFY PROCEDURES FOR SERVING NOTICES IN CONNECTION WITH THE RESUMPTION OF PRIVATE STREETS WAS ALSO NOTED BY THE TAC.

THE TAC DISCUSSED THE IMPLICATION ON INTER-MODAL CO-ORDINATION CAUSED BY THE MTRC'S DECISION TO INTRODUCE A SURCHARGE AT PEAK HOUR. THE COMMITTEE IS PARTICULARLY CONCERNED WITH THE PROVISION OF TRANSPORTATION TO MEMBERS OF THE PUBLIC AT THE PEAK HOUR TO COMMUTE TO WORK.

/THE FOLLOWING

THE FOLLOWING POINTS WERE MADE BY MEMBERS OF THE COMMITTEE:

- (1) THE EXISTING POLICY OF INTER-MODAL TRANSPORT CO-ORDINATION WHICH SPECIFIES THAT WHERE THERE IS SPARE CAPACITY ON THE (RAILWAY OR MTR) FIXED TRACK SYSTEM, IT SHOULD BE MAXIMISED IN ITS UTILISATION AND THEREFORE NO NEW BUS ROUTES SHOULD DUPLICATE OR RUN PARALLEL TO SUCH RAIL SERVICES.

NOW THAT THE MTR HAS NO SPARE CAPACITY AT PEAK HOUR, IT SHOULD BE POSSIBLE TO INTRODUCE OR OPERATE NEW BUS ROUTES PARALLEL OR DUPLICATING THE MTR ROUTES. EXISTING BUS ROUTES DUPLICATING OR PARALLEL TO MTR SERVICES CAN INCREASE ITS FREQUENCIES WITHOUT SUFFERING FROM THE EXISTING POLICY RESTRICTION.

TAC WISHES THE MTRC TO NOTE THAT SUCH NEW OR EXISTING SERVICES ONCE IMPLEMENTED WILL BE DIFFICULT TO BE WITHDRAWN.

- (2) THE TRANSPORT DEPARTMENT SHOULD DO ITS BEST TO UTILISE AVAILABLE RESOURCES TO GIVE RELIEF AND SERVICES TO THE COMMUTING PUBLIC AFFECTED BY THE MTRC'S DECISION.
- (3) TAC WILL TAKE A LOOK AT THE POLICY IMPLICATIONS ON INTER-MODAL CO-ORDINATION IN THE LIGHT OF THIS DEVELOPMENT.

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HK USEFUL AS A BASE TO OVERSEAS COMPANIES

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OVERSEAS COMPANIES CAN USE HONG KONG AS A BASE TO GAIN THE EXPERIENCE OF WORKING WITH THE CHINESE PEOPLE IN HONG KONG, AND TO ASSESS AT A CLOSER RANGE THE BUSINESS OPPORTUNITIES IN CHINA, THE DEPUTY DIRECTOR OF INDUSTRY, MR ANDREW LEUNG, SAID IN OSAKA TODAY (TUESDAY).

ADDRESSING THE OSAKA CHAMBER OF COMMERCE AND INDUSTRY, MR LEUNG SAID BY USING THIS "SOUTHERN ROUTE" TACTICAL APPROACH THEY COULD, AT A LATER STAGE, MOVE THE MORE LABOUR INTENSIVE OPERATIONS TO CHINA, LEAVING SUCH OPERATIONS THAT DEMAND HIGHER QUALITY, INNOVATION AND SOPHISTICATION AS WELL AS MANAGEMENT AND OTHER SUPPORT FACILITIES IN HONG KONG.

HE SAID JAPANESE BUSINESSMEN WERE KEEN TO INVEST IN CHINA AND THEIR INVESTMENT IN CHINA FROM APRIL TO SEPTEMBER IN 1987 WAS NEARLY FIVE TIMES THE TOTAL OF APRIL 1986 TO MARCH 1987.

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HONG KONG ENTREPRENEURS HAD MADE IMPRESSIVE INROADS IN EXPLORING THE CHINA MARKET AND HONG KONG WAS NOW CHINA'S LARGEST TRADING PARTNER, HE SAID.

SINCE HONG KONG WAS JAPAN'S FIFTH LARGEST EXPORT MARKET, THERE WAS A STRONG CASE TO SET UP MANUFACTURING OPERATIONS IN HONG KONG FOR SUPPLYING THE MARKET DOMESTICALLY, HE ADDED.

"ALTHOUGH UP TO THE PRESENT THE MAIN OBJECT OF DIRECT JAPANESE INVESTMENT IN HONG KONG'S MANUFACTURING SECTOR HAS BEEN TO ACHIEVE A SHARE OF HONG KONG'S EXPORTS TO THIRD COUNTRY MARKETS, THERE ARE ALREADY SIGNS THAT A SIGNIFICANT PORTION OF THE OUTPUT OF THIS INVESTMENT IS BEGINNING TO BE AIMED AT DOMESTIC CONSUMPTION.

"BY ESTABLISHING JAPANESE FACTORIES IN HONG KONG, THE TRADE IMBALANCE BETWEEN US CAN ALSO BE IMPROVED," HE ADDED.

MR LEUNG POINTED OUT THAT THE GOVERNMENT'S ROLE WAS TO PROVIDE A FAVOURABLE LEGAL AND PHYSICAL FRAMEWORK WITHIN WHICH PRIVATE ENTERPRISE COULD OPERATE SUCCESSFULLY AND TO SEEK WAYS OF IMPROVING HONG KONG'S OVERALL COMPETITIVENESS.

"THE KWAI CHUNG CONTAINER PORT IS NOW THE LARGEST IN THE WORLD IN TERMS OF ANNUAL THROUGHPUT AND PROBABLY THE MOST EFFICIENT.

"WE HAVE ONE OF THE LARGEST AIR CARGO TERMINALS IN THE WORLD, WHICH IS CURRENTLY CAPABLE OF HANDLING 680,000 METRIC TONNES ANNUALLY AND IS BEING EXPANDED," HE SAID.

HE NOTED THAT HONG KONG'S EXCELLENT INTERNATIONAL AND DOMESTIC TELEPHONE AND TELECOMMUNICATIONS SERVICES OPERATED AT PRICES AMONG THE LOWEST IN THE ASIA-PACIFIC REGION, ADDING THAT HONG KONG WAS AN INTERNATIONALLY-RENOUNDED FREE PORT WITH NO EXCHANGE CONTROLS.

WITH REGARD TO INCENTIVES FOR INVESTMENT, MR LEUNG SAID THAT IN LINE WITH THE GOVERNMENT'S BELIEF IN EQUAL OPPORTUNITY FOR ALL, IT DID NOT OFFER ANY SPECIAL DEALS FOR EITHER LOCAL OR OVERSEAS INVESTORS.

NOTING THAT ALL THE MOST ESSENTIAL FACTORS FOR BUSINESS TO OPERATE SUCCESSFULLY WERE ALREADY IN EXISTENCE IN HONG KONG, HE GAVE EXAMPLES OF THE RELATIVELY MILD AND STABLE TAX REGIME AND THE FREE ENTERPRISE ENVIRONMENT.

"OVERSEAS INVESTORS WOULD NOT HAVE TO SIGN TECHNOLOGY TRANSFER CONTRACTS OR TO MEET CERTAIN LOCAL CONTENT REQUIREMENTS," HE SAID.

"FOR THE OVERSEAS INVESTOR, INVESTMENT INCENTIVES MIGHT OFFER SHORT AND MEDIUM TERM ATTRACTIONS BUT, IN THE LONG RUN, THEY MAKE FOR INEFFICIENCY AND THIS LEAVES A FIRM ILL-PREPARED FOR THE DAY WHEN THE INCENTIVES RUN OUT," HE ADDED.

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IN THE FIELD OF MANPOWER TRAINING TO ASSIST IN THE UPGRADING OF HONG KONG'S INDUSTRIES, THE GOVERNMENT HAD ADOPTED CONTINUOUS MEASURES TO HAVE MORE TECHNICALLY QUALIFIED PERSONNEL TRAINED, HE SAID.

ALONGSIDE WITH THE TWO LOCAL UNIVERSITIES AND TWO POLYTECHNICS WHICH ARE PRODUCING NEARLY 20,000 GRADUATES EVERY YEAR IN DISCIPLINES OF SCIENCE AND ENGINEERING, A NEW UNIVERSITY FOR SCIENCE AND TECHNOLOGY WILL BE SET UP IN 1991.

THERE WAS ALSO A SCHEME TO ENABLE PRACTISING ENGINEERS TO GO ABROAD (INCLUDING JAPAN) TO OBTAIN TRAINING IN THE DESIGN AND USE OF APPLICATIONS SPECIFIC INTEGRATED CIRCUITS IN AN ATTEMPT TO ACQUIRE RECENT TECHNOLOGIES WHICH WERE NOT YET TAUGHT IN OUR TERTIARY INSTITUTIONS, HE SAID.

"SIMILAR TRAINING SCHEMES MIGHT BE EXTENDED INTO SUCH OTHER PROCESS TECHNOLOGIES AS SURFACE MOUNTING, AND SUCH PRODUCT TECHNOLOGIES AS DIGITAL ELECTRONICS, COMMUNICATIONS, PATTERN RECOGNITION AND NETWORKING," HE ADDED.

MR LEUNG WENT ON TO SAY THAT ONE OF THE MAIN THRUSTS OF THE GOVERNMENT'S CURRENT INDUSTRIAL DEVELOPMENT STRATEGIES HAD BEEN TO PROVIDE THE MANUFACTURING SECTOR WITH AN ADEQUATE RANGE OF SUPPORT SERVICES.

"WE ARE EXPLORING THE POSSIBILITY OF TECHNICAL ASSISTANCE FROM THE JAPAN INTERNATIONAL CO-OPERATION AGENCY (JICA) TO SET UP A SHEET METAL PROCESSING TRAINING CENTRE.

"THE HONG KONG PRODUCTIVITY COUNCIL NOW PROVIDES A FULL RANGE OF METALS CONSULTANCY SERVICES," HE SAID, ADDING THAT A PLASTICS TECHNOLOGY CENTRE WOULD BE ESTABLISHED ON THE CAMPUS OF THE HONG KONG POLYTECHNIC THIS YEAR.

HE SAID THE INFLUENCE AND DEMANDS OF JAPANESE FIRMS IN HONG KONG ATTRIBUTED TO THE IMPROVEMENT IN HONG KONG'S LINKAGE INDUSTRIES.

"MANY OF THEM HAVE SHIFTED FROM A PURE ASSEMBLY OPERATION USING PARTS AND COMPONENTS PREVIOUSLY IMPORTED FROM JAPAN, TO A NEW FORM OF PRODUCTION, WHEREBY THESE PARTS AND COMPONENTS ARE EITHER MADE BY THEIR HONG KONG SUB-CONTRACTORS OR PRODUCED BY THEMSELVES IN HONG KONG," HE SAID.

WITH REGARD TO INDUSTRIAL LAND, MR LEUNG SAID THE GOVERNMENT HAD PROVIDED LAND IN TWO INDUSTRIAL ESTATES, EACH ABOUT 70 HECTARES, AT PRICES REFLECTING FORMATION COSTS ONLY, FOR QUALIFIED INDUSTRIAL USERS WHO BROUGHT NEW PROCESSES OR PRODUCTS TO HONG KONG; AND A THIRD ONE WAS BEING PLANNED AND WAS LIKELY TO BE AVAILABLE FOR OCCUPATION BY 1993.

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OTHER INFRASTRUCTURAL SUPPORT COMMITTED BY THE GOVERNMENT INCLUDED THE DEVELOPMENT OF STANDARDS, CALIBRATION, LABORATORY ACCREDITATION AND OTHER QUALITY-RELATED SERVICES, TECHNICAL EDUCATION AND INDUSTRIAL TRAINING FACILITIES, HE SAID.

NEW LABORATORIES WOULD ALSO BE ESTABLISHED IN THE HONG KONG PRODUCTIVITY CENTRE TO PROMOTE THE USE OF SURFACE MOUNT AND RADIO FREQUENCY AND DIGITAL TELECOMMUNICATIONS TECHNOLOGIES.

"WE ARE ALSO CONSIDERING THE ESTABLISHMENT OF A TECHNOLOGY CENTRE OR SCIENCE PARK, IN CLOSE ASSOCIATION WITH TERTIARY INSTITUTIONS TO PROVIDE CENTRALISED FACILITIES FOR COMPANIES ENGAGED IN INDUSTRIAL RESEARCH AND DEVELOPMENT, PRODUCT AND PROCESS IMPROVEMENT AND INNOVATION, TECHNOLOGICAL SERVICES AND VENTURE CAPITAL OPERATIONS," HE ADDED.

UP TO THE END OF 1986, JAPAN CONTINUED TO BE HONG KONG'S SECOND LARGEST SOURCE OF OVERSEAS INVESTMENT AND ITS INVESTMENT IN MANUFACTURING TOTALLED HK\$4,009 MILLION, WITH AN INCREASE OF 23 PER CENT OVER THE PREVIOUS YEAR.

THE NUMBER OF WHOLLY-OWNED JAPANESE FACTORIES ROSE FROM 60 TO 76 AND THE JOINT VENTURES WITH JAPANESE INTEREST INCREASED FROM 57 TO 58.

IN TERMS OF THE NUMBER OF PROJECTS, HONG KONG ACCOUNTED FOR THE GREATEST SHARE AMONGST ASIAN COUNTRIES AND THE THIRD LARGEST SLICE AMONGST ALL COUNTRIES, MR LEUNG CONCLUDED.

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LEGCO TO DEBATE BUDGET PROPOSALS

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FORTY-THREE MEMBERS WILL SPEAK IN THE LEGISLATIVE COUNCIL TOMORROW (WEDNESDAY) AND THURSDAY WHEN DEBATE ON THE 1988 APPROPRIATION BILL RESUMES.

TWENTY-FOUR MEMBERS ARE LISTED TO SPEAK TOMORROW AND 19 ON THURSDAY.

OFFICIAL MEMBERS WILL SPEAK ON WEDNESDAY, MAY 4.

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FUNDS SOUGHT FOR EXTENDING POLICE SECONDMENT SYSTEM

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THE FINANCE COMMITTEE WILL BE ASKED TOMORROW (WEDNESDAY) TO APPROVE AN ALLOCATION OF \$23,928,000 TO MEET EXPENDITURE ON THE EXTENSION OF A SYSTEM OF MUTUAL SECONDMENTS BETWEEN THE ROYAL HONG KONG POLICE FORCE AND VARIOUS POLICE FORCES IN THE UNITED KINGDOM FROM 1988-89 TO 1995-96.

THE SYSTEM WAS FIRST INTRODUCED IN EARLY 1984 WHEN THE RHKPF WAS BEING EXTENSIVELY REORGANISED AND NEEDED ADDITIONAL EXPERIENCED OFFICERS TO IMPROVE ITS COMMAND STRUCTURE.

THE AIMS OF THE SYSTEM WERE THREE-FOLD: TO ALLOW HONG KONG SUPERINTENDENTS TO BENEFIT FROM THE TRAINING AND EXPERIENCE AVAILABLE THROUGH WORKING IN THE UK POLICE FORCES; FOR HONG KONG TO BENEFIT FROM THE SERVICES OF THE UK POLICE OFFICERS WITH DIFFERENT EXPERIENCE AND TRAINING BACKGROUND; AND TO HELP EASE THE SHORTAGE OF MATURE AND EXPERIENCED OFFICERS IN THE MIDDLE MANAGEMENT LEVELS OF THE RHKPF.

A COMPREHENSIVE REVIEW OF THE SCHEME HAS BEEN CONDUCTED RECENTLY TO SEE WHETHER IT HAS MET ITS ORIGINAL OBJECTIVES AND WHETHER THERE IS A NEED FOR FURTHER EXTENSION.

FINDINGS SHOWED THAT THE SCHEME, WHICH WAS INTRODUCED TO RESOLVE PROBLEMS CREATED BY INEXPERIENCE AT MIDDLE MANAGEMENT LEVELS, HAS DEVELOPED INTO A KEY COMPONENT OF THE LOCALISATION STRATEGY. IT WAS THUS CONSIDERED ESSENTIAL THAT THE SCHEME SHOULD CONTINUE.

OTHER ITEMS ON TOMORROW'S AGENDA INCLUDE:

- * APPROVAL OF A NEW PROJECT FOR STABILISING THE NORTHWESTERN BOUNDARY SLOPES AT THE METHODIST COLLEGE, GASCOIGNE ROAD AT AN ESTIMATED COST OF \$2,321,000;
- * AN INCREASE IN COMMITMENT FOR THE PURCHASE OF SEVEN REPLACEMENT ARMoured PERSONNEL CARRIERS BY \$1.7 MILLION TO \$13,210,000; AND
- * APPROVAL OF REVISED SALARY SCALES FOR THE SENIOR ADMINISTRATIVE AND ACADEMIC STAFF OF THE HONG KONG BAPTIST COLLEGE.

MEMBERS WILL ALSO CONSIDER RECOMMENDATIONS OF THE ESTABLISHMENT SUB-COMMITTEE AND THE PUBLIC WORKS SUB-COMMITTEE.

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PRINCESS ROYAL TO VISIT HK

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HER ROYAL HIGHNESS, THE PRINCESS ROYAL, WILL VISIT HONG KONG FROM SEPTEMBER 15 TO 18 THIS YEAR, BUCKINGHAM PALACE ANNOUNCED TODAY (TUESDAY).

PRINCESS ANNE WILL UNDERTAKE ENGAGEMENTS IN CONNECTION WITH ORGANISATIONS OF WHICH HER ROYAL HIGHNESS IS PRESIDENT OR PATRON.

DETAILED ARRANGEMENTS FOR HER VISIT ARE BEING WORKED OUT AND WILL BE ANNOUNCED AS SOON AS THEY ARE FINALISED.

IT WILL BE THE PRINCESS'S THIRD VISIT TO HONG KONG. SHE VISITED THE TERRITORY IN OCTOBER 1971 AND IN APRIL 1983.

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TRAVEL ASSISTANCE SCHEME TO BE EXPLAINED TO STUDENTS

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OFFICERS OF THE TRANSPORT BRANCH AND THE EDUCATION AND MANPOWER BRANCH WILL MEET REPRESENTATIVES OF THE HONG KONG FEDERATION OF STUDENTS ON SATURDAY (APRIL 23) TO FURTHER EXPLAIN THE PROPOSED STUDENT TRAVEL ASSISTANCE SCHEME.

THE PRINCIPAL ASSISTANT SECRETARY FOR EDUCATION AND MANPOWER, MR CHRIS GODWIN, SAID THIS TODAY (TUESDAY).

IN RESPONSE TO THE HONG KONG FEDERATION OF STUDENTS' EARLIER REPRESENTATIONS TO OMELCO AND COMMENTS BY THE STUDENTS AS REPORTED IN THE MEDIA, MR GODWIN WROTE TO THE FEDERATION TODAY TO EXPLAIN IN DETAIL THE REASONS FOR THE PROPOSED CHANGE IN THE SCHEME.

HE REITERATED THAT THE GOVERNMENT'S OBJECTIVE IN PROPOSING A NEW SCHEME WAS TO FIND A WAY TO SUBSIDISE STUDENT TRAVEL WHICH WAS AN EFFECTIVE USE OF PUBLIC FUNDS AND AS FLEXIBLE AS POSSIBLE FOR THE STUDENTS.

HE POINTED OUT THAT THE GOVERNMENT'S POLICY ON ASSISTANCE TO STUDENTS WAS THAT PUBLIC MONEY SHOULD GO TO THOSE WHO NEED HELP TO CONTINUE THEIR EDUCATION.

"THE STUDENT TRAVEL SUBSIDY, FOR HISTORICAL REASONS, WAS AT PRESENT AVAILABLE TO ALL STUDENTS REGARDLESS OF NEED AND IT MADE GOOD SENSE TO GIVE PUBLIC MONEY TO ONLY THOSE WHO DO NEED IT, WHEN THERE WERE MANY DEMANDS FOR NEW AND IMPROVED SERVICES.

/"SOME COMMENTS

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"SOME COMMENTS HAVE BEEN MADE THAT THE GOVERNMENT IS SIMPLY TRYING TO SAVE MONEY BY INTRODUCING A NEW SCHEME. THIS IS NOT ENTIRELY TRUE, THE GOVERNMENT IS ALSO CONCERNED WITH THE RATIONALE INVOLVED.

"IN THEORY, IT WOULD BE POSSIBLE TO SAVE THE ENTIRE AMOUNT OF THE SUBSIDY BY FORCING TRANSPORT OPERATORS TO ALLOW ALL FULL TIME STUDENTS TO TRAVEL HALF-FARE. ONE RESULT OF THIS WOULD BE FARE INCREASES FOR ALL PASSENGERS.

"WE BELIEVE IT IS MORE EQUITABLE TO PAY THE SUBSIDY FROM PUBLIC FUNDS, RATHER THAN PUTTING THE BURDEN ON THE LESS-AFFLUENT MEMBERS OF THE COMMUNITY WHO FORM THE BULK OF PUBLIC TRANSPORT PASSENGERS," MR GODWIN SAID.

HE EMPHASISED THAT THE PROPOSED NEW SCHEME WAS IN LINE WITH THE GOVERNMENT'S EDUCATION POLICY.

"THE PROPOSED TRAVEL SUBSIDY WILL BE AVAILABLE TO ALL STUDENTS UP TO SECONDARY THREE IRRESPECTIVE OF FAMILY FINANCIAL CIRCUMSTANCES. BEYOND SECONDARY THREE, THE SUBSIDY WILL BE AVAILABLE TO ALL WHO REALLY NEED ASSISTANCE."

GOVERNMENT EXPENDITURE ON EDUCATION IN 1988-89 IS ESTIMATED TO REACH \$11,300 MILLION, OR 18 PER CENT OF TOTAL EXPENDITURE.

"THE DEMAND FOR NEW AND IMPROVED PROGRAMMES IS INCREASING ALL THE TIME. THIS IS WHY THE PUBLIC ACCOUNTS COMMITTEE AND THE FINANCE COMMITTEE ARE CONCERNED THAT MONEY SHOULD NOT BE SPENT WHERE IT IS NOT NEEDED.

"IT IS DIFFICULT TO SEE HOW A REDUCTION IN THE TRAVEL SUBSIDY FOR BETTER-OFF STUDENTS COULD BE INTERPRETED AS GOVERNMENT SHEDDING ITS RESPONSIBILITIES. THIS IS CERTAINLY NOT THE CASE," HE ADDED.

HE ASSURED STUDENTS THAT THE APPLICATION PROCEDURES WILL BE SIMPLE.

"THE FORM FOR STUDENTS UP TO SECONDARY THREE WILL NOT BE ANY MORE COMPLICATED THAN THE EXISTING APPLICATION FORM FOR THE STUDENT TRAVEL CARD.

"FOR STUDENTS ABOVE SECONDARY THREE, EXISTING FORMS WILL BE USED TO DETERMINE ELIGIBILITY.

"WE DO NOT PROPOSE ANY NEW TYPES OF FORMS IN ORDER NOT TO COMPLICATE MATTERS FOR INDIVIDUAL APPLICANTS AND FOR THE GOVERNMENT," HE STATED.

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CIVIL SERVICE PAY ADJUSTMENT 1988

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THE SECRETARY FOR THE CIVIL SERVICE, MR HARNAM GREWAL, MET THE STAFF SIDES OF THE SENIOR CIVIL SERVICE COUNCIL AND THE MODEL SCALE 1 STAFF CONSULTATIVE COUNCIL THIS (TUESDAY) AFTERNOON IN CONNECTION WITH THEIR PAY CLAIMS FOR 1988.

REPRESENTATIVES OF THE CIVIL SERVICE BRANCH ALSO MET THE POLICE FORCE COUNCIL.

"THE EXECUTIVE COUNCIL CONSIDERED THIS MORNING THE RESULTS OF THE 1987-88 PRIVATE SECTOR PAY TREND SURVEY, THE COST OF LIVING INCREASES, THE PAY CLAIMS SUBMITTED BY THE STAFF SIDES OF THE SENIOR CIVIL SERVICE COUNCIL AND THE MODEL SCALE 1 STAFF CONSULTATIVE COUNCIL, AGAINST THE GENERAL BACKGROUND OF THE 1986 PAY LEVEL SURVEY RESULTS AND THE NEED TO MAINTAIN STAFF MORALE", MR GREWAL SAID.

"WE WERE AUTHORISED TO MAKE AN OFFER OF A PAY AWARD TO THE STAFF SIDES WITH EFFECT FROM APRIL 1, 1988 BASED ON THE 1987-88 PAY TREND INDICATORS, THAT IS, AN INCREASE OF 6.54 PER CENT FOR THE UPPER BAND, 7.28 PER CENT FOR THE MIDDLE BAND AND 8.50 PER CENT FOR THE LOWER BAND."

THE UPPER BAND OF SALARIES IS FROM \$16,000 TO \$29,910 A MONTH, THE MIDDLE BAND FROM \$5,000 TO \$15,999, AND THE LOWER BAND IS UP TO \$4,999.

THE OFFER WAS MADE SUBJECT TO THE PROVISION OF FUNDS BY THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL.

IN MAKING THE PAY OFFER, MR GREWAL NOTED THAT THE PAY TREND INDICATORS HAD NOT BEEN AGREED BY THE STAFF SIDES.

"THE PAY TREND SURVEYS AND THE PAY TREND INDICATORS REFLECT PRIVATE SECTOR ANNUAL SALARY INCREASES IN RESPECT OF

CHANGES IN MARKET RATES

COST OF LIVING

GENERAL PROSPERITY

COMPANY PERFORMANCE

AND HAVE BEEN USED AS A BASIS FOR MAKING CIVIL SERVICE ANNUAL PAY ADJUSTMENTS FOR MANY YEARS. THESE INDICATORS DO NOT INCLUDE SALARY ADJUSTMENTS OF AN INDIVIDUAL NATURE, FOR EXAMPLE THOSE RELATING TO MERIT," HE SAID.

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"FOR THE LAST 14 YEARS, INCLUDING THE CURRENT SURVEY, THE METHODOLOGY HAS BEEN AGREED IN ADVANCE WITH THE STAFF SIDES IN EACH CASE."

"IT IS THEREFORE APPROPRIATE TO CONSIDER THE 1988 PAY AWARD ON THE BASIS OF THE 1987-88 PAY TREND INDICATORS," MR GREWAL SAID.

"IN THE LIGHT OF THE FACT THAT THE PAY TREND INDICATORS ARE CLOSELY IN LINE WITH THE COST OF LIVING INDICES FOR THE PERIOD COVERED BY THE SURVEY, THE GOVERNMENT DOES NOT AT THIS STAGE INTEND TO MAKE ANY ADJUSTMENTS TO REFLECT THE RESULTS OF THE 1986 PAY LEVEL SURVEY."

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NEW C&W DB CHAIRMAN TO BE ELECTED

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THE CHAIRMAN OF THE CENTRAL AND WESTERN DISTRICT BOARD FOR THE NEW TERM WILL BE ELECTED AT THE BOARD'S FIRST MEETING ON THURSDAY (APRIL 21).

AFTER THE ELECTION OF A NEW CHAIRMAN, THE MEETING WILL CONTINUE AND MEMBERS WILL GIVE VIEWS ON THE DISTRICT BOARD STANDING ORDERS AND THE COMPOSITION OF COMMITTEES UNDER THE BOARD.

THE BOARD WILL ALSO DISCUSS MATTERS CONCERNING ALLOCATION OF FUNDS FOR THIS FINANCIAL YEAR AND ORGANISATION OF AN OVERSEAS STUDY TOUR.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE FIRST MEETING OF THE CENTRAL AND WESTERN DISTRICT BOARD WHICH WILL BEGIN AT 2.30 PM ON THURSDAY (APRIL 21) AT THE CONFERENCE ROOM, 14TH FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL.

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VIEWS ON TELECOMMUNICATIONS REPORT BEING STUDIED

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THE GOVERNMENT IS STUDYING THE VIEWS OF THE HONG KONG TELECOMMUNICATIONS LIMITED AND HUTCHISON CABLEVISION LIMITED ON A CONSULTANCY REPORT ON TELECOMMUNICATIONS DEVELOPMENT IN HONG KONG.

A GOVERNMENT SPOKESMAN SAID TODAY (TUESDAY) THAT THE ADMINISTRATION HAD NOT YET FORMULATED ANY VIEWS ON THE FINDINGS OF THE REPORT WHICH WAS SUBMITTED TO THE GOVERNMENT LAST MONTH.

"CAREFUL CONSIDERATION WILL BE GIVEN TO THE FINDINGS TOGETHER WITH COMMENTS FROM THE TWO COMPANIES BEFORE RECOMMENDATIONS ARE MADE TO THE EXECUTIVE COUNCIL," THE SPOKESMAN SAID.

THE CONSULTANCY STUDY ON TELECOMMUNICATIONS DEVELOPMENT IN HONG KONG WAS ORDERED BY THE EXECUTIVE COUNCIL IN JULY LAST YEAR.

IN SEPTEMBER LAST YEAR THE GOVERNMENT APPOINTED BOOZ, ALLEN AND HAMILTON (FORMERLY KNOWN AS COMMUNICATIONS STUDIES AND PLANNING INTERNATIONAL) TO UNDERTAKE THE STUDY COVERING SUCH ISSUES AS THE BENEFITS OF COMPETITION, POSSIBLE EFFECTS ON CONSUMERS AND DISRUPTION TO THE PUBLIC.

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EIGHT NEW INSURANCE COMPANIES GIVEN APPROVAL

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EIGHT NEW INSURANCE COMPANIES - FIVE OVERSEAS AND THREE LOCAL - WERE AUTHORISED TO CARRY ON INSURANCE BUSINESS IN OR FROM HONG KONG DURING THE 1987-88 FINANCIAL YEAR, THE REGISTRAR GENERAL, MR NOEL GLEESON, SAID TODAY (TUESDAY).

DURING THE SAME PERIOD, 18 EXISTING INSURERS CEASED TO BE AUTHORISED FOLLOWING THE CESSATION OR ORDERLY RUN-OFF OF THEIR INSURANCE BUSINESS IN HONG KONG.

AS AT MARCH 31 THIS YEAR, THERE WERE 279 AUTHORISED INSURERS OPERATING IN HONG KONG, REPRESENTING A NET DECREASE OF 10 SINCE MARCH 31 LAST YEAR.

OF THESE, 127 WERE HONG KONG INSURERS, THE REMAINDER COMING FROM OVERSEAS, INCLUDING THE UK (43), USA (27), BERMUDA (11), JAPAN (8), SINGAPORE (7), SWITZERLAND (7), CANADA (6) AND FRANCE (5).

/MR GLEESON

MR GLEESON COMMENTED THAT THE NUMBER OF AUTHORISED INSURERS HAD REMAINED AT ABOUT THE 280 LEVEL SINCE THE COMMENCEMENT OF THE INSURANCE COMPANIES ORDINANCE ON JUNE 30, 1983.

THIS COULD BE ATTRIBUTED TO TWO FACTORS.

FIRSTLY, THERE WERE THE MORE STRINGENT CRITERIA APPLIED BY THE INSURANCE AUTHORITY IN DETERMINING APPLICATIONS FOR AUTHORISATION UNDER THE ORDINANCE TO ENSURE THAT ONLY INSURERS OF GOOD FINANCIAL STANDING AND WHO WERE ABLE TO MEET THE CRITERIA OF THE AUTHORISATION GUIDELINES WERE ADMITTED.

SECONDLY, THERE WAS THE CONTINUAL REVIEW MADE BY THE INSURANCE AUTHORITY OF THE AUTHORISATION STATUS OF EXISTING INSURERS WITH A VIEW TO WITHDRAWING THOSE AUTHORISATIONS THAT HAD BECOME DORMANT.

HE ENVISAGED THAT THE NUMBER OF AUTHORISED INSURERS WOULD REMAIN STABLE IN THE FORESEEABLE FUTURE.

AS AT MARCH 31, THERE WERE NINE PENDING APPLICATIONS FOR AUTHORISATION FROM NEW INSURERS, SIX OF WHICH WERE FROM OVERSEAS COMPANIES AND THREE FROM HONG KONG.

THIS AGAIN DEMONSTRATED THE KEEN INTEREST OF OVERSEAS INSURERS IN ENTERING THE HONG KONG INSURANCE MARKET AND THEIR CONTINUED CONFIDENCE IN HONG KONG'S FUTURE AND ITS GROWING IMPORTANCE AS AN INSURANCE CENTRE.

MR GLEESON ALSO SAID THAT DURING THE FINANCIAL YEAR HE HAD EXERCISED HIS POWER OF INTERVENTION AS INSURANCE AUTHORITY ON 33 OCCASIONS IN RESPECT OF 18 INSURERS FOR THE BETTER PROTECTION OF POLICYHOLDERS.

HE ADDED THAT HE HAD TAKEN INTERVENTIONAL ACTION AGAINST A TOTAL OF 61 INSURERS SINCE THE COMMENCEMENT OF THE ORDINANCE IN JUNE 1983, INCLUDING THE PETITION FOR THE WINDING-UP OF FIVE INSURANCE COMPANIES BETWEEN 1983 AND 1987.

COMMENTING ON THE EFFECTIVENESS OF THE ORDINANCE, MR GLEESON SAID THAT THE LEGISLATIVE FRAMEWORK IT PROVIDES FOR THE REGULATION OF INSURANCE COMPANIES CARRYING ON BUSINESS IN HONG KONG HAD BEEN GENERALLY EFFECTIVE.

NEVERTHELESS, THE INSURANCE AUTHORITY, IN CONSULTATION WITH THE INSURANCE ADVISORY COMMITTEE AND THE INSURANCE INDUSTRY, CONTINUALLY REVIEWED THE ORDINANCE TO SEE IF LEGISLATIVE CHANGES WERE NEEDED FOR THE BETTER PROTECTION OF POLICYHOLDERS OR THE IMPROVED APPLICATION OF THE ORDINANCE.

A NUMBER OF AMENDMENTS HAD AS A RESULT BEEN MADE BETWEEN 1985 AND 1987, THE MOST RECENT BEING ONE WHICH GAVE THE INSURANCE AUTHORITY WIDER DISCRETIONARY POWER TO REFUSE APPLICATIONS FOR AUTHORISATION.

/ANOTHER CHANGE

ANOTHER CHANGE IN THE LAW, CURRENTLY BEING PROPOSED, IS ONE WHICH WOULD ENABLE THE INSURANCE AUTHORITY TO MAINTAIN CLOSER LIAISON WITH OVERSEAS REGULATORY AUTHORITIES IN THE EXERCISE OF PRUDENTIAL SUPERVISION OVER AUTHORISED INSURERS.

MR GLEESON SAID THAT AS THE IMPORTANCE OF HONG KONG AS AN INSURANCE CENTRE CONTINUED TO GROW AGAINST THE BACKGROUND OF CONTINUED DEVELOPMENTS IN ALL ASPECTS OF INSURANCE UNDERWRITING, THE CO-OPERATION OF THE INSURANCE INDUSTRY IN DEVELOPING DISCIPLINE AND HEALTHY COMPETITION IN THE MARKET WAS ESSENTIAL.

HE WAS GLAD TO SEE THAT THE INSURANCE INDUSTRY HAD FORMED A WORKING GROUP TO EXAMINE WAYS OF SETTING UP A SELF-REGULATORY SYSTEM DESIGNED TO ENABLE INSURERS TO WRITE BUSINESS IN HONG KONG WITH FLEXIBILITY AND ENTERPRISE WHILE AT THE SAME TIME AFFORDING PROPER PROTECTION FOR POLICYHOLDERS.

HE UNDERSTOOD THAT THE WORKING GROUP HAD PUT FORWARD PROPOSALS FOR SELF-REGULATION TO THE GOVERNMENT AND THESE WERE CURRENTLY BEING STUDIED.

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TAI PO COUNTRY TRAIL PAMPHLET PUBLISHED

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A PAMPHLET INTRODUCING THE TAI PO COUNTRY TRAIL, ITS SCENIC VIEWS AND FACILITIES, HAS BEEN PUBLISHED.

THE PAMPHLET IS PRODUCED BY THE PUBLICATION WORKING GROUP OF THE TAI PO DISTRICT BOARD'S PROMOTION AND PUBLICITY COMMITTEE WITH SPONSORSHIP FROM A SPORTS GOODS COMPANY TO PUBLICISE THE TRAIL AND ENHANCE ITS USAGE.

THE 32-KILOMETRE TRAIL FOR HIKING AND COUNTRY WALKS RUNS ALONG AT THE FRINGE OF TAI PO NEW TOWN.

A MAJOR RECREATIONAL FACILITY FUNDED BY THE DISTRICT BOARD, THE TRAIL WAS DEVELOPED JOINTLY BY THE TAI PO DISTRICT OFFICE, NEW TERRITORIES NORTH EAST DEVELOPMENT OFFICE, TAI PO DISTRICT SURVEY OFFICE, AGRICULTURE AND FISHERIES DEPARTMENT AND REGIONAL SERVICES DEPARTMENT.

THE COUNTRY TRAIL FOLLOWS MAINLY EXISTING FOOTPATHS AND RIDGES OVERLOOKING THE NEW TOWN FROM THE WEST AND THE NORTH AND IS SET AGAINST BACKDROPS OF NEARBY COUNTRY PARKS.

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DEVELOPED IN TWO STAGES, STAGE I OF THE TRAIL COVERS ABOUT 25 KILOMETRES LEADING FROM TAI PO KAU TO PUN CHUNG.

STAGE II, WHICH IS ABOUT SEVEN KILOMETRES LONG, BEGINS AT TAI PO TAU AND FINISHES AT FUNG YUEN VALLEY.

COMPREHENSIVE INFORMATION ON THE TRAIL IS INCLUDED IN THE TAI PO COUNTRY TRAIL PAMPHLET WHICH IS ILLUSTRATED WITH COLOUR PHOTOGRAPHS AND A MAP.

A TOTAL OF 63,000 CHINESE COPIES AND 25,000 ENGLISH COPIES HAVE BEEN PRINTED.

THEY WILL BE AVAILABLE FREE OF CHARGE FROM TOMORROW (WEDNESDAY) AT THE TAI PO DISTRICT OFFICE AND ITS SUB-OFFICES, THE HEADQUARTERS OF THE CITY AND NEW TERRITORIES ADMINISTRATION, THE OTHER 18 DISTRICT OFFICES, VISITOR CENTRES OF COUNTRY PARKS AND OUTLETS OF MARATHON SPORTS LIMITED.

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WATER CUT IN TAI HANG

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FRESH WATER SUPPLY TO CERTAIN PREMISES IN TAI HANG WILL BE TURNED OFF FROM 10 PM ON FRIDAY (APRIL 22) TO 7 AM THE NEXT DAY FOR MAINS WORK.

THE SUSPENSION WILL AFFECT 83-113 (ODD NUMBERS), TAI HANG ROAD, TAI HANG DRIVE, WANG FUNG TERRACE, CHUN FAI ROAD, WOODEN HUTS BEHIND THE TUNG WAH EASTERN HOSPITAL AND LUNG WAH GARDEN.

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GOODS VEHICLE RESTRICTED ZONE AT AIRPORT

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FROM 10 AM ON FRIDAY (APRIL 22), A SECTION OF THE SOUTHERN KERBSIDE LANE OF THE DEPARTURE CIRCUIT, HONG KONG INTERNATIONAL AIRPORT, WILL BE MADE A 24-HOUR GOODS VEHICLE RESTRICTED ZONE.

THE ROAD SECTION RUNS FROM A POINT ABOUT 40 METRES WEST OF THE EASTERN END OF THE DEPARTURE CIRCUIT TO A POINT ABOUT 145 METRES WEST OF THE SAME END.

NO GOODS VEHICLES WILL BE ALLOWED TO STOP WITHIN THE RESTRICTED ZONE FOR PASSENGERS OR GOODS.

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DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 5-8428777

(SUPPLEMENT)

TUESDAY, APRIL 19, 1988

TRANSCRIPT OF THE PRESS CONFERENCE GIVEN BY
THE GOVERNOR, SIR DAVID WILSON,
ON APRIL 19, 1988

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GOVERNOR GIVES PRESS CONFERENCE

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FOLLOWING IS A FULL TRANSCRIPT OF THE PRESS CONFERENCE GIVEN BY THE GOVERNOR, SIR DAVID WILSON, TODAY (TUESDAY):

H.E.: GOOD AFTERNOON. THIS IS THE THIRD OCCASION SINCE I'VE BEEN IN HONG KONG FOR JUST OVER A YEAR WHEN I HAVE HAD A CHANCE TO MEET PUBLICLY WITH YOU ALL. I'VE MET MANY OF YOU IN BETWEEN TIMES EITHER INDIVIDUALLY OR COLLECTIVELY. A GOOD DEAL HAS BEEN HAPPENING SINCE WE LAST HAD A PUBLIC SESSION OF THIS SORT AND I WELCOME THE OPPORTUNITY TO MEET YOU ALL AGAIN AND I WILL ENDEAVOUR TO ANSWER YOUR QUESTIONS AS BEST I CAN.

SALLY BLYTH, FROM RADIO TELEVISION HONG KONG: THE FIRST QUESTION I THINK I WILL MAKE A LITTLE BIT MORE GENERAL. HOW MUCH DO YOU THINK YOU HAVE ACHIEVED DURING YOUR FIRST YEAR AS GOVERNOR AND HAVE YOU MET THE OBJECTIVES WHICH YOU SET YOURSELF? AND, IN YOUR VIEW, HAVE YOU SUCCEEDED IN PROJECTING A POSITIVE IMAGE OF YOURSELF TO THE PUBLIC?

H.E.: IT SOUNDS LIKE ONE OF THOSE SELF-ASSESSMENT FORMS THAT PEOPLE MAKE YOU FILL IN! THE FIRST THING I'D LIKE TO SAY IS THAT THE YEAR SEEMS TO HAVE GONE VERY QUICKLY INDEED. THERE IS SO MUCH GOING ON IN HONG KONG THE WHOLE TIME AND THERE IS SO MUCH TO DO THAT TIME PASSES VERY RAPIDLY BUT FOR ME IT HAS BEEN A FASCINATING YEAR DOING A JOB WHICH IS FOR ME THE MOST IMPORTANT AND THE MOST SIGNIFICANT I COULD POSSIBLY BE DOING. I DON'T DO A SELF-ASSESSMENT FORM. I SEE THINGS MUCH MORE IN TERMS OF WHAT IS HAPPENING TO THE COMMUNITY OF HONG KONG, SO LET ME TRY TO ANSWER YOUR QUESTION BY LOOKING AT SOME OF THE THINGS THAT HAVE BEEN HAPPENING IN HONG KONG.

TAKE FOR EXAMPLE THE ECONOMY WHICH IS THE BASIS OF EVERYTHING WE DO. THE LAST YEAR HAS SEEN REAL GROWTH OF OVER 13 PER CENT, AFTER A PREVIOUS YEAR OF DOUBLE DIGIT GROWTH. IT'S SEEN OUR EXPORTS GOING UP; THE FIRST TWO MONTHS OF THIS YEAR OUR EXPORTS WENT UP BY 25 PER CENT IN VALUE TERMS, RE-EXPORTS BY MORE THAN 50 PER CENT. THAT THEN GIVES US A BASE FOR DOING ANYTHING ELSE THAT WE WANT TO DO. SO TAKE THE NEXT THING WHICH IS INFRASTRUCTURE. WE'VE SEEN THE CONTINUATION OF THE SECOND HARBOUR CROSSING. WE'VE SEEN THE START OF WORK ON TATE'S CAIRN TUNNEL, A MASSIVE PROJECT. WE'VE SEEN THE DECISIONS TAKEN ON THE CONTAINER TERMINAL, ANOTHER ENORMOUS PROJECT. SO ALL THOSE THINGS ARE GOING ON WELL.

THEN TAKE SOCIAL WELFARE, THINGS THAT MATTER TO THE INDIVIDUAL. WE'VE SEEN THE OLD AGE ALLOWANCE INCREASED FROM THE BEGINNING OF APRIL THIS YEAR, PUBLIC ASSISTANCE INCREASED FROM THE BEGINNING OF THIS YEAR. IN HOSPITALS AND HEALTH CARE WE HAVE THE NEW HOSPITAL AUTHORITY, THE PROVISIONAL HOSPITALS AUTHORITY, BEING SET UP LATER THIS YEAR. WE HAVE A VERY LARGE BUILDING PROGRAMME FOR HOSPITALS, THAT INCLUDES ONE AT TUEN MUN FOR INSTANCE WHICH HAS GOT 1,600 BEDS. SO THAT IS GOING ALONG WELL.

/EDUCATION, OPEN

EDUCATION, OPEN LEARNING INSTITUTE SET UP, FIRST STUDENTS NEXT YEAR. I ATTENDED THE FIRST SESSION OF THE COUNCIL FOR THE THIRD UNIVERSITY, THE UNIVERSITY OF SCIENCE AND TECHNOLOGY, JUST THE OTHER DAY; FIRST STUDENTS IN 1991. I ATTENDED THE OPENING OF A TECHNICAL INSTITUTE AT CHAI WAN THE OTHER DAY, AND THAT IS THE COMPLETION OF A PROGRAMME FOR TECHNICAL INSTITUTES. I COULD GO ON AT GREAT LENGTH ON THIS.

LET ME TAKE TWO OTHER THINGS THOUGH. ONE POLITICAL; WE'VE BEEN THROUGH A HUGE EXERCISE OF CONSULTATION ON THE DEVELOPMENT OF OUR POLITICAL SYSTEM. MANY DIFFERENT VIEWS EXPRESSED. FIRM DECISIONS TAKEN ON AN IMPORTANT CHANGE IN OUR SYSTEM IN 1991. LET ME TAKE ONE LAST ONE, PROBLEMS; BECAUSE WE ARE NOT FREE FROM PROBLEMS IN HONG KONG, CERTAINLY NOT. THE STOCK MARKET, A SERIOUS PROBLEM IN OCTOBER, LIKE THE REST OF THE WORLD, BUT WITH ACTION TAKEN TO DEAL WITH IT WITH THE REVIEW COMMITTEE WHICH IS DUE TO REPORT AT THE END OF NEXT MONTH.

SO ON ALL THESE FIELDS I FEEL THAT HONG KONG HAS BEEN GOING AHEAD WELL. IT'S BEEN VERY ACTIVE, BASED ON A GOOD ECONOMY. WHERE THERE ARE PROBLEMS WE ARE TAKING STEPS TO TRY TO DEAL WITH THOSE PROBLEMS.

CLAUDIA MO, FROM AGENCE FRANCE PRESSE: SIR, THERE'S BEEN A SUGGESTION THAT HONG KONG'S EMIGRATION BRAIN DRAIN PROBLEM HAS BEEN GETTING WORSE AND WORSE. HOW WOULD YOU ADDRESS THIS PROBLEM?

H.E.: IT IS A PROBLEM, QUITE CLEARLY IT IS BECOMING A PROBLEM. WHEN I AM ABROAD I AM ANXIOUS TO PUT THIS INTO CONTEXT BECAUSE AS EVERYBODY HERE KNOWS EMIGRATION FROM HONG KONG IS SOMETHING THAT HAS GONE ON THE WHOLE TIME, SO I TRY TO PUT IN THE BACKGROUND. PEOPLE HERE KNOW THAT BACKGROUND. WE HAVE TO FACE THE FACT THAT THERE IS A PROBLEM BECAUSE EVEN THOUGH THE NUMBERS HAVE NOT PERHAPS GONE UP ENORMOUSLY AND THEY HAVE BEEN ROUGHLY AT A HISTORICAL NORM IF YOU TAKE 1986 AND 1987 TOGETHER, NEVERTHELESS THE TYPE OF PEOPLE WHO ARE MOVING HAVE PROBABLY CHANGED SO THAT THERE ARE MORE PEOPLE FROM THE KEY MIDDLE MANAGEMENT SECTOR LEAVING HONG KONG. IT HAS BEEN DIFFICULT TO PIN DOWN THE REALITY OF THIS PROBLEM.

I WAS PLEASED TO SEE A DETAILED SURVEY DONE THE OTHER DAY WHICH TRIED TO PIN DOWN SOME OF THE FACTS AND THE GOVERNMENT IS TRYING TO DO THE SAME THING, BUT IT IS ONLY WHEN WE CAN PIN DOWN EXACTLY WHAT THE PROBLEM IS THAT WE CAN TRY TO THINK OF REMEDIAL MEASURES. LET ME SAY THAT ONE REMEDIAL MEASURE WILL NOT BE TAKEN. THERE IS NO QUESTION OF TRYING TO STOP PEOPLE LEAVING HONG KONG. IF PEOPLE WANT TO LEAVE, THEY MUST BE ALLOWED TO LEAVE.

/BUT IF

BUT IF WE ARE LOSING PEOPLE FROM PARTICULAR SECTORS OF THE ECONOMY LIKE MIDDLE MANAGEMENT, WE MUST TRY TO TRAIN UP MORE PEOPLE TO TAKE THOSE PLACES. WE MUST ALSO TRY TO RUN A SOCIETY AND AN ECONOMY WHERE PEOPLE WANT TO STAY IN HONG KONG AND THOSE WHO HAVE GONE IN ORDER TO GET AN INSURANCE POLICY DO ALSO WANT TO COME BACK AGAIN.

MA MIU-WAH, FROM HONG KONG ECONOMIC TIMES: ABOUT THE PROBLEM OF BRAIN DRAIN. AROUND 10 DAYS AGO CHINESE VICE-PREMIER WU XUEQIAN HAS BLAMED THE HONG KONG MEDIA AS EXAGGERATING THE PROBLEM OF BRAIN DRAIN. SIR DAVID, DO YOU REGARD HIS COMMENT AS MISUNDERSTANDING THE PROBLEM OF HONG KONG AND HAVING A DISCREPANCY OF THE FEELING BETWEEN HONG KONG PEOPLE AND THE CHINESE GOVERNMENT?

H.E.: I NEVER BLAME THE HONG KONG PRESS MYSELF. I THINK THE PROBLEM IS EXACTLY AS I'VE STATED IT. PEOPLE LOOK AT THIS PROBLEM FROM DIFFERENT ANGLES. AS I SAY, WHEN I AM ABROAD, I TRY TO EXPLAIN THE BACKGROUND OF IT. THE FACT THAT EMIGRATION FROM HONG KONG HAS BEEN SOMETHING WHICH HAS ALWAYS GONE ON FOR THE LAST 35, 50, IT MAYBE 100 YEARS. PEOPLE LOOKING AT IT FROM PEKING MAY ALSO LOOK AT IT WITH A CERTAIN BACKGROUND. I DIDN'T ACTUALLY SEE THAT COMMENT BY MR WU XUEQIAN MYSELF BLAMING THE HONG KONG PRESS. WHAT WE HAVE GOT TO DO IS TRY TO ASSESS EXACTLY WHAT THE PROBLEM IS, TRY TO GET THE FACTS RIGHT SO THAT WE ARE NOT JUST SPECULATING IN THIN AIR, AND THEN TO THE EXTENT THAT IT IS POSSIBLE, TRY TO WORK OUT WAYS OF DEALING WITH THE PROBLEM THAT THEN IS SHOWN UP BY THE FACTS.

CLAUDIA MO: I THINK THE QUESTION WAS, DO YOU THINK THE SENIOR CHINESE LEADER HAS SHOWN A MISUNDERSTANDING OF HONG KONG BY MAKING THAT STATEMENT?

H.E.: I DON'T THINK IT'S USEFUL FOR ME TO COMMENT ON WHETHER OTHER PEOPLE SHOW AN UNDERSTANDING OR A MISUNDERSTANDING OF WHAT'S GOING ON IN HONG KONG. MY JOB IS TO TRY TO FIND OUT MYSELF WHAT IS GOING ON IN HONG KONG AND COMMENT ON IT AS I SEE IT.

ANN QUON, FROM SOUTH CHINA MORNING POST: CAN I MOVE ON TO ANOTHER PROBLEM FACING HONG KONG, VIETNAMESE REFUGEES. A HONG KONG GOVERNMENT OFFICIAL SUGGESTED THAT THE PRESENT POLICY TOWARD REFUGEES, OF PUTTING ARRIVALS IN CLOSED CAMPS WHILE A WAITING RESETTLEMENT, MAY NEED TO BE CHANGED. CAN YOU ELABORATE WHAT OPTIONS THE HONG KONG GOVERNMENT IS CONSIDERING AND WHETHER ONE OF THOSE OPTIONS MIGHT INCLUDE REVOKING THE RIGHT FOR REFUGEES TO LAND?

H.E.: LET ME FIRST OF ALL SAY SOMETHING ON THE PROBLEM ITSELF, BECAUSE IT IS BECOMING AN INCREASINGLY SERIOUS PROBLEM - SUMMED UP IN JUST THE TWO PHRASES THAT ARRIVALS ARE INCREASING AND DEPARTURES ARE DECREASING. WE'VE HAD CLOSE ON 800 ARRIVALS ALREADY THIS YEAR. THAT IS WAY UP ON THE SAME PERIOD LAST YEAR. WE'VE HAD I THINK IT'S 650 DEPARTURES, WHICH IS AN INCREASE ON LAST YEAR IN THE SAME PERIOD, BUT STILL YOU CAN SEE THE GAP, AND SO THE POPULATION HERE IS GOING UP THE WHOLE TIME AND NOW HAS REACHED ABOUT 10,000.

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ANOTHER SIDE OF THE PROBLEM. THE PEOPLE WHO ARE COMING NOW, UNLIKE IN 1979 WHEN THE PROBLEM FIRST STARTED, ARE ALMOST ALL OF THEM ETHNIC VIETNAMESE FROM NORTH VIETNAM. THE REASONS FOR MOVING SEEM TO BE ESSENTIALLY ECONOMIC RATHER THAN POLITICAL. OTHER PART OF THE BACKGROUND, WHEN WE FIRST OF ALL STARTED ACCEPTING LARGE NUMBERS OF VIETNAMESE REFUGEES IN 1979, THAT WAS PART OF AN INTERNATIONAL UNDERSTANDING THAT PLACES IN THIS AREA WOULD ACT AS A PLACE OF FIRST ASYLUM. OTHER COUNTRIES IN THE WORLD, RESETTLEMENT COUNTRIES, WOULD RESETTLE PEOPLE FROM HERE. WHAT WE'RE FINDING NOW IS THAT, THAT HORRIFYING PHRASE 'COMPASSION FATIGUE' IS ALL TOO TRUE, AND THAT WHEREAS WE HAVE A CONTINUING FLOW OF VIETNAMESE REFUGEES COMING HERE, THE RESETTLEMENT COUNTRIES ARE NOT PREPARED TO TAKE SO MANY.

THE OPTIONS FOR US ARE, FIRST OF ALL, TO TRY TO MAKE SURE THAT RESETTLEMENT CONTINUES TO DEAL WITH THE PEOPLE WE'VE GOT HERE NOW. SECONDLY, TO TRY TO FIND A LONG TERM SOLUTION TO THE PROBLEM. TO MAKE SURE THAT PEOPLE ARE EITHER NOT LEAVING VIETNAM OR IF THEY'RE ESSENTIALLY ILLEGAL IMMIGRANTS TRAVELLING FOR ECONOMIC REASONS THAT THEY CAN BE RETURNED. AND I WOULD SAY THAT THE GOVERNMENT OF VIETNAM BEARS A VERY HEAVY RESPONSIBILITY FOR THE APPALLING SITUATION IN WHICH THOUSANDS OF PEOPLE CONTINUE TO RISK THEIR LIVES AT SEA TO GET AWAY FROM VIETNAM.

NOW IF WE CANNOT FIND CONTINUING RESETTLEMENT, IF WE CANNOT IN THE SHORT TERM FIND A WAY OF SENDING PEOPLE BACK, THEN WE FACE A LOT OF VERY DIFFICULT PROBLEMS. DO WE CONTINUE OUR POLICY OF FIRST ASYLUM? IF NOT, WHAT ARE THE ALTERNATIVES? WE WOULDN'T WISH, I'M SURE AS A COMMUNITY, TO WANT TO DO ANYTHING WHICH WOULD PUT PEOPLE'S LIVES AT RISK WHEN THEY'VE ALREADY PUT THEIR LIVES AT RISK CROSSING THE SEA. SO YOU CANNOT SEE PEOPLE JUST SINKING THEIR BOATS IN FRONT OF HONG KONG AND WATCH THEM DROWN. THAT IS NOT A VIABLE OPTION. IF, ON THE OTHER HAND, YOU LAND PEOPLE BUT YOU SAY THEY WON'T BE RESETTLED, YOU HAVE A PRACTICAL PROBLEM THAT YOU'VE GOT TO LOOK AFTER THOSE PEOPLE MEANWHILE. THOSE ARE THE PROBLEMS. THERE ARE NO EASY ANSWERS TO THEM.

THE GOVERNMENT IS LOOKING AT THESE VARIOUS OPTIONS AGAINST THE BACKGROUND THAT I'VE TRIED TO SKETCH OUT, BUT WE HAVE NOT AT THE MOMENT COME TO POLICY DECISIONS. WE ARE ALSO TRYING TO KEEP IN TOUCH WITH COUNTRIES IN THIS AREA WHICH FACE SIMILAR PROBLEMS.

/STUART PALLISTER,

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STUART PALLISTER, FROM ASIA TELEVISION: WOULD YOU SAY IT'S NO LONGER APPROPRIATE THEN THAT ALL BOAT PEOPLE WHO COME HERE ARE TREATED AS REFUGEES?

H.E.: THAT'S PART OF THE PROBLEM THAT WE'RE FACING. AS I SAID WHEN WE STARTED THIS IN 1979, THERE WAS AN UNDERSTANDING THAT THOSE LEAVING VIETNAM BY BOAT WOULD ALL BE TREATED AS THOUGH THEY WERE REFUGEES. THE OTHER SIDE OF THAT UNDERSTANDING WAS THAT PEOPLE WHO WERE TAKEN IN BY PLACES OF FIRST ASYLUM WOULD ALSO HAVE A CHANCE TO BE RESETTLED ELSEWHERE. YOU HAVE TO HAVE BOTH SIDES TO THAT. SO IN CONSIDERING OUR FUTURE POLICY, WE HAVE TO LOOK TO SEE WHETHER THAT ARRANGEMENT IS STILL WORKING EFFECTIVELY.

STUART PALLISTER: BUT WOULD YOU SAY IT WAS NO LONGER APPROPRIATE?

H.E.: IT ONLY BECOMES NOT APPROPRIATE WHEN YOU HAVE DECIDED TO CHANGE THE POLICY. I'VE TRIED TO SET OUT THE BACKGROUND TO THE PROBLEM AND TO SAY ALSO THAT WE HAVE NOT MADE THE DECISION TO CHANGE POLICY AT THE MOMENT. WE ARE LOOKING AT THE VARIOUS OPTIONS. AND I WOULD LIKE TO EMPHASISE AGAIN THAT NONE OF THESE OPTIONS ARE EASY OPTIONS.

DAVID DODWELL, FROM FINANCIAL TIMES: I'D LIKE TO RAISE A POINT THAT YOU TOUCHED ON WITH VIETNAMESE REFUGEES A MOMENT AGO. I JUST CAME BACK THIS MORNING FROM CHI MA WAN AND EVIDENTLY THE INFUX FROM VIETNAM OVER THE LAST MONTH HAS BEEN VERY HEAVILY SKEWED BACK IN THE DIRECTION OF SOUTH VIETNAMESE. THOSE IN QUARANTINE THIS MORNING WERE 160 OUT OF 174 ACTUALLY FROM SOUTH VIETNAM AND AS PEOPLE GROPED AT EXPLAINING WHY THIS REVERSAL HAD OCCURRED, THEY WERE WONDERING WHETHER IT WASN'T BECAUSE NEWS HAD GOT BACK TO VIETNAM OF THE POSSIBILITY OF A REDEFINITION OF REFUGEES AND THAT THE POSSIBILITY THAT IN THE NEAR FUTURE THEY ARE GOING TO BE CALLED ILLEGAL IMMIGRANTS OR DISPLACED PERSONS AND TO BE RETURNED IS ACTUALLY GENERATING A RAPID EXODUS TO TRY AND BEAT THE GUILLOTINE.

H.E.: YOU ARE MORE UP TO DATE ON SOME OF THE DETAILS THAN I AM. IF YOU HAVE JUST BEEN BACK FROM CHI MA WAN, COULD I ASK YOU, WERE ANY OF THE PEOPLE SAYING THAT THE REASON FOR LEAVING WAS THAT THEY WERE TRYING TO BEAT SOME SUPPOSED BAN?

DAVID DODWELL: THIS WAS SIMPLY PEOPLE TRYING TO MUSE OVER WHAT THE REASONS WERE, BUT IT WOULD SUGGEST THAT IF THERE IS GOING TO BE A CHANGE IN THE DEFINITION, THEN THAT DECISION OUGHT TO BE TAKEN QUICKLY RATHER THAN TO DRIFT AROUND, MUSING AND CONSULTING.

/H.E.:

H.E.: THE ONLY COMMENT I WOULD MAKE ON THAT IS THAT THERE IS AN INCREASE AT THE MOMENT AFFECTING OTHER PLACES IN THE AREA. THERE WAS A GREAT INCREASE AFFECTING THAILAND. AS THAILAND TOOK A MORE RESTRICTIVE POLICY, SO THERE HAS BEEN AN ENORMOUS INCREASE IN THE NUMBERS ARRIVING IN MALAYSIA OVER THE LAST FEW WEEKS. SO IT IS NOT SOMETHING WHICH IS JUST AFFECTING US, IT DOES SEEM TO BE AFFECTING THE REST OF THE REGION. WE DO TRY TO ANALYSE THE WHOLE TIME REASONS WHY PEOPLE COME. I ASKED YOU THAT QUESTION BECAUSE I HADN'T SEEN YET ANY ANALYSIS SUGGESTING THAT PEOPLE WERE COMING HERE BECAUSE THEY THOUGHT THERE MIGHT BE A CHANGE OF POLICY HERE.

BARBARA BASLER, FROM NEW YORK TIMES: SIR, ARE THERE ANY PLANS FOR A REGIONAL CONFERENCE ON THIS PROBLEM?

H.E.: DISCUSSIONS WITH COUNTRIES IN THE REGION HAVE BEEN GOING ON. WE'VE HAD A MEMBER OF THE GOVERNMENT SECRETARIAT, MR FRENCH, WHO HAS BEEN VISITING COUNTRIES IN THE AREA TO DISCUSS WITH THEM HOW THEY SEE THE PROBLEM AND TO EXCHANGE VIEWS WITH THEM ON HOW WE SEE THE PROBLEM. THERE IS A POSSIBILITY OF A SEMINAR TAKING PLACE IN THAILAND NEXT MONTH TO DISCUSS THE QUESTION AMONGST COUNTRIES AND TERRITORIES IN THE REGION. THERE ARE NO IMMEDIATE PLANS FOR AN INTERNATIONAL CONFERENCE AS SUCH.

STEVE VINES, FROM THE OBSERVER: COULD I ASK ABOUT THE BASIC LAW, TWO THINGS. DO YOU THINK IT IS APPROPRIATE THAT LEGCO SHOULD DEBATE THE DRAFT BASIC LAW AND DO YOU THINK THAT BOTH APPOINTED AND ELECTED BODIES IN HONG KONG SHOULD HAVE SOME INPUT INTO THE DECISIONS ABOUT THE BASIC LAW?

H.E.: THE FIRST POINT THAT HAS TO BE MADE IS THE BASIC LAW IS A CHINESE DOCUMENT TO BE PASSED BY THE NATIONAL PEOPLE'S CONGRESS. IT HAS TO REFLECT WHAT IS IN THE JOINT DECLARATION SO THAT GIVES THE BRITISH GOVERNMENT A STANDING IN RELATION TO THE BASIC LAW.

AS FAR AS LEGCO IS CONCERNED, IT WOULD BE FOR MEMBERS OF LEGCO TO DECIDE WHETHER THEY WISH TO DISCUSS WHAT'S IN THE BASIC LAW AND TO PUT FORWARD A MOTION IF THEY DID WISH TO DISCUSS IT. SINCE IT IS A MATTER WHICH SO CLOSELY AFFECTS PEOPLE IN HONG KONG FOR A LONG PERIOD OF TIME TO COME, I WOULD EXPECT SOME MEMBERS OF THE LEGISLATIVE COUNCIL TO WISH TO DISCUSS IT BUT THAT MUST BE A MATTER FOR THEM. AS FOR THE OTHER BODIES IN HONG KONG LIKE DISTRICT BOARDS, THERE TOO IT MUST BE A MATTER FOR THEM TO DECIDE WHETHER THEY WISH TO DISCUSS IT.

THE OTHER POINT I WOULD MAKE ON THIS IS THAT SINCE THIS IS A DOCUMENT WHICH DOES SO CLOSELY AFFECT THE PEOPLE OF HONG KONG FOR A LONG PERIOD OF TIME TO COME, I'D HOPE THAT AS MANY PEOPLE AS POSSIBLE WILL PUT FORWARD THEIR VIEWS ON THE BASIC LAW WHEN THE DRAFT IS PUBLISHED IN HONG KONG.

STEVE VINES: DO YOU THINK IT IS APPROPRIATE FOR THESE BODIES TO HAVE AN INPUT IN THE DRAFTING OF THE BASIC LAW IF DURING THE CONSULTATION PERIOD, THESE OFFICIAL BODIES...?

/H.E.:

H.E.: THEY AS BODIES DON'T HAVE AN INPUT INTO IT BECAUSE IT IS A MATTER FOR THE NATIONAL PEOPLE'S CONGRESS. MEMBERS OF THE VARIOUS BODIES, BECAUSE THEY ARE PEOPLE LIVING IN HONG KONG, HAVE THE SAME RIGHT AND ABILITY TO PUT FORWARD VIEWS ON WHAT SHOULD BE IN IT AS OTHER PEOPLE IN HONG KONG. AS I SAID, I WOULD EXPECT MEMBERS OF THE LEGISLATIVE COUNCIL TO WISH TO DISCUSS IT IN THE LEGISLATIVE COUNCIL. WHETHER THEY WILL ACTUALLY PUT FORWARD A MOTION TO DO SO I DON'T KNOW AND I DOUBT IF THEY WILL DECIDE UNTIL THE BASIC LAW DRAFT HAS BEEN PUBLISHED.

STEVE GLAIN, FROM KNIGHT-RIDDER FINANCIAL NEWS: YOU MENTIONED ONE WAY TO HALT THE SO-CALLED BRAIN DRAIN IS TO RUN A SOCIETY AND AN ECONOMY THAT PEOPLE WILL WANT TO STAY AND ENJOY OR RETURN TO. THE GOVERNMENT NOW SEEMS TO BE SITTING ON WHAT IS REPORTED TO BE UP TO 10 BILLION DOLLAR BUDGET SURPLUS. CAN YOU COMMENT ON WHAT ARE SOME OF THE BEST WAYS TO INVEST THAT MONEY OR DISTRIBUTE IT IN ORDER TO CREATE AND REACH THOSE GOALS?

H.E.: I WAS DISCUSSING THIS THE OTHER DAY WITH A BRITISH MEMBER OF PARLIAMENT AND HE SAID HE THOUGHT THAT THE CHANCELLOR OF THE EXCHEQUER AND MOST FINANCE MINISTERS THROUGHOUT THE WORLD WOULD BE DELIGHTED TO FIND THEMSELVES WITH SUCH A SURPLUS!

BUT IT'S NOT THAT EASY, YOU CAN'T SIMPLY RUN A HAND-OUT ECONOMY BECAUSE EVEN THOUGH THERE IS A VERY SUBSTANTIAL SURPLUS THIS YEAR, AND I SEE THERE ARE PRESS REPORTS ABOUT THE POSSIBILITY THAT IT MAY BE GREATER THAN PREVIOUSLY ESTIMATED, NEVERTHELESS YOU HAVE TO PLAN YOUR EXPENDITURE FOR THE LONG TERM. YOU CAN'T SIMPLY USE THE SAVINGS OF A GOOD PERIOD AND BLOW THEM ON POLICIES WHICH WILL HAVE LONG TERM IMPLICATIONS FOR CONTINUING HIGH EXPENDITURE. IT MAKES SENSE TO BE PRUDENT WITH THE MONEY THAT YOU'VE GOT WHEN YOU ARE DOING WELL SO THAT YOU HAVE THE ABILITY TO TIDE OVER PERIODS WHEN YOU ARE NOT DOING SO WELL.

NOW, THAT SAID, AS IN SOME OF THE THINGS I DESCRIBED AT THE BEGINNING, THERE ARE MASSIVE PROGRAMMES GOING ON IN HONG KONG TO MAKE SURE THAT THE ECONOMY REMAINS BUOYANT WHICH IS CRUCIAL TO EVERYTHING WE DO AND TO TRY TO IMPROVE THE QUALITY OF LIFE IN HONG KONG.

LEUNG CHAU-YIN, FROM COMMERCIAL RADIO (IN CANTONESE): RECENTLY, SIR DAVID, THE MTRC RAISED A PROPOSAL OF INCREASING FARES. ACCORDING TO MISS LYDIA DUNN, YOU, SIR, HAVE THE FINAL RIGHT TO RULE OUT THIS FARE INCREASE. WILL YOU DO SO? AND DO YOU FEEL THAT THE PRESENT ORDINANCES GIVE TOO MUCH POWER TO THE MTRC TO DECIDE ON MATTERS OF THIS SORT?

/H.E.:

H.E.: FIRST OF ALL THE PROBLEM. MTRC IN A WAY IS TOO SUCCESSFUL AND IT HAS A PROBLEM OF FAR TOO MANY PEOPLE TRAVELLING AT PEAK HOURS AND THEY'VE PUT FORWARD THEIR PROPOSALS FOR DEALING WITH IT. THERE'S JUST ONE COMMENT I'D MAKE ON MTR BEING SUCCESSFUL. I WAS LOOKING AT THE FIGURES THE OTHER DAY AND COMPARING THE COST OF TRAVELLING IN HONG KONG WITH THE COST IN LONDON. AND THERE IS AN INTERESTING COMPARISON BETWEEN HEATHROW AIRPORT IN THE CENTRE OF LONDON AND TSUEN WAN AND THE CENTRE OF HONG KONG. TSUEN WAN TO THE CENTRE OF HONG KONG IS LONGER THAN HEATHROW TO LONDON. HEATHROW TO CENTRAL LONDON COSTS FIVE TIMES AS MUCH AND TAKES 15 MINUTES LONGER THAN THE HONG KONG JOURNEY. SO WE HAVE AN EFFECTIVE MASS TRANSIT SYSTEM AND A REASONABLY CHEAP ONE, BUT THEY'VE GOT A PROBLEM OF OVERCROWDING AT PEAK HOURS.

ON THE GOVERNOR'S POWERS, THEY ARE LIMITED TO GIVING GENERAL DIRECTIONS TO MTR ON MATTERS WHERE A PUBLIC INTEREST IS INVOLVED. IT WOULD NOT, I THINK, MAKE SENSE FOR THE GOVERNMENT, BECAUSE THAT'S WHAT IT WOULD BE, TO INTERVENE IN THE DETAILED MANAGEMENT OF THE OPERATION, BECAUSE THE PURPOSE OF SETTING UP AN MTR IS TO GIVE THEM THE JOB OF RUNNING IT AS A COMMERCIAL ENTERPRISE. BUT THERE ARE OTHER FACTORS INVOLVED, FOR INSTANCE, IF PEOPLE ARE NOT GOING TO BE TRAVELLING ON THE MTR AT PEAK HOURS, THEN THEY'VE GOT TO BE USING OTHER FORMS OF TRANSPORT. HOW DO YOU MAKE SURE THAT THE OTHER FORMS OF TRANSPORT ARE THERE AND AVAILABLE, AND THE TRANSPORT ADVISORY COMMITTEE IS LOOKING AT PRECISELY THAT PROBLEM THIS AFTERNOON.

THE LAST PART OF YOUR QUESTION, I THINK, WAS THE ORDINANCE ADEQUATE. THE ANSWER AT THE MOMENT I THINK IS YES, AND THAT IS BECAUSE IT'S PART OF THE PHILOSOPHY TO GIVE THE RUNNING OF THIS OPERATION TO A CORPORATION, SO THAT IT CAN DO IT EFFECTIVELY AND ECONOMICALLY, TAKING BUSINESS DECISIONS AND NOT WITH BUREAUCRATS CONSTANTLY LOOKING OVER THEIR SHOULDERS.

FANNY WONG, FROM ORIENTAL DAILY NEWS: SIR, DO YOU THINK THAT IT IS FAIR FOR US TO PAY MORE THAN 60 PER CENT OF DEFENCE COSTS IN THE COMING YEAR, AS WE HAVE TO PAY A LOT MORE TO PAY FOR AN EXPANDING POLICE FORCE FOR THE REST OF THE TRANSITIONAL PERIOD?

H.E.: WE'VE BEEN PAYING A LARGE PART OF OUR DEFENCE COSTS FOR A LONG TIME, WE'VE BEEN PAYING PART OF OUR DEFENCE COSTS FOR EVEN LONGER. AS YOU KNOW, WE'VE HAD A LONG PERIOD OF NEGOTIATIONS WITH THE MINISTRY OF DEFENCE IN LONDON ON THIS. SOMETIMES, QUITE DIFFICULT NEGOTIATIONS. WHERE WE ARE NOW AT IS THAT WE HAVE THE BASIS FOR A NEW AGREEMENT. THE DETAILS OF THAT HAVE STILL GOT TO BE WRITTEN DOWN. AND UNTIL THE WHOLE PACKAGE WITH THE DETAILS ARE COMPLETE, I THINK IT WOULD BE MISLEADING FOR ME TO GIVE YOU ANY PART OF THE PACKAGE. BUT WHAT I CAN SAY IS THAT IN THE PAST, EACH NEW DEFENCE COSTS AGREEMENT HAS FINISHED WITH HONG KONG PAYING MORE THAN BEFORE. THIS TIME HONG KONG WILL FINISH UP PAYING LESS THAN BEFORE.

/FANNY WONG:

FANNY WONG: SO YOU ARE SAYING THAT OVERALL WE CAN GET A BETTER AGREEMENT THAN WHAT WE GOT IN THE PREVIOUS YEAR?

H.E.: I'M SAYING THAT THIS AGREEMENT... WHAT WE HAVE I'VE DESCRIBED AS BEING THE BASIS FOR A NEW AGREEMENT, IN OTHER WORDS, THE OVERALL FRAMEWORK IS AGREED BUT THE DETAIL HAS STILL TO BE WRITTEN DOWN. AND THAT OVERALL FRAMEWORK WILL GIVE US A BETTER ARRANGEMENT THAN WE HAD BEFORE.

ANNIE LAM, FROM SING TAO JIH PAO: DO YOU THINK THAT THE LOCALISATION POLICY OF THE GOVERNMENT IS TOO RAPID TO CAUSE DAMAGE IN MORALES OF HIGH RANKING EXPATRIATE CIVIL SERVANTS. AND ALSO HOW DO YOU BALANCE THE NEED OF LOCALISATION AND THE NEED TO RAISE THEIR MORALES?

H.E.: WE'VE HAD A LOCALISATION POLICY GOING ON FOR, I SUPPOSE, ABOUT 20 YEARS, AND IT'S BEEN GOING ON AT A VERY STEADY PACE. I DON'T THINK IT IS TOO RAPID. WE'VE GOT TO PUT OURSELVES IN A POSITION WHERE, BY 1997, THE TOP POSTS IN THE CIVIL SERVICE, THAT'S THE SECRETARY POSTS, ARE FILLED BY LOCAL PEOPLE. IT WOULD MAKE SENSE TO ENSURE THAT THERE ARE A LARGE NUMBER OF LOCAL PEOPLE IN THOSE POSTS BEFORE 1997. SO THAT HAS TO BE ONE OF THE AIMS. THE NUMBER OF PEOPLE AFFECTED BY THAT, THE NUMBER OF EXPATRIATES ADVERSELY AFFECTED BY THAT, IS ACTUALLY VERY SMALL. THE REST OF THE LOCALISATION POLICY IS GOING ON VERY MUCH AS IT HAS BEEN GOING ON FOR A LONG PERIOD OF TIME. I DON'T THINK IT IS SUCH THAT IT SHOULD DAMAGE THE MORALE OF EXPATRIATES. THE NUMBER OF EXPATRIATES IS STILL VERY LARGE IN THE CIVIL SERVICE AS A WHOLE. AND I WOULD HOPE THAT THEY DON'T FEEL THAT THEIR MORALE IS DAMAGED BY THE POLICY BEING CARRIED OUT.

WONG KWOK-KONG, FROM RADIO TELEVISION HONG KONG: WILL THE GOVERNMENT SET UP MORE INDEPENDENT AUTHORITIES TO RUN VARIOUS GOVERNMENT SERVICES APART FROM HOUSING AND MEDICAL?

H.E.: AS YOU SAY, WE'VE SET UP THOSE TWO. THE HOSPITALS AUTHORITY AND THE HOUSING AUTHORITY. WE DO LOOK AT OTHER AREAS, WHERE, TO SEE WHETHER IT MIGHT BE A MORE EFFECTIVE WAY AND A MORE ECONOMIC WAY OF PROVIDING SERVICES FOR THE COMMUNITY. THERE ARE NO IMMEDIATE PLANS TO SET UP ANY FURTHER AUTHORITIES, BUT WE CONTINUE TO LOOK AT THE POSSIBILITIES IN A NUMBER OF OTHER AREAS.

CHEUNG KIT-FUNG, FROM PAI SHING: SINCE THE GOVERNMENT SET UP SO MANY AUTHORITIES IN RECENT YEARS, AND THEN SOME PEOPLE THINK THAT IT IS ANOTHER WAY TO CHANGE THE POLITICAL STRATA OF HONG KONG - DO YOU THINK SO?

/H.E.:

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H.E.: NOT TO CHANGE THE POLITICAL STRUCTURE. THE OBJECTIVE IS TO PROVIDE THE SERVICES, AS I PUT IT, MORE EFFECTIVELY AND MORE ECONOMICALLY THAN BEFORE, BUT TO KEEP THE SITUATION WHERE THE GOVERNMENT HAS OVERALL CONTROL OVER POLICY. THE HOUSING AUTHORITY IS A VERY GOOD EXAMPLE OF THAT. THERE NOW IS A SEPARATE CHAIRMAN OF IT, WHO IS NOT AN OFFICIAL, SO THE SECRETARY FOR HOUSING IS NO LONGER THE CHAIRMAN OF IT. OVERALL POLICY AND THE PROVISION OF FINANCE REMAINS WITH THE GOVERNMENT AND THE EXECUTIVE COUNCIL, BUT THE IMPLEMENTATION, THE DETAILED IMPLEMENTATION OF THE POLICY, GOES TO THE HOUSING AUTHORITY WITH A LARGE INPUT FROM THE PRIVATE COMMUNITY.

TSANG SUK-WA, FROM ASIaweek: SIR DAVID, WILL YOU ASSURE THE HONG KONG PEOPLE OF THAT WE ARE GETTING A FAIR DEAL IN THE DEFENCE COSTS AGREEMENT, AND YOU KNOW, WHEN IN THE RUN-UP TO 1997, WE REQUIRE LESS SERVICE FROM THE BRITISH GARRISON?

H.E.: I CAN ASSURE THE HONG KONG PEOPLE THAT WE HAVE BEEN NEGOTIATING VERY HARD TO GET THE BEST POSSIBLE DEAL FOR HONG KONG, THAT'S THE KEY THING. THE COSTS THAT WE HAVE TO PAY FOR OTHER SIDES OF SECURITY, LIKE THE POLICE FORCE IN ORDER TO TAKE OVER THE ROLE OF THE GARRISON DEALING WITH ILLEGAL IMMIGRANTS, WILL BE GOING UP OVER THE NEXT FEW YEARS. THAT IS ONE OF THE REASONS WHY WE, THE HONG KONG GOVERNMENT, HAD BEEN ANXIOUS TO TRY TO REDUCE OUR SHARE OF THE DEFENCE COSTS PAYMENTS. WE'VE BEEN ARGUING OVER THAT FOR A LONG TIME. AS I SAID TO AN EARLIER QUESTIONER, WE HAVE COME OUT WITH AN OVERALL PACKAGE WHICH WILL BE BETTER FOR HONG KONG THAN PREVIOUS DEFENCE COSTS ARRANGEMENTS.

WILSON WONG, FROM HONGKONG STANDARD: TURNING TO CIVIL SERVANTS, DO YOU FIND THE MORALE OF THE ENTIRE CIVIL SERVICE IS NOW DECREASING AND IS THE POSSIBLE VACUUM LEFT BY THE, SAY, MASS EVACUATION OR MASS EMIGRATION OF THE CIVIL SERVANTS IN THE RUN-UP TO 1997, ANY SOLUTIONS TO THAT?

H.E.: WELL, CAN I PUT THE FACTS RIGHT. THERE IS NO MASS EMIGRATION OF CIVIL SERVANTS. FOR WHAT IT IS WORTH, THE WASTAGE RATE - THAT IS NOT AN AWFULLY NICE WORD, BUT IT IS THE ONE USED - THE NUMBER OF PEOPLE LEAVING THE CIVIL SERVICE IS RUNNING AT ABOUT THREE TO FOUR PER CENT WHICH IS THE NORM THAT IT HAS BEEN OVER THE YEARS AND COMPARED WITH PRIVATE EMPLOYERS THAT IS AN EXTREMELY GOOD WASTAGE RATE.

NOW WHETHER MORALE IS GOOD OR NOT, MORALE I AM SURE VARIES FROM LEVEL TO LEVEL AND DIFFERENT PART OF THE CIVIL SERVICE TO OTHER DIFFERENT PARTS. I TRY TO MEET CIVIL SERVANTS. I AM PERSONALLY VERY STRUCK BY THE EFFECTIVENESS OF THE CIVIL SERVICE, BY ITS ABILITY TO CARRY OUT POLICIES AND TO DEAL WITH CRISES. JUST TO TAKE ONE EXAMPLE OF THAT, THE WAY IN WHICH THE CIVIL SERVICE HANDLED THE SUDDEN INFLUX OF VIETNAMESE EX-REFUGEES FROM CHINA ARRIVING SUDDENLY IN HONG KONG LAST SUMMER WAS A REMARKABLE PERFORMANCE, VERY EFFECTIVE.

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ON THE WHOLE, I FIND MORALE IN THE CIVIL SERVICE GOOD. OF COURSE THEY HAVE GOT THEIR WORRIES. THEY WORRY ABOUT PAY, THEY WORRY ABOUT FUTURE PROSPECTS IN THE SAME WAY AS EVERY OTHER MEMBER OF THE COMMUNITY DOES, BUT ON THE WHOLE THEIR MORALE IS GOOD.

WILSON WONG: CAN I MAKE A FOLLOW-UP QUESTION: DO YOU FIND THERE IS A POTENTIAL DANGER OF A, SAY, VACUUM, I MEAN IN THE COMING YEARS?

H.E.: NO SIGN OF THAT AT THE MOMENT AND THAT IS BASED I THINK ON YOUR ASSUMPTION THAT THERE IS A MASSIVE OUTFLOW AND, AS I HAVE TRIED TO EXPLAIN, THERE IS NOT A MASSIVE OUTFLOW OF CIVIL SERVANTS SO THERE IS NO SIGN OF A VACUUM COMING UP IN THE CIVIL SERVICE AT THE MOMENT.

WILSON WONG: THAT MAY NOT BE SO. BUT DO YOU FIND, OR DO YOU HAVE ANY SOLUTIONS TO, SAY, DEAL WITH THE POSSIBLE, SAY, TALENTS BECAUSE OF THE EMIGRATIONS IN THE CURRENT YEARS?

H.E.: YOU SEEM TO GO BACK TO THE EMIGRATION POINT. I AM TRYING TO EXPLAIN THAT THE RATE OF PEOPLE LEAVING THE CIVIL SERVICE IS NOT HIGH AT THE MOMENT, IT IS THREE TO FOUR PER CENT. WE CONTINUE TO RECRUIT FOR THE CIVIL SERVICE AND IT MIGHT INTEREST YOU TO KNOW THAT RECRUITING, FOR INSTANCE FOR THE ADMINISTRATIVE BRANCH OF THE CIVIL SERVICE, IS GOING VERY WELL. THE LAST RECRUITMENT EXERCISE WE DID, WE HAD A HUNDRED APPLICANTS FOR EVERY PLACE. THERE WERE ABOUT 30 PLACES ON OFFER, AND A HUNDRED APPLICANTS OF HIGH CALIBRE FOR EACH PLACE. SO NO SHORTAGE OF RECRUITS. IF YOU THINK YOU ARE GOING TO FACE A PROBLEM IN THE FUTURE, THEN OF COURSE YOU RECRUIT FOR IT. AT THE MOMENT WE DON'T HAVE THIS VACUUM THAT YOU ARE WORRYING ABOUT. WE DO HAVE GOOD RECRUITS COMING INTO THE CIVIL SERVICE.

WILSON WONG: ONE MORE FROM THE STANDARD. YOU ARE RIGHT IN SAYING THAT THE PERCENTAGE IN THE WASTAGE RATE IS LOW BUT THE PROBLEM IS THAT THE THREE TO FOUR PER CENT IS THOSE WHO ARE EXPERIENCED CIVIL SERVANTS.

H.E.: IT IS SPREAD THROUGHOUT THE CIVIL SERVICE. IF YOU TAKE THE DIRECTORATE; THE NUMBER OF PEOPLE LEAVING THE DIRECTORATE IS NOT AT A HISTORICAL HIGH AT THE MOMENT. IT IS LOWER THAN IT HAS BEEN, IF YOU TAKE A PERIOD IN THE EARLY 1980'S FOR INSTANCE, IT IS LOWER THAN THAT. SO WE HAVEN'T GOT THE VACUUM PROBLEM THAT YOU ARE WORRYING ABOUT. I AM NOT SAYING WE WILL NEVER HAVE A PROBLEM. I AM SAYING WE HAVEN'T GOT IT AT THE MOMENT.

WILSON WONG: THANK YOU.

/SALLY BLYTH,

SALLY BLYTH, FROM RADIO TELEVISION HONG KONG: I WOULD LIKE TO GO BACK TO THE EMIGRATION PROBLEM WHICH YOU ADDRESSED EARLIER AND YOU SAID THAT WAYS TO TRY TO OVERCOME THIS IS TO ENSURE THAT THE ECONOMY IS BUOYANT AND TO IMPROVE THE QUALITY OF LIFE. BUT SURELY THE BASIC PROBLEM IS ONE OF CONFIDENCE IN THE FUTURE. WHAT MORE DO YOU THINK YOU CAN DO TO ADDRESS THIS?

H.E.: I SAID THAT THE ECONOMY AND THE QUALITY OF LIFE BECAUSE THESE ARE THINGS THAT YOU CAN ACTUALLY TACKLE. YOU CAN SEIZE ON THE PROBLEM AND DO SOMETHING ABOUT IT. CONFIDENCE AND PRECISE REASONS WHY PEOPLE DECIDE THAT THEY WILL MOVE OR STAY ARE VERY MUCH HARDER TO GRASP. I DON'T THINK THERE ARE ANY SIMPLE MOVES THAT ONE CAN MAKE TO ENSURE THAT PEOPLE DON'T DECIDE THAT THEY WILL LOOK FOR AN INSURANCE POLICY ELSEWHERE. THEY TAKE THOSE DECISIONS FOR A VARIETY OF REASONS. WHAT YOU CAN DO IS TRY TO SEIZE ON THE CONCRETE VISIBLE PROBLEMS AND DEAL WITH THEM AS BEST YOU CAN.

SALLY BLYTH: SURELY PEOPLE AREN'T JUST LOOKING FOR AN INSURANCE POLICY. THE RECENT SURVEYS HAVE SHOWN THAT IN FACT LESS PEOPLE THAN IN FACT THE GOVERNMENT ANTICIPATED ARE ACTUALLY RETURNING TO HONG KONG; PEOPLE ARE MOVING OUT FOR GOOD.

H.E.: I DON'T THINK THERE IS ANY FIGURE FOR "LESS THAN THE GOVERNMENT ANTICIPATED."

SALLY BLYTH: WELL, LESS THAN WAS THOUGHT. THE GOVERNMENT HAS ALWAYS SAID THAT THEY THOUGHT THAT PEOPLE WOULD BE RETURNING TO HONG KONG. IN FACT IT SHOWS THAT PEOPLE AREN'T.

H.E.: WELL, TO THE EXTENT THAT YOU CAN PIN DOWN FIGURES, AND THE FIGURES ARE VERY UNRELIABLE, BECAUSE WE DON'T KEEP STATISTICS ON WHO GOES AND WHY, TO THE EXTENT THAT YOU CAN PIN IT DOWN AT ALL THE NUMBER OF, THE PERCENTAGE OF PEOPLE RETURNING IS ABOUT 17 PER CENT AND I SAY THOSE FIGURES WITH A GREAT DEAL OF CAUTION BECAUSE THEY CANNOT BE PRECISE.

ROBERT COTTRELL, FROM THE INDEPENDENT: IS THERE ANY QUESTION OF...?

H.E.: SORRY, I FAILED TO ANSWER ... TELL ME WHAT THE OTHER PART OF YOUR QUESTION WAS, I DIDN'T ANSWER IT.

SALLY BLYTH: I CAN'T REMEMBER! I WAS JUST GOING TO SAY, ARE GOVERNMENT HAPPY WITH THAT 17 PER CENT?

H.E.: WE WOULD BE HAPPY IF WE HAD 100 PER CENT COMING BACK, MUCH HAPPIER. BUT THE ONLY POINT I WOULD MAKE IS THAT THE MORE THAT COME BACK, THE BETTER. IF PEOPLE GO BECAUSE THEY ARE WORRIED ABOUT THE FUTURE AND IT IS NOT SURPRISING AFTER ALL THAT SOME PEOPLE SHOULD BE WORRIED ABOUT THE FUTURE AND THAT SOME PEOPLE SHOULD WANT TO GET AN INSURANCE POLICY IF THEY CAN, WE WOULD LIKE AS MANY PEOPLE, MANY OF THOSE PEOPLE AS POSSIBLE, TO COME BACK AND HELP TO CONTRIBUTE TO HONG KONG LIFE.

/ROBERT COTTRELL:

ROBERT COTTRELL: GIVEN THAT PEOPLE ARE BASICALLY FILLING ANY QUOTAS THAT ARE AVAILABLE, IS THERE ANY QUESTION OF HONG KONG OR BRITAIN ASKING DESTINATION COUNTRIES TO RESTRICT THE QUOTAS?

H.E.: I DON'T THINK WE WOULD WANT TO GO TO OTHER COUNTRIES AND SAY WILL YOU PLEASE NOT TAKE PEOPLE FROM HONG KONG. I DON'T THINK PEOPLE IN HONG KONG WOULD APPRECIATE THAT.

ROBERT COTTRELL: NOT FORMALLY OR INFORMALLY?

H.E.: NO.

LO WING-HUNG, FROM HONG KONG ECONOMIC JOURNAL: IN THE WHITE PAPER FOR POLITICAL REFORM, I THINK THAT, I SEE THAT THE ADMINISTRATION STATE THAT THEY WANT TO SEE THE POLITICAL SYSTEM CAN SMOOTHLY TRANSIT AFTER 1997. I WANT TO ASK WHETHER THIS MEANS THEY WANT THE FIRST SAR GOVERNMENT HAVE A HIGH CONTINUITY WITH THE LATEST HONG KONG GOVERNMENT AND LEGCO, DO YOU MEAN THAT?

H.E.: WHAT IT MEANS IS THAT WE WOULD LIKE TO AIM FOR A SITUATION IN WHICH WHEN WE COME TO THE FIRST OF JULY 1997, THE CHANGE IS AS SMOOTH AS POSSIBLE IN TERMS OF INSTITUTIONS. OF COURSE THERE HAS TO BE ONE MAJOR AND FUNDAMENTAL CHANGE, THAT IS THE TRANSFER OF SOVEREIGNTY, BUT IF YOU CAN DEVISE ARRANGEMENTS BY WHICH OTHER BITS OF THE STRUCTURE OF GOVERNMENT AND THE LEGISLATURE, ETC, ARE BEFORE 1997 SIMILAR TO WHAT IS LAID DOWN FOR AFTER 1997, THEN YOU CAN AIM TO HAVE THAT PART OF THE TRANSFER AND THE TRANSITION AS SMOOTH AS POSSIBLE. THAT WOULD SEEM TO BE TO THE BENEFIT OF HONG KONG.

LO WING-HUNG: DOES THAT MEAN THE GOVERNMENT WILL ACTIVELY TRY TO CO-OPERATE WITH THE, MAYBE THE PROMULGATION OF THE BASIC LAW, THE REGULATION, OR THE STRUCTURE OF THE BASIC LAW STATED?

H.E.: IT MEANS THAT DEPENDING ON WHAT THE BASIC LAW LAYS DOWN, IF THE BASIC LAW LAYS DOWN A CERTAIN STRUCTURE FOR AFTER 1997 AND THAT LOOKS LIKE A FEASIBLE ARRANGEMENT TO TRY TO MIRROR IMAGE BEFORE 1997, THEN WE WOULD SEE ADVANTAGES IN TRYING TO BRING IN THAT SORT OF STRUCTURE BEFORE 1997 SO THAT YOU COULD HAVE A SMOOTH CHANGE, SO THAT YOU COULD HAVE THE MAXIMUM OF CONTINUITY, WHILE AT THE SAME TIME HAVING THE MAJOR CHANGE OF THE TRANSFER OF SOVEREIGNTY.

LO WING-HUNG: HAVE YOU TRANSMITTED THIS MESSAGE WITH CHINA, THAT YOU WANT TO DO IT IN THAT WAY?

H.E.: WE HAVE EXPLAINED TO CHINA THAT WE DO SEE GREAT ADVANTAGE IN THE MAXIMUM DEGREE OF CONTINUITY AND SMOOTH TRANSITION.

/PETER SEIDLITZ,

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PETER SEIDLITZ, FROM HANDELSBLATT: SIR DAVID, THE POLICE, THE SECURITY ORGANS, AND THE INDEPENDENT COMMISSION AGAINST CORRUPTION MUST HAVE QUITE A LIBRARY ON FILES OF PEOPLE FROM HONG KONG. DO YOU INTEND, IN 1997, TO HAND OVER ALL THESE FILES TO THE CHINESE GOVERNMENT OR ARE YOU GOING TO TAKE THEM BACK TO LONDON?

H.E.: THE ANSWER IS NO, WE DON'T HAND THEM OVER TO THE CHINESE GOVERNMENT. THERE IS THE HONG KONG SAR GOVERNMENT AFTER 1997 AND THE HONG KONG SAR POLICE FORCE. NOW PRECISELY WHICH POLICE FILES ARE APPROPRIATE TO STILL BE IN EXISTENCE IN 1997 IS A QUESTION I WOULDN'T EVEN DREAM OF TRYING TO ANSWER. MOST POLICE FILES HAVE A LIFE SPAN OF THEIR OWN, THEY DON'T NECESSARILY GO ON FOR DECADE AFTER DECADE.

MA MIU-WAH, FROM HONG KONG ECONOMIC TIMES: WE HEARD THAT SOME GOVERNMENT OFFICIALS WILL BE INTERESTED IN MAKING OPEN COMMENTS ON THE BASIC LAW IN THE FUTURE. IF IT SO HAPPENED THAT SOME GOVERNMENT OFFICIALS, ESPECIALLY SOME FAMOUS ONES, MADE OPEN COMMENTS ON THE BASIC LAW DRAFT, THE QUESTION IS HOW WILL YOU LOOK AT THIS ACTION? AND THE SECOND QUESTION IS THAT IS THERE ANY POLICY REGARDING, IS THERE ANY POLICY WITHIN THE GOVERNMENT REGARDING CIVIL SERVANTS MAKING COMMENT ON THE BASIC LAW?

H.E.: WHAT WE'VE SAID WITHIN THE GOVERNMENT IS THAT INDIVIDUAL CIVIL SERVANTS SHOULD FEEL FREE TO PUT FORWARD THEIR INDIVIDUAL VIEWS ON THE BASIC LAW BECAUSE THEY, LIKE OTHER PEOPLE, ARE HONG KONG PEOPLE WHO HAVE A RIGHT TO PUT FORWARD THEIR VIEWS ON THE BASIC LAW. BUT THEY SHOULD DO IT AS INDIVIDUALS AND NOT AS A GOVERNMENT VIEW.

MA MIU-WAH: BUT IT'S QUITE DIFFICULT TO DIFFERENTIATE HIS STATUS OR HIS ROLE, HE'S AN INDIVIDUAL IN HONG KONG - AN INDIVIDUAL, BUT ALSO HE IS ALSO A WELL KNOWN GOVERNMENT OFFICIAL?

H.E.: IF YOU ARE PUTTING IN YOUR OWN VIEW TO SAY THE BASIC LAW CONSULTATIVE COMMITTEE, I DON'T THINK IT SHOULD BE DIFFICULT. IT IS NOT DIFFICULT AFTER ALL FOR A CIVIL SERVANT TO VOTE AS AN INDIVIDUAL. HE IS NOT VOTING AS THE GOVERNMENT.

MA MIU-WAH: SORRY, BUT DO YOU RESTRICT THEM TO MAKE OPEN COMMENTS?

H.E.: WE WOULDN'T BE ENCOURAGING THE WHOLE CIVIL SERVICE TO MAKE OPEN COMMENTS AS PART OF THE CIVIL SERVICE. WHAT WE ARE SAYING IS THAT IF THEY AS INDIVIDUALS WANT TO PUT IN THEIR VIEWS TO WHATEVER BODY IS SET UP TO COLLECT THOSE VIEWS, THEN THERE IS NO REASON WHY THEY SHOULDN'T DO SO, BUT IT IS AS INDIVIDUALS, NOT AS THE GOVERNMENT.

DAN BIERS, FROM ASSOCIATED PRESS: SIR DAVID, GETTING BACK TO THE VIETNAMESE QUESTION. GIVEN THE DECLINE IN THE RESETTLEMENT, IS THERE ANY QUESTION IN YOUR MIND THAT A HUGE OR LARGE NUMBER OF THE VIETNAMESE NOW IN HONG KONG WILL EVENTUALLY HAVE TO BE SENT BACK TO VIETNAM?

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H.E.: WHAT AT THE MOMENT WE ARE LOOKING AT IS ARRANGEMENTS BY WHICH NEW ARRIVALS WHO WERE NOT DEFINED OR DECIDED TO BE REFUGEES BUT WERE SOMETHING ELSE LIKE ECONOMIC MIGRANTS COULD BE RETURNED IN THE SAME WAY AS YOU WOULD RETURN AN ILLEGAL IMMIGRANT FROM ANYWHERE ELSE. IT IS TO MY MIND VERY ODD, TO PUT IT AT ITS MILDEST, THAT THE GOVERNMENT OF VIETNAM IS NOT AT THE MOMENT PREPARED TO CONTEMPLATE THAT. ANY OTHER GOVERNMENT WOULD BE PREPARED TO AND WOULD ACCEPT THIS AS A NORMAL PART OF LIFE. WHAT WE ARE TALKING ABOUT THOUGH IS NEW ARRIVALS, NOT THE PEOPLE WHO ARE HERE AT THE MOMENT.

DAN BIERS: BUT IF YOU CAN'T FIND ENOUGH RESETTLEMENT POSITIONS FOR THE PEOPLE WHO ARE HERE, DOES THAT MEAN THAT EVENTUALLY THEY WILL BE BROUGHT INTO HONG KONG SOCIETY?

H.E.: IT MEANS THAT WE HAVE A PROBLEM WHICH WE HAVE TO DEAL WITH IN SOME WAY. THE OTHER PART OF THE POLICY I WAS SAYING WAS TO TRY TO MAKE SURE THAT RESETTLEMENT DOES GO ON. I MEAN WE WOULD LIKE TO RESETTLE ALL OF THOSE PEOPLE WHO ARE HERE. WE HAVE OUR OWN RESETTLEMENT PROGRAMME IN HONG KONG RUNNING AT A RATE OF ABOUT, PLACES OFFERED ABOUT 20 A MONTH, BUT WE DO FIND, INTERESTINGLY ENOUGH, THAT MOST OF THE REFUGEES DO NOT WANT TO SETTLE HERE, THEY ARE WANTING TO GO ON ELSEWHERE.

ROBERT COTTRELL, FROM THE INDEPENDENT: SIR DENYS ROBERTS SPECULATED THAT THE RIGHT OF APPEAL TO THE PRIVY COUNCIL MIGHT TERMINATE IN 1992. IS THAT THE GOVERNMENT'S INTENTION?

H.E.: IT WILL TERMINATE BEFORE 1997 OR PERHAPS I COULD REPHRASE THAT; AFTER 1997 THE FINAL COURT OF APPEAL WILL BE IN HONG KONG. IT WOULD THEREFORE MAKE SENSE TO BRING IN THAT CHANGE BEFORE 1997 SO THAT PEOPLE WOULD GET USED TO IT AND THE LEGAL SYSTEM WOULD GET USED TO IT. NO PRECISE DATES AT THE MOMENT BUT DURING THE 1990'S, SUFFICIENTLY IN ADVANCE OF 1997, SO THAT THE LEGAL SYSTEM AND THE JUDICIARY CAN GET USED TO IT IS THE AIM OF THE GOVERNMENT.

H.E.: THANK YOU VERY MUCH.

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