



DAILY INFORMATION BULLETIN

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THURSDAY, OCTOBER 6, 1994

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THURSDAY, OCTOBER 6, 1994

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TRANSCRIPT OF THE GOVERNOR,
THE RT HON CHRISTOPHER PATTEN'S
QUESTION-AND-ANSWER SESSION
IN LEGISLATIVE COUNCIL TODAY (THURSDAY)

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DR DAVID LI: SIR, YOU HAVE STRESSED THE IMPORTANCE OF COMPETITIVENESS TO THE FUTURE GROWTH OF HONG KONG ECONOMY. IN THIS CONTEXT THE CONTRIBUTION OF THE HONG KONG SERVICE INDUSTRY TO GDP HAS SURGED FROM 60 PER CENT IN 1970 TO 72 PER CENT IN 1972. THE RESULT OF A RECENT SURVEY OF COALITION OF SERVICE INDUSTRIES SURVEY REACHED A CLEAR CONSENSUS ON THE NEED TO PROMOTE OUR SERVICE INDUSTRIES ABROAD. SIR, WOULD YOU INFORM THIS COUNCIL WHAT STEPS ARE BEING TAKEN FOR OUR PLAN TO PROMOTE OUR SERVICE INDUSTRY INTERNATIONALLY TO THE ADVANTAGE OF HONG KONG?

GOVERNOR: I'M GRATEFUL TO THE HONOURABLE MEMBER FOR THAT QUESTION BECAUSE IT ENABLES ME TO ADVERTISE THAT OVER THE NEXT WEEK A NUMBER OF OUR SECRETARIES WILL BE SETTING OUT IN DETAIL THE VISION MISSION STATEMENTS OF THEIR DEPARTMENTS AND IN THAT ENTERPRISE WE WILL OF COURSE BE HEARING FROM THE SECRETARY FOR FINANCIAL SERVICES, AND OTHER SECRETARIES WHO WILL BE ADDRESSING PRECISELY THE ISSUE WHICH THE HONOURABLE MEMBER RAISED.

PERHAPS I CAN JUST SAY A FURTHER WORD ABOUT THE POLICY COMMITMENTS DOCUMENT WHICH CAME OUT YESTERDAY AND WHICH I'M SURE BY NOW ALL HONOURABLE MEMBERS WILL HAVE BEEN ABLE TO READ, ALL 184 PAGES OF IT. STARTING FROM TOMORROW WITH A PRESS CONFERENCE FROM THE SECRETARY FOR HEALTH AND WELFARE, THERE WILL BE A SERIES OF PRESS CONFERENCES OVER THE NEXT 10 DAYS BY SECRETARIES. AND THEY ARE TAKING NEXT THURSDAY OFF BECAUSE IT IS A PUBLIC HOLIDAY, BUT OTHERWISE EVERY DAY ONE, TWO, OR MORE SECRETARIES WILL BE SPEAKING ABOUT OUR POLICIES FOR THE THE NEXT YEAR, AND THAT WILL INCLUDE NEXT TUESDAY THE SECRETARY FOR FINANCIAL SERVICES. THE POINT THAT THE HONOURABLE MEMBER HAS RAISED, HAS OF COURSE BEEN RAISED BY OTHERS, NOT LEAST IN HIS OWN FUNCTIONAL CONSTITUENCY WHO'VE POINTED OUT THAT THE TDC HAS A SPECIFIC ROLE RELATED TO LARGELY IN THE PAST TO THE MANUFACTURING SECTOR AND THAT THAT WORK SHOULD EMBRACE THE FINANCIAL SERVICES SECTOR AND THE SERVICE SECTOR AS A WHOLE. I'M WHOLLY SUPPORTIVE OF THAT IDEA, I THINK IT MAKES A CONSIDERABLE AMOUNT OF SENSE. WHILE MANUFACTURING REMAINS VERY IMPORTANT TO OUR ECONOMY, WHICH ACCOUNTS FOR THE ANNOUNCEMENT WE MADE YESTERDAY ABOUT LAND FOR FURTHER INDUSTRIAL BUILDING, THE SERVICE SECTOR IS MUCH MORE IMPORTANT THAN IT HAS BEEN IN THE PAST AND IT DESERVES THE GOVERNMENT'S ACTIVE SUPPORT IN SELLING THE SERVICE SECTOR TO THE REGION AND TO THE WORLD.

MR ALLEN LEE: MR PRESIDENT, A QUESTION FOR THE GOVERNOR. WITH REGARD TO THE GUIDELINES ON THE PART OF CO-OPERATING WITH THE PWC HE HAS ALREADY SPELT THE STAND CLEARLY. NOW ON PART OF THE GOVERNMENT, WILL THE CIVIL SERVANTS BY ALLOWED TO HAVE TALKS WITH PWC AS A COMMITTEE AND NOT AS INDIVIDUAL MEMBERS OF THE PWC ON TRANSITIONAL MATTERS? WILL THE CIVIL SERVANTS BE WORRIED THAT IF THEY TAKE A WRONG STEP THEY MAY BE REPRIMANDED BY THE GOVERNMENT?

/GOVERNOR:

GOVERNOR: CHIEF SECRETARY THIS MORNING IN AN EXTREMELY ELOQUENT SPEECH SET OUT IN RATHER GREATER DETAIL OUR VIEWS ON CONTACTS WITH THE PWC. SHE SET OUT THE GUIDELINES THAT WE ARE INCORPORATING IN A LETTER FROM THE CHIEF SECRETARY TO HEADS OF DEPARTMENTS SO THAT CIVIL SERVANTS ARE ABSOLUTELY CLEAR ABOUT WHAT THE SITUATION IS. AND I THINK THE POSITION THAT WE HAVE SPELT OUT IS WHOLLY REASONABLE. WHAT WE HAVE SAID IS THAT WE DON'T THINK IT WOULD BE RIGHT FOR CIVIL SERVANTS TO BE MEMBERS OF THE PWC OR ITS SUB-GROUPS TO ACT AS ADVISERS? TO THE PWC OR ITS SUB-GROUPS OR TO BE SUMMONED TO FORMAL MEETINGS OF THE PWC OR ITS SUB-GROUPS, BUT WE ARE WHOLLY RELAXED ABOUT CIVIL SERVANTS BRIEFING INDIVIDUAL MEMBERS OF THE PWC. THAT HAS BEEN GOING ON ALREADY. IT WILL DOUBTLESS CONTINUE, AND I HOPE HELP THE PWC IN ANY WORK IT DOES RELATING TO TRANSITION ISSUES.

THE PWC IS AN ADVISORY BODY TO THE NPC, WHEN IT WAS SET UP SOME PEOPLE SAID IT WAS MEANT TO HELP SMOOTH THE TRANSITION; OTHER PEOPLE SAID IT WAS MEANT TO ERODE THE AUTHORITY OF THE GOVERNMENT. I'M SURE THAT THE LATTER CAN'T HAVE BEEN IN ANYBODY'S MIND, BUT I'M SURE THAT THIS COUNCIL WOULDN'T WANT THAT TO HAPPEN. WE HAVE THE JLC; WE'LL HAVE IN DUE COURSE THE PREPARATORY COMMITTEE; AND WE HAVE TODAY'S INSTITUTIONS OF GOVERNMENT WITH CIVIL SERVANTS REPORTING TO THE LEGISLATIVE COUNCIL AND RECEIVING DIRECTIONS FROM THE EXECUTIVE COUNCIL. I DON'T THINK ANYBODY WOULD WANT TO MUDDY OR COMPLICATE THAT ISSUE. SO THE CHIEF SECRETARY WILL BE MAKING THE POSITION ABSOLUTELY CLEAR IN THE GUIDELINES THAT I MENTIONED. I THINK THAT WILL BE WELL RECEIVED BY OUR COLLEAGUES IN THE PUBLIC SECTOR. AND I HOPE THAT THE MEMBERS OF THE PWC WILL FIND ANY BRIEFINGS THEY GET FROM TIME TO TIME FROM MEMBERS OF THE CIVIL SERVICE EXTREMELY USEFUL IN THEIR WORK.

MR MARTIN LEE: MR GOVERNOR, WITH REGARD TO YOUR POLICY ADDRESS, ONE THING IS MISSING. IT IS ALSO OMITTED FROM THE OTHER DOCUMENTS. I AM REFERRING TO THE RELATIONSHIP BETWEEN THE EXECUTIVE AND THE LEGISLATURE. NOW, IN THE FIRST YEAR YOU SEPARATED THE TWO; WILL THE SEPARATION CONTINUE UNTIL 1997? BECAUSE IF THAT IS THE CASE IT VIOLATES THE STIPULATIONS OF THE BASIC LAW. THE BASIC LAW SAYS THAT SOME LEGCO MEMBERS SHOULD BE MEMBERS OF THE EXCO. HAVE YOU MADE A DECISION ON THIS POINT YET? IF NOT, WHEN WILL YOU MAKE A DECISION? BECAUSE IN MY OPINION, BEFORE THE 1995 ELECTIONS, YOU SHOULD INFORM THE POTENTIAL CANDIDATES WHAT YOUR DECISION WILL BE. WE CANNOT STALL ON THIS MATTER.

GOVERNOR: I POINT OUT TO THE HONOURABLE MEMBER SOMETHING WHICH HE KNOWS EVEN BETTER THAN I DO, THAT IS, THAT THE BASIC LAW APPLIES AFTER THE 1ST OF JULY 1997 RATHER THAN BEFORE. THE ANNOUNCEMENT THAT I MADE ABOUT THE RELATIONSHIP BETWEEN THE EXECUTIVE COUNCIL AND THE LEGISLATIVE COUNCIL IN THE AUTUMN OF 1992 WASN'T ABOUT THE SEPARATION OF THE EXECUTIVE FROM THE LEGISLATURE; THAT EXISTS. THE ANNOUNCEMENT THAT I MADE WAS THAT I DIDN'T THINK IT WAS RIGHT AT THAT STAGE OF HONG KONG'S POLITICAL DEVELOPMENT TO HAVE DUAL MEMBERSHIP OF THE EXECUTIVE COUNCIL AND THE LEGISLATURE. I ALSO SAID THAT OBVIOUSLY WE WOULD NEED TO REVIEW THE SITUATION IN DUE COURSE, MOST OBVIOUSLY AT THE TIME OF THE NEXT LEGISLATIVE COUNCIL ELECTIONS OR SHORTLY AFTERWARDS AND THAT REMAINS MY POSITION. I'M SURE THAT OVER THE NEXT YEAR WE WILL HEAR MANY DIFFERENT VIEWS EXPRESSED ON THE SUBJECT. I HAPPEN TO THINK THAT THE PRESENT SITUATION, GIVEN HONG KONG'S UNIQUE CONSTITUTION, WORKS REASONABLY WELL. I PUT FORWARD AT ONE STAGE OTHER PROPOSALS FOR TRYING TO IMPROVE THE RELATIONSHIP BETWEEN THE EXECUTIVE COUNCIL AND THE LEGISLATURE WHICH THE LEGISLATURE WASN'T TOO KEEN ON BUT WE ARE ALWAYS PREPARED TO CONSIDER OTHER IDEAS BEFORE, DURING AND AFTER THE NEXT LEGCO ELECTIONS.

MR MARTIN LEE: MR GOVERNOR, I THINK THAT'S RATHER UNFAIR. YOU WAIT TILL THE ELECTIONS ARE OVER BEFORE YOU COME TO A DECISION. THIS WILL BE UNFAIR TO THE POLITICAL PARTIES AND TO THE CANDIDATES. YOU SHOULD TELL THEM IN ADVANCE BEFORE THE ELECTIONS OR PEOPLE WILL SAY THAT YOU WILL SEE WHO WILL WIN IN THE ELECTIONS AND THEN YOU WILL APPOINT THEM TO EXCO. SO YOU SHOULD NOT COME TO A DECISION AFTER THE ELECTIONS; YOU SHOULD DECIDE BEFORE THE ELECTIONS AND YOU SHOULD TELL ALL MEMBERS OF THE PUBLIC ABOUT YOUR DECISION.

GOVERNOR: I'LL BEAR IN MIND THAT ARGUMENT. I CAN SEE THE FORCE OF WHAT THE HONOURABLE MEMBER SAYS, THOUGH THERE ARE OF COURSE ARGUMENTS ON THE OTHER SIDE AS WELL.

MR JAMES TIEN: GOVERNOR, IN YOUR POLICY ADDRESS YESTERDAY, YOU MENTIONED HOW THE EXPANSION OF HONG KONG'S FUTURE BUSINESS AND ECONOMY IS SO IMPORTANT FOR OUR LONG TERM FUTURE. ON THAT SIDE YOU MENTIONED THINGS LIKE YOU'RE SETTING ASIDE 70 HECTARES OF NEW LAND FOR INDUSTRIAL USE - I ASSUME IT'S THE INDUSTRIAL ESTATE IN JUNK BAY AND SO FORTH - AND YOU ALSO MENTIONED SOMETHING LIKE THE \$50 MILLION APPLIED RESEARCH CENTRE. HOWEVER, ON THE OTHER HAND WE SEE THE CURRENT STATISTICS AS THE UNEMPLOYMENT RATE DROPPED DOWN TO 1.6 PER CENT AND INFLATION EDGING UP. SO GOVERNOR, MAY I ASK YOU, AS AN EXECUTIVE-LED GOVERNMENT, WOULD YOU CONSIDER INCREASING, FOR EXAMPLE, THE CURRENT 25,000 IMPORTED LABOUR TO LET'S SAY 50,000, IN VIEW OF ALL THE POINTS THAT YOU HAVE MADE?

GOVERNOR: NO, I WOULDN'T CONSIDER A UNILATERAL INCREASE OF THAT DIMENSIONS AND I SUSPECT THAT IF I PUT ONE FORWARD THE LEGISLATIVE COUNCIL WOULD FIND A LOT OF REASONS FOR OBJECTING TO IT. I THINK IT IS SOMETIMES IMPORTANT TO LOOK NOT JUST AT THE SIZE OF THE IMPORT SCHEME AND THE VARIOUS OTHER IMPORT SCHEMES, FOR EXAMPLE THE VERY SENSIBLE PROPOSALS THAT WE HAVE IMPLEMENTED TO ALLOW GRADUATES FROM CHINESE TERTIARY INSTITUTIONS TO COME AND WORK IN AREAS OF THEIR EXPERTISE IN HONG KONG, I THINK IT IS SOMETIMES IMPORTANT TO LOOK BEYOND THOSE SCHEMES TO WHAT IS ACTUALLY HAPPENING IN THE LABOUR MARKET. I BELIEVE I AM RIGHT IN SAYING THAT THE SIZE OF THE LABOUR MARKET WENT UP BY ALMOST THREE PER CENT LAST YEAR AND IN THE FIRST HALF OF THIS YEAR WENT UP BY THREE-AND-A-HALF PER CENT. THAT'S WHAT IS ACTUALLY HAPPENING IN THE LABOUR MARKET AND THANKS TO THE STRENGTH OF THE HONG KONG ECONOMY - AND I SHOULD HAVE PERHAPS SAID THIS TO THOSE WHO WERE LOBBYING ME OUTSIDE THE LEGISLATIVE COUNCIL BUILDING WHEN I CAME IN - THANKS TO THE STRENGTH OF THE ECONOMY, EVEN THOUGH WE'VE SEEN THAT INCREASE IN LABOUR SUPPLY OVER THE LAST YEAR-AND-A-HALF, WE'VE ALSO SEEN A FALL IN UNEMPLOYMENT.

SO, I THINK THAT PEOPLE LIKE THE HONOURABLE MEMBER AND MYSELF HAVE TO GET ACROSS AS FREQUENTLY AS POSSIBLE TO THOSE WHO CRITICISE ANY IMPORTATION OF LABOUR, THE FACT THAT IMPORTING LABOUR CAN AND VERY OFTEN DOES MAKE OUR ECONOMY EVEN STRONGER AND EVEN MORE COMPETITIVE. BUT I REPEAT THAT I DON'T THINK THAT I'LL BE IN THE BUSINESS IN THE NEXT FEW MONTHS OF PROPOSING UNILATERALLY A DOUBLING IN THE SIZE OF THE LABOUR IMPORT SCHEME, THOUGH THERE WILL BE PARTICULAR MEASURES THAT WE'LL WANT TO LOOK AT, LIKE THE IMPACT OF LARGE CONSTRUCTION PROJECTS ON OUR LABOUR MARKET AND THE NEED THEREFORE TO BRING IN WORKERS FOR PARTICULAR PROJECTS LIKE THAT.

MR JAMES TIEN: GOVERNOR, WOULD YOU THINK THAT THE 1.6 PER CENT UNEMPLOYMENT RATE AS NOW WILL BE ACCEPTABLE FOR OUR FUTURE MANPOWER CONSTRAINT FOR OUR FUTURE DEVELOPMENT?

/GOVERNOR:

GOVERNOR: FIRST OF ALL, I THINK A LEVEL OF 1.6 PER CENT UNEMPLOYMENT WOULD BE GREETED BY MOST OF THE REST OF THE WORLD WITH LYRICAL SURPRISE. I THINK THE REST OF THE WORLD WOULD BE VERY ENTHUSIASTIC ABOUT A RATE OF UNEMPLOYMENT WHICH KEYNES WOULD HAVE DEFINED, I THINK, AS FULL EMPLOYMENT.

SECONDLY, I THINK THERE ARE LABOUR MARKET RESTRAINTS WHICH WE NEED TO HAVE TO ADDRESS IN A NUMBER OF WAYS, PARTLY THROUGH IMPORTATION, PARTLY THROUGH IMPORTING SPECIAL SKILLS, PARTLY THROUGH BETTER EDUCATION, PARTLY THROUGH BETTER VOCATIONAL TRAINING AND PARTLY - AND I PUT CONSIDERABLE EMPHASIS ON THIS AND HAVE DONE SO WHEN I HAVE SPOKEN TO TRADE UNION MEMBERS SUCH AS MR PANG AND OTHERS WHO HAVE COME TO TALK TO ME ABOUT THIS - PARTLY THROUGH RE-TRAINING WHICH I THINK WE'VE MADE MUCH PROGRESS OVER IN THE LAST YEARS, BUT HAVE TO DO EVEN BETTER WITH.

MR MICHAEL HO: I WOULD LIKE TO ASK THE GOVERNOR THIS QUESTION. LAST YEAR IN YOUR POLICY ADDRESS YOU PROMISED THAT BETWEEN 1995 AND 1998, IN THIS UPGC TRIENNIUM, YOU WILL PROVIDE 160 DEGREE NURSING PLACES. NOW THESE PLACES SHOULD BE PROVIDED AS EARLY AS POSSIBLE OF COURSE, SO THAT WE CAN HAVE THE WORKFORCE TO PROVIDE SERVICES TO MEMBERS OF THE PUBLIC. THIS MORNING I RECEIVED SOME INFORMATION FROM THE UNIVERSITY OF HONG KONG SAYING THAT THE UPGC SAYS THAT THE ADMISSION OF STUDENTS WILL ONLY TAKE PLACE IN 1996. BUT THEN THEY SAY THAT IN FACT THEY CAN HAVE ADMISSION OF STUDENTS AS EARLY AS IN 1995. SO HOW WILL YOU INSTRUCT YOUR GOVERNMENT AND THE UPGC NOT TO WASTE TIME AND TO TRY TO INTRODUCE THESE COURSES AS SOON AS POSSIBLE?

YOUR GOVERNMENT, LAST YEAR, ALLOCATED \$1.1 BILLION FOR THE CONSTRUCTION OF THE NORTH DISTRICT HOSPITAL AND THIS YEAR WE ARE TOLD THAT YOU WILL USE \$1.2 BILLION TO BUILD THE TSEUNG KWAN O HOSPITAL. YOU ONLY NEED A FEW MILLION DOLLARS FOR THE NURSING DEGREE PROGRAMMES, WHAT ARE THE DIFFICULTIES? IS THERE A PROBLEM OF CO-ORDINATION?

GOVERNOR: I WILL CERTAINLY LOOK INTO THE QUESTION THAT THE HONOURABLE MEMBER RAISED ABOUT DEGREE COURSES FOR NURSING. I RECOGNISE HIS INTEREST IN AND EXPERTISE IN THIS PARTICULAR SUBJECT AND HIS REQUEST THAT WE SHOULD BOTH IMPROVE NURSE TRAINING AND INCREASE THE NUMBER OF NURSES AND MAKE SURE THAT A HIGHER PROPORTION OF THE CONTENT OF NURSE TRAINING IS IN THE LECTURE ROOM WITH PERHAPS SLIGHTLY LESS BEING SPENT ON THE WARD, ALL THOSE POINTS WE HAVE TAKEN IN GOOD PART AND ARE SEEKING TO IMPLEMENT. I THINK THAT IT IS EXTREMELY IMPORTANT THAT WE SHOULD CONTINUE TO RECRUIT MORE NURSES NOT JUST TO REPLACE THOSE WHO LEAVE US - SOME, ALAS, TO EMIGRATE - BUT ALSO TO ADD ABSOLUTELY TO THE NUMBERS. AND THE HONOURABLE MEMBER WILL KNOW THAT WE ARE COMMITTED TO INCREASING THE NUMBER OF NURSES BY 500 A YEAR ON TOP OF ANY REPLACEMENTS WE NEED FOR WASTAGE.

THE HONOURABLE MEMBER WILL ALSO KNOW, AS I HAVE MENTIONED, THAT WE ARE ATTEMPTING TO GIVE NURSES A BIT MORE TIME IN THE CLASSROOM AND THAT WE ARE ALSO ATTEMPTING TO ENSURE THAT THEY HAVE SOME OF THE, AS IT WERE, NON-MEDICAL ROUTINE TAKEN OUT OF THEIR JOB BY THE EMPLOYMENT OF OTHER MEDICAL AUXILIARIES. BUT THE PARTICULAR POINT ON DEGREE COURSES THAT HE MENTIONED CERTAINLY HAD NOT BEEN RAISED WITH ME BEFORE BUT I WILL LOOK INTO IT AND GIVE THE HONOURABLE MEMBER A REPLY AS SOON AS POSSIBLE.

MR VINCENT CHENG: THANK YOU, CHAIRMAN. GOVERNOR, IN THE CURRENT TUG-OF-WAR BETWEEN BRITAIN AND CHINA, THE CIVIL SERVANTS HAVE THE UNENVIABLE TASK OF DEFENDING POLICIES WITH WHICH CHINA DOES NOT WHOLLY AGREE. NOW, WHAT MEASURES CAN YOU, SIR, PUT IN TO ENSURE THAT THESE FINE MEN AND WOMEN WHO ARE CAUGHT IN THE CROSS-FIRE BETWEEN BRITAIN AND CHINA CAN CONTINUE TO SERVE HONG KONG AS A CIVIL SERVANT AFTER 1997?

GOVERNOR: CAN I SAY STRAIGHTAWAY THAT I DON'T SEE PRESENT ARGUMENTS AS BEING A TUG-OF-WAR, THOUGH I RECOGNISE THAT IF THERE ISN'T A HARMONIOUS RELATIONSHIP IT MAKES THE TASK OF OUR EXTREMELY FINE CIVIL SERVICE ALL THE MORE DIFFICULT. THE CIVIL SERVICE DO REQUIRE REASSURANCES ABOUT THE FUTURE. THEY DO IN SOME CASES NEED TO BE CONVINCED THAT THEY CAN, TO BORROW A PHRASE, PUT THEIR MINDS AT REST. I THINK IT IS REASONABLE TO SAY THAT CIVIL SERVANTS HAVEN'T PRESSED FOR A PENSION FUND BECAUSE THEY ARE WORRIED THAT THEIR PENSION WON'T BE HONOURED BEFORE 1997. I DON'T THINK THAT CIVIL SERVANTS BELIEVE THAT THEIR TASK IS GOING TO BE POLITICISED BEFORE 1997 OR THAT PEOPLE ARE GOING TO BE CHOSEN ON OTHER THAN MERIT BEFORE 1997. SO I THINK THAT IT IS INCUMBENT UPON BOTH CHINESE OFFICIALS AND OURSELVES TO MAKE SURE THAT CIVIL SERVANTS RECOGNISE THAT THE PUBLIC SERVICE IS GOING TO BE RUN ON THE SAME BASIS OF PROFESSIONALISM AND INTEGRITY IN THE FUTURE AS IT HAS BEEN RUN IN THE PAST.

I THINK THAT WHEN INDIVIDUAL CIVIL SERVANTS WHO HAVE DONE THEIR BEST FOR HONG KONG ARE SUBJECT TO PUBLIC ATTACK AND PRIVATE INNUENDO, IT IS EXTREMELY BAD FOR THE FUTURE OF PUBLIC ADMINISTRATION IN THIS TERRITORY, AND THAT IS BEFORE AND AFTER 1997. AND I SUSPECT THE HONOURABLE MEMBER KNOWS EXAMPLES OF EXACTLY WHAT I'VE SAID. PEOPLE VERY OFTEN SAY, AND THEY ARE RIGHT SO TO DO, THAT ONE OF THE REASONS FOR HONG KONG'S OUTSTANDING SUCCESS IS THE QUALITY OF OUR CIVIL SERVICE. AND THAT ISN'T JUST A QUESTION OF INTELLIGENCE AND INCORRUPTABILITY, IT IS ALSO A QUESTION OF PROMOTION ON MERIT AND OF KNOWING PRECISELY WHO YOU ARE WORKING FOR. THE CIVIL SERVICE IN HONG KONG IS WORKING FOR THE PEOPLE OF HONG KONG. THE GOVERNMENT IS WORKING FOR THE PEOPLE OF HONG KONG. WE SHOULDN'T PERSONALISE ISSUES. CIVIL SERVANTS ARE LOYAL TO THE GOVERNMENT AND THE GOVERNMENT SERVES THE PEOPLE. THE GOVERNMENT IS ALSO ACCOUNTABLE, IT HAS TO BE SAID, TO THIS LEGISLATIVE COUNCIL. I JUST HOPE THAT THESE MATTERS ARE AS WIDELY UNDERSTOOD AS THEY SHOULD BE BECAUSE IF THEY ARE NOT WIDELY UNDERSTOOD, HONG KONG WILL SUFFER, AS WELL AS VERY FINE INDIVIDUAL MEN AND WOMEN WHO HAVE GIVEN THEIR LIVES TO THE CIVIL SERVICE OF THIS COMMUNITY.

IF I CAN JUST ADD ONE OTHER THING. I HOPE THAT AS WELL AS LISTENING WITH PERHAPS PRIVATE AGREEMENT TO THE REMARKS I HAVE JUST MADE, INDIVIDUAL MEMBERS OF THE LEGISLATIVE COUNCIL WILL MAKE THE SAME POINTS BOTH PRIVATELY AND PUBLICLY IN HONG KONG AND ELSEWHERE BECAUSE THOSE ARE EXTREMELY IMPORTANT POINTS AND RELATE DIRECTLY TO THE HEALTH AND WELL-BEING OF THIS COMMUNITY.

/MRS MIRIAM LAU:

MRS MIRIAM LAU: IT WAS STATED THAT THE GOVERNMENT WILL DISCUSS WITH CHINESE AUTHORITIES PRACTICAL MEASURES TO DEVELOP CO-OPERATION IN, INTER ALIA, THE EXCHANGE OF INFORMATION ON MAJOR INFRASTRUCTURAL PROJECTS IN HONG KONG AND GUANGDONG, I BELIEVE YOU RECALL THAT. CAN YOU TELL THIS COUNCIL MR GOVERNOR, FIRSTLY, WHETHER THERE HAS BEEN ANY SUCH DISCUSSIONS WITH CHINA VIS-A-VIS TRANSPORT INFRASTRUCTURE? SECONDLY, WHAT PRACTICAL MEASURES HAVE YOU COME UP WITH TO DEVELOP CO-OPERATION WITH CHINA IN THE AREA OF TRANSPORT INFRASTRUCTURE AFFECTING HONG KONG AND GUANGDONG? AND FINALLY, IF NO SUCH CO-OPERATION AS IS HOPED FOR IS DEVELOPED WITH CHINA, HOW IS THIS GOING TO AFFECT MAJOR TRANSPORT INFRASTRUCTURAL PROJECTS SUCH AS THE NORTH-WEST RAILWAY?

GOVERNOR: IN MY STATEMENT YESTERDAY I REFERRED TO SOME OF THE PRACTICAL DAY-BY-DAY, WEEK-BY-WEEK, CONTACTS WHICH GOVERNMENT DEPARTMENTS HAVE HAD WITH OPPOSITE NUMBERS IN GUANGDONG AND IN PEKING, AND I THINK I AM RIGHT IN SAYING THAT THERE HAVE BEEN WELL OVER 350 SUCH CONTACTS OVER THE LAST YEAR, AND SOME OF THOSE HAVE AFFECTED INFRASTRUCTURE, INCLUDING WATER, AND TRANSPORT. BUT IN MY JUDGMENT THOSE CHINESE OFFICIALS WHO WOULD NOW LIKE TO RAISE THOSE CONTACTS TO A SLIGHTLY HIGHER LEVEL ARE ENTIRELY RIGHT TO HAVE THAT OBJECTIVE, AND I VERY MUCH HOPE THAT WITHIN THE NEXT FEW WEEKS WE'LL HAVE SOME EXAMPLES OF THAT HAPPENING IN A WAY WHICH IS WHOLLY IN THE INTERESTS OF BOTH HONG KONG AND GUANGDONG AND INDEED THE WHOLE OF CHINA.

MR PETER WONG: MR GOVERNOR, ALTHOUGH TOXIC METALS IN SEWAGE HAS FALLEN QUITE DRASTICALLY, STAGE 1 OF THE SSDS WILL NOT BRING ABOUT ANY SIGNIFICANT IMPROVEMENT IN NUTRIENT LEVELS IN THE HARBOUR UNTIL SOME TIME WHEN WE HAVE STAGE TWO COMPLETED, EITHER IN THE FORM OF OCEANIC OUTFALL OR BIOLOGICAL TREATMENT. WHAT PROGRESS HAS THE GOVERNMENT MADE IN THE JLG OR ITS EXPERT GROUPS IN COMING TO A SUCCESSFUL CONCLUSION OF THIS NECESSARY BIT OF INFRASTRUCTURE?

GOVERNOR: THE HONOURABLE MEMBER WILL KNOW, NOT LEAST BECAUSE HE PRESSED US ON THE POINT, THAT WE ARE REVIEWING IN AN ENTIRELY OPEN-MINDED WAY EXACTLY HOW STAGE TWO SHOULD BE CARRIED OUT. OUR ORIGINAL HOPE WAS THAT WE COULD HAVE AGREEMENT ON A LONG SEA OUTFALL, OTHERS INCLUDING I THINK THE HONOURABLE MEMBER AND SOME OF HIS PANEL HAVE ARGUED THAT THAT MAY NOT BE THE BEST OPTION, AND THAT IT MAY BE THAT OTHER WORK SHOULD BE CARRIED OUT ON STONECUTTERS ISLAND TO DEAL WITH THE SECOND STAGE. I THINK THAT THERE IS A SERIOUS ENVIRONMENTAL ARGUMENT ON THAT ON WHICH I FIND IT IMPOSSIBLE TO HAVE A PARTISAN VIEW. I THINK IT IS AN ISSUE THAT WILL HAVE TO BE DECIDED IN CONSULTATION ENTIRELY ON GROUNDS OF ENVIRONMENTAL IMPACT. AND WE'VE STARTED DISCUSSING IN THE JLG THE SEWAGE STRATEGY, AND I AM SURE THAT CHINESE OFFICIALS WILL WANT TO TAKE A VERY FULL INTEREST IN THE RESOLUTION OF THE STAGE TWO ISSUES. I DON'T THINK IT IS UNFAIR TO SAY THAT STAGE ONE IS DISCREET, ALONG WITH THE OTHER MEASURES THAT WE'RE TAKING, COSTING I THINK ABOUT THREE BILLION TO IMPROVE SEWAGE TREATMENT AROUND HONG KONG. THAT'S THREE BILLION ON TOP OF THE EIGHT BILLION BEING SPENT ON THE HIGH PRIORITY FIRST STAGE. I THINK THOSE MATTERS ARE DISCREET, BUT THE HONOURABLE MEMBER IS ENTIRELY RIGHT TO SAY THAT STAGE ONE IS ONLY STAGE ONE, AND THAT THE DECISIONS ABOUT STAGE TWO ARE ABSOLUTELY CRUCIAL.

DR HUANG CHEN-YA: MR GOVERNOR, WITH PEOPLE COMPLAINING THAT WHEN THEY REACH MIDDLE AGE AND BEYOND THAT THEY HAVE DIFFICULTY IN FINDING JOBS, BOTH WITH PEOPLE THAT HAVE BEEN TRAINED AND AFTER RE-TRAINING THEY STILL CAN'T FIND JOBS, AND WITH PEOPLE THEY ALSO FIND THAT THEY HAVE TO HAVE DOWN-GRADING OF THEIR SALARY POSITION IN ORDER TO FIND JOBS. AND WE HAVE THIS SO-CALLED LOW UNEMPLOYMENT FIGURE MASKING THE FACT THAT WE HAVE IN FACT A LOW PARTICIPATION RATE IN THE FEMALE POPULATION. IT PROBABLY REFLECTS THE FACT THAT WOMEN HAVE DIFFICULTY FINDING JOBS AND THEREFORE THEY HAVE GIVEN UP TRYING TO LOOK FOR JOBS. SO GOVERNOR, WOULD YOU CONSIDER REVIEWING THE MANPOWER POLICIES SO THAT WE CAN ENCOURAGE PARTICIPATION RATE, MAKE SURE THAT WE HAVE IMPLEMENTATION OF RE-TRAINING AND TRAINING PROGRAMME THAT IS COUPLED WITH JOB OPPORTUNITIES AND ECONOMIC DEMAND, AND ENHANCE THE LABOUR PRODUCTIVITY SO THAT IN FACT THE MANPOWER CAN BE USED MORE EFFECTIVELY?

GOVERNOR: I REPEAT WHAT I SAID EARLIER, THAT I THINK THAT THE ISSUE IMPORTANT AS IT IS SHOULD BE SEEN AGAINST THE BACKDROP OF AN ASTONISHINGLY LOW LEVEL OF UNEMPLOYMENT BY INTERNATIONAL STANDARDS. I'M NOT SURE THAT I AGREE WITH THE HONOURABLE MEMBER ABOUT THE LOW PARTICIPATION RATE BY FEMALE WORKERS IN OUR ECONOMY. I THINK THAT THAT PARTICIPATION RATE HAS BEEN GOING UP PRETTY STEADILY, HENCE, AMONG OTHER REASONS, THE CONSIDERABLE DEMAND FOR PRE-SCHOOL EDUCATION, FOR GOOD KINDERGARTEN EDUCATION FOR CHILDREN, IT'S ONLY ONE OF THE REASONS FOR THAT, BUT IT DOES UNDOUBTEDLY EXIST. THE HONOURABLE MEMBER IS RIGHT TO STRESS THE IMPORTANCE NOT JUST OF MORE TRAINING, BUT, OF QUALITY TRAINING. AND HE IS ALSO RIGHT TO SAY THAT HAVING TRAINED, OR RE-TRAINED WORKERS IT'S IMPORTANT TO TRY TO ENSURE THAT THEY SLOT INTO THE JOBS FOR WHICH THEY ARE SKILLED. I THINK THERE HAS BEEN A CONSIDERABLE DEBATE IN THE TRADE UNION MOVEMENT ABOUT WHETHER WE'RE AT PRESENT SUFFICIENTLY ADROIT IN ENSURING THAT THOSE WHO ARE RE-TRAINED GO INTO JOBS. AND THERE IS SOME DISPUTE ABOUT THE STATISTICS, PARTLY I THINK BECAUSE THE LES HAS ONLY BEEN MEASURING THOSE THAT IT MANAGES TO PLACE IN JOBS AFTER RE-TRAINING, WHEREAS THE OTHER FIGURES GIVE PERCENTAGES FOR THE TOTAL NUMBER WHO FIND JOBS AFTER RE-TRAINING. BUT WE'RE VERY HAPPY TO CONSIDER WITH WORKERS GROUPS, WITH EMPLOYERS, AND WITH OTHERS WAYS IN WHICH WE CAN IMPROVE THE SERVICE THAT'S PROVIDED FOR THOSE WHO ARE RE-TRAINED TO ENSURE THAT THEY GET THE JOBS THEY NEED. IN AN ECONOMY LIKE OURS, WHICH IS CONSTANTLY SKILL HUNGRY, IT SHOULD BE THE CASE THAT THOSE WITH SKILLS SHOULD BE ABLE TO FIND GOOD JOBS IN MIDDLE LIFE OR AT ANY OTHER TIME OF LIFE, BUT IT MAY NEED SOME INTERVENTION IN THE LABOUR MARKET IN ORDER TO HELP SECURE THAT.

MR HENRY TANG: SIR, THE GOVERNOR IN A FORUM YESTERDAY SAID THAT IF PWC DISCUSSED A SUBJECT LIKE THE PEGGING BETWEEN THE U.S. DOLLAR AND THE HONG KONG DOLLAR, THEN MAYBE OFFICIALS FROM THE MONETARY AUTHORITY CAN ATTEND THE MEETINGS. BUT IN THIS MORNING'S GUIDELINES FROM CS TO THE HEADS OF DEPARTMENTS, THE OFFICIALS, THE CIVIL SERVANTS WERE TOLD THAT THEY COULD ONLY PROVIDE INFORMATION TO INDIVIDUAL PWC MEMBERS, SO THERE IS CONFLICT BETWEEN THE TWO. WHAT ARE THE REASONS? WHY IS THERE A DISCREPANCY; THESE GUIDELINES MAY PUZZLE THE CIVIL SERVANTS. THEY MAY THEREFORE BE WORRIED, THEY WOULD RATHER NOT THEN TO HAVE CONTACTS WITH PWC. IS IT TRUE TO SAY THAT YOU ARE NOT SINCERE IN ENCOURAGING CONTACTS BETWEEN THE CIVIL SERVANTS AND THE PWC?

GOVERNOR: I THINK THE WORD SINCERE IF I MAY SAY SO IS THE MOST OVER-WORKED WORD IN PROPAGANDA, AND WE WOULD ALL BE WELL SERVED IN THE NEXT TWO OR THREE YEARS IF WE USE WORDS THAT MEANS THINGS, RATHER THAN JUST REPEATED PHRASES LIKE THAT.

LET ME DEAL PRECISELY WITH THE HONOURABLE MEMBER'S QUESTION. THE HONOURABLE MEMBER WAS OBVIOUSLY ONE OF THAT FORTUNATE GROUP OF INSOMNIACS WHO HEARD ONE OR TWO OF US LAST NIGHT FOR THE BENEFIT OF THOSE WHO COULDN'T SLEEP IN HONG KONG AND GUANGDONG TALKING IN VARIOUS STAGES OF ANIMATION ABOUT MY POLICY COMMITMENTS AND MY POLICY ADDRESS. DURING THE COURSE OF THAT WE DISCUSSED RELATIONS BETWEEN GOVERNMENT AND PWC, AND AS AN INDICATION OF THE FLEXIBILITY WHICH THE GOVERNMENT HAS SHOWN AND THE GOOD SENSE WHICH IT CONTINUES TO TREAT THIS ISSUE, I POINTED OUT THAT WE HADN'T BEEN HIDEBOUND OR IDEOLOGICAL OR DOGMATIC IN THE APPROACH THAT WE HAD TAKEN. I THINK I POINTED OUT, IF I DIDN'T I SHOULD HAVE DONE, THAT THE TDC IS CO-SPONSORING A SEMINAR WITH THE PWC ON ECONOMIC ISSUES. I THINK I ALSO POINTED OUT THAT THE PWC WAS INTENDING TO RUN A SEMINAR ON THE LINK. NOW I DON'T KNOW WHETHER THE FACT THAT IT WAS RUNNING A SEMINAR ON THE LINK HAD ANYTHING TO DO WITH THE FACT THAT A VERY DISTINGUISHED MEMBER OF THE PWC TAKES THE VIEW THAT THE LINK SHOULD BE BROKEN, WHICH ISN'T THE VIEW I THINK EITHER OF PRC OFFICIALS OR OF THE GOVERNMENT OF HONG KONG. BUT I WOULD VERY MUCH WELCOME THE OPPORTUNITY OF SHOWING THAT PRC AND THE GOVERNMENT OF HONG KONG ARE BOTH ABSOLUTELY ROCK SOLID BEHIND THE LINK. SO IT SEEMED THAT IT WAS A GOOD IDEA WITH OTHER BANKERS, DISTINGUISHED BANKERS, INCLUDING SOME WHO AREN'T MEMBERS OF THE PWC, WITH DISTINGUISHED BANKERS PRESENT AT A SEMINAR LIKE THAT, THAT ONE OF OUR LEADING EXPERTS AT THE MONETARY AUTHORITY SHOULD BE ABLE TO GO ALONG AND MAKE THE POSITION OF THE HONG KONG GOVERNMENT ABSOLUTELY PLAIN. AND I VERY MUCH HOPE THAT SENIOR OFFICIALS FROM THE BANKING SECTOR IN CHINA WILL BE THERE TO MAKE THE POSITION OF THE PRC GOVERNMENT PLAIN AS WELL, BECAUSE I THINK IT'S IN ALL OUR INTEREST THAT THERE SHOULDN'T BE ANY INSTABILITY IN THE FINANCIAL MARKETS, AND I REGARD THE DECISION THAT WE TOOK ON THAT AS BEING EXTREMELY SENSIBLE AND AN INDICATION OF OUR GOOD SENSE IN THESE MATTERS. AND I DON'T THINK THAT ANY PUBLIC OFFICIALS WHETHER IN THE MONETARY AUTHORITY OR IN THE TREASURY OR ANYWHERE ELSE IN GOVERNMENT WILL HAVE FOUND THAT DECISION REMOTELY CONFUSING, AND I SURE THAT THEY WILL FIND THE LETTER FROM THE CHIEF SECRETARY AS ENLIGHTENING AS ALL HER CORRESPONDENCE IS.

MR TANG: FOLLOW-UP, MR PRESIDENT, I WOULD LIKE TO ASK THE GOVERNOR THIS QUESTION CONCERNING SINCERITY. DO YOU THINK IT IS ONLY USED BY THE CHINESE SIDE IN PROPOGANDA, HAS THE BRITISH HONG KONG SIDE USED THE WORD SINCERITY IN ORDER TO SEEK CO-OPERATION WITH CHINA?

GOVERNOR: I THINK THAT WHAT WE NOW NEED ARE DEEDS NOT WORDS. I BELIEVE THAT THERE IS, TO BORROW A CLICHE 'A WINDOW OF OPPORTUNITY', AND I THINK THAT WE SHOULD ALL SEEK TO GO THROUGH IT, RATHER THAN FIND REASONS FOR NOT DOING SO. WHAT WE'VE DONE, WHAT I DID YESTERDAY, WHAT THE CHIEF SECRETARY HAS DONE IS TO SKETCH OUT A NUMBER OF IDEAS WHICH IN OUR VIEW WOULD HELP TO PROMOTE CO-OPERATION DURING THE TRANSITION. THEY ARE NOT AN EXCLUSIVE LIST; WE DON'T HAVE A CLOSED MIND, WE HAVE AN OPEN MIND ON THESE ISSUES. AND IF OTHERS WISH TO PUT FORWARD THEIR OWN IDEAS, IF OTHERS WISH TO PUT FORWARD OTHER PROPOSALS WE WOULD BE DELIGHTED TO LOOK AT THEM IN A CONSTRUCTIVE AND POSITIVE WAY. BUT I DON'T THINK IT IS ENOUGH JUST TO RESPOND WHEN WE PUT FORWARD AT THIS TIME SENSIBLE IDEAS. I DON'T THINK IT IS ENOUGH FOR PEOPLE JUST TO SAY WELL YOU MAY PUT FORWARD THOSE IDEAS, BUT YOU'RE NOT SINCERE. I DON'T THINK IT'S ENOUGH FOR PEOPLE TO SAY THAT'S NOT GOOD ENOUGH YOU'VE GOT TO DO MORE. I THINK WHAT PEOPLE SHOULD DO IF THEY THINK THAT OUR PROPOSALS ARE NOT GOOD ENOUGH IS TO PUT FORWARD THEIR OWN IDEAS AS WELL.

CAN I JUST ADD ONE OTHER POINT BECAUSE IT TOUCHES ON SOMETHING WHICH THE HONOURABLE MEMBER ON MY LEFT SAID YESTERDAY, AND I THINK ONE OR TWO OTHERS HAVE SAID. WE'RE NOT SAYING THAT CO-OPERATION HAS TO WAIT UNTIL THE LAST 365 DAYS BEFORE THE TRANSITION TO CHINESE SOVEREIGNTY ON THE 1ST JULY 1997, IT'S NOT OUR POSITION. WE'RE HAPPY FOR THINGS TO START TOMORROW, WE'RE HAPPY FOR THINGS TO START THIS AFTERNOON. WHEN I TALKED YESTERDAY ABOUT THE IMPORTANCE OF SOLDIERS TALKING TO SOLDIERS ABOUT DEFENCE AND GARRISON ISSUES, THAT COULD START TOMORROW. WE'LL OBVIOUSLY HAVE TO START TALKING SOON ABOUT HOW BEST WE CAN SUPPORT AND HELP THE PREPARATORY COMMITTEE, NOT IN ANY INTERVENTIONIST WAY, BUT IN AN AGREED WAY, AND A WAY AGREED WITH MEMBERS OF THE PREPARATORY COMMITTEE AND WITH CHINA, THAT CAN START SOON. THE PROPOSALS THAT WE HAVE PUT FORWARD FOR PUTTING A BIT MORE ENERGY INTO THE JLG COULD START STRAIGHTAWAY. WE'VE PUT A NUMBER OF PROPOSALS TO THE CHINESE SIDE DURING THE THIRTIETH MEETING OF THE JLG, AND THAT COULD ALL START TOMORROW. SO IT'S NOT OUR POSITION THAT WE HAVE TO WAIT UNTIL THE 30TH JUNE 1996 BEFORE WE START CO-OPERATING. WE'RE ALL IN FAVOUR OF CO-OPERATING FROM TEN PAST THREE THIS AFTERNOON.

MRS PEGGY LAM IN THE ADDRESS THIS YEAR, YOU THINK THAT THE ELDERLY SERVICES TOP YOUR AGENDA CONCERNING SOCIAL WELFARE SERVICES. YOU TALK ABOUT THE CONTRIBUTIONS OF THE ELDERLY IN THE PAST AND AT PRESENT AND I THINK ELDERLY PEOPLE ARE VERY ENCOURAGED BY YOUR REMARKS IN THE POLICY ADDRESS BECAUSE THEY KNOW THAT YOU, THE GOVERNOR, ARE CONCERNED ABOUT THEM. BUT, MR GOVERNOR, ARE YOU AWARE OF THE FOLLOWING: THAT IS TO SAY, MANY ELDERLY PEOPLE ARE LIVING IN CAGE-HOUSES, MANY ARE STREET-SLEEPERS. AND SO FOR THESE ELDERLY PEOPLE, MR GOVERNOR, WHAT CONCRETE ASSISTANCE WILL YOU GIVE TO THEM? WILL YOU PROVIDE PUBLIC HOUSING FOR THEM AS SOON AS POSSIBLE? WILL YOU INCREASE PUBLIC ASSISTANCE FOR THEM SO THAT STREET-SLEEPERS AND THOSE LIVING IN CAGE-HOUSES CAN LEAD A MORE DIGNIFIED LIFE?

GOVERNOR: YES. THE HONOURABLE MEMBER IS ENTIRELY RIGHT IN WHAT SHE SAYS AND ENTIRELY RIGHT TO GIVE THAT ISSUE PRIORITY. WE ARE, AS I THINK WE HAVE INDICATED, THANKS TO THE EFFORTS OF THE HOUSING AUTHORITY, COMMITTED TO PROVIDING ACCOMMODATION FOR THE 4,000 SINGLE ELDERLY ON THE HOUSING AUTHORITY'S LIST, BY 1997. THE HOUSING AUTHORITY, RECOGNISING THE IMPORTANCE OF TARGETING MORE HOUSING FOR THE ELDERLY, HAVE A PROGRAMME FOR PROVIDING, I THINK IT IS 22,000 FLATS FOR THE ELDERLY OVER THE NEXT FEW YEARS. THOSE ARE BOTH EXAMPLES OF US TRYING TO ENSURE THAT THE ELDERLY ARE AS WELL-HOUSED AS POSSIBLE. MOST ELDERLY PEOPLE, PROVIDED THEY ARE NOT FRAIL, WISH TO GO ON COPING ON THEIR OWN, WISH TO GO ON LIVING INDEPENDENTLY IN THE COMMUNITY, AND WE MUST MAKE IT POSSIBLE, WHEREVER THEY WISH, FOR THEM TO DO SO. THAT REQUIRES GOOD HOUSING AND IT REQUIRES OTHER THINGS AS WELL. IT REQUIRES THE PROVISION OF GOOD HEALTH AND WELFARE SERVICES, IT REQUIRES THE PROVISION OF DAY-CARE CENTRES AND SOCIAL CENTRES FOR THEM. ALL THOSE ISSUES ARE DEALT WITH IN THE EXCELLENT WORKING PARTY REPORT ON THE ELDERLY WHICH THE SECRETARY FOR HEALTH AND WELFARE WILL BE TALKING ABOUT A GOOD DEAL, I IMAGINE, AT HER PRESS CONFERENCE TOMORROW WHEN SHE ANNOUNCES THAT WE ARE IMPLEMENTING ALL THE RECOMMENDATIONS OF THAT WORKING GROUP REPORT BECAUSE I BELIEVE THIS COMMUNITY HAS A SPECIAL RESPONSIBILITY TO LOOK AFTER THE ELDERLY BETTER.

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DR C H LEONG: THANK YOU MR PRESIDENT. GOVERNOR, HONG KONG HAS ALWAYS SHOWN VERY ADMIRABLE HEALTH STATISTICS. I HAVE TO SAY, IT IS COMPARABLE IF NOT BETTER THAN MANY PARTS OF THE WORLD. YOU YOURSELF, YESTERDAY, IN YOUR POLICY ADDRESS, INDICATED THAT YOU WOULD LIKE TO LOOK FORWARD TO EVEN IMPROVING THIS AND I AM SURE WE ALL WELCOME IT. YET A FEW MONTHS AGO THERE WAS A FLAW IN THIS PARTICULAR ASPECT IN THAT WE HAD A SUDDEN SURGE OF CHOLERA, CHOLERA WHICH IS ACTUALLY DEVELOPED AND PERPETUATED IN HONG KONG. NOW THIS, TO ME, AND I PRESUME TO YOURSELF TOO, WOULD BE REALLY UNACCEPTABLE IN A PLACE OF HIGH STANDARDS - IN HONG KONG.

I AM IN NO WAY CRITICISING THE DEPARTMENT OF HEALTH, NOR THE BRANCH, BECAUSE THE DEPARTMENT KNOWS VERY WELL AND HAS INDICATED THAT POLLUTED WATER IN OUR OWN HARBOUR IS A TIME-BOMB. YET, RELEVANT DEPARTMENTS HAVE NOT TAKEN HEED OF THIS DANGER UNTIL THE CRISIS STARTED. NOW THIS IS JUST AN EXAMPLE BUT SUCH LACK OF CO-ORDINATION AND CO-OPERATION BETWEEN RELEVANT DEPARTMENTS TO A CERTAIN EXTENT DOES EXIST AND WE CAN BRING A LOT OF EXAMPLES.

NOW GOVERNOR, WHAT IS YOUR POLICY SOLUTION IN THIS AREA OF CO-OPERATION OF RELEVANT DEPARTMENTS SO THAT EFFECTIVE PRO-ACTIVE STEPS CAN TAKE PLACE BEFORE A CRISIS SETS IN?

GOVERNOR: I THINK THAT THE HONOURABLE MEMBER RAISES THE POINT ABOUT WHICH I AM CONCERNED, ABOUT WHICH THE CHIEF SECRETARY IS CONCERNED AND ABOUT WHICH THE DIRECTOR OF HEALTH IS CONCERNED. I THINK ALL THREE OF US AND OTHERS LEARNT A GOOD DEAL FROM THE OUTBREAK OF CHOLERA IN JULY ABOUT THE IMPORTANCE OF CO-ORDINATION BETWEEN THE VARIOUS ARMS OF GOVERNMENT; NOT JUST, AS IT WERE, CENTRAL GOVERNMENT, BUT THE MUNICIPAL COUNCILS AS WELL. I BELIEVE THAT AS THINGS TURNED OUT, THE DIRECTOR OF HEALTH AND HER COLLEAGUES HANDLED THAT POTENTIAL CRISIS EXTREMELY ENERGETICALLY AND WITH SUPPORT FROM THE URBAN COUNCIL AND OTHERS. BUT OBVIOUSLY THE HONOURABLE MEMBER IS RIGHT - AND HE KNOWS AS MUCH ABOUT THESE MATTERS AS ANYONE - OBVIOUSLY HE IS RIGHT TO SAY THAT WE MUST ENSURE IN FUTURE THAT THERE IS BETTER CO-ORDINATION SO THAT WE ARE NOT FACED WITH THESE PUBLIC HEALTH HAZARDS AGAIN.

MR K C LAM: ... OVER THE LACK OF PROGRESS IN THE WORK OF THE JOINT LIAISON GROUP. IN THE ASSESSMENT OF THE GOVERNOR, WHAT ARE THE UNDERLYING AND IMMEDIATE CAUSES OF THIS LACK OF PROGRESS AND WHAT DOES HE PROPOSE TO DO TOWARDS RECTIFYING THESE CAUSES OF SUCH AN UNSATISFACTORY STATE SO THAT WORK IN THE JOINT LIAISON GROUP CAN MOVE AHEAD?

GOVERNOR: I SAID, YESTERDAY, THAT I THOUGHT THAT THERE WAS LITTLE POINT IN PUBLIC RECRIMINATION ABOUT THE SLUGGISH PROGRESS IN THE JOINT LIAISON GROUP. WE ALL HAVE OUR VIEWS ABOUT WHY PROGRESS HAS BEEN LESS RAPID THAN WE WOULD LIKE, NOT LEAST PERHAPS IN THE LAST FIVE YEARS, BUT I DON'T THINK IT DOES VERY MUCH GOOD TO SPEAK FOR THE RECORD BOOK ON THOSE MATTERS. WHAT WE HAVE DONE, AS I SAID IN ANSWER TO AN EARLIER QUESTION, IS TO PUT TO CHINESE OFFICIALS A NUMBER OF SPECIFIC PROPOSALS ABOUT SPEEDING UP THE WORK OF THE JLG. AMBASSADOR DAVIS DID THAT DURING THE 30TH MEETING. SOME OF THOSE PROPOSALS WERE SPECIFIC RESPONSES TO IDEAS WHICH CHINESE OFFICIALS HAVE HAD OVER THE MONTHS AND YEARS AND I VERY MUCH HOPE THAT AT THE NEXT JLG AND BEFORE THE NEXT JLG, WE WILL BE ABLE TO SEE AN AGREEMENT ON SOME OF THOSE MEASURES. AND, OF COURSE, IF CHINESE OFFICIALS HAVE VIEWS THEMSELVES FOR MAKING MORE PROGRESS WE WILL BE DELIGHTED TO RESPOND TO THEM.

/I THINK

I THINK IT IS, IF I MAY SAY SO, NOT JUST A QUESTION OF MACHINERY, I THINK IT IS ALSO A QUESTION OF WILL AND A MATTER OF RECOGNISING THAT TIME IS RUNNING SHORT, THAT ISSUES THAT WE MIGHT HAVE THOUGHT WE COULD DEVOTE A LONG AND ACADEMIC DISCUSSION TO A FEW YEARS OR A FEW MONTHS AGO ARE NOW PRESSING IN ON US. SO WE'VE PUT IDEAS TO THE CHINESE SIDE, THEY MAY HAVE IDEAS THAT THEY WANT TO PUT TO US, AND I HOPE WE CAN FIND A BETTER WAY OF DOING BUSINESS TOGETHER.

DR SAMUEL WONG: MR GOVERNOR, YESTERDAY, IN PARAGRAPH 15 OF YOUR POLICY ADDRESS YOU SAID THAT UNDER STRINGENT CONTROL THERE WILL BE A QUOTA OF IMPORTED WORKERS ALLOWED INTO HONG KONG. AT THE SAME TIME WE HAVE TO PROVIDE RE-TRAINING FOR THOSE IN THE DECLINING INDUSTRIES. FOR THOSE WHO HAVE RECEIVED RE-TRAINING SOME HAVE NOT GOT NEW JOBS. I WONDER IF THE GOVERNMENT DEPARTMENTS CAN SET A GOOD EXAMPLE BY EMPLOYING THOSE WHO HAVE RECEIVED RE-TRAINING TO TAKE UP SIMPLE CLERICAL WORK FOR EXAMPLE, OR TO ACT AS OFFICE ASSISTANTS AND SO ON?

GOVERNOR: ... QUESTIONS ABOUT RE-TRAINING AND THE LABOUR MARKET. I HAVE TO SAY THAT I DON'T THINK THAT IF YOU ARE TRAINED OR RE-TRAINED IN ONE PARTICULAR SKILL THAT IT NECESSARILY MAKES VERY MUCH SENSE TO BE EMPLOYED IN AN UNSKILLED WAY BY THE PUBLIC SECTOR. I THINK THE PUBLIC SECTOR IS BETTER EMPLOYED TRYING TO FIND WAYS IN WHICH YOUR SKILLS CAN BE USED IN THE PRIVATE SECTOR. ONE OF THE THINGS THAT WE ARE INTENT ON ENSURING IS THAT GOVERNMENT IS AS EFFICIENTLY MANAGED AS THE PRIVATE SECTOR, EVEN PERHAPS IN SOME AREAS MORE EFFICIENTLY MANAGED THAN PARTS OF THE PRIVATE SECTOR. THAT SEEMS TO ME TO BE AN IMPERATIVE FOR THE PUBLIC ADMINISTRATION AND I DON'T THINK, THEREFORE, THAT WE CAN REGARD OUR ROLE IN THE CIVIL SERVICE AS THE EMPLOYERS OF LAST RESORT. BUT THE HONOURABLE MEMBER IS QUITE RIGHT TO IDENTIFY THE PROBLEM AND HE IS QUITE RIGHT TO SAY THAT WE IN GOVERNMENT HAVE TO FIND BETTER WAYS OF ENSURING THAT THOSE WHO ARE RE-TRAINED GET THE JOBS THEY HAVE BEEN RE-TRAINED FOR.

MR MAN SAI-CHEONG: ... IT SEEMS THAT YOU ARE RATHER PLEASED ABOUT THE MOST RECENT DB ELECTIONS AND STARTING FROM NOW WE CAN HAVE PEOPLE ELECTED FAIRLY ON TO THESE REPRESENTATIVE COUNCILS OR BODIES. WILL YOU CONSIDER TAKING ONE STEP FURTHER, THAT IS, WILL YOU OPEN UP OTHER STATUTORY BODIES, FOR EXAMPLE THE HONG KONG ARTS DEVELOPMENT COUNCIL, SO THAT WE CAN HAVE PEOPLE IN THE ARTS COMMUNITY ELECTING MEMBERS ON THE COUNCIL SO THAT THEY WILL BE ACCEPTABLE TO THE COMMUNITY AT LARGE? IF YOU DO NOT AGREE TO THAT CAN YOU EXPLAIN WHY NOT? DOES IT MEAN THAT YOU WILL NOT TAKE THAT EXTRA STEP IF YOU DO NOT HAVE APPROVAL FROM CHINA? BECAUSE FREEDOM OF THE ARTS IS VERY IMPORTANT, FREEDOM OF EXPRESSION IS ALSO VERY IMPORTANT BUT THESE TWO FREEDOMS ARE UNDER RESTRICTION IN CHINA.

GOVERNOR: THERE IS A LOT PACKED INTO THAT QUESTION ABOUT THE ARTS, INCLUDING THE IMPLICATION THAT THE ONLY PEOPLE WHO ARE ACCEPTABLE IN RUNNING PUBLIC BODIES, TO THE PUBLIC, ARE THOSE WHO ARE ELECTED. I THINK THERE ARE PLENTY OF PEOPLE INVOLVED IN RUNNING OR MANAGING PARTS OF THE PUBLIC SECTOR WHO AREN'T ELECTED WHO ARE WHOLLY ACCEPTABLE TO THE PUBLIC. I DON'T THINK THAT EVERY PUBLIC BODY SHOULD BE ELECTED, I THINK THAT WE HAVE TIERS OF GOVERNMENT TO WHICH THE PUBLIC SECTOR IS ACCOUNTABLE WHICH ARE AND SHOULD BE ELECTED BUT I AM NOT, FRANKLY, AT THE MOMENT - AND IT IS NOT BECAUSE ANYBODY HAS TOLD ME WHAT CHINA'S VIEW IS ON THE ARTS DEVELOPMENT BOARD, I'M NOT SURE THAT CHINA HAS EXPRESSED A VIEW ON THAT ILLUSTRIOUS BODY - I DON'T THINK THAT IT MAKES VERY MUCH SENSE TO EXTEND THE DEMOCRATISATION OF HONG KONG BEYOND THE LIMITS WHICH ARE PRESENTLY SKETCHED OUT.

I DON'T HAVE A PARTICULARLY STRONG PASSION ABOUT IT. I'D LIKE TO SEE THE SUPPORT OF THE ARTS DEVELOP IN THE NEXT FEW YEARS, I'D LIKE TO SEE IT DEVELOP IN A WAY WHICH IS COMPETENT AND PROFESSIONAL AND GENEROUSLY FINANCED. I'M NOT SURE THAT I THINK THAT ELECTING MEMBERS OF THE BODY THAT PROVIDES AN UMBRELLA FOR ARTS SPONSORSHIP IS NECESSARILY AN IMPERATIVE ELEMENT IN SECURING THAT OBJECTIVE.

MR MAN SAI-CHEONG: A SHORT FOLLOW UP. I KNOW THAT FOR THOSE OFFICIALS RESPONSIBLE FOR RUNNING ARTS AND RECREATION, THEY HAVE LISTENED TO THE VIEWS OF THE ARTS COMMUNITY. IF SOME MEMBERS OF THE COUNCIL ARE ELECTED, THAT IS ACCEPTABLE TO THE OFFICIALS, BUT THEN THERE IS A TIME CONSTRAINT THEREFORE THAT CANNOT BE DONE RIGHT AWAY. NOW, IF YOUR OFFICIALS RECOMMEND THAT MODE OF HAVING MEMBERS ON THE COUNCIL, TO YOU, WILL YOU REGARD IT AS ACCEPTABLE AND WILL YOU IMPLEMENT THAT AS SOON AS POSSIBLE?

GOVERNOR: IF MY OFFICIALS RECOMMEND THAT COURSE OF ACTION TO ME, I WILL GIVE THEIR VIEWS ALL THE ATTENTION WHICH THEY DESERVE.

MR WONG WAI-YIN: THANK YOU MR PRESIDENT. MR GOVERNOR, IN YOUR POLICY ADDRESS YOU ATTACHED A LOT OF IMPORTANCE TO CARE FOR THE ELDERLY BECAUSE THE ELDERLY CONTRIBUTED TO THE PROSPERITY OF HONG KONG BUT IT SEEMS THAT YOUR DEEDS ARE NOT IN COMPLIANCE WITH YOUR WORDS FOR THESE ELDERLY PEOPLE, THEY DO NOT SHARE IN THE FRUITS OF THE SUCCESS OF OUR ECONOMY. MR GOVERNOR, IT SEEMS THAT YOU ARE DEAF TO SOME VOICES IN THE COMMUNITY CALLING UPON THE IMMEDIATE INCREASE IN THE RATES UNDER THE CSSA SCHEME.

WHEN MR HUI YIN-FAT AND I MET YOU SOME TIME AGO IN GOVERNMENT HOUSE YOU SAID THAT YOU WOULD CONSIDER THE REPORT BY DR MCPHERSON AND THAT ADJUSTMENTS MAY BE MADE TO THE RATES. THE REPORT HAS NOW COME OUT BUT IT SEEMS THAT YOU WILL HAVE TO WAIT TILL THE END OF NEXT YEAR BEFORE THERE WILL BE CONCRETE PROPOSALS ON THE TABLE. EVEN IF THERE ARE TO BE INCREASES AT THE END OF NEXT YEAR THAT WILL BE TOO FAR INTO THE FUTURE. THE IMMEDIATE DIFFICULTIES ENCOUNTERED BY THE ELDERLY CANNOT BE SOLVED. SO, DID YOU JUST GIVE US AN EMPTY PROMISE? WILL YOU CONSIDER THE DIFFICULTIES ENCOUNTERED BY THE ELDERLY OR THOSE WHO BENEFIT UNDER THE CSSA SCHEME? SO IN THE COMING YEAR'S BUDGET WILL YOU CONSIDER INCREASING THE CSSA RATE SO THAT THEY CAN LEAD A BETTER LIFE, SO THAT THEY CAN INDEED SHARE IN THE ECONOMIC SUCCESS OF HONG KONG? WHEN YOU GIVE US A REPLY, PLEASE DO NOT RESORT TO THE EXCUSE OF THE OLD-AGE PENSION SCHEME.

GOVERNOR: WELL, WITH RESPECT TO THE HONOURABLE MEMBER, I'LL REPLY AS I WANT AND I MAY REFER TO THE OLD-AGE PENSION SCHEME WHICH ISN'T IRRELEVANT TO THE ARGUMENT, WHICH IS, I GUESS, WHY HE WANTED ME TO AVOID TALKING ABOUT IT. WE ARE AT PRESENT PROVIDING 6.8 BILLION OF SERVICES TO THE ELDERLY AND THAT FIGURE WILL GO UP AS WE IMPLEMENT THE RECOMMENDATIONS OF THE WORKING PARTY ON THE ELDERLY. EVERY YEAR THE GOVERNOR OF HONG KONG, ANXIOUS TO ENSURE THAT WE CONTINUE TO BUDGET PRUDENTLY, DETERMINED TO ENSURE THAT WE CONTINUE TO KEEP PUBLIC SPENDING BELOW 20 PER CENT OF GDP SO THAT WE CAN KEEP TAXES LOW AND KEEP A BUSINESS-FRIENDLY ENVIRONMENT, EXTREMELY ANXIOUS OF COURSE TO AVOID CHARGES OF WELFARISM BY NEWS AGENCIES IN HONG KONG OR ELSEWHERE, EVERY YEAR THE GOVERNOR HAS TO BALANCE, WITH HIS COLLEAGUES IN THE ADMINISTRATION, UNDERSTANDABLE ARGUMENTS FOR GREATER RESOURCES AGAINST THE AMOUNT OF MONEY THAT IS AVAILABLE TO SPEND. IT SEEMED TO ME AND TO US THIS YEAR, THAT THE RIGHT PLACE TO PUT OUR ADDITIONAL RESOURCES WAS:

1. INTO BETTER AND MORE COMPREHENSIVE SERVICES FOR THE ELDERLY IN THE HOUSING AND THE HEALTH AND THE WELFARE FIELDS.
2. AS FAR AS CSSA RATES WERE CONCERNED, AS FAR AS THE PROVISION OF BENEFIT WAS CONCERNED, TO CONCENTRATE THE ADDITIONAL RESOURCES THAT WE HAD ON SINGLE PARENT FAMILIES AND ON CHILDREN.

I THINK THOSE WERE THE RIGHT PRIORITIES BUT IF THE HONOURABLE MEMBER HAS OTHER PRIORITIES THEN OBVIOUSLY WE'LL HAVE A CHANCE OF LISTENING TO THEM WHEN HE SPEAKS ON THE POLICY COMMITMENTS IN MY POLICY ADDRESS A LITTLE LATER IN THE MONTH.

I DO THINK THAT IT IS IMPORTANT FOR ALL LEGISLATIVE COUNCIL MEMBERS, AND FOR OTHERS OUTSIDE, TO RECOGNISE THAT WHILE IT IS TOTALLY RIGHT FOR US TO TRY TO USE SOME OF THE PROCEEDS OF A SUCCESSFUL ECONOMY FOR ENHANCING WELFARE AND OTHER PROGRAMMES, WHILE THAT IS A REFLECTION OF OUR SOCIAL RESPONSIBILITY AS A COMMUNITY, IF WE GO TOO FAR AND IF WE TRY TOO RAPIDLY TO MEET EVERY SOCIAL OBJECTIVE, WE WON'T ANY LONGER BE ABLE TO BE A LOW TAX COMMUNITY, WE WON'T ANY LONGER BE ABLE TO ATTRACT THE BUSINESS INVESTMENT, THE REPUTATION FOR COMPETITIVENESS WHICH IS ONE OF THE REASONS FOR OUR CONTINUING SUCCESS. AND I THINK BALANCING THE DEMANDS FOR MORE WELFARE SPENDING AGAINST THE DEMANDS OF OUR ECONOMY WILL CONTINUE TO BE IMPORTANT, EVEN SHOULD THE HONOURABLE MEMBER, WHICH I'M SURE WOULD BE WIDELY WELCOMED, BECOME THE CHIEF EXECUTIVE IN THE SAR.

MR WONG WAI-YIN: JUST NOW THE GOVERNOR SAYS THAT FOR THE CHILDREN AND THE SINGLE PARENT FAMILIES THEY ARE GIVEN PRIORITIES THIS YEAR, AND HE STRESSES THAT WHEN I SPEAK ON THE MOTION CONCERNING THE POLICY ADDRESS I CAN MAKE OTHER RECOMMENDATIONS. NOW MR GOVERNOR, IN THE PAST YEARS DID YOU HEAR THE VIEWS OF LEGCO MEMBERS AS WELL AS THE VIEWS OF MEMBERS OF THE PUBLIC AND OUTSIDE ORGANISATIONS, THEY HAVE ASKED FOR THE IMMEDIATE UPWARD ADJUSTMENT OF THE PA ALLOWANCE OF THE ELDERLY PEOPLE, DID YOU HEAR THESE VIEWS. THESE HAVE BEEN SAID FOR MANY YEARS, WHY IS IT THAT YOU ASK US TO CONTINUE SAYING THESE THINGS? I HOPE THAT MR GOVERNOR YOU CAN REALLY GIVE SERIOUS CONSIDERATION TO THE DIFFICULTIES FACED BY THE ELDERLY PEOPLE. AS YOU SAY IN THE PAST THEY DID A LOT FOR HONG KONG AND IN THEIR ELDERLY YEARS WE HOPE THAT THEY CAN LIVE A BETTER LIFE AND SO I HOPE THAT MR GOVERNOR YOU CAN RECONSIDER INCREASING THE CSSA PAYMENT FOR THE ELDERLY.

GOVERNOR: I SAID THAT THE PRIORITIES WHICH WE'D SET OURSELVES THIS YEAR WERE FOR IMPROVING SERVICES FOR THE ELDERLY, AND AS FAR AS SCALE RATES WERE CONCERNED, FOR IMPROVING SCALE RATES FOR THE SINGLE PARENTS AND FOR CHILDREN, SO YOU MUSTN'T, THE HONOURABLE MEMBER MUSTN'T LEAVE OUT THE ACTUAL RESOURCES THAT WE'RE PROVIDING FOR THE ELDERLY. WE HAVE IN THE PAST, AS THE HONOURABLE MEMBER WILL KNOW, LISTENING TO HIM AND OTHERS, IMPROVED BENEFITS THAT ARE AVAILABLE FOR THE ELDERLY. I AM VERY KEEN THAT WE SHOULD PROVIDE THE ELDERLY WITH AS MUCH FINANCIAL SECURITY AS POSSIBLE, WHICH SINCE I FORGOT TO MENTION IT BEFORE, IS WHY I AM IN FAVOUR OF OUR OLD AGE PENSION SCHEME, AND I SURE THE HONOURABLE MEMBER IS TOO BECAUSE HE IS VERY SENSIBLE IN DISCUSSING THESE MATTERS.

MR EDWARD HO: MR GOVERNOR, I WAS VERY DISAPPOINTED THAT YOU HAVE NOT MENTIONED, OR HARDLY MENTIONED INFRASTRUCTURE IN YOUR POLICY ADDRESS YESTERDAY. NOT ONLY BECAUSE OF MY SPECIAL INTEREST, BUT I THINK IT IS IN THE INTEREST OF OUR COMMUNITY THAT WE SHOULD CONTINUE TO BUILD FOR THE FUTURE. I WANT TO ASK YOU SIR, HOW MUCH OF THAT WHAT I WOULD CALL OMISSION IS DUE TO THE PROBLEM OF LACK OF CO-OPERATION BETWEEN YOU AND THE CHINESE GOVERNMENT, SO THAT YOU ARE UNABLE TO MAKE DECISION TO PROCEED WITH MAJOR INFRASTRUCTURE PROJECT THAT SPANS, THAT STRADDLES 1997, SUCH AS THE NORTHWEST RAILWAY.

GOVERNOR: I HAVE TO SAY THAT THE MAIN REASON WHY I DIDN'T SAY AS MUCH AS THE HONOURABLE MEMBER WOULD HAVE LIKED ON INFRASTRUCTURE IS THAT THE ONE THAT I MENTIONED EARLIER, IN FUTURE YEARS WE COULD, IF THE HONOURABLE MEMBER AND OTHER HONOURABLE MEMBERS WOULD LIKE HAVE ME READ OUT THE WHOLE OF THE POLICY COMMITMENTS DOCUMENT, THAT WOULD RESULT IN A CASTRO LENGTH SPEECH, BUT WE COULD ACTUALLY DO THAT. I THINK IT MAKES MORE SENSE TO HAVE A PUBLISHED DOCUMENT, EACH PART OF WHICH IS EXPLAINED TO THE COMMUNITY BY INDIVIDUAL POLICY SECRETARIES, THUS MAKING IT CLEAR THAT NOT ONLY IS THIS NOT A ONE-ISSUE GOVERNMENT IT IS ALSO NOT A ONE-PERSON GOVERNMENT, BUT HAS A WIDE RANGE OF SECRETARIES ALL IMPLEMENTING DETAILED POLICIES ON BEHALF OF THE COMMUNITY. I THINK MAKING THAT SEPARATION IS GOOD SENSE, BUT IT DOES MEAN THAT HONOURABLE MEMBERS WILL HAVE TO PERHAPS, RESTRAIN THE HUNT FOR THE SNAGS UNTIL THEY'VE ACTUALLY READ ALL OUR DOCUMENTS, AND NOT JUST LISTENED TO MY SPEECH. ON INFRASTRUCTURE WE ARE COMMITTED TO A CAPITAL PROGRAMME OF A HUNDRED AND FORTY BILLION HONG KONG DOLLARS, ABOUT A HUNDRED AND FIVE BILLION OF THAT IS OUTSIDE THE ACP, THE REST IS ON THE ACP, THAT INCLUDES FOR EXAMPLE OUR THIRTY BILLION PROGRAMME ON ROAD BUILDING. THAT I'M SURE WON'T FALL VICTIM TO ANY FAILURE OF CO-OPERATION BETWEEN OURSELVES AND PRC OFFICIALS, THOUGH SUCH CO-OPERATION WE SHALL CONTINUE DILIGENTLY TO HUNT FOR. THERE ARE MATTERS SUCH AS THE RAILWAY DEVELOPMENT STRATEGY WHICH WILL NATURALLY HAVE TO BE DISCUSSED AND AGREED WITH THE PRC, BECAUSE VIRTUALLY ALL THE EXPENDITURE WILL TAKE PLACE AFTER 1997. THAT'S WHY TO GO BACK TO THE QUESTION I ANSWERED EARLIER I AM VERY KEEN THAT WE SHOULD HAVE HIGH-LEVEL CONTACTS ON INFRASTRUCTURE MATTERS SO AS TO MAKE SURE THAT WHEN WE BUILD RAILWAYS IN HONG KONG THEY ARE ACTUALLY GOING SOMEWHERE AND JOIN UP WITH RAILWAYS ON THE OTHER SIDE OF THE BORDER, TO PUT THE POINT AT ITS SIMPLEST AND CRUDEST. THE HONOURABLE MEMBER IS RIGHT TO STRESS THE IMPORTANCE OF INFRASTRUCTURE, INFRASTRUCTURE IS PART OF THE INHERITANCE WHICH I HOPE WILL BE HANDED OVER IN GOOD ORDER ON THE 30TH JUNE 1997.

MR EDWARD HO: MR GOVERNOR, FOR YOUR INFORMATION I HAVE READ THE POLICY COMMITMENTS AFTER HEARING YOUR SPEECH, AND IN THERE ALSO THERE IS VERY LITTLE REFERENCE TO NEW INITIATIVES, I MEAN THOSE ARE PROJECTS THAT ARE ONGOING. MY SPECIFIC QUESTION IS ON AS YOU ALREADY ANSWERED IN PART ON PROJECTS THAT WE HAVE TO INITIATE, AND PROJECTS THAT STRADDLE 1997, WHEN I MENTIONED THE NORTHWEST RAILWAY, I MENTIONED THAT BECAUSE IT HAS BEEN WIDELY RUMOURED THAT EXCO WOULD MAKE A DECISION ON THAT LAST APRIL, AND I THOUGHT THAT AN IMPORTANT PROJECT LIKE THAT, A PROJECT THAT HAS BEEN WIDELY SUPPORTED AND URGED IN THIS COUNCIL, THAT EXECUTIVE COUNCIL WOULD MAKE THE DECISION PRIOR TO YOUR POLICY ADDRESS, SO THAT YOU CAN GIVE US SOME GOOD NEWS. AND THE PARTICULAR QUESTION I PUT TO YOU WAS THAT THE REASON YOU HAVE NOT MADE UP YOUR MIND ON THAT WAS IT BECAUSE OF PROBLEM OF AGREEING WITH THE CHINESE GOVERNMENT.

GOVERNOR: NO, THAT ISN'T A FACTOR ON THE RAILWAY DEVELOPMENT STRATEGY, WE HAVEN'T YET DISCUSSED THE RDS WITH PRC OFFICIALS, BUT WE WILL WISH TO DO SO AND THE SOONER WE CAN HOLD THOSE DISCUSSIONS THE BETTER. I WOULD SAY THAT I'M EXTREMELY GRATEFUL TO THE HONOURABLE MEMBER, AND I HOPE HE IS IN THE MAJORITY FOR HAVING READ ALL 184 PAGES OF OUR POLICY COMMITMENTS. I'D DRAW HIS ATTENTION IN PARTICULAR TO THE SECTION UNDER THE HEADING SECRETARY FOR WORKS, PUBLIC WORKS ON PAGE 155 WHICH SETS OUT FAIRLY EXTENSIVELY WHAT WE ARE DOING ON INFRASTRUCTURE. HE MIGHT ALSO WANT TO LOOK AT THE SECTION OF THE MANAGEMENT OF PUBLIC FINANCES ON WHICH THE SECRETARY FOR THE TREASURY WILL BE HOLDING A PRESS CONFERENCE IN WHICH HE TOO POINTS OUT SOME OF THE MAIN AREAS OF INFRASTRUCTURE SPENDING. DOUBTLESS, THERE ARE OTHER REFERENCES WHICH I COULD POINT TO, AND I'M SURE THAT ON A SECOND AND THIRD READING OF THE POLICY COMMITMENTS, HE WILL SEE WHAT A SPECTACULAR PROGRAMME WE'RE STILL COMMITTED TO.

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GOVERNOR MEETS TERTIARY STUDENTS

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FOLLOWING IS THE TRANSCRIPT OF THE GOVERNOR THE RT HON CHRISTOPHER PATTEN'S PUBLIC MEETING WITH TERTIARY STUDENTS AT THE CITY POLYTECHNIC TONIGHT (THURSDAY):

GOVERNOR: WELCOME TO THIS FORUM WHICH IS REALLY MORE AN OCCASION FOR YOU THAN IT IS FOR ME. AFTER MY LAST TWO POLICY ADDRESSES WE'VE HAD A NUMBER OF PUBLIC MEETINGS AT WHICH WE'VE INVITED PEOPLE TO COME ALONG AND ASK QUESTIONS. THE PROBLEM WE'VE HAD IS THAT, AS YOU KNOW, I DON'T UNFORTUNATELY SPEAK CANTONESE SO WE'VE HAD TO TRANSLATE QUESTIONS AND ANSWERS AND IT'S MEANT THAT FEWER PEOPLE ARE ABLE TO ASK QUESTIONS AS WE ARE WAITING FOR THE TRANSLATIONS. WHAT WE THEREFORE THOUGHT WE'D TRY TO DO THIS YEAR, IN A SMALLER HALL NECESSARILY, WAS TO HAVE SIMULTANEOUS INTERPRETATION SO THAT WE COULD HAVE A BIT MORE GIVE AND TAKE AND GET THROUGH MORE QUESTIONS.

I'VE GOT UNTIL ABOUT 7:15 AND I GUESS YOU WILL WANT TO GO AWAY AND HAVE SOME SUPPER ABOUT THEN. AS THE LADY SOMEWHERE BEHIND THERE WAS SAYING A FEW MOMENTS AGO THE IDEA IS THAT I CHOOSE THREE OR FOUR QUESTIONERS AT RANDOM AND IF YOU THEN LINE UP AT THE MIKES WE'LL GET THROUGH AS MANY QUESTIONS AS WE CAN. THAT MEANS THAT, IF YOU'RE GOING TO ASK A QUESTION, COULD YOU MAKE IT A QUESTION RATHER THAN A LONG SPEECH AND, IN ORDER TO REACH A BARGAIN WITH YOU, IF YOU KEEP THE QUESTIONS SHORT, I WILL TRY TO KEEP THE ANSWERS SHORT AS WELL. AND IF I KEEP THE ANSWERS SHORT IT DOESN'T ONLY MEAN THAT I AM TRYING TO EVADE THE ANSWER AND IT DOESN'T NECESSARILY MEAN THAT I DON'T KNOW THE ANSWER, BUT IT'S SO THAT YOU CAN GET IN MORE QUESTIONERS. SO, WE'VE GOT, AS I SAY UNTIL 7:15. AT PRESENT MY HEAD PIECE ISN'T WORKING. MAY BE THAT'S BECAUSE I AM SPEAKING ENGLISH AND THEY THINK I UNDERSTAND MYSELF. NOW, HANDS AND I WILL PICK ONE OR TWO.

QUESTION: MR GOVERNOR, THIS IS MY QUESTION. YOU ARE HERE TODAY. ARE YOU TRYING TO WORK FOR THE INTERESTS OF CHILDREN OF SINGLE PARENTS. IF YOU ARE A SINGLE MALE AND YOU DON'T KNOW ENGLISH AND YOU DON'T KNOW CHINESE EITHER, AND YOUR INCOME IS EXTREMELY LOW, SO HOW DO YOU GO ABOUT TAKING CARE OF YOUR CHILD? WOULD YOU BE ASKING THIS QUESTION IF I WERE THE GOVERNOR? MY CHILD ACTUALLY IS PART OF THE SOCIETY. HOW CAN HE GO ABOUT GETTING EDUCATED? I HAVE A NUMBER OF QUESTIONS, COULD YOU ANSWER THIS ONE FIRST?

/GOVERNOR:

GOVERNOR: I THINK IT'S ONLY FAIR TO THE REST OF THE AUDIENCE IF EVERYBODY ONLY ASKS ONE QUESTION, BUT JUST SINCE YOU ARE THE FIRST QUESTIONER, WE WILL GIVE YOU TWO QUESTIONS BUT AFTER THAT IT'S QUESTION EACH. THAT'S THE DEAL, ALRIGHT? OTHERWISE NOBODY ELSE WILL BE ABLE TO ASK ANY. SO YOU CAN ASK ONE MORE AND THEN I WILL ANSWER BOTH YOUR QUESTIONS.

QUESTIONER: OKAY, SO ONE MORE QUESTION FOR ME.

GOVERNOR: MAKE IT AN EASY ONE.

QUESTIONER: YOU WANT ONE EASY ONE?

GOVERNOR: WHAT'S THE CAPITAL OF BOLIVIA! I KNOW THAT!

QUESTIONER: THIS WILL BE AN EASY QUESTION FOR YOU. YOU HAVE TWO DOGS, RIGHT? HOW MUCH MONEY DO YOU SPEND ON ONE DOG? WE HAVE PEOPLE ON PUBLIC ASSISTANCE, CHILDREN ON PUBLIC ASSISTANCE, AND HOW MUCH DO THEY GET PER MONTH?

GOVERNOR: THAT'S YOUR TWO QUESTIONS. I THINK THAT YOUR TWO QUESTIONS ARE RELATED. THE QUESTION OF LOOKING AFTER CHILDREN IF YOU ARE A SINGLE PARENT AND THE QUESTION OF THE LEVEL OF CSSA RATES, THAT IS THE AMOUNT OF BENEFIT THAT WE GIVE TO THE NEEDY AND THE DISADVANTAGED IN THE COMMUNITY. WE DO RECOGNISE THAT THERE ARE PARTICULAR PROBLEMS FACED BY SINGLE PARENTS AND PARTICULAR PROBLEMS FACED BY CHILDREN WHO ARE NEEDY. WHO FOR NO FAULT OF THEIR OWN ARE SHORT OF MONEY. THAT'S WHY IN THIS SPEECH WE ANNOUNCED, FIRST OF ALL, THAT WE ARE PROPOSING TO GIVE A SPECIAL SUPPLEMENT TO SINGLE PARENTS IN ORDER TO HELP THEM COPE WITH THE DEMANDS ON THEM.

SECONDLY, WE'VE INCREASED THE ALLOWANCE FOR CHILDREN TO THE SAME LEVEL AS THAT FOR THE ELDERLY. WE'VE INCREASED IT BY \$205 A MONTH SO THAT I HOPE THAT WILL BE OF SOME ASSISTANCE TO FAMILIES WITH YOUNG CHILDREN PARTICULARLY SINGLE PARENT FAMILIES. I DON'T HONESTLY THINK THAT MY DOGS ARE QUITE AS RELEVANT AS YOU MIGHT HAVE THOUGHT BECAUSE THEY ARE EXTREMELY SMALL DOGS AND THEREFORE DON'T COST TOO MUCH TO FEED. BUT THERE IS A SERIOUS POINT BEHIND YOUR QUESTION AND IT'S THIS. HOW DO WE, IN A COMMUNITY AS AFFLUENT AS HONG KONG HAS BECOME, MAKE SURE THAT WE LOOK AFTER THE NEEDY WITHOUT RUNNING INTO THE SAME SORT OF PROBLEMS OF EXCESSIVE WELFARE SPENDING WHICH HAVE CRIPPLED ECONOMIES IN OTHER DEVELOPED COUNTRIES. AND THAT'S, I THINK, GOING TO BE THE FOCUS FOR CONSIDERABLE DEBATE HERE FOR MANY YEARS TO COME. THE GOVERNMENT EARLIER THIS YEAR PROPOSED THAT AFTER THIRTY YEARS OF DEBATE WE SHOULD INTRODUCE IN HONG KONG AN OLD AGE PENSION. THAT OLD AGE PENSION INVOLVES A VERY SMALL TRANSFER OF WEALTH. A LOT OF PEOPLE SAY THAT'S TOO MUCH FOR HONG KONG, EVEN THOUGH IN HONG KONG ONLY 2% OF THOSE WHO ARE IN WORK ARE PAYING A TOP RATE OF SALARIES TAX OF 15%. WE ARE A VERY LIGHTLY TAXED ECONOMY AND I WOULD LIKE US TO STAY THAT WAY. BUT I DIDN'T MYSELF THINK THAT THE INTRODUCTION OF AN OLD AGE PENSION SCHEME AND THE VERY MARGINAL TRANSFER OF WEALTH THAT THAT INVOLVED WAS TOO MUCH FOR AN ECONOMY LIKE OURS. SO I BELIEVE THAT WE DO HAVE TO BE AS GENEROUS AS POSSIBLE TO THOSE IN NEED WITHOUT ALLOWING PUBLIC EXPENDITURE TO RUN AHEAD OF WHAT THE ECONOMY CAN BEAR AND I HOPE THAT NOBODY WILL REGARD THAT AS BEING THE SORT OF WELFARISM - TO BORROW A PHRASE - WHICH HAS GOT OTHER ECONOMIES INTO TROUBLE.

/QUESTION:

QUESTIONER: I HAVE A NUMBER OF QUESTIONS ON TERTIARY EDUCATION AND PEOPLE'S LIVELIHOOD. WELL, I WILL JUST ASK ABOUT THE TERTIARY EDUCATION, OKAY? FIRST QUESTION. WE HAVE A THREE-YEAR CURRICULUM FOR TERTIARY EDUCATION BUT MR WOO, THE VICE CHANCELLOR OF THE UNIVERSITY OF SCIENCE AND TECHNOLOGY PROPOSED TO TURN THE CURRICULUM FROM THREE YEARS TO FOUR YEARS BUT BEFORE THAT HE HAS NEVER CONSULTED ANYBODY. SO WHAT IS YOUR VIEW ON THAT?

SECONDLY, I AM A YEAR TWO STUDENT IN ONE OF THE TERTIARY INSTITUTIONS. THIS YEAR I HAVE TO PAY \$12,100 FOR FEES WHICH IS MORE THAN THE \$8,800 LAST YEAR AND SO, THIS IS A SUBSTANTIAL INCREASE THIS YEAR BUT FOR THE STUDENT LOAN SCHEME AND GRANT SCHEME IT REALLY CANNOT HELP US TO TIDE OVER THIS FINANCIAL DIFFICULTY. SO HOW ARE YOU GOING TO DEAL WITH THAT?

GOVERNOR: ON THE FIRST - IS THAT RIGHT ON TERTIARY? OKAY. ON THE FIRST QUESTION - WHAT ARE YOU STUDYING, INCIDENTALLY?

QUESTIONER: SOCIAL SCIENCE.

GOVERNOR: ON THE FIRST QUESTION, I DIDN'T KNOW YOUR VICE CHANCELLOR WAS PROPOSING TO EXTEND YOUR COURSE FROM THREE TO FOUR YEARS. THAT OBVIOUSLY HAS FINANCIAL IMPLICATIONS FOR YOU. UNIVERSITIES ACROSS THE WORLD AND POLYTECHNICS VARY IN WHETHER THEY ASK FOR THREE YEAR OR FOUR YEAR COURSES DEPENDING VERY OFTEN ON THE STANDARD OF THE EXAMINATIONS THAT YOUNG PEOPLE TAKE AT 18 OR 19. BUT I'LL AS THE CHANCELLOR OF THE UNIVERSITY OF SCIENCE AND TECHNOLOGY - ACTUALLY I WILL LET YOU INTO A SECRET, I AM CHANCELLOR OF ALL THE UNIVERSITIES AND POLYTECHNICS IN HONG KONG, NOT THROUGH ANY PERSONAL MERIT - AS THE CHANCELLOR, I WILL FIND OUT ABOUT THE PARTICULAR ISSUE THAT YOU'VE RAISED AND PERHAPS IF YOU CAN LEAVE YOUR NAME WITH ONE OF MY OFFICIALS I WILL WRITE TO YOU ABOUT IT.

CAN I NOW TURN TO THE QUESTION OF LOANS AND GRANTS WHICH WILL, I GUESS, AFFECT A LOT OF PEOPLE IN THIS AUDIENCE. AND I AM SURE THAT IN AN AUDIENCE OF A LARGE NUMBER OF STUDENTS LIKE THIS IT'S GOING TO BE REALLY POPULAR TO MAKE SOME REMARKS ABOUT THE IMPORTANCE OF INCREASING FEES IN THE TERTIARY SECTOR. LET ME SKETCH OUT WHAT I BELIEVE IS THE BACKGROUND AND WHAT I BELIEVE THAT WE SHOULD DO ABOUT IT.

/THE YEARS

TEN YEARS AGO, 3% OF YOUR AGE GROUP WENT INTO TERTIARY EDUCATION. WE ARE ALMOST AT THE POSITION WHERE ABOUT 24% OF THE AGE GROUP WILL GO INTO TERTIARY EDUCATION EITHER TO DO DEGREES IN THE CASE OF ABOUT 18% OR TO DO DIPLOMAS IN THE CASE OF THE OTHER 6%. IT'S AN EXTRAORDINARY EXPANSION AND ONE THAT'S BEEN EXTREMELY COSTLY AND PART OF THE COST OF THAT EXPANSION HAS BEEN PAID FOR BY FEES FOR TUITION AND FEES IN GENERAL FOR TERTIARY EDUCATION. THAT PLACES HONG KONG TERTIARY INSTITUTIONS IN VERY MUCH THE SAME SITUATION AS UNIVERSITIES OR POLYTECHNICS EVERYWHERE ELSE IN THE WORLD. BUT IT IS IMPORTANT TO MAKE SURE THAT EVEN THOUGH YOU ARE HAVING TO PAY FEES, FEES WHICH WILL IN DUE COURSE RECOUP ABOUT 18% OF THE COST OF TERTIARY EDUCATION BUT AT PRESENT RECOUP ABOUT 13% OF THE COST, IT IS IMPORTANT TO ENSURE THAT WE HAVE AS ADEQUATE AS POSSIBLE LOANS AND GRANTS FOR THOSE WHO CAN'T AFFORD THE FEES. ABOUT 40% OF TERTIARY EDUCATION STUDENTS AT PRESENT RECEIVE LOANS AND GRANTS AND THE LEVEL OF LOANS AND GRANTS, EVEN ALLOWING FOR THE INCREASE IN FEES, HAS RUN 25% AHEAD OF THE RATE OF INFLATION OVER THE LAST THREE OR FOUR YEARS. WE HAVE DECIDED THIS YEAR THAT WE NEED TO BE MORE GENEROUS IN THE PROVISION OF BOTH LOANS AND GRANTS AND WE ARE PROPOSING FIRST OF ALL TO INCREASE THE AMOUNT OF FUNDING THAT WE MAKE AVAILABLE TO GRANTS, SECONDLY TO MAKE AVAILABLE MORE MONEY FOR LOANS. THE TOTAL COST OF THAT IS JUST OVER \$300 MILLION AND IT SHOULD BENEFIT ABOUT 4,800 PEOPLE WHO ARE AT PRESENT RECEIVING LOANS OF GRANTS AND IT SHOULD BRING ABOUT ANOTHER 1,400 OR SO INTO THE NET WHO WOULDN'T HAVE BEEN ABLE TO RECEIVE LOANS AND GRANTS BEFORE. SO OVER 6,000 PEOPLE IN TERTIARY EDUCATION WILL BENEFIT FROM THAT. I RECOGNISE THAT PAYING FEES OR HAVING TO PAY FOR ANYTHING IS RARELY POPULAR BUT I THINK THAT THE LEVEL OF FEES IN THE TERTIARY SECTOR IN HONG KONG IS JUSTIFIED (A) BY THE RAPID EXPANSION THAT WE'VE HAD IN THE TERTIARY SECTOR AND (B) BY THE FACT THAT IT'S USUALLY THE CASE THAT AFTER GETTING A DEGREE OR A DIPLOMA YOU ARE LIKELY TO GET TO MAKE MORE MONEY IN THE MARKETPLACE THAN YOU WOULD OTHERWISE HAVE DONE.

I REPEAT THAT THERE IS - I THINK THERE IS HARDLY A COMMUNITY IN THE WORLD WHERE STUDENTS AREN'T HAVING TO PAY A CONTRIBUTION TOWARDS THEIR EDUCATION, BUT IT'S VERY IMPORTANT THERE SHOULD BE ADEQUATE AND GENEROUS LOANS AND GRANTS TO HELP THOSE WHO CAN'T PAY.

QUESTION: MR GOVERNOR, JUST ONE QUESTION FOR YOU. CABLE TV WILL GIVE THREE CHANNELS TO THE GOVERNMENT, WOULD YOU DESIGNATE ONE AS A PUBLIC ACCESS CHANNEL SO THAT THERE WILL BE FREEDOM OF EXPRESSION AND SPEECH?

GOVERNOR: IT IS A SUBJECT THAT WE'RE, I THINK, HOPING TO DISCUSS IN THE EXECUTIVE COUNCIL AND IN THE LEGISLATURE BEFORE LONG AND THE PROPOSAL IS, I BELIEVE, THAT AT LEAST ONE OF THOSE CHANNELS SHOULD BE AVAILABLE FOR WHAT I THINK THE AMERICANS WOULD CALL PUBLIC EDUCATION PROGRAMMES, SO THAT PEOPLE CAN SEE THE SORT OF PROGRAMMES WHICH THEY MIGHT BE DENIED IF THEIR PROGRAMMING WAS DEPENDING ON PURELY COMMERCIAL FACTORS. SO I THINK THE ANSWER IS THAT, YES, WE DO WANT TO SEE MORE ACCESS TO PUBLIC EDUCATION TELEVISION CHANNELS AND THE PROVISION OF CABLE PROVIDES AN ADMIRABLE WAY OF DOING THAT.

QUESTION: MR GOVERNOR, NOW FOR THE ELDERLY PEOPLE IN PUBLIC HOUSING, THEY ARE SUFFERING. THEY HAVE MADE A NUMBER OF REQUESTS AND FOR SOME WORKERS THEY ARE UNABLE TO EARN ENOUGH WAGE. AND THE SECOND QUESTION I WANT TO TALK ABOUT IS RETIREMENT BENEFITS FOR THE ELDERLY. AFTER 1997, WHAT ARE WE GOING TO DO? DO WE HAVE ENOUGH PENSION? THANK YOU.

/GOVERNOR:

GOVERNOR: FIRST OF ALL, ELDERLY PEOPLE IN PUBLIC HOUSING. OF COURSE I RECOGNISE THE IMPORTANCE OF HELPING ELDERLY PEOPLE IN PUBLIC HOUSING BUT I AM EVEN MORE CONCERNED ABOUT THE PROBLEMS FACED BY ELDERLY PEOPLE WHO WANT PUBLIC HOUSING BUT CAN'T GET PUBLIC HOUSING. THERE ARE TOO MANY ELDERLY, PARTICULARLY SINGLE ELDERLY, WHO DON'T HAVE ADEQUATE ACCOMMODATION. THE PEOPLE WHO ARE HAVING TO LIVE IN CAGES ARE ONE EXAMPLE OF THAT AND ONE OF THE PRIORITIES THAT WE HAVE AGREED WITH THE HOUSING AUTHORITY IS TO PROVIDE 4,000 UNITS OF ACCOMMODATION FOR THE SINGLE ELDERLY BETWEEN NOW AND 1997 WHICH SHOULD MEAN THAT WE HAVE MOVED ALL THE SINGLE ELDERLY WHO ARE AT PRESENT ON THE HOUSING AUTHORITY LIST INTO ACCOMMODATION OVER THAT THREE YEAR PERIOD.

WE ARE ALSO TRYING, IN PLANNING NEW ESTATES, TO MAKE SPECIFIC ACCOMMODATION AVAILABLE FOR THE ELDERLY AND THERE IS A PROGRAMME FOR PROVIDING ABOUT 22,000 FLATS OR ROOMS FOR ELDERLY PEOPLE IN OUR NEW ESTATES. MY OWN VIEW IS THAT THE ELDERLY, WHEREVER POSSIBLE, WANT TO BE ABLE TO GO ON LIVING INDEPENDENTLY ON THEIR OWN UNLESS THEY ARE TOO FRAIL TO DO SO AND WE MUST TRY TO MAKE THE PUBLIC HOUSING AVAILABLE FOR THAT AND TO PROVIDE THE OTHER FACILITIES, HEALTH AND WELFARE FACILITIES, WHICH ENABLE PEOPLE TO GO ON LIVING INDEPENDENTLY IN THEIR DIGNITY.

YOU THEN MENTIONED RETIREMENT BENEFITS WHICH I REFERRED TO EARLIER. I VERY MUCH HOPE THAT BEFORE I LEAVE HONG KONG AT MIDNIGHT ON THE 30 JUNE 1997 - IT'S 999 DAYS AND FIVE-AND-A-HALF HOURS FROM NOW - BEFORE THEN I VERY MUCH HOPE THAT WE WILL HAVE AGREED WITHIN THE COMMUNITY AND WITH THE FUTURE SOVEREIGN POWER ON A SCHEME FOR PROVIDING A FINANCIAL SAFETY-NET FOR THE ELDERLY IN HONG KONG.

AS I SAID BEFORE, WE'VE BEEN TALKING ABOUT THE PROBLEM FOR 30 YEARS. MANY OF OUR ELDERLY HAVEN'T MADE AS MUCH PROVISION FOR THEMSELVES AS THEY WOULD HAVE LIKED BECAUSE, FOR EXAMPLE, THEY WERE PUTTING THEIR SAVINGS INTO EDUCATING THEIR CHILDREN, INTO HELPING TO BUILD UP THIS COMMUNITY AND WE THEREFORE HAVE, IN MY JUDGMENT, A SPECIFIC OBLIGATION TO PROVIDE COMPREHENSIVE FINANCIAL SUPPORT FOR THE ELDERLY IN A WAY WE HAVEN'T DONE BEFORE. I THINK THE PROPOSALS WHICH WE'VE PUT FORWARD, WHICH WE'RE DISCUSSING AT THE MOMENT, ARE THE BEST APPROACH TO DEALING WITH THAT PROBLEM. WE NEED, OF COURSE, TO DISCUSS THEM WITH CHINA AS WELL AS THE COMMUNITY AND I HOPE WE CAN CONVINCE EVERYBODY TO ACT AND ACT SOON.

IT ISN'T GOING TO BE ANY EASIER TO DEAL WITH THIS ISSUE IN 1998 OR 1999 THAN IT IS TODAY. INDEED, IT IS PROBABLY GOING TO BE MORE DIFFICULT BECAUSE SOMETHING THAT IS HAPPENING IN HONG KONG, WHICH IS VERY GOOD IN MOST WAYS - I HOPE IT EFFECTS GOVERNORS TOO - IS THAT WE'RE ALL LIVING LONGER. WE'RE ALL LIVING LONGER BUT OBVIOUSLY IF PEOPLE LIVE LONGER THEY HAVE GROWING FINANCIAL NEEDS AND THAT IS PARTICULARLY THE CASE AS THEY GET RATHER FRAILER AND NEED MORE ACCESS TO HEALTH AND WELFARE FACILITIES AS WELL. SO WHILE TODAY ABOUT 10 PER CENT OF OUR POPULATION IS RETIRED, THAT WILL BE DOUBLED OVER THE NEXT GENERATION. SO DEMOGRAPHY PRECLUDES PUTTING OFF TAKING DECISIONS AND THE SOONER WE GET ON WITH THIS AND TAKE DECISIONS THE BETTER. IT IS A PROBLEM IN OTHER COMMUNITIES AS WELL. IN JAPAN, FOR EXAMPLE, THEY ARE MOVING WITHIN THE SPACE, ALMOST LITERALLY OF ONE GENERATION, OF HAVING THE YOUNGEST POPULATION IN THE WORLD TO HAVING ONE OF THE OLDEST POPULATIONS, AND THAT HAS TERRIFIC IMPLICATIONS FOR WELFARE SPENDING AND PENSIONS. BUT I HOPE WE CAN SORT THAT OUT BEFORE 1997. IT IS A VERY GOOD EXAMPLE OF THE SORT OF ISSUE ON WHICH THERE SHOULD BE PRACTICAL CO-OPERATION BETWEEN US AND OUR CHINESE COLLEAGUES.

QUESTION: MR GOVERNOR, GOOD EVENING. RECENTLY, THE GOVERNMENT HAS REJECTED THE SUGGESTIONS OF THE MCPHERSON REPORT AND IN THE GOVERNMENT'S OPS THEY SAY THAT IF THE ELDERLY WANT TO LEAD A DIGNIFIED LIFE, THAT THEY SHOULD GET \$2,300, SO WHY CAN'T YOU IMMEDIATELY RAISE THE PUBLIC ASSISTANCE RATE TO THIS FIGURE?

GOVERNOR: CAN I SAY A WORD OR TWO ABOUT THE MCPHERSON REPORT, WHICH IS AN IMPORTANT ACADEMIC STUDY OF PROVISION FOR THE NEEDY IN HONG KONG, A VERY RESPECTABLE PIECE OF ACADEMIC WORK COMMISSIONED BY THE HONG KONG COUNCIL OF SOCIAL SERVICE. WHAT IT DOES IS TO PROPOSE A BASIS FOR CALCULATING SUPPORT FOR THE ELDERLY WHICH IS SIMILAR TO THAT USED IN ONE OR TWO OTHER COUNTRIES, NOT MANY OTHER COUNTRIES BUT SOME OTHER COUNTRIES, WHICH THOSE COUNTRIES HAVE STARTED TO FEEL, IN THE CASE OF GERMANY FOR EXAMPLE, IS TOO EXPENSIVE FOR THEM TO BEAR. NOW IT DOESN'T MEAN THAT ONE SHOULD RULE OUT ALL THE PERCEPTIONS AND INSIGHTS OFFERED BY DR MCPHERSON BUT IT WOULD BE A VERY EXPENSIVE PROGRAMME FOR HONG KONG TO IMPLEMENT, NOT LEAST SINCE IT WOULD, THROUGH CHANGING THRESHOLDS, MEAN THAT AN AWFUL LOT MORE PEOPLE WERE PROVIDED WITH BENEFIT. THERE IS SOME DISPUTE ABOUT THE PRECISE COSTS OF IMPLEMENTING MCPHERSON BUT NO DISPUTE, I THINK, THAT IT WOULD BE VERY EXPENSIVE AND CHANGE THE NATURE OF PROVISION FOR THOSE IN NEED IN HONG KONG.

I THINK WE DO NEED TO REVIEW - TAKING ACCOUNT OF WHAT DR MCPHERSON HAS RECOMMENDED - I THINK WE DO HAVE TO REVIEW THE BASIS ON WHICH WE PAY ALLOWANCES TO THE NEEDY IN HONG KONG AND THAT WE HAVE TO BASE THAT ON THE NEW HOUSEHOLD EXPENDITURE SURVEY WHICH IS BEING DONE OVER THE NEXT FEW MONTHS. WE ALSO HAVE, IN THE COURSE OF THAT REVIEW, TO TAKE ACCOUNT OF THE FACT THAT THERE ARE SO MANY SPECIAL GRANTS WHICH PEOPLE ARE INVARIABLY ENTITLED TO, WHICH AREN'T VERY OFTEN TAKEN INTO ACCOUNT WHEN PEOPLE GIVE GLOBAL FIGURES ABOUT THE ALLOWANCES THAT PEOPLE GET AND THERE IS A STRONG CASE FOR CONSOLIDATING SOME OF THOSE SPECIAL GRANTS INTO THE BASIC LEVELS OF GRANT. SO WE WILL HAVE, DURING THE COURSE OF THE NEXT YEAR OR SO, TO TAKE DECISIONS ABOUT THE SORT OF WELFARE PROVISION THAT WE WANT TO PROVIDE IN HONG KONG ON THE BASIS OF THE MCPHERSON REPORT AND ON THE BASIS OF A REVIEW OF THE NEXT HOUSEHOLD EXPENDITURE SURVEY.

THIS YEAR, WITH A LIMITED NUMBER OF RESOURCES, WE HAD TO DECIDE WHERE TO CONCENTRATE EXTRA ASSISTANCE AND IT SEEMED TO ME THAT THE PRIORITY SHOULD GO IN ALLOWANCES TO SINGLE PARENTS AND TO CHILDREN, AS I WAS EXPLAINING EARLIER, AND IN SERVICES TO PROVIDING A COMPREHENSIVE NETWORK OF SERVICES FOR THE ELDERLY AS RECOMMENDED BY THE WORKING GROUP ON THE ELDERLY WHOSE REPORT IS GOING TO BE PUBLISHED TOMORROW. SO AS EVER, IT WAS A QUESTION OF JUGGLING WITH PRIORITIES AGAINST WHAT IN HONG KONG EVEN, IS A FINITE AMOUNT OF MONEY. I HOPE WE'VE GOT IT RIGHT BUT I REALISE THERE WILL ALWAYS BE THOSE WHO SAY, "NO, YOU SHOULD HAVE SPENT MORE ON THIS OR THAT NEEDY GROUP", AND THERE ARE ALWAYS NEEDY GROUPS WITH VERY GOOD CASES FOR HAVING MORE MONEY SPENT ON THEIR NEEDS.

/QUESTION:

QUESTION: JUST NOW ONE OF MY COLLEAGUES ASKED ABOUT THE ISSUE OF FEE INCREASE IN TERTIARY INSTITUTION. I AM VERY DISAPPOINTED WITH YOUR REPLY AND I THINK WHAT YOU SAID SHOWS YOUR IGNORANCE BECAUSE, AS FAR AS I UNDERSTAND, THERE ARE MANY UNIVERSITIES IN THE WORLD WHICH DO NOT CHARGE SCHOOL FEES. THAT'S THE CASE IN CHINA. THEY ONLY NEED TO PAY \$200, \$300 FOR MISCELLANEOUS EXPENSES. NOW, WE ARE IN 1994 AND IN THE NEXT TWO OR THREE YEARS WE WILL EVENTUALLY PAY UP TO \$36,000 OR MORE PER YEAR FOR FEES. SO HOW CAN YOU GUARANTEE THAT OUR FAMILIES COULD AFFORD SUCH EXORBITANT FEES WHEN THE GOVERNMENT IS NOT GIVING US ENOUGH GRANTS AND LOAN. I HOPE YOU WILL ANSWER MY QUESTION DIRECTLY. DON'T CITE ANY EXAMPLE FROM OTHER COUNTRIES.

GOVERNOR: WELL, YOU CITED EXAMPLES FROM OTHER COUNTRIES AND SINCE I BELIEVE IN FAIRNESS IN ARGUMENT AND DEMOCRACY IN DEBATE I WILL CITE SOME EXAMPLES AS WELL. I CAN'T THINK OF A SINGLE OTHER COUNTRY, A SINGLE OTHER COMMUNITY AS WELL-OFF AS HONG KONG WHERE THERE AREN'T FEES FOR THE TERTIARY SECTOR. I CAN'T THINK OF ONE. IF YOU LOOK AT THE EXAMPLE OF OECD COUNTRIES WHICH ARE A GOOD DEAL LESS PROSPEROUS THAN HONG KONG, THEY ARE INVARIABLY SETTING HIGHER FEES FOR TERTIARY EDUCATION. NOW, I DON'T SEE THAT THAT OPENS AND CLOSES THE ARGUMENT. OF COURSE IT DOESN'T. ONE HAS TO LOOK AT INDIVIDUAL CASES AND THE PROBLEM IN INDIVIDUAL COMMUNITIES. BUT I DON'T THINK IT IS QUITE AS UNUSUAL AS YOU WERE IMPLYING TO ASK TERTIARY EDUCATION STUDENTS TO PAY A FEE TOWARDS THE COST OF THEIR EDUCATION. I AM NOT SO DUMB AS TO THINK THAT ARGUING THE CASE FOR FEES AND FEE INCREASES IN FRONT OF A PREDOMINANTLY TERTIARY EDUCATION AUDIENCE GUARANTEES YOU A STANDING OVATION. I AM AWARE OF THE FACT THAT IT'S ABOUT AS POPULAR AS ARGUING THE CASE FOR CHRISTMAS WITH TURKEYS. I MEAN, THIS IS NOT SOMETHING WHICH IS LIKELY TO MAKE ONE VERY POPULAR. BUT I THINK IT IS IMPORTANT THAT WE RECOGNISE THAT WE CAN'T HAVE THE DEVELOPMENT OF TERTIARY EDUCATION FOR NOTHING. IT DOES COST MONEY AND WHAT WE ARE ASKING FOR AT THE MOMENT IS 13 PER CENT CONTRIBUTION TOWARDS THE COST FROM THOSE WHO ARE BEING EDUCATED.

THERE IS JUST ONE OTHER THING I ADD. WE ARE TRYING TO ENSURE THAT THE LOANS AND GRANTS SYSTEM MEANS THAT WE DON'T RUN INTO THE SORT OF PROBLEMS THAT YOU MENTIONED IN WHICH PEOPLE FROM NEEDIER BACKGROUNDS AREN'T ABLE TO GO TO TERTIARY EDUCATION BECAUSE THEY DON'T HAVE THE CASH. IT SEEMS TO ME THAT THERE IS A GOOD DEAL OF EVIDENCE THAT SOCIOLOGICALLY THE TERTIARY EDUCATION IS EXTREMELY MIXED IN HONG KONG AND THAT, BY AND LARGE, WE HAVE MANAGED TO ENSURE THAT THERE IS A BROADENING OF EDUCATIONAL OPPORTUNITY FOR EVERYONE IN HONG KONG AND THAT'S GOT TO CONTINUE WITH THE CASE. BUT IN THIS PARTICULAR SPEECH THIS YEAR WE'VE ANNOUNCED OVER \$300 MILLION MORE FOR LOANS AND GRANTS IN ORDER TO TRY TO DEAL WITH THE PROBLEMS FACED BY NEEDIER STUDENTS.

QUESTION: MR GOVERNOR, AT THE END OF SEPTEMBER THERE WAS THE NATIONALIST CELEBRATION. WERE YOU AWARE OF THE FACT THAT SOME STUDENTS WERE TAKEN AWAY BY FORCE BY THE ROYAL HK POLICE FORCE. SO MY QUESTION IS, THERE HAS BEEN A COUPLE OF OCCASIONS WHEN STUDENTS WERE TREATED IN SUCH A MANNER. SO HOW DO YOU FEEL ABOUT IT? AND WHAT ABOUT THE PUBLIC ORDER ORDINANCE? IS IT ACTUALLY DEPRIVING US OF OUR HUMAN RIGHTS AND ARE OUR POLICE TOO POWERFUL?

/GOVERNOR:

GOVERNOR: AS I THINK YOU KNOW, AT THE MOMENT OUR PUBLIC ORDER ORDINANCE IS BEING DEBATED IN THE LEGISLATIVE COUNCIL BECAUSE WE'VE MADE CERTAIN PROPOSALS WHICH BRING OUR PUBLIC ORDER LEGISLATION INTO LINE WITH THE BILL OF RIGHTS IN A WAY WHICH I BELIEVE STILL GUARANTEES PEOPLE'S RIGHTS TO DEMONSTRATE FREELY, PROVIDED THEY DEMONSTRATE IN A RESTRAINED AND ORDERLY WAY. IT ISN'T UNUSUAL IN FREE, PLURAL, OPEN SOCIETIES LIKE HONG KONG TO HAVE RULES, TO HAVE LAWS ABOUT PUBLIC DEMONSTRATION. AND I THINK PART OF THE PRICE THAT WE ALL PAY FOR BEING ABLE TO DEMONSTRATE IN PUBLIC IS THAT WE SHOULD DO THAT IN A RESTRAINED AND CIVILISED WAY. ONE OF THE GREATEST POLITICAL PHILOSOPHERS IN THE WEST, EDMUND BURKE, USED TO ARGUE - AND I QUOTE - I DARE SAY MANY OF YOU WHO ARE DOING POLITICAL SCIENCE HAVE COME ACROSS THIS QUOTE MANY TIMES - "LIBERTY MUST BE LIMITED IN ORDER TO BE POSSESSED", BY WHICH HE MEANT THAT WE'LL GUARANTEE OUR FREEDOMS IF WE PURSUE THEM WITH A DEGREE OF RESTRAINT. I DON'T THINK THAT THE POLICE IN HONG KONG HAVE EXCESSIVE POWERS. I THINK WE HAVE AN EXTREMELY GOOD POLICE FORCE. I THINK THEY OPERATE WITHIN THE RULE OF LAW AND IT'S IMPERATIVE TO HONG KONG'S WELL-BEING THAT THEY CONTINUE TO OPERATE WITHIN THE RULE OF LAW. THE RULE OF LAW COVERS THEM; IT COVERS THE OTHER DISCIPLINED SERVICES; IT COVERS THE GOVERNOR; IT COVERS THE GOVERNMENT AND IT COVERS NEWS AGENCIES IN HONG KONG WHEREVER THEY COME FROM.

QUESTION: I UNDERSTAND THAT THIS YEAR LEGISLATIVE COUNCIL PASSED A MOTION TO FREEZE SCHOOL FEE INCREASE AND ALSO TO REVIEW THE SCHOOL FEE POLICY FOR TERTIARY I SUPPOSE. I WOULD LIKE TO KNOW HOW COME A MOTION WAS CARRIED IN LEGCO BUT THE GOVERNMENT SIMPLY TURNED A DEAF EAR TO THAT. DOES IT MEAN THAT THE COLONIAL GOVERNMENT NEED NOT TAKE HEED OF THE VIEWS OF LEGISLATIVE COUNCIL, ESPECIALLY WHEN THEY CARRIED A MOTION FORMALLY AND LEGALLY? IN THAT CASE, WHAT'S THE POINT OF US ELECTING OUR LEGISLATIVE COUNCILLORS?

GOVERNOR: WELL, WE HAVE IN HONG KONG, AS THEY DO IN WASHINGTON, A DISTINCTION BETWEEN THE EXECUTIVE AND THE LEGISLATURE. AND THE FACT THAT THE LEGISLATURE IN WASHINGTON COULD PASS A MOTION BUT THE PRESIDENT WOULDN'T NECESSARILY TAKE MUCH NOTICE OF IT DOESN'T MEAN THEY DON'T HAVE DEMOCRACY IN WASHINGTON. EQUALLY, THE FACT THAT THE LEGISLATURE PASSES A MOTION AND WE DON'T AUTOMATICALLY AGREE WITH IT DOESN'T MEAN THAT WE DON'T HAVE ACCOUNTABLE GOVERNMENT IN HONG KONG. THE LEGISLATURE HAS SPECIFIC POWERS AS WELL AS ITS ABILITY TO DEBATE MATTERS AND TO PASS MOTIONS. IT CAN AGREE TO, OR DISAGREE WITH, OR AMEND LAWS. IT CAN DECIDE WHETHER OR NOT WE SHOULD SPEND YOUR MONEY ON GIVEN PUBLIC PROJECTS AND IT HAS OTHER POWERS IN THE AREA OF SPENDING AND TAXATION. BUT WE DON'T HAVE A SYSTEM ANY MORE THAN WASHINGTON DOES IN WHICH WHATEVER THE LEGISLATURE SAYS HAS TO BE AUTOMATICALLY DONE BY THE EXECUTIVE.

YOU CAME BACK TO THE QUESTION OF STUDENT FEES AND, AS I SAID A MOMENT OR TWO AGO, I DON'T BELIEVE THAT A GOVERNOR OR ANY OTHER POLITICAL LEADER TO STAND UP IN FRONT OF AN AUDIENCE LARGELY MADE UP OF STUDENTS AND ARGUE THE CASE OF STUDENT FEES IS NECESSARILY GOING TO BE A VERY POPULAR ARGUMENT. IT MIGHT BE A MORE POPULAR ARGUMENT WITH A SLIGHTLY OLDER AUDIENCE. BUT IF WE WEREN'T HAVING TO - IF WE WEREN'T RECOVERING 13 PER CENT OF TERTIARY EDUCATION COSTS THROUGH FEES WE'D BE PAYING FOR IT THROUGH TAXATION. AND THAT MIGHT NOT BE VERY POPULAR WITH YOU AFTER YOU'VE LEFT UNIVERSITY OR POLYTECHNIC AND IT MIGHT NOT BE VERY POPULAR WITH YOUR PARENTS TODAY.

QUESTION: MR GOVERNOR, MY QUESTION IS ON HONG KONG-CHINESE RELATIONSHIP. NOW THE JLG HAS HELD 30 PLENARY MEETINGS AND YOU ARE AWARE OF THE FACT THAT THERE ARE A LOT OF OUTSTANDING ITEMS, SO HOW CAN YOU ENSURE THAT ALL THESE OUTSTANDING ITEMS OR ISSUES COULD BE RESOLVED BEFORE 1997? IF, UNFORTUNATELY, THEY CAN'T BE RESOLVED, THEN HOW WOULD THE BRITISH GOVERNMENT AND THE HONG KONG GOVERNMENT DEAL WITH THE SITUATION?

GOVERNOR: THANK YOU FOR RAISING A QUESTION WHICH I SPEND A GOOD DEAL OF MY TIME THINKING ABOUT. IT'S UNFAIR, AS SOME PEOPLE SUGGEST, TO ARGUE THAT THE JOINT LIAISON GROUP HAS ACHIEVED VERY LITTLE DURING ITS 30 MEETINGS. IT HAS DONE SOME GOOD WORK. IT'S DONE SUFFICIENT WORK TO CONVINCING US THAT IT HAS THE POTENTIAL TO DO A GREAT DEAL MORE BUT IT IS EQUALLY TRUE TO SAY THAT IT HASN'T DONE NEARLY AS MUCH AS ANY OF US WOULD HAVE LIKED OVER THE LAST FIVE YEARS. THAT IS BY AND LARGE SINCE 1989 WHEN, I THINK, THINGS BECAME A LITTLE TRICKIER AND A LITTLE MORE AWKWARD IN OUR RELATIONSHIPS. THE ONLY TWO REALLY BIG AGREEMENTS THAT IT HAS REACHED IN THE LAST FIVE YEARS HAVE BEEN, ONE, THE COURT OF FINAL APPEAL WHICH IS STILL A MATTER OF CONSIDERABLE CONTROVERSY IN HONG KONG, THOUGH I HOPE WE WILL BE ABLE TO RESOLVE THAT SATISFACTORILY IN THE NEXT YEAR; AND SECONDLY, AN AGREEMENT THAT WE CONCLUDED THIS SUMMER, AFTER SEVEN YEARS OF NEGOTIATION, ON THE FUTURE OF THE DEFENCE LANDS IN HONG KONG. IT'S A VERY GOOD DEAL, IT WILL ENSURE THAT WE HAVE ABOUT 65 BILLION DOLLARS WORTH OF LAND TO DEVELOP OVER THE NEXT FEW YEARS. BUT THAT ISN'T NEARLY AS MUCH AS WE SHOULD HAVE ACHIEVED AND THERE ARE A WHOLE HOST OF ISSUES ON THE AGENDA WHICH ARE UNRESOLVED AND THERE ARE SOME ISSUES WHICH SHOULD BE ON THE AGENDA WHICH HAVEN'T BEEN EVEN DISCUSSED YET.

LET ME GIVE YOU SOME EXAMPLES. WE STILL HAVEN'T GOT AN AGREEMENT ON ALL THOSE ISSUES THAT ARE TIED UP WITH RIGHT OF ABODE, FUTURE OF SAR PASSPORTS, VISAS, ALL THOSE ISSUES LOOSELY CONNECTED WITH NATIONALITY. AND THEY ARE EXTREMELY IMPORTANT, BOTH FOR PEOPLE'S PEACE OF MIND IN HONG KONG AND FOR EASE OF TRAVEL AFTER 1997 WHICH IS SO IMPORTANT FOR BUSINESS. WE HAVEN'T REACHED AGREEMENT ON SOME IMPORTANT INFRASTRUCTURE SUBJECTS. THE CONTAINER TERMINAL IS ONE, THE AIRPORT IS ANOTHER. THANK HEAVENS, BECAUSE THE LEGISLATIVE COUNCIL HAS STILL BEEN VOTING US FUNDS FOR BUILDING THE AIRPORT. WE'VE BEEN BUILDING IT AT A FAR FASTER RATE THAN ALMOST ANY OTHER COMMUNITY COULD MANAGE, BUT WE DO STILL NEED AN OVERALL FINANCING AGREEMENT IF WE ARE TO COMPLETE THE PROJECT AS RAPIDLY AS WE WOULD LIKE.

THERE IS AN AREA WHICH I GUESS WILL SEEM TO SOME PEOPLE TO BE DRY AS DUST BUT IS EXTREMELY IMPORTANT, THAT IS THE LOCALISATION OF LAWS; TURNING UK COLONIAL ENACTMENTS INTO LOCAL HONG KONG LEGISLATION AND ADAPTING HONG KONG LAWS - AND THERE ARE ABOUT 600 OF THEM - SO THAT THEY ARE IN LINE WITH THE BASIC LAW AFTER 1997. NOW WHY IS THAT IMPORTANT? IT IS IMPORTANT BECAUSE UNLESS WE HAVE DONE THAT BY THE 30TH JUNE 1997, THERE IS A DANGER OF GAPS IN THE LAW BOOK, WHICH WOULD HAVE CONSIDERABLE IMPLICATIONS FOR BUSINESSES WONDERING, FOR EXAMPLE, WHETHER TO SIGN CONTRACTS IN HONG KONG OR TO GO OFF TO SINGAPORE OR SEOUL OR SOMEWHERE ELSE TO DO BUSINESS. THERE ARE MANY OTHER ISSUES THAT WE NEED TO TACKLE IN THE JOINT LIAISON GROUP WHICH ARE AS IMPORTANT AS THAT.

WE'VE MADE A NUMBER OF PROPOSALS TO CHINESE OFFICIALS ABOUT WAYS IN WHICH THE WORK OF THE JLG CAN BE SPEEDED UP. WE'VE SUGGESTED MORE MEETINGS. WE'VE SUGGESTED MORE MEETINGS OF EXPERTS, AND I'VE SAID AS WELL THAT ONE POSSIBILITY - IT'S ONLY A POSSIBILITY, IT'S NOT PUT FORWARD AS AN IRON PROPOSAL, BUT IT IS THE SORT OF THINGS WE COULD DISCUSS. IF IT WOULD BE EASIER TO MAKE PROGRESS BY PUTTING SOME OF THE WORK THAT IS FORMALLY DONE IN THE JLG FOR DISCUSSION INTO INFORMAL GROUPS ASSOCIATED WITH THE JLG AND IF CHINESE OFFICIALS WOULD LIKE SOME OF THEIR ADVISERS IN HONG KONG, FOR EXAMPLE THE MEMBERS OF THE PWC, TO BE ASSOCIATED WITH THAT, THEN THAT IS SOMETHING WE WOULD BE VERY HAPPY TO DISCUSS AND IT MIGHT BE A WAY OF PUTTING MORE VITALITY INTO THE JOINT LIAISON GROUP PROCESS.

OF COURSE AT THE END OF THE DAY WHATEVER MACHINERY YOU SET UP, WHATEVER STRUCTURES YOU CREATE, WHAT WILL ACTUALLY DETERMINE WHETHER OR NOT THERE IS THE PROGRESS THAT WE NEED IN THE JOINT LIAISON GROUP, IS THE WILL ON BOTH SIDES. I HOPE THAT WE HAVE THE WILL TO DO ALL THAT IS NECESSARY. A POINT I MAKE AGAIN AND AGAIN IS THAT IF WE DON'T GET THROUGH ALL THE WORK THAT NEEDS TO BE DONE IN THE JOINT LIAISON GROUP, IT WON'T BE THE 28TH AND LAST GOVERNOR OF HONG KONG WHO SUFFERS -EXCEPT THAT HE WON'T HAVE LOOKED AS COMPETENT AS HE WOULD HAVE LIKED. IT WON'T BE THE OUTGOING SOVEREIGN, THE DEPARTING SOVEREIGN WHO SUFFERS, IT WILL BE THE PEOPLE OF HONG KONG AND IN A SENSE IT WILL BE CHINA BECAUSE HONG KONG WON'T BE AS SUCCESSFUL A CONTRIBUTOR TO CHINA'S ECONOMIC MIRACLE AS EVERYBODY IN HONG KONG WOULD LIKE IT TO BE. SO IT IS IN ALL OUR INTERESTS, IT IS IN OUR JOINT INTERESTS, TO MAKE A GREATER SUCCESS OF THE NEXT FEW YEARS IN THE JLG.

WITH THE BEST WILL IN THE WORLD WE'VE ONLY GOT NINE - 10 MEETINGS OF THE JOINT LIAISON GROUP LEFT, UNLESS WE INCREASE THE NUMBER EACH YEAR. SO THERE IS AN AWFUL LOT OF WORK TO DO IN A RATHER LIMITED AMOUNT OF TIME. WE CAN'T ALLOW ISSUES IN HONG KONG SIMPLY TO ATROPHY, WE HAVE TO GO ON GOVERNING AS BEST WE CAN BUT I HOPE WE CAN DO SO THROUGH THE CO-OPERATIVE FRAMEWORK OF THE JOINT LIAISON GROUP. AS SOON AS THINGS HAVE GOT INITIALS, "JLG", AS SOON AS THEY'VE GOT NAMES LIKE "JOINT LIAISON GROUP", IT ALL SOUNDS RATHER DULL AND DISTANCED FROM REAL LIFE, BUT THE IMPACT OF THE DECISIONS THE JLG IS MAKING, THE IMPACT ON PEOPLE'S DAILY LIVES, IS AND WILL BE REALLY CONSIDERABLE. SO I DO HOPE THAT WE CAN REGARD THE END OF THE ARGUMENT OVER ELECTORAL ISSUES. I HOPE WE CAN NOW REGARD THIS AUTUMN AND WINTER AS A WINDOW OF OPPORTUNITY. IF CHINESE OFFICIALS HAVE PROPOSALS WHICH THEY WANT TO PUT FORWARD FOR SPEEDING UP THE DEBATE ABOUT THESE MATTERS WE WILL BE DELIGHTED TO HEAR THEM. IF ANYBODY ELSE IN THE COMMUNITY HAS IDEAS - IT IS IMPERATIVE THAT WE MAKE AS MUCH PROGRESS AS POSSIBLE AS RAPIDLY AS POSSIBLE. IT'S IN YOUR INTEREST AND IF WE WANT TO GIVE PEOPLE REASSURANCE ABOUT THE FUTURE THEN THERE IS NO BETTER WAY WE COULD DO IT THAN BY COMING BACK FROM JLG MEETINGS WITH A FEW SUCCESSES UNDER OUR BELT.

I DON'T KNOW IF YOU SAW MUCH OF THE WORLD CUP, I DARE SAY YOU SAW A BIT MORE THAN I DID, BUT ALL OF US GET PRETTY BORED WITH THOSE GOAL-LESS DRAWS AND I FEAR THAT PEOPLE IN HONG KONG MUST BE STARTING TO THINK THAT MEETINGS OF THE JLG ARE LIKE ONE OF THOSE GAMES AND THEY ARE LOOKING FORWARD TO SEEING US SCORING A FEW GOALS.

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THERE WAS A LADY IN THE MIDDLE, YOUNG WOMAN. IF YOU WANT TO GO TO NO. 2, AND THE YOUNG WOMAN CAN GO TO NO. 1, IS THAT ALRIGHT? WELL, WHATEVER YOU WANT, WHATEVER IS NEARER. IF THE YOUNG LADY COULD GO FIRST, YES, SHE IS RUNNING, STARTING PHYSICAL EDUCATION.

QUESTION: THAT'S ONLY BECAUSE I CAN'T WAIT FOR THE QUESTION. YOU MENTIONED IN YOUR POLICY ADDRESS THAT YOU WOULD LIKE YOUR CIVIL SERVANTS TO HAVE CONTACT WITH THE MEMBERS OF THE PRELIMINARY WORKING COMMITTEE AND YOU DESCRIBED IT AS USEFUL. SO I JUST WONDER HOW IS IT USEFUL AND IT IS USEFUL IN WHAT WAYS? IF YOU DO MEAN THE PWC CAN BE TREATED EFFECTIVELY FUNCTIONING AS A BRIDGE BETWEEN THE CHINESE GOVERNMENT AND THE HONG KONG GOVERNMENT THEN I DOUBT BECAUSE THE MEMBERS OF THE PWC, AS WE ALL KNOW, THEY ARE ALL APPOINTED BY THE CHINESE GOVERNMENT AND HOW EFFECTIVELY THEY CAN REVEAL THE VIEWS OF THE HONG KONG GOVERNMENT? WHAT DO YOU THINK?

GOVERNOR: WELL I THINK THAT THE PEOPLE WHO REPRESENT AND SPEAK FOR THE HONG KONG GOVERNMENT ARE REASONABLE AND FLEXIBLE AND WE ARE TRYING TO BE AS HELPFUL AND AS OPEN MINDED AS POSSIBLE. LET ME SAY A WORD OR TWO ABOUT THE PRELIMINARY WORKING COMMITTEE, ABOUT WHICH YOU WILL ALL HAVE YOUR INDIVIDUAL VIEWS. WHEN THE PRELIMINARY WORKING COMMITTEE WAS SET UP, THERE WERE SOME PEOPLE WHO SAID, "WELL IT'S THERE TO HELP DEAL WITH PROBLEMS OF THE TRANSITION." THERE WERE OTHERS WHO SAID, "IT'S THERE TO CREATE A SECOND STOVE." AND WHAT THEY MEANT, I THINK, BY A SECOND STOVE, HAD NOTHING TO DO WITH CUISINE AND EVERYTHING TO DO WITH TRYING TO UNDERMINE THE AUTHORITY OF THE HONG KONG GOVERNMENT. NOW I'M SURE THAT THAT WASN'T THE INTENTION AND I'M SURE THAT IT HASN'T HAPPENED.

THE PWC IS AN ADVISORY BODY TO THE NATIONAL PEOPLE'S CONGRESS. IT DOESN'T FEATURE IN THE JOINT DECLARATION, IT DOESN'T FEATURE IN THE BASIC LAW. THERE ARE INSTITUTIONS WHICH ARE DIRECTLY RELEVANT TO THE TRANSITION WHICH DO COME OUT OF THOSE DOCUMENTS. THERE IS THE JOINT LIAISON GROUP, WHICH I'VE MENTIONED, AGREED BETWEEN BRITAIN AND CHINA AS THE FORUM FOR DEBATING ISSUES RELATING TO HONG KONG AND THERE IS THE PREPARATORY COMMITTEE WHICH WILL BE SET UP IN 1996 TO PREPARE THE WAY FOR THE TRANSITION. WE HAVE SUGGESTED WAYS IN WHICH THE JOINT LIAISON GROUP COULD BE IMPROVED AND WE'VE SAID THAT WE WANT TO WORK VERY CLOSELY WITH THE PREPARATORY COMMITTEE AND WE'RE PREPARED TO START DISCUSSING NOW HOW WE CAN WORK CLOSELY WITH THE PREPARATORY COMMITTEE.

BUT I DON'T THINK IT WOULD BE RIGHT FOR US TO TREAT THE PWC AS A FORMAL PART OF OUR INSTITUTIONAL ARRANGEMENTS, LIKE THE EXECUTIVE COUNCIL OR THE LEGISLATIVE COUNCIL OR THE JOINT LIAISON GROUP. I DON'T THINK IT WOULD BE FAIR ON CIVIL SERVANTS. ARE THEY SUPPOSED TO BE SUMMONED TO THE LEGISLATIVE COUNCIL, SUMMONED TO THE EXECUTIVE COUNCIL AND SUMMONED TO PEKING TO THE PWC? THAT WOULDN'T BE REASONABLE. NEVERTHELESS, ANSON CHAN AND I HAVE MADE IT CLEAR THAT WE HAVE ALWAYS BEEN PREPARED FOR CIVIL SERVANTS TO BRIEF INDIVIDUAL PWC MEMBERS. WE BRIEF ALL SORTS OF PEOPLE IN THE COMMUNITY AND WE ARE PERFECTLY PREPARED TO BRIEF INDIVIDUAL PWC MEMBERS IN THE HOPE THAT THAT WILL MAKE THEIR CONTRIBUTION TO DISCUSSION ON THE CHINESE SIDE ABOUT HONG KONG ISSUES BETTER INFORMED AND MORE IN HONG KONG'S INTEREST. WE'VE MADE THAT CLEAR AGAIN TODAY.

BUT WHAT WE'RE NOT PREPARED TO DO IS TO ALLOW CIVIL SERVANTS TO BECOME MEMBERS OF THE PWC OR OFFICIAL ADVISERS TO THE PWC OR BE SUMMONED TO PWC GROUP MEETINGS OR SUB-GROUP MEETINGS AND I THINK THAT IS PERFECTLY FAIR TO CIVIL SERVANTS BECAUSE IF WE ALLOW THAT SITUATION TO BE CONFUSED THEY WOULD WONDER PRECISELY WHO THEY WERE WORKING FOR. OUR CIVIL SERVANTS ARE WORKING FOR ONE PERSON TO WHOM THEY ARE ACCOUNTABLE AND THAT IS THE PEOPLE OF HONG KONG. THEY DON'T WORK FOR ANY INDIVIDUAL, THEY DON'T WORK FOR ME, THEY WORK FOR THE HONG KONG GOVERNMENT AND THROUGH THE HONG KONG GOVERNMENT THEY WORK FOR THE PEOPLE OF HONG KONG AND THEY DO THAT EXTREMELY WELL.

QUESTION: ALSO SOMETHING ABOUT THE PWC. I WANT TO ASK THAT IN YOUR POLICY ADDRESS, ARTICLE NUMBER 77, IN SOME WAY YOU RECOGNISE THE STATUS OF THE PWC AND WHY DON'T YOU EXPAND THE WORK BETWEEN THE HONG KONG GOVERNMENT AND THE PWC? BECAUSE I THINK SOME QUESTIONS CANNOT BE DISCUSSED IN THE JLG, THEY MAY BE BETTER DISCUSSED IN THE PWC.

GOVERNOR: WELL I HAVE, I HOPE, JUST TRIED TO ANSWER A QUESTION ABOUT THE PWC FAIRLY COMPREHENSIVELY. OUR VIEW IS THAT WHILE WE CAN TALK TO INDIVIDUAL MEMBERS OF THE PWC AND PROVIDE AS MUCH ASSISTANCE AS THEY WOULD LIKE, IT DOESN'T MAKE VERY MUCH SENSE TO TRY TO BYPASS THE JOINT LIAISON GROUP OR TO SET UP SOME RIVAL INSTITUTIONAL ARRANGEMENT TO THE JOINT LIAISON GROUP. IF WE CAN'T MAKE THE JOINT LIAISON GROUP WORK SUCCESSFULLY, WHY DOES ANYBODY THINK THAT SOME OTHER ARRANGEMENT COULD WORK WHICH HASN'T YET BEEN TRIED? I THINK WE SHOULD BE ABLE TO PUT SOME LIFE INTO THE JLG. I HOPE THAT WE CAN DO SO AND IF WE CAN DO SO BY, AMONG OTHER THINGS, CONTRIBUTING TO THE INFORMATION ABOUT HONG KONG HELD BY HONG KONG MEMBERS OF THE PWC, THEN SO BE IT.

QUESTION: MR GOVERNOR I THINK FOR CHILDREN, THEY HAVE A LOT OF EXPENSES. NOW THEY ARE PAID ONLY \$180. SO HOW DO YOU EXPECT US TO LOOK AFTER OUR CHILDREN WITH SUCH MEAGRE ASSISTANCE? ACCORDING TO DR MCPHERSON'S REPORT THERE SHOULD BE MORE PUBLIC ASSISTANCE. WHAT DO YOU THINK?

GOVERNOR: I MENTIONED EARLIER THAT WE WERE INCREASING THE GRANT FOR CHILDREN TO THE SAME LEVEL AS THAT RECEIVED BY THE ELDERLY, INCREASING IT BY \$205 A MONTH FOR NEXT APRIL. IT'S BEING INCREASED BY \$100 - OR IT WAS INCREASED BY \$100 A MONTH THIS APRIL I BELIEVE - OF COURSE IT'S ALSO THE CASE THAT MANY CHILDREN WILL BE RECEIVING SPECIAL GRANTS TOWARDS THINGS LIKE SCHOOL COSTS. SO I DON'T THINK THAT YOU SHOULD LOOK JUST AT THE BASIC ALLOWANCE BUT ALSO AT THE SPECIAL GRANTS WHICH CHILDREN ARE GETTING AS WELL. BUT I ALSO REPEAT WHAT I SAID EARLIER. WE'RE GOING TO LOOK COMPREHENSIVELY AT ALL GRANTS, ALL THE ALLOWANCES IN THE LIGHT OF BOTH THE MCPHERSON REPORT AND THE HOUSEHOLD EXPENDITURE SURVEY AND HOPE THAT WE CAN START COMING TO SOME CONCLUSIONS BEFORE THE END OF NEXT YEAR.

QUESTION: MR GOVERNOR, IN THE POLICY ADDRESS YOU TALKED ABOUT INCREASING NURSES BY 500. DOES THAT MEAN THAT THERE WILL BE MORE PLACES IN THE NURSING COURSE IN THE TERTIARY INSTITUTIONS? AND IF THERE'S AN INCREASE IN PLACES IN SUCH COURSES, ACTUALLY THERE WAS SOME OBJECTION TO THE INCREASE IN PLACES OF SUCH COURSES.

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GOVERNOR: CAN I CLARIFY THE 500. WE ARE AIMING FOR 500 ADDITIONAL NURSES A YEAR. ON TOP OF THOSE THAT WE NEED TO REPLACE NURSES WHO LEAVE THE PROFESSION OR LEAVE HONG KONG. SO THE GROSS NUMBER WILL BE MORE THAN 500 AND THAT IS GOING TO BE PRETTY CHALLENGING. BUT WE ARE ALSO TRYING, AS YOU SAID, TO INCREASE THE NUMBER OF PLACES AVAILABLE FOR NURSING DEGREES. WE ARE DISCUSSING THAT WITH THE UGC AT THE MOMENT AND I HOPE THAT WE WILL BE ABLE TO MEET OUR OBJECTIVE OF HAVING MORE NURSING DEGREES AVAILABLE AS WELL AS MORE NURSING DEGREE PLACES AVAILABLE AS WELL AS MORE NURSES IN THE PROFESSION.

THERE ARE TWO OTHER THINGS WHICH I THINK ARE RELEVANT TO THE PROBLEMS FACED BY NURSES. FIRST, A LOT OF THOSE WHO ARE STUDYING TO BE NURSES FEEL THAT THEY DON'T SPEND QUITE ENOUGH TIME IN THE LECTURE ROOM AND SLIGHTLY TOO MUCH TIME ON THE WARD AND WE ARE ADDRESSING THAT ISSUE TO GIVE THEM MORE TIME IN THE CLASSROOM OR LECTURE ROOM. AND SECONDLY, I THINK A LOT OF NURSES FEEL THAT THERE ARE MANY JOBS THEY DO WHICH COULD BE BETTER DONE BY OTHER HEALTH WORKERS, BY ANCILLARY HEALTH WORKERS, AND WE ARE HOPING TO ADDRESS THAT PROBLEM AS WELL. SO THAT NURSES ARE SPENDING THE OVERWHELMING MAJORITY OF THEIR TIME ON PROFESSIONAL DUTIES RATHER THAN ON DUTIES WHICH COULD BE DONE BY A VALUABLE ANCILLARY WORKER WHO HASN'T BEEN TRAINED AS A NURSE.

QUESTION: MR GOVERNOR - NOT SO MUCH TALKED-ABOUT QUESTION SO I HAVE TO GATHER MY COURAGE TO ASK THAT QUESTION. IN YOUR POLICY ADDRESS YOU SEEM TO HAVE INVESTED HEAVILY IN THE ARTS AND OF COURSE WE HAVE A VERY GRAND CULTURAL CENTRE BUT HAVE YOU CONSIDERED INVESTING IN ARTS, BASIC ARTS EDUCATION AND LOCAL CRITICS MAGAZINES AND SO ON? BECAUSE IN OTHER AREAS, RTHK FOR EXAMPLE, IT WOULD HAVE CRITICISMS ON PUBLIC ACTION, GOVERNMENT ACTION AND SO ON. BUT THEN ALSO THERE WAS A PUBLICATION WHICH'S CALLED "CROSS" I BELIEVE, WHICH STOPPED PRESS BECAUSE THERE IS NO MORE SUBSIDY. HOW COME IN HONG KONG WE CANNOT EVEN TOLERATE SUCH A MAGAZINE?

GOVERNOR: I AM AFRAID IT'S NOT A MAGAZINE THAT I'VE READ BUT I'VE OBVIOUSLY MISSED OUT. WE SET UP AS YOU KNOW, THE ARTS DEVELOPMENT BOARD WITH A VERY DISTINGUISHED GROUP OF PEOPLE INTERESTED IN THE ARTS ON IT AND I THINK THAT THE ARTS ARE PRETTY WIDELY REPRESENTED ON THAT BOARD. AND I BELIEVE MYSELF THAT IT IS RIGHT GIVEN THE LEVEL OF ECONOMIC PROSPERITY THAT HONG KONG HAS ARRIVED AT AND GIVEN THE EDUCATIONAL LEVELS WHICH HONG KONG HAS ARRIVED AT THAT WE SHOULD DO MORE TO SPONSOR AND ENCOURAGE THE ARTS. SO WE'VE GOT THE ARTS DEVELOPMENT BOARD SET UP AND WE HAVE OF COURSE GOT A THRIVING ACADEMY OF PERFORMING ARTS.

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ONE OF THE PROBLEMS THAT PEOPLE DISPENSING MONEY TO ARTS ORGANISATIONS HAVE TO ADDRESS, ONE OF THE PROBLEMS THEY ARE ALWAYS FACED WITH, IS HOW MUCH OF THEIR CASH TO GIVE TO ESTABLISHED ART FORMS AND HOW MUCH TO GIVE TO AVANT-GARDE, A MORE EXPERIMENTAL ART FORMS? THEY ALSO HAVE TO CONSIDER WHETHER THEY SHOULD LEAVE SOME AREAS OF THE ARTS TO MARKET FORCES. TO, FOR EXAMPLE, THE PUBLISHING INDUSTRY. WHETHER YOU SHOULD SUBSIDISE THE PUBLISHING OF POETRY OR THE PUBLISHING OF MAGAZINES WHICH PROVIDE CRITICISM OF MUSIC OR THE VISUAL ARTS OR WHETHER YOU SHOULD ASSUME THAT THE MARKET WILL TAKE CARE OF THOSE. I AM CONTENT TO LEAVE THOSE SORT OF ISSUES TO THE ARTS DEVELOPMENT BOARD BECAUSE I HAVE TO SAY, SPEAKING AS A POLITICIAN OR A POLITICAL ADMINISTRATOR, I AM A BIT SUSPICIOUS OF POLITICIANS TAKING THOSE DECISIONS. VERY OFTEN IN MY JUDGMENT POLITICIANS TAKE THOSE SORT OF DECISIONS FOR THE WRONG REASONS. THEY TAKE THOSE DECISIONS BECAUSE OF THE PRESSURE ON THEM FROM PARTICULAR LOBBY GROUPS. OR THEY TAKE THOSE DECISIONS BECAUSE OF THEIR OWN PARTICULAR INTERESTS. I HAVE A FRIEND WHOSE NAME I WON'T MENTION, WHO WAS A MINISTER OF THE ARTS IN THE U.K. FOR SOME TIME, WHO WAS PASSIONATELY INTERESTED IN THE OPERA. DURING HIS PERIOD AS MINISTER OF THE ARTS IT WON'T SURPRISE YOU TO KNOW THAT FUNDING OF THE OPERA INCREASED VERY SUBSTANTIALLY BUT THERE WERE ONE OR TWO OTHER ART FORMS WHICH PERHAPS DIDN'T GET QUITE AS MUCH. SO I AM VERY MUCH IN FAVOUR OF LEAVING THOSE VERY TRICKY AND DIFFICULT DECISIONS SO FAR AS POSSIBLE TO THE BOARD THAT WE'VE SET UP TO DEAL WITH THEM. I AM ABSOLUTELY CONVINCED THAT JUST AS WE'VE SEEN IN HONG KONG IN THE LAST FEW YEARS THE DEVELOPMENT OF SERVICE INDUSTRIES, JUST AS WE'VE SEEN HONG KONG BECOME THE TELECOMMUNICATIONS AND IN SOME SENSES, ONE OF THE BUSINESS CENTRES OF ASIA, SO WE WILL SEE HONG KONG BECOMING THE ARTS CENTRE OF THIS PART OF ASIA AS WELL. WE NEED TO GIVE THAT A BIT OF ENCOURAGEMENT, BUT I AM SURE MYSELF THAT WE'VE GOT ALL THE MAKINGS OF THAT, BOTH THE EDUCATIONAL INSTITUTIONS, THE CONSERVATOIR AND THEIR GROWING APPETITE FOR THE VISUAL ARTS AND FOR PERFORMANCE. I AM ABLE TO SEE QUITE A BIT OF THE VISUAL ARTS AND TO HEAR QUITE A BIT OF MUSIC IN HONG KONG AND I THINK WE ARE JUST AT THE BEGINNING OF A REAL CULTURAL RENAISSANCE IN THE COMMUNITY.

QUESTION: BEFORE 1997 THE COST OF FEES RECOVERY WILL BE 18%. NOW YOU ARE SAYING THAT OTHER COUNTRIES ARE DOING THE SAME. SO MY QUESTION FOR THE GOVERNOR IS, WHAT OTHER STATISTICS AND RATIONALE DO YOU HAVE TO BACK UP YOUR DECISION TO RAISE IT TO 18%? YOU SAY THAT THERE ARE LOANS AND GRANTS IN ORDER TO HELP STUDENTS. IS THIS A GOOD WAY? BECAUSE IF WE HAVE TO REPAY THE LOANS AFTER ALL, IF OUR FEES IS \$10,000, DOES THAT MEAN THAT WE HAVE TO GET A LOAN OF \$10,000? IS THIS REALLY APPROPRIATE? THANK YOU.

/GOVERNOR:

GOVERNOR: THE COST RECOVERY OF 18% I'D BE DELIGHTED TO COMPARE FOR YOU WITH COST RECOVERY IN OTHER OECD COUNTRIES AND, IF YOU WOULD LIKE, THOUGH I DON'T HAVE THE FIGURES ON THE BACK OF MY CUFF, I WILL FIND OUT THE FIGURES FOR YOU AND WRITE TO YOU OR TO - IF YOU ARE A MEMBER OF A STUDENT UNION - YOUR STUDENT UNION AND LET YOU KNOW EXACTLY WHAT THE FIGURES ARE. I DON'T MYSELF BELIEVE THAT IT IS UNREASONABLE EVEN IF ONE IS CONSIDERING THE ISSUE IN A STRICTLY EGALITARIAN WAY TO EXPECT THOSE WHO GO THROUGH TERTIARY EDUCATION TO MAKE A CONTRIBUTION TO THAT WHICH THEY HAVE TO REPAY WHEN THEY ARE USUALLY BUT NOT ALWAYS GETTING RATHER BETTER PAID IN LATER LIFE THAN WOULD HAVE BEEN THE CASE IF THEY HADN'T BEEN TO TERTIARY EDUCATION. I THINK THAT IF I HAVE TO CHOOSE FOR EXAMPLE, BETWEEN PUTTING MORE MONEY INTO THE FEE REMISSION SCHEME FOR KINDERGARTENS OR DELAYING COST RECOVERY IN THE TERTIARY EDUCATION SECTOR I WOULD THINK THAT THERE WAS A GREATER EGALITARIAN SOCIAL NEED FOR US DOING MORE AT THE LEVEL OF 3 TO 5 YEAR OLDS, ESPECIALLY WHERE THEIR PARENTS FIND IT VERY DIFFICULT TO AFFORD KINDERGARTEN FEES. SO, FOR ME, THERE ARE EGALITARIAN ASPECTS TO THIS AS WELL AS OTHER ASPECTS BUT I HAD BETTER NOT GO ON ABOUT EGALITARIANISM BECAUSE YOU MIGHT THINK, SOME OF OUR FRIENDS TO THE NORTH THINK THAT I AM A SOCIALIST.

QUESTION: I AM ALSO ASKING A QUESTION ON EDUCATION. I DON'T THINK EDUCATION SHOULD BE REGARDED AS PERSONAL INVESTMENT, IT IS A SOCIAL INVESTMENT RATHER, SO THE GOVERNMENT AND SOCIETY SHOULD BEAR THE BIGGEST RESPONSIBILITY. THE RESPONSIBILITY SHOULD NOT REST WITH STUDENTS. I AM NOT SAYING THAT WE STUDENTS DON'T WANT TO PAY THE FEE BUT WE WANT TO PAY A REASONABLE FEE, ONE THAT CAN BE AFFORDED BY OURSELVES AND OUR FAMILIES. NOW IN THIS YEAR, 1994, I AM PAYING \$12,000 -- SORRY, \$12,000 FOR A HALF-YEAR - AND THEN NEXT YEAR FOR THE FULL TERM IT WILL BE \$36,000. NOW FOR THE FIGURE OF \$36,000 FOR AN INDIVIDUAL, IN MY CASE IT IS ALMOST IMPOSSIBLE FOR ME TO AFFORD. I DEFINITELY HAVE TO TAKE A PART-TIME JOB TO PAY THAT FEE. SO IT WAS QUITE DIFFERENT FROM MY ORIGINAL THINKING THAT I WOULD NOT TAKE A PART-TIME JOB DURING MY THREE-YEAR COURSE.

MR PATTEN, YOU SAID YOU ARE ONLY GIVING \$300 MILLION MORE FOR THE GRANT AND LOAN SCHEME BUT IT IS NOT ENOUGH FOR ALL TERTIARY STUDENTS. THERE ARE OVER 40,000 OF US, SO THAT SUM WOULD NOT BE ENOUGH TO COPE WITH THE PROBLEM. I HOPE YOU CAN ANSWER MY QUESTION. THANK YOU.

GOVERNOR: THERE ARE ABOUT 46,000 OF YOU, I THINK, AND ABOUT 40 PER CENT ARE GETTING LOANS AND GRANTS. I AGREE WITH YOU THAT INVESTMENT IN EDUCATION ISN'T JUST A UTILITARIAN ECONOMIC INVESTMENT. INVESTMENT IN EDUCATION IS ALSO VALUABLE IN LIBERAL - WITH A SMALL 'L' - TERMS AS WELL. INVESTMENT IN EDUCATION, INVESTMENT IN UNIVERSITIES AND POLYTECHNICS HELPS TO PRODUCE A MORE DECENT AND CIVILISED SOCIETY AND HAVING READ CARDINAL NEWMAN ON THE SUBJECT, I FEEL EXTREMELY STRONGLY ABOUT IT. BUT THAT DOESN'T MEAN THAT YOU CAN TOTALLY IGNORE THE ECONOMIC CONSEQUENCES OF EXPANDING TERTIARY EDUCATION AS RAPIDLY AS WE HAVE EXPANDED IT HERE. AND THAT DOES MEAN THAT SOMEBODY HAS TO FOOT THE BILL AND WHAT WE ARE EXPECTING AT THE MOMENT IS THAT STUDENTS SHOULD MEET ABOUT 13 PER CENT OF IT.

YOU SAID THAT YOU WERE HAVING TO CONSIDER A PART-TIME JOB. I THINK THAT ONE OF THE MORE TIRESOME THINGS THAT YOU HAVE TO FACE WHEN YOU'RE A STUDENT OR YOUNG, IS YOUR PARENTS OR OLDER PEOPLE TELLING YOU WHAT LIFE USED TO BE LIKE FOR THEM BUT YOU'RE LISTENING TO SOMEBODY WHO HAD TO DO A NUMBER OF PART-TIME JOBS HIMSELF. I WAS ONE OF THE BEST POSTMEN IN NORTH-WEST LONDON; I WAS A PRETTY INADEQUATE BRICKLAYER ON A CONSTRUCTION SITE; I DID MANY PART-TIME JOBS TO HELP GET ME THROUGH UNIVERSITY BECAUSE I HAD A SMALL SCHOLARSHIP BUT ONE WHICH DIDN'T COVER THE WHOLE OF MY UNIVERSITY COSTS. SO TAKING OCCASIONAL PART-TIME JOBS IN ORDER TO HELP PAY FOR THE BILLS ISN'T AN UNUSUAL FEATURE OF THE TERTIARY SECTOR. IF YOU THINK IT IS, READ ANY AMERICAN LITERATURE ABOUT GROWING UP OR GO AND TALK TO ANYBODY WHO IS AT AN AMERICAN COLLEGE OR UNIVERSITY.

QUESTION: LAST QUESTION. MR GOVERNOR, I HAVE READ YOUR POLICY ADDRESS AND YET I CAN'T FIND ANYTHING ON THE NEW AIRPORT AND THE NEW CONTAINER TERMINAL AND SO I ASK THIS QUESTION. OK, WE DON'T TALK ABOUT THE AIRPORT, WE DON'T TALK ABOUT THE CONTAINER TERMINAL, AND YET A QUARTER OF THE ADDRESS IS ON MENDING RELATIONSHIP WITH CHINA. SO DOES THAT MEAN THAT ONCE THE RELATIONSHIP IS MENDED THEN ALL MATTERS WILL BE RESOLVED? AND YET THERE IS NO POSITIVE RESPONSE FROM THE CHINESE SIDE TO WHAT YOU HAVE PROPOSED. SO MY QUESTION IS, THE NEW AIRPORT AND THE CONTAINER TERMINAL, WHAT ARE THE FACTORS THAT ARE IN THE WAY THAT STOPPED YOU FROM ARRIVING AT A CONCLUSION? I WANT THE TRUE REASON, NOT WAFLING AND WANDERING.

GOVERNOR: I'M SURPRISED THAT YOU SAY THERE IS NO MENTION OF EITHER THE AIRPORT OR THE CONTAINER TERMINAL IN MY POLICY SPEECH BECAUSE I AM, EVEN AS I SPEAK TO YOU, STARING AT JUST SUCH A MENTION ON THE TURN, FOR EXAMPLE, OF PAGES 29 AND 30. BUT IF YOU WANT EVEN MORE COMPREHENSIVE REFERENCES TO THE AIRPORT AND THE CONTAINER TERMINAL THEN I DRAW YOUR ATTENTION TO THE POLICY COMMITMENTS. LET ME TELL YOU ABOUT THE POLICY COMMITMENTS.

WE DECIDED, THIS YEAR, THAT THE GOVERNOR, NOT LEAST AS AN ACT OF CHARITY TO THE LEGISLATIVE COUNCIL, SHOULDN'T SAY EVERYTHING THAT WAS GOING ON HIMSELF AND SHOULD MAKE A SHORTER SPEECH AND THAT WE SHOULD HAVE ALL THE POLICY SECRETARIES SETTING OUT THEIR OWN MISSION STATEMENTS AS BUSINESS MANAGERS WOULD CALL THEM, SETTING OUT WHAT WAS HAPPENING IN ALL THEIR OWN DEPARTMENTS, AND THEY WILL BE DOING THAT AT A SERIES OF PRESS CONFERENCES ABOUT THIS HUGE DOCUMENT, 184 PAGES LONG, OVER THE NEXT TEN DAYS AND THERE IS A GREAT DEAL IN THAT DOCUMENT ABOUT THE AIRPORT AND THE CONTAINER TERMINAL.

WHY HAVEN'T WE REACHED A FINAL AGREEMENT ABOUT THE AIRPORT OR THE CONTAINER TERMINAL? IT IS A QUESTION WHICH, IF I WAS BEING MORE PROVOCATIVE, I MIGHT SAY THAT YOU SHOULD ASK OF PRC OFFICIALS BECAUSE I THINK IT MUST PUZZLE EVERYONE THAT AFTER YEARS OF DISCUSSION WE STILL HAVEN'T, FOR EXAMPLE, REACHED AN AGREEMENT ON THE AIRPORT. I CAN'T THINK OF ANY OTHER EXAMPLE IN HUMAN HISTORY OF TWO GREAT COUNTRIES SPENDING SO MUCH TIME TALKING ABOUT AN AIRPORT. AS I HAVE SAID BEFORE, AIRPORTS ARE THINGS THAT PRIME MINISTERS AND FOREIGN SECRETARIES SHOULD FLY IN AND OUT OF, THEY ARE NOT THINGS THEY SHOULD SPEND ALL THEIR TIME TALKING ABOUT. I THINK THAT WE ARE VERY CLOSE TO AN AGREEMENT NOW ON THE AIRPORT. I THINK WHAT SEPARATES THE TWO SIDES IS VERY SLIM. I VERY MUCH HOPE THAT WE CAN REACH AN AGREEMENT EXTREMELY SOON BUT EVEN WITHOUT AN AGREEMENT WE ARE BUILDING THAT AIRPORT EXTREMELY FAST.

I DON'T KNOW IF YOU HAVE SEEN WHAT IS HAPPENING BUT TWO-THIRDS, MAYBE THREE-QUARTERS NOW, OF THE SITE HAS BEEN RECLAIMED AND THE FIXED-CROSSING IS NOW SUBSTANTIALLY IN PLACE. WE'RE MAKING VERY SUBSTANTIAL PROGRESS, WE'RE ALMOST THERE. I'M AFRAID THAT WE HAVEN'T QUITE GOT A FINANCIAL AGREEMENT BUT I HOPE THAT WILL COME SOON.

ON THE CONTAINER TERMINAL, I FEAR THAT WHAT MAY HAVE PREVENTED AN AGREEMENT IS POLITICAL FACTORS, WHICH HAVE BEEN MENTIONED BY SOME CHINESE OFFICIALS. BUT SINCE MY INTEREST IS IN TRYING TO GET AN AGREEMENT ON THE CONTAINER TERMINAL RATHER THAN TRYING TO PROVOKE ANOTHER ARGUMENT I'LL BE EXTREMELY DIPLOMATIC AT THIS POINT. BUT I SUSPECT THAT YOU KNOW AS WELL AS I KNOW WHAT THE ARGUMENT HAS BEEN ABOUT.

CAN I THANK YOU ALL FOR COMING. I REALISE THAT WE COULD HAVE HAD AN EVEN FRIENDLIER MEETING IF WE WEREN'T HAVING ANY COST RECOVERY FROM THE TERTIARY EDUCATION SECTOR BUT I HOPE THAT EVEN WITHOUT THAT ISSUE OF LOANS AND GRANTS, YOU HAVE FELT IT WORTHWHILE TO HAVE THIS OPPORTUNITY OF ASKING ME QUESTIONS. I'VE CERTAINLY ENJOYED IT AND I HOPE WE CAN DO IT AGAIN.

THANK YOU VERY MUCH INDEED.

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PROPOSALS BY GOVERNOR OFFERED WITH GOODWILL AND SINCERITY

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THE PROPOSALS PUT FORWARD BY THE GOVERNOR YESTERDAY TO SETTLE THE DIFFICULTIES BETWEEN THE UNITED KINGDOM AND CHINA ARE OFFERED WITH GOODWILL AND SINCERITY AND WITH HONG KONG'S FUTURE WELL-BEING AT HEART, THE CHIEF SECRETARY, MRS ANSON CHAN, SAID TODAY (THURSDAY).

THESE WERE PRACTICAL, PRAGMATIC, DESIRABLE AND WHOLLY ACHIEVABLE MEASURES AND THEIR ACCEPTANCE WOULD BRING A WELCOME ASSURANCE TO THE PEOPLE OF HONG KONG, AND SEND A POSITIVE SIGNAL TO HONG KONG'S PARTNERS IN THE INTERNATIONAL BUSINESS COMMUNITY, MRS ANSON CHAN SAID WHILE ADDRESSING THE ASIAN AFFAIRS SEMINAR.

MRS CHAN ALSO CLARIFIED SOME MISUNDERSTANDINGS ON THE GOVERNMENT'S POLICY TOWARDS THE PRELIMINARY WORKING COMMITTEE (PWC).

THERE HAD NEVER BEEN A BAN ON CONTACTS BETWEEN CIVIL SERVANTS AND PWC MEMBERS AND THERE HAD BEEN VARIOUS SUCH CONTACTS IN THE PAST, SHE SAID, ADDING THAT THE GOVERNMENT HOPED THESE CONTACTS WOULD CONTINUE AND WOULD BE HELPFUL TO PWC MEMBERS.

"HOWEVER, GIVEN THE DIFFERENCES IN THE ROLES OF VARIOUS PARTIES, IT WOULD NOT BE APPROPRIATE FOR HONG KONG CIVIL SERVANTS TO BECOME MEMBERS OF PWC; ATTEND FORMAL MEETINGS OF THE PWC OR ITS SUBGROUPS; OR ACT AS ADVISERS TO THE PWC OR ITS SUBGROUPS," SHE SAID.

"WITHIN THESE PARAMETERS, CIVIL SERVANTS ARE FREE TO DEVELOP OR MAINTAIN CONTACTS WITH PWC MEMBERS, EITHER IN THEIR OFFICIAL OR PRIVATE CAPACITIES," SHE ADDED.

SHE NOTE THAT PWC WAS AN ADVISORY BODY TO THE NATIONAL PEOPLES' CONGRESS (NPC) OF THE PEOPLES' REPUBLIC OF CHINA AND IT SHOULD BE DISTINGUISHED FROM THE PREPARATORY COMMITTEE FOR THE HONG KONG SPECIAL ADMINISTRATIVE REGION (SAR) WHICH, UNDER AN NPC DECISION, WAS TO BE RESPONSIBLE FOR PREPARING THE ESTABLISHMENT OF THE HONG KONG SAR.

"THE JOINT DECLARATION MAKES SPECIFIC PROVISIONS FOR THE ESTABLISHMENT OF THE SINO-BRITISH JOINT LIAISON GROUP AS THE FORUM FOR THE BRITISH AND CHINESE SIDES TO WORK TOGETHER TO IMPLEMENT THE JOINT DECLARATION AND TO PROMOTE THE SMOOTH TRANSFER OF GOVERNMENT ON JULY 1, 1997.

"THIS, TOGETHER WITH OTHER CHANNELS OF COMMUNICATION BETWEEN THE BRITISH AND CHINESE SIDES - FOR EXAMPLE, MEETINGS BETWEEN THE BRITISH SECRETARY OF STATE AND THE CHINESE FOREIGN MINISTER- PROVIDES A FULL RANGE OF FORUMS FOR RESOLVING ALL TRANSITION ISSUES BETWEEN THE TWO GOVERNMENTS, AND WILL REMAIN SO.

"NEITHER THE JOINT DECLARATION NOR THE BASIC LAW AND THEIR ASSOCIATED DOCUMENTS REFER TO THE PWC," MRS CHAN SAID.

MRS CHAN SAID CIVIL SERVANTS IN THE DISCHARGED OF THEIR OFFICIAL DUTIES WERE RESPONSIBLE TO THE HONG KONG GOVERNMENT AND TO THE PEOPLE OF HONG KONG.

"AS PART OF THE HONG KONG ADMINISTRATION THEY ARE ACCOUNTABLE TO THE LEGISLATIVE COUNCIL.

"THERE SHOULD, THEREFORE, BE NO CONFUSION ON THE ROLES AND RESPONSIBILITIES OF THESE VARIOUS PARTIES," SHE EXPLAINED.

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TRANSCRIPT OF THE CHIEF SECRETARY'S MEDIA SESSION
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THE FOLLOWING IS THE TRANSCRIPT OF THE MEDIA SESSION BY THE CHIEF SECRETARY, MRS ANSON CHAN, AFTER ADDRESSING THE AMERICAN WOMEN ASSOCIATION'S ASIAN AFFAIRS SEMINAR THIS (THURSDAY) MORNING:

QUESTION: WHAT GUIDELINE IS THE GOVERNMENT GOING TO ISSUE TO CIVIL SERVANTS REGARDING THE PWC?

MRS CHAN: LET ME STRESS, FIRST OF ALL, THAT THERE IS NO CHANGE IN OUR POLICY AS REGARDS CONTACTS WITH THE PWC. THE ROLE OF THE PWC IS DIFFERENT FROM THE ROLE OF THE PREPARATORY COMMITTEE WHICH IS, OF COURSE, LAID DOWN IN THE BASIC LAW AND SO, THEREFORE, WE DO NOT BELIEVE IT'S RIGHT OR APPROPRIATE FOR CIVIL SERVANTS TO BECOME FORMAL MEMBERS OF THE PWC OR TO HAVE FORMAL CONTACTS. BUT, OF COURSE, THERE IS NO BAN, AND I STRESS, THERE IS NO BAN ON CONTACTS BETWEEN CIVIL SERVANTS EITHER IN THEIR OFFICIAL OR PRIVATE CAPACITY WITH INDIVIDUAL MEMBERS OF THE PWC. INDEED, WE HAVE A NUMBER OF SUCH CONTACTS ALREADY AND WE HOPE THAT THESE CONTACTS WILL BE MAINTAINED AND WILL BE INCREASED. WE WILL BE VERY HAPPY TO PROVIDE INFORMATION. AS REGARDS FORMAL ATTENDANCE AT MEETINGS, THERE ARE, AS I HAVE STRESSED ON MANY OCCASIONS, RECOGNISED CHANNELS OF COMMUNICATION BETWEEN THE TWO SOVEREIGN POWERS AND THAT IS THROUGH THE JOINT LIAISON GROUP, THROUGH MEETINGS, FOR EXAMPLE, BETWEEN THE TWO FOREIGN SECRETARIES, SUCH AS THE ONE THAT WE HAD RECENTLY. AND SO, WE BELIEVE THERE ARE PLENTY OF CHANNELS FOR INFORMATION TO BE GIVEN TO THE CHINESE SIDE ON ANY MATTER OF POLICY OR PROCEDURE THAT THEY WISH TO SEEK CLARIFICATION ON.

QUESTION: MRS CHAN, JUDGING FROM SOME INITIAL REACTIONS, IT SEEMS THAT CHINA IS STILL NOT CONVINCED BY THE GOVERNOR'S PROPOSALS TO IMPROVE RELATION WITH THE MAINLAND...?

MRS CHAN: I CAN STRESS AGAIN THAT WE HAVE OUTLINED A NUMBER OF CONCRETE MEASURES FOR CO-OPERATION BETWEEN THE TWO SIDES. I THINK YOU'LL HAVE TO ALLOW TIME FOR OUR PROPOSALS TO BE DIGESTED, TO BE CONSIDERED BY THE CHINESE. WE VERY MUCH HOPE TO BE ABLE TO DEVELOP ON OUR SUGGESTIONS AND I STRESS AGAIN, AS THE GOVERNOR HAS STRESSED, THESE ARE NO MORE THAN PROPOSALS ON OUR PART. IF THE CHINESE FEEL THAT CERTAIN SUGGESTIONS ARE NOT WHAT THEY WISH TO SEE, THEN WE'LL BE VERY HAPPY TO CONSIDER COUNTER-PROPOSALS FOR THEM. BUT I DO STRESS AGAIN, WE ARE VERY SINCERE IN WISHING TO CO-OPERATE WITH THE CHINESE. THERE IS, INDEED, NO ALTERNATIVE TO CO-OPERATION WITH THE CHINESE, OR WITH THE REMAINING SLIGHTLY UNDER 1,000 DAYS BEFORE SOVEREIGNTY REVERSES. IT IS WHAT THE COMMUNITY WISHES TO SEE AND I CAN ASSURE THE CHINESE GOVERNMENT OF OUR FULL CO-OPERATION.

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CS TO VISIT CANADA AND U.S.

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THE CHIEF SECRETARY, MRS ANSON CHAN, WILL LEAVE HONG KONG ON SUNDAY (OCTOBER 9) FOR A TWO-WEEK OFFICIAL VISIT TO CANADA AND THE UNITED STATES.

MRS CHAN WILL BEGIN HER VISIT IN TORONTO AND LATER FLY TO OTTAWA. IN BOTH CITIES SHE WILL MEET A NUMBER OF FEDERAL AND PROVINCIAL OFFICIALS AND COMMUNITY LEADERS. SHE WILL ALSO ATTEND BUSINESS LUNCHEONS AND A GALA DINNER IN TORONTO.

A GOVERNMENT SPOKESMAN SAID RELATIONS BETWEEN CANADA AND HONG KONG HAD ALWAYS BEEN CLOSE. APART FROM BEING MAJOR TRADING PARTNERS, THE TWO COMMUNITIES HAVE ALSO DEVELOPED CLOSE LINKS IN CULTURAL, MIGRATION AND OTHER AREAS.

"THIS VISIT WILL ENABLE MRS CHAN TO BROADEN THE ALREADY STRONG TIES BETWEEN OUR TWO COMMUNITIES," THE SPOKESMAN ADDED.

FOLLOWING HER VISIT TO CANADA, MRS CHAN WILL LEAD A TOP-LEVEL BUSINESS DELEGATION TO THREE CITIES IN THE UNITED STATES, THE SETTING FOR HONG KONG-USA '94 - THE BIGGEST PROMOTION HONG KONG HAS EVER HELD IN THE COUNTRY.

THE WEEK-LONG FESTIVAL, WHICH BEGINS ON OCTOBER 17, IS BEING STAGED IN NEW YORK, CHICAGO AND ATLANTA AND WILL INCLUDE BUSINESS CONFERENCES, GALA DINNERS, FILM FESTIVALS AND AN ARCHITECTURAL EXHIBITION.

THE GOVERNMENT SPOKESMAN SAID THE PROMOTIONAL ACTIVITIES JOINTLY ORGANISED BY THE PUBLIC AND PRIVATE SECTORS, WERE AIMED AT ENHANCING UNDERSTANDING BETWEEN HONG KONG AND THE UNITED STATES.

IN EACH OF THE THREE CITIES, MRS CHAN WILL DELIVER A KEYNOTE LUNCHEON ADDRESS TO THOSE ATTENDING BUSINESS CONFERENCES UNDER THE THEME "HONG KONG-BUSINESS PARTNER FOR THE PACIFIC CENTURY".

SPECIALISED WORKSHOPS ORGANISED IN ASSOCIATION WITH THE BUSINESS SEMINARS WILL FOCUS ON HONG KONG'S TELECOMMUNICATIONS BOOM, THE NEW AIRPORT INFRASTRUCTURE, HONG KONG'S CAPITAL MARKETS AND TIPS FOR ENTERING CHINA'S CONSUMER MARKET.

MRS CHAN WILL ALSO OFFICIATE AT THE OPENING OF HONG KONG FILM EXHIBITIONS IN THE THREE CITIES, THE ARCHITECTURE EXHIBITION "HONG KONG - THE CITY OF VISION" AT THE CHICAGO ATHENAEUM, MUSEUM OF ARCHITECTURE AND DESIGN, AND THE HONG KONG SHOWCASE EXHIBITION IN ATLANTA.

THE CHIEF SECRETARY WILL BE THE GUEST OF HONOUR AT GALA DINNERS IN THE THREE U.S. CITIES WHICH WILL FEATURE A SPECIAL CULTURAL PERFORMANCE ARRANGED BY THE ACADEMY FOR PERFORMING ARTS.

DURING HER VISIT, MRS CHAN WILL CALL ON A NUMBER OF SENIOR U.S. OFFICIALS AND MEET WITH CORPORATE LEADERS.

HONG KONG-USA '94 IS JOINTLY PRESENTED BY THE HONG KONG GOVERNMENT, THE HONG KONG TRADE DEVELOPMENT COUNCIL AND THE HONG KONG TOURIST ASSOCIATION.

THE PATRONS OF THE PROMOTION ARE: EXXON ENERGY LIMITED, HONGKONG BANK, HONGKONG TELECOM, HUTCHISON WHAMPOA LIMITED AND WHARF (HOLDINGS) LIMITED. THE OFFICIAL CARRIER IS UNITED AIRLINES.

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STI URGES EARLY RATIFICATION OF URUGUAY ROUND AGREEMENT

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THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, TODAY (THURSDAY) URGED MEMBER ECONOMIES AT THE ASIA PACIFIC ECONOMIC CO-OPERATION (APEC) TRADE MINISTERS MEETING HELD AT JAKARTA TO RATIFY THE URUGUAY ROUND AGREEMENT AS SOON AS POSSIBLE IN ORDER TO ESTABLISH THE WORLD TRADE ORGANISATION BY JANUARY 1 NEXT YEAR.

IN THE CASE OF HONG KONG, THE DIRECTOR-GENERAL OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) WAS NOTIFIED ON OCTOBER 1 OF HONG KONG'S RATIFICATION.

"BECAUSE HONG KONG IS SUCH A SMALL ECONOMY, WE RELY MORE THAN MANY OTHER ECONOMIES ON THE MULTILATERAL TRADING SYSTEM TO SAFEGUARD OUR EXTERNAL TRADE INTERESTS.

"THE FUNDAMENTAL PRINCIPLES OF THE GATT, THEREFORE, FORM THE CORNERSTONE OF OUR EXTERNAL TRADE POLICY. THESE FUNDAMENTAL PRINCIPLES, SUCH AS MOST FAVOURED NATION (MFN), AS WELL AS THE RULE-BASED AND BASICALLY CONSENSUS APPROACH OF GATT HAVE WORKED WELL FOR HONG KONG," MR CHAU SAID.

HE ADDED THAT HONG KONG WOULD HAVE LIKED TO SEE IN THE URUGUAY ROUND GREATER TARIFF REDUCTIONS, FURTHER LIBERALISATION IN TRADE IN SERVICES, AND IMPROVEMENT IN THE RULES ON SAFEGUARDS, AND ANTI-DUMPING.

• THURSDAY, OCTOBER 6, 1994

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ON THE POST-URUGUAY ROUND ERA, MR CHAU WARNED THAT "THE SIGNIFICANT TARIFF CUTS UNDER THE ROUND MIGHT HEIGHTEN DOMESTIC PRESSURES IN CERTAIN COUNTRIES FOR THE USE OF TRADE POLICY INSTRUMENTS TO RESTRICT IMPORTS.

"POTENTIAL DANGERS LIE IN THE USE OF SAFEGUARDS, ANTI-DUMPING, RULES OF ORIGIN AND TECHNICAL STANDARDS TO ACHIEVE PROTECTIONIST TRADE POLICY OBJECTIVES," HE SAID.

ON FURTHER REGIONAL AND GLOBAL TRADE LIBERALISATION, MR CHAU URGED FOR MORE AND FASTER LIBERALISATION OF TRADE IN BOTH GOODS AND SERVICES, AND SUPPORTED THE PROPOSAL FOR APEC TO GATHER INFORMATION ON IMPEDIMENTS TO REGIONAL TRADE AND INVESTMENT.

"IN SUPPORTING THE PROPOSAL, HOWEVER, I WOULD LIKE TO EMPHASISE THE NEED FOR PURPOSE AND FOCUS. THE REGION'S BUSINESSMEN AND INVESTORS ARE LOOKING TO APEC FOR LEADERSHIP IN THE FORM OF A REAL REDUCTION OF THE RESTRICTIVE RULES AND ADMINISTRATIVE HASSLES WHICH THEY ENCOUNTER EVERYDAY," MR CHAU SAID.

HE AND THE HONG KONG DELEGATION COMPRISING THE DIRECTOR-GENERAL OF TRADE, MR TONY MILLER, WILL RETURN TO HONG KONG TOMORROW (FRIDAY).

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ATTENTION NEWS EDITORS:

THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, WILL FLY BACK TO HONG KONG TOMORROW (FRIDAY) AFTERNOON AFTER ATTENDING THE APEC TRADE MINISTERS MEETING IN JAKARTA.

A PRESS POSITION WILL BE ARRANGED OUTSIDE THE AIRPORT CLINIC FOR MEDIA REPRESENTATIVES TO COVER HIS ARRIVAL. MR CHAU WILL BE ON FLIGHT CX 718 AND THE EXPECTED ARRIVAL TIME IS 2.30 PM.

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STI IN JAKARTA

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THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, ATTENDING THE ASIA PACIFIC ECONOMIC CO-OPERATION (APEC) TRADE MINISTERS MEETING AT JAKARTA, HAD A SERIES OF INFORMAL BILATERAL MEETINGS WITH HIS COUNTERPARTS YESTERDAY (WEDNESDAY).

HE MET TRADE MINISTERS FROM INDONESIA, CHINA, SINGAPORE, CHINESE TAIPEI, NEW ZEALAND, AS WELL AS THE UNDER SECRETARY FOR INTERNATIONAL TRADE NEGOTIATION FROM MEXICO.

DISCUSSIONS COVERED BILATERAL TRADE AND INVESTMENT, IMPLEMENTATION OF THE URUGUAY ROUND AGREEMENTS, ESTABLISHMENT OF THE WORLD TRADE ORGANISATION, AS WELL AS THE ORIENTATION FOR FUTURE WORK OF APEC.

/ "THESE MEETINGS

"THESE MEETINGS SUPPLEMENT THE FORMAL MINISTERIAL MEETING AND OFFER THE OPPORTUNITY FOR A CORDIAL EXCHANGE OF VIEWS ON MATTERS OF MUTUAL CONCERN. PERSONAL CONTACT AT THIS SENIOR LEVEL, ESTABLISHED IN PREVIOUS APEC MINISTERIAL MEETINGS ARE VERY USEFUL," MR CHAU SAID.

"THEY HELP TO ENHANCE MUTUAL UNDERSTANDING AND CO-OPERATION AND IN MANY WAYS ARE ONE OF THE MOST BENEFICIAL ASPECTS OF PARTICIPATION."

THE FORMAL MINISTERIAL MEETING WILL BE INAUGURATED BY PRESIDENT SUHARTO TODAY (THURSDAY).

MR CHAU WILL ALSO TAKE THE OPPORTUNITY TO HAVE FURTHER BILATERAL MEETINGS WITH OTHER TRADE MINISTERS.

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CONSUMER LEGAL ACTION FUND

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A GOVERNMENT SPOKESMAN ANNOUNCED TODAY (THURSDAY) THAT SUBJECT TO THE APPROVAL OF THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL, A \$10 MILLION CONSUMER LEGAL ACTION FUND WOULD BE ESTABLISHED TO ASSIST CONSUMERS IN BRINGING LEGAL ACTION AGAINST UNSCRUPULOUS TRADERS.

THE FUND WILL BE ESTABLISHED AS A CHARITABLE TRUST. "THE GOVERNOR-IN-COUNCIL HAS APPROVED THAT UNDER SECTION 4(1)(E) OF THE CONSUMER COUNCIL ORDINANCE, THE CONSUMER COUNCIL SHALL BE APPOINTED TO ACT AS THE TRUSTEE OF A TRUST TO BE TERMED THE CONSUMER LEGAL ACTION FUND," THE SPOKESMAN SAID.

THE ADMINISTRATION AND OPERATION OF THE FUND WILL BE BASED ON RECOMMENDATIONS MADE IN A REPORT PUBLISHED BY THE CONSUMER COUNCIL IN MARCH THIS YEAR.

"THE FUND WILL PROVIDE LEGAL ADVICE AND ASSISTANCE TO GROUPS OF CONSUMERS TO TAKE LEGAL ACTION ON A COLLECTIVE BASIS. THIS WILL AVOID MULTIPLE ACTIONS AND HENCE PROMOTE MORE EFFICIENT AND COST-EFFECTIVE LEGAL PROCEEDINGS," HE SAID.

"THE FUND WILL ALSO PROVIDE LEGAL ADVICE AND ASSISTANCE TO INDIVIDUAL CONSUMERS TO INITIATE LEGAL ACTIONS WHICH HAVE SIGNIFICANT IMPLICATIONS FOR THE GENERAL PUBLIC," HE ADDED.

THE FUND WILL ONLY ASSIST THOSE LEGAL ACTIONS ON CONSUMER TRANSACTIONS WHICH ARE WITHIN THE PURVIEW OF THE CONSUMER COUNCIL AND PERMITTED UNDER EXISTING LAW, FOR EXAMPLE, LEGAL ACTIONS AGAINST SUPPLIERS OF UNMERCHANTABLE GOODS AND UNREASONABLE EXEMPTION CLAUSES.

"THE FUND WILL IMPROVE CONSUMERS' ACCESS TO JUSTICE AND HELP PROTECT THEIR CIVIL RIGHTS," HE SAID.

"WHERE BUSINESSES ARE CONCERNED, THE AVAILABILITY OF LEGAL ASSISTANCE UNDER THE FUND WILL HELP ENCOURAGE GOOD BUSINESS PRACTICES THROUGH INCREASING THE RISK OF BEING SUED FOR MALPRACTICES."

THE FUND IS INTENDED TO BE SELF-FINANCING WITH INCOME GENERATED FROM THE INVESTMENT OF THE FUND, LEGAL COSTS RECOVERED AND CONTRIBUTION PAID BY ASSISTED CONSUMERS IF THEIR CASES ARE SUCCESSFUL.

THE FUND WILL CHARGE THE APPLICANT AN ADMINISTRATION FEE OF \$100 FOR SMALL CLAIMS TRIBUNAL CASES AND \$1,000 FOR DISTRICT COURT CASES. IT WILL RECEIVE 10 PER CENT OF ANY DAMAGES RECOVERED BY ASSISTED CONSUMERS IN SUCCESSFUL CASES, AND DEDUCT FROM SUCH DAMAGES AN ADDITIONAL AMOUNT TO COVER THE DIFFERENCE BETWEEN THE LEGAL COSTS PAID BY THE CONSUMER COUNCIL BUT NOT RECOVERED FROM THE OPPONENT PARTY.

"THE TOTAL AMOUNT TO BE RECOVERED FROM THE CONSUMERS WILL BE SUBJECT TO A CEILING OF 25 PER CENT OF THE TOTAL DAMAGES AWARDED FOR SMALL CLAIMS TRIBUNAL CASES AND 50 PER CENT FOR DISTRICT COURT CASES," THE SPOKESMAN SAID.

THE CONSUMER COUNCIL ESTIMATES THAT IN THE FIRST YEAR THE RECURRENT INCOME GENERATED WOULD BE ADEQUATE FOR 25 SMALL CLAIMS TRIBUNAL CASES AND 10 DISTRICT COURT CASES.

UNDER THE TRUST DEED, THE GOVERNMENT WILL APPOINT A MANAGEMENT COMMITTEE TO ASSIST THE CONSUMER COUNCIL IN MANAGING THE FUND.

"TO ENHANCE THE TRANSPARENCY AND ACCOUNTABILITY OF THE FUND, THERE WILL BE CHECKS AND BALANCES IN THE TRUST DEED TO ENABLE THE GOVERNMENT AND THE PUBLIC TO MONITOR THE OPERATION OF THE FUND. THESE INCLUDE THE REQUIREMENT OF ANNUAL AUDIT OF ITS ACCOUNTS AND THE TABLING OF ITS ANNUAL REPORT AND ACCOUNTS IN THE LEGISLATIVE COUNCIL," HE SAID.

THE CONSUMER COUNCIL WILL PRESCRIBE ELIGIBILITY CRITERIA WHICH CONSUMERS NEED TO FULFIL IN SEEKING ASSISTANCE FROM THE FUND. THESE REQUIRE THE APPLICATION OF A MERITS TEST.

THE MERITS TEST WILL FOCUS ON WHETHER THE CASE WILL INVOLVE SIGNIFICANT PUBLIC INTEREST AND INJUSTICE; WHETHER IT AFFECTS A GROUP OF CLAIMANTS OR HAS THE POTENTIAL TO AFFECT A LARGE GROUP OF PEOPLE; WHETHER COURT ACTION IS COST-EFFECTIVE AND MORE DESIRABLE THAN ANY OTHER AVAILABLE MEANS; AND WHETHER THE LEGAL ACTION WILL HAVE PUBLICITY VALUE AND BE ABLE TO BOTH PROMOTE THE CONSUMER CAUSE AND HAVE A DETERRENT EFFECT ON UNSCRUPULOUS BUSINESS PRACTICES.

"APPLICANTS NEED NOT UNDERGO A MANDATORY MEANS TEST IN ORDER TO QUALIFY FOR ASSISTANCE. THEY WILL BE REQUIRED TO DECLARE THEIR MEANS BY MAKING A STATUTORY DECLARATION," THE SPOKESMAN SAID.

"THE FUND WILL TAKE INTO ACCOUNT AN APPLICANT'S ABILITY TO SEEK LEGAL REDRESS AT HIS OWN COST AS ONE OF THE MANY FACTORS IN DECIDING WHETHER TO ACCEPT OR REJECT A PARTICULAR CASE.

"THE MEANS OF THE CONSUMERS SHOULD NOT BE THE OVERRIDING CONSIDERATION IN PROVIDING LEGAL ASSISTANCE UNDER THE FUND," HE SAID.

"SOMETIMES IT WOULD BE IN THE INTEREST OF THE PUBLIC FOR THE FUND TO ASSIST AGGRIEVED CONSUMERS IN TAKING GROUP LEGAL ACTIONS EVEN THOUGH NOT ALL THE CONSUMERS IN THE GROUP LACK THE NECESSARY MEANS.

"SUBJECT TO THE APPROVAL OF THE FINANCE COMMITTEE, WE HOPE TO ESTABLISH THE TRUST IN NOVEMBER FOR THE CONSUMER COUNCIL TO RECEIVE THE FIRST APPLICATION IN DECEMBER 1994," HE SAID.

THE FUNDING APPLICATION WILL BE SUBMITTED TO THE FINANCE COMMITTEE FOR CONSIDERATION IN EARLY NOVEMBER 1994.

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TRIBUNAL INQUIRES INTO SHARES DEALING OF PIIL

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THE INSIDER DEALING TRIBUNAL WHICH HAS BEEN TASKED TO INQUIRE INTO DEALINGS IN THE SHARES OF PUBLIC INTERNATIONAL INVESTMENTS LIMITED (PIIL) WILL BEGIN ITS PUBLIC SITTINGS ON OCTOBER 31, A GOVERNMENT SPOKESMAN ANNOUNCED TODAY.

THE SPOKESMAN SAID THERE HAD BEEN TWO OTHER DEVELOPMENTS: THE TRIBUNAL'S TERMS OF REFERENCE HAD BEEN WIDENED, AND ASSOCIATIONS WITH POTENTIAL WITNESSES HAD RESULTED IN CHANGES TO THE MEMBERSHIP OF THE TRIBUNAL.

THE TRIBUNAL STARTED ITS WORK IN EARLY AUGUST. IT HAS MET ON A NUMBER OF OCCASIONS SINCE THEN AND HAS DIRECTED INQUIRIES TO BE CARRIED OUT AND EVIDENCE TO BE GATHERED AHEAD OF THE PUBLIC HEARINGS.

IN THE COURSE OF THAT EXERCISE, THE TRIBUNAL DECIDED TO REQUIRE MATERIAL EVIDENCE FROM A PARTY WITH WHOM ONE OF THE MEMBERS, MR DEREK MURPHY, IS WELL ACQUAINTED. MR MURPHY AND THE OTHER MEMBERS OF THE TRIBUNAL AGREED THAT HE SHOULD, FOR THAT REASON, RESIGN FROM THE APPOINTMENT.

MR GUY HENDERSON WAS SUBSEQUENTLY APPOINTED TO REPLACE MR MURPHY BUT HE HAS ALSO WITHDRAWN FROM THE TRIBUNAL FOR SIMILAR REASONS.

"PRECAUTIONS ARE ALWAYS TAKEN BEFORE AN APPOINTMENT TO ASCERTAIN WHETHER A PROSPECTIVE MEMBER OF THE TRIBUNAL IS ACQUAINTED OR CONNECTED WITH A WITNESS OR RELEVANT CORPORATION OR ADVISER.

"BECAUSE OF THE TRIBUNAL'S INVESTIGATIVE ROLE, HOWEVER, IT IS NOT ALWAYS POSSIBLE TO PREDICT SITUATIONS WHICH MAY CALL FOR WITHDRAWAL FROM THE CASE. THE TRIBUNAL'S INQUIRIES ARE AT AN ADVANCED STAGE AND THE NEED TO REPLACE MEMBERS HAS NOT CAUSED SIGNIFICANT DELAY," THE SPOKESMAN SAID.

HAVING CONSIDERED A NUMBER OF PROSPECTIVE MEMBERS, THE FINANCIAL SECRETARY HAS RECENTLY APPOINTED MR DUFFY WONG CHUNG-NAM AS A NEW MEMBER FOR THE INQUIRY. MR WONG IS A PARTNER OF HO, WONG AND WONG. HE SPECIALISES IN CORPORATE AND COMMERCIAL LAW.

THE SPOKESMAN SAID THE FINANCIAL SECRETARY HAD AMENDED THE TERMS OF REFERENCE FOR THE CASE.

ORIGINALLY, THE TRIBUNAL WAS REQUIRED TO INVESTIGATE WHETHER INSIDER DEALING IN PIIL SHARES TOOK PLACE IN DECEMBER 1992, BUT SINCE HEAVY TRADING IN PIIL SHARES STARTED IN LATE NOVEMBER OF THAT YEAR, IT HAS BEEN DECIDED TO ASK THE TRIBUNAL TO WIDEN THE TERMS OF REFERENCE TO ENABLE IT TO INQUIRE INTO WHETHER INSIDER DEALING TOOK PLACE IN NOVEMBER AND DECEMBER 1992.

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VISA APPLICATION PROCEDURE TO BE SIMPLIFIED

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THE IMMIGRATION DEPARTMENT ANNOUNCED TODAY (THURSDAY) THAT PEOPLE FROM PLACES OTHER THAN CHINA AND TAIWAN WHO WISH TO ENTER HONG KONG FOR EMPLOYMENT, INVESTMENT, EDUCATION, TRAINING OR RESIDENCE MAY SUBMIT THEIR VISA APPLICATIONS DIRECTLY TO THE HONG KONG IMMIGRATION DEPARTMENT WITH IMMEDIATE EFFECT.

"THIS NEW ARRANGEMENT PROVIDES AN ADDITIONAL, DIRECT CHANNEL FOR PEOPLE TO SUBMIT THEIR VISA APPLICATIONS.

"SUCH PROCEDURAL CHANGE IS PART OF OUR CONTINUED EFFORTS TO SIMPLIFY THE VISA APPLICATION PROCEDURES AND PROVIDE BETTER AND MORE EFFICIENT CUSTOMER SERVICES," AN IMMIGRATION DEPARTMENT SPOKESMAN SAID.

AT PRESENT, VISA APPLICATIONS ARE NORMALLY SUBMITTED THROUGH BRITISH VISA POSTS OVERSEAS.

"THE NEW ARRANGEMENT ENABLES THE NORMAL PROCESSING TIME TO BE REDUCED FROM SIX WEEKS TO FOUR WEEKS AS APPLICATIONS DO NOT HAVE TO GO THROUGH THE BRITISH VISA POSTS," THE SPOKESMAN SAID.

AN APPLICANT WHO WISHES TO MAKE USE OF THE NEW CHANNEL SHOULD COMPLETE A STANDARD VISA APPLICATION FORM, OBTAINABLE FROM AN OVERSEAS VISA POST OR FROM THE HONG KONG IMMIGRATION DEPARTMENT, AND SEND IT TO THE DEPARTMENT BY POST OR THROUGH A SPONSOR IN HONG KONG.

AFTER AN APPLICATION IS APPROVED, A VISA LETTER WILL BE ISSUED TO THE LOCAL SPONSOR WHO WILL BE ASKED TO SEND IT TO THE APPLICANT. IF THE APPLICANT DOES NOT HAVE A SPONSOR, THE VISA AUTHORISATION LETTER WILL BE SENT TO HIM BY MAIL.

ON ARRIVAL IN HONG KONG, THE APPLICANT SHOULD PRESENT THE VISA LETTER TOGETHER WITH A VALID TRAVEL DOCUMENT FOR IMMIGRATION CLEARANCE.

THE NEW ARRANGEMENT DOES NOT COVER APPLICATIONS FROM CHINA AND TAIWAN BECAUSE THEY ARE AT PRESENT COVERED BY DIFFERENT PROCEDURES DESIGNED TO SUIT THEIR SPECIAL CIRCUMSTANCES.

FOR FURTHER INFORMATION, MEMBERS OF THE PUBLIC MAY TELEPHONE 824 6111, OR OBTAIN A COPY OF THE RELEVANT GUIDANCE NOTES FROM THE INFORMATION OFFICE AT THE IMMIGRATION DEPARTMENT HEADQUARTERS OR THROUGH THE FAXLINE 877 7711.

MERCHANT JAILED AND FINED FOR TAX EVASION

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A 53-YEAR-OLD MERCHANT WAS TODAY (THURSDAY) CONVICTED OF TAX EVASION AND SENTENCED TO IMPRISONMENT FOR 18 MONTHS, SUSPENDED FOR TWO YEARS.

IN ADDITION FINES TOTTALLING \$1,532,990, OR 200 PER CENT TO THE TAX EVADED, WERE IMPOSED.

THE DEFENDANT WAS PROSECUTED FOR SUBMITTING, WILFULLY WITH INTENT TO EVADE TAX, FRAUDULENT PROFITS TAX RETURNS AND STATEMENTS OF ACCOUNTS, CONTRARY TO THE INLAND REVENUE ORDINANCE (SECTION 82(1)(A) AND (D)).

HE HAD EARLIER PLEADED GUILTY TO SIX CHARGES RELATING TO THE YEARS FROM 1986/87 TO 1988/89.

THE DEFENDANT KWOK LAI-YEE WAS THE SOLE PROPRIETOR OF LAI KEE COMPANY, A COTTON YARN DEALER.

SALES, PURCHASES AND STOCK WERE INCORRECTLY REPORTED FOR THE YEARS OF ASSESSMENT 1986/87 TO 1988/89 AND THE DEFENDANT'S TRUE PROFITS WERE FIVE TIMES THOSE DECLARED IN HIS RETURNS, REPRESENTING AN UNDERSTATEMENT OF \$4,653,050, OR 80 PER CENT. THE TAX EVADED WAS \$758,995.

IN PASSING SENTENCE, JUDGE CHUA SAID TAX EVASION WAS A SERIOUS OFFENCE AND THE DEFENDANT DESERVED IMMEDIATE CUSTODIAL SENTENCE. THE JUDGE, HOWEVER, SUSPENDED THE SENTENCE AFTER GIVING THE BENEFIT OF THE DOUBT TO THE DEFENDANT ON THE POOR STATE OF HIS HEALTH.

AN INLAND REVENUE DEPARTMENT SPOKESMAN TODAY REMINDED THE PUBLIC THAT TAX EVASION WAS A CRIMINAL OFFENCE.

UPON CONVICTION, THE MAXIMUM SENTENCE IS THREE YEARS IMPRISONMENT AND A FINE OF \$20,000 ON EACH CHARGE, PLUS A FURTHER FINE EQUIVALENT TO THREE TIMES THE AMOUNT OF TAX UNDERCHARGED.

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S FOR WORKS ON AIRPORT PROJECT

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THE GOVERNMENT IS SATISFIED THAT IT REMAINS CLOSE TO BASELINE FOR MAXIMUM EXTENT POSSIBLE COMPLETION OF THE AIRPORT CORE PROGRAMME (ACP) WITHIN BUDGET BY JUNE 30, 1997, THE SECRETARY FOR WORKS, MR JAMES BLAKE, SAID THIS (THURSDAY) MORNING.

SPEAKING ON "ACP CONDITIONS IN ACTION" AT THE LIGHTHOUSE CLUB SEMINAR, MR BLAKE SAID THIS FOLLOWED A RECENT RIGOROUS ANALYSIS OF ACP ESTIMATES, OUT TURN FORECASTS, AND PROGRAMME ACHIEVEMENT TO DATE.

IN VIEW OF THE SCALE AND THE VERY TIGHT SCHEDULE OF THE PROJECT, HE SAID, IT WAS CONSIDERED ABSOLUTELY ESSENTIAL TO IMPLEMENT A NUMBER OF CHANGES IN THE ACP CONTRACTS TO ENSURE THAT PROPER CONTROL OF COST AND PROGRAMME COULD ALWAYS BE MAINTAINED.

/MR BLAKE

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MR BLAKE SAID BOTH THE CONDITIONS OF CONTRACT, AND THE INTERNAL PROCEDURES WHICH ACCOMPANIED THEM, WERE UNDER CONTINUAL REVIEW BY THE NEW AIRPORT PROJECT CO-ORDINATING OFFICE (NAPCO), THE LEGAL ADVISERS AND, WHERE APPROPRIATE, THE HONG KONG CONSTRUCTION ASSOCIATION (HKCA).

"IN ADDITION TO THIS, NAPCO MEET WITH THE HKCA AT DIFFERENT TIMES TO REVIEW WHERE THINGS ARE AT," HE SAID.

TURNING TO THE IMPORTANT SUBJECT OF SITE SAFETY, MR BLAKE SAID THE HEALTH AND WELFARE OF ALL WORKERS HAD TO BE OF PRIMARY IMPORTANCE AND IT WAS FOR THIS REASON THAT THE SAFETY REQUIREMENTS IN THE ACP CONDITIONS WERE "BEEFED UP".

"SITE SAFETY IS A 24 HOUR PER DAY MATTER AND I ASK THAT ALL OF YOU STRIVE FOR EVEN SAFER WORKING ENVIRONMENTS - NOT ONLY ON THE ACP, BUT IN ALL AREAS OF WORK YOU ARE INVOLVED," HE ADDED.

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ACP CONTRACT AWARDED FOR AIR TRAFFIC CONTROL TOWER

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THE CENTRAL TENDER BOARD HAS APPROVED THE AWARD OF AN AIRPORT CORE PROGRAMME (ACP) CONTRACT FOR THE BUILDING OF AN AIR TRAFFIC CONTROL TOWER AND COMPLEX FOR THE NEW AIRPORT AT CHEK LAP KOK.

THE CONTRACT, VALUED AT ABOUT \$360 MILLION, WILL BE AWARDED BY THE ARCHITECTURAL SERVICES DEPARTMENT TO YAU LEE CONSTRUCTION COMPANY LIMITED OF HONG KONG.

THE COMPANY WILL BE RESPONSIBLE FOR BUILDING AN 80-METRE HIGH CONTROL TOWER AND A SEVEN-STOREY COMPLEX COMPRISING THE AIR TRAFFIC CONTROL CENTRE AND OFFICES FOR THE CIVIL AVIATION DEPARTMENT AND THE ROYAL OBSERVATORY.

WORK WILL START LATER THIS MONTH AND WILL BE COMPLETED IN DECEMBER, 1996.

THE AWARD OF THIS CONTRACT BRINGS THE TOTAL NUMBER OF ACP CONTRACTS AWARDED SO FAR TO 65, WITH A TOTAL VALUE OF ABOUT \$51.7 BILLION.

THESE INCLUDE 51 CONTRACTS WORTH ABOUT \$33.9 BILLION AWARDED BY THE GOVERNMENT, 12 CONTRACTS WORTH ABOUT \$11.5 BILLION AWARDED BY THE PROVISIONAL AIRPORT AUTHORITY, THE \$5.7 BILLION CONSTRUCTION CONTRACT AWARDED BY THE WESTERN HARBOUR TUNNEL COMPANY LIMITED, AND A \$0.6 BILLION IMMURSED TUBE TUNNEL CONTRACT FOR THE AIRPORT RAILWAY AWARDED BY THE MASS TRANSIT RAILWAY CORPORATION.

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MORE PEOPLE HAVE CONFIDENCE IN HK'S PROSPERITY: POLL

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A RECENT OPINION POLL CONDUCTED BY THE HOME AFFAIRS BRANCH HAS REVEALED THAT 63 PER CENT OF THE RESPONDENTS WERE CONFIDENT THAT HONG KONG WOULD CONTINUE TO BE PROSPEROUS AND STABLE.

THIS FIGURE REPRESENTED A SIX PERCENTAGE POINT INCREASE OVER THAT RECORDED IN THE JULY SURVEY.

RELEASING THE FINDINGS OF THE BI-MONTHLY OPINION POLL IN SEPTEMBER, A SPOKESMAN FOR THE HOME AFFAIRS BRANCH SAID TODAY (THURSDAY) THAT THE PERCENTAGE OF PEOPLE WHO WERE SATISFIED WITH THE PRESENT SITUATION WERE ALSO UP FROM 72 PER CENT IN JULY TO 75 PER CENT IN THE CURRENT POLL.

OF THE THREE MOST-MENTIONED PROBLEMS FACING THE TERRITORY, "TRANSPORT-RELATED PROBLEMS" HAD REPLACED "HOUSING-RELATED PROBLEMS" TO TOP THE LIST WITH 37 PER CENT OF THE RESPONDENTS MENTIONING IT.

THIS WAS FOLLOWED BY "HOUSING-RELATED PROBLEMS" WHICH CONTINUED TO DROP FROM 54 PER CENT IN MAY AND 47 PER CENT IN JULY TO STAND AT 35 PER CENT IN THE CURRENT POLL.

AND THE THIRD ON THE LIST WAS "HONG KONG FUTURE" MENTIONED BY 28 PER CENT OF THE RESPONDENTS.

AS TO THE PERFORMANCE OF THE CIVIL SERVICE, 45 PER CENT OF RESPONDENTS SAID IT WAS EFFICIENT WHILE 53 PER CENT FELT THAT CIVIL SERVANTS' WORKING ATTITUDES WERE GOOD. THE RESPECTIVE FIGURES RECORDED IN THE LAST SURVEY WERE 42 PER CENT AND 50 PER CENT.

THE SURVEY WAS THE 54TH IN THE SERIES TO GAUGE THE TREND OR PUBLIC OPINION IN RESPECT OF PERCEIVED PROBLEMS IN HONG KONG AND THE COMMUNITY'S EXPECTATION OF THE GENERAL SITUATION.

A TOTAL OF 1,496 PERSONS WERE SUCCESSFULLY CONTACTED IN THIS POLL WHICH WAS CONDUCTED BETWEEN SEPTEMBER 12 AND 16.

INTERVIEWEES WERE CONTACTED USING A RANDOM SAMPLE OF RESIDENTIAL TELEPHONE NUMBERS CONTAINED IN THE TELEPHONE DIRECTORIES. WITHIN THE HOUSEHOLD OF A SELECTED TELEPHONE NUMBER, A RESPONDENT AGED BETWEEN 15 AND 64 WAS RANDOMLY CHOSEN FOR INTERVIEW.

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HONG KONG FILM EXHIBITION IN THE U.S.

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NEW YORK, CHICAGO AND ATLANTA WILL GET THE CHANCE TO ENJOY A FASCINATING COLLECTION OF HONG KONG MOVIES DURING A MAJOR GOVERNMENT PROMOTION IN THE UNITED STATES - HONG KONG-USA'94.

AS PART OF A CONTINUING EFFORT TO PROMOTE HONG KONG OVERSEAS, A SERIES OF EVENTS ARE BEING ORGANISED IN THE THREE AMERICAN CITIES. THE CORE PROGRAMME IN EACH CITY INCLUDES A BUSINESS CONFERENCE, A FILM EXHIBITION AND A GALA DINNER.

ENTITLED "EVOLUTIONS: COMING OF AGE IN THE HONG KONG CINEMA", THE FILM EXHIBITION AIMS AT PROVIDING A PORTRAIT OF HONG KONG AS SEEN THROUGH ITS CINEMA, AND ESPECIALLY AS FRAMED IN STORIES OF GROWING UP OR COMING OF AGE.

THE SERIES OF 11 FILMS TRACES AN EVOLUTION ON THEMES AND GENRES THROUGH THE WORK OF SELECTED DIRECTORS, MARKING THE GROWTH OF THE HONG KONG CINEMA, ESPECIALLY THROUGH A NUMBER OF FILMS THAT HAVE NOT PREVIOUSLY BEEN SCREENED IN THE U.S.

THE EXHIBITION IS JOINTLY ORGANISED BY THE HONG KONG GOVERNMENT AND HONG KONG, KOWLOON AND NEW TERRITORIES MOTION PICTURE INDUSTRY ASSOCIATION (MPIA).

IT WILL BE HELD DURING OCTOBER AT THE PRESTIGIOUS MUSEUM OF MODERN ART IN NEW YORK, THE FILM CENTRE IN CHICAGO AND HIGH MUSEUM OF ART IN ATLANTA.

TWO HONG KONG STARS, MISS MICHELLE YEOH AND MR ANTHONY WONG, HAVE ACCEPTED THE INVITATION TO SERVE AS CULTURAL AMBASSADORS TO THE AUDIENCES OF THE THREE CITIES.

IN HONOUR OF THEIR PERSONAL APPEARANCES, EACH INSTITUTION WILL PRESENT A SPECIAL GALA SCREENING OF THE HEROIC TRIO IN WHICH THEY BOTH STAR.

DETAILS OF THE FILM EXHIBITION WERE ANNOUNCED IN A PRESS CONFERENCE TODAY (THURSDAY). SPEAKING AT THE PRESS CONFERENCE WERE THE ASSISTANT DIRECTOR (OVERSEAS PUBLIC RELATIONS), GOVERNMENT INFORMATION SERVICES, MR GEORGE YUEN; CHAIRMAN OF MPIA MR CRUCINDO HUNG; MISS MICHELLE YEOH CHOO-KHENG AND MR ANTHONY WONG CHAU-SANG.

ALSO PRESENT WERE THE DIRECTOR OF INFORMATION SERVICES, MRS IRENE YAU; AND TWO MPIA VICE-CHAIRMEN, MR MA FUNG-KWOK AND MR ALBERT LEE.

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BRITISH MILITARY HOSPITAL TO CLOSE

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THE BRITISH MILITARY HOSPITAL IS TO CLOSE IN 1995, HEADQUARTERS BRITISH FORCES HONG KONG ANNOUNCED TODAY (THURSDAY).

THE CLOSURE IS PART OF A NEW PACKAGE OF MEDICAL SERVICES BEING INTRODUCED FOR MEMBERS OF THE BRITISH GARRISON AND THEIR FAMILIES DURING THE FINAL TWO YEARS OF ACCOMPANIED SERVICE. THE CHANGES HAVE BEEN GENERATED BY THE REDUCED SIZE OF THE GARRISON.

THE HOSPITAL'S MATERNITY WARD WILL CLOSE IN DECEMBER, WITH THE REMAINDER OF THE HOSPITAL FOLLOWING IN MID-1995.

THE HOSPITAL, AT KING'S PARK, KOWLOON, PROVIDES SECONDARY MEDICAL CARE FOR MEMBERS OF THE BRITISH GARRISON AND THEIR FAMILIES.

THE DECISION HAS BEEN TAKEN SOLELY ON MEDICAL GROUNDS.

/THE REDUCED

THE REDUCED DEPENDENCY ON HOSPITAL SERVICES OF THE SMALLER NUMBER OF PEOPLE IN THE GARRISON MEANS THAT IT IS BECOMING INCREASINGLY DIFFICULT TO MAINTAIN THE VERY HIGH QUALITY OF SERVICE TO WHICH SERVICEMEN AND THEIR FAMILIES ARE ENTITLED.

UNDER THE REVISED MEDICAL ARRANGEMENTS FOR THE GARRISON, PRIMARY MILITARY MEDICAL FACILITIES WILL BE ENHANCED THROUGH A GROUP PRACTICE SYSTEM OPERATING ON HONG KONG ISLAND, IN KOWLOON AND IN THE NEW TERRITORIES.

MEMBERS OF THE GARRISON AND THEIR FAMILIES REQUIRING HOSPITAL TREATMENT WILL IN FUTURE BE REFERRED TO CIVILIAN PRIVATE HOSPITALS UNDER CONTRACT ARRANGEMENTS WITH HEADQUARTERS BRITISH FORCES HONG KONG.

ALL MATERNITY CASES WILL BE UNDER THE CARE OF CIVILIAN CONSULTANTS, WITH CONFINEMENT IN PRIVATE HOSPITALS.

UNDER THE DEFENCE LANDS AGREEMENT WITH CHINA, THE KING'S PARK SITE IS DUE TO BE PASSED TO THE HONG KONG GOVERNMENT FOR DISPOSAL IN 1997.

HEADQUARTERS BRITISH FORCES WILL NOW NEGOTIATE WITH THE HONG KONG GOVERNMENT AN EARLIER DATE FOR RETURN OF THE HOSPITAL BUILDINGS. OTHER PARTS OF THE SITE WILL BE RETAINED.

THE BRITISH GARRISON HAS MAINTAINED A BRITISH MILITARY HOSPITAL IN HONG KONG SINCE THE LAST CENTURY. THE PRESENT HOSPITAL AT KING'S PARK WAS BUILT IN 1967.

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NAVAL BASIN HOSTS FINAL VISITORS

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BEFORE IT IS FINALLY FILLED IN TO BECOME PART OF THE CENTRAL-WAN CHAI RECLAMATION, THE NAVAL BASIN AT THE PRINCE OF WALES BARRACKS - FORMERLY HMS TAMAR - WILL HOST ITS FINAL VISITOR.

THE DESTROYER HMAS BRISBANE WILL BERTH INSIDE THE BASIN ON SATURDAY (OCTOBER 8), THUS SECURING HER - AND AUSTRALIAN NAVY'S - PLACE IN THE NAVAL HISTORY OF HONG KONG.

VISITING SHIPS WILL CONTINUE TO BE ABLE TO USE OTHER BERTHS AT THE BARRACKS, BUT WORK ON FILLING THE BASIN ITSELF WILL START SOON.

HMAS BRISBANE WILL BE ACCOMPANIED BY THE FRIGATES HMAS ADELAIDE, HMAS MELBOURNE AND HMAS NEWCASTLE AND THE TANKER SUPPORT SHIP HMAS WESTRALIA. THE FRIGATES WILL BERTH ALONGSIDE THE WEST WALL AND HMAS WESTRALIA ON THE NORTH ARM.

/THE AUSTRALIAN

THE AUSTRALIAN SHIPS WILL DEPART HONG KONG ON OCTOBER 15 (SATURDAY).

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NOTE TO EDITORS:

YOUR ARE INVITED TO SEND REPRESENTATIVES TO COVER THE ARRIVAL OF THE AUSTRALIAN SHIPS ON SATURDAY (OCTOBER 8). THE FIRST ARRIVAL WILL BE HMAS BRISBANE AT 9 AM WITH THE FIRGATES FOLLOWING SHORTLY THEREAFTER; HMAS WESTRALIA WILL ARRIVE LAST, AT ABOUT 11.30 AM.

MEDIA REPRESENTATIVES WISHING TO COVER THIS SHOULD PRESENT THEMSELVES AT THE GUARDROOM, THE PRINCE OF WALES BARRACKS. REPRESENTATIVES OF JSPRS WILL BE ON HAND TO ASSIST.

VISITS ON BOARD THE SHIPS ARE BEING ARRANGED BY AUSTRALIAN CONSULATE AND MEDIA REPRESENTATIVES WISHING THESE FACILITIES SHOULD CONTACT MS CAITLAIN WONG ON 585 4482.

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BUS PARADE TO PUBLICISE BEATING RETREAT

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THE CORRECTIONAL SERVICES DEPARTMENT (CSD) WILL HOLD A BUS PARADE ON SATURDAY (OCTOBER 8) IN VARIOUS DISTRICTS ON HONG KONG ISLAND AND KOWLOON TO PUBLICISE THE "BEATING RETREAT" SHOW BY CSD SCOUTS LATER THIS MONTH.

THE PARADE WILL BEGIN AT 10 AM AT EDINBURGH PLACE IN CENTRAL AND IS EXPECTED TO LAST FOR ABOUT TWO HOURS.

MEMBERS OF THE 221ST HONG KONG SCOUT GROUP WILL BE ON BOARD THE OPEN-DECKED BUS AND PRESENT BAND PERFORMANCES. THE BUS WILL TOUR ROUND CENTRAL DISTRICT, WESTERN DISTRICT, QUARRY BAY, NORTH POINT, CAUSEWAY BAY, TSIM SHA TSUI, MONG KOK AND KWUN TONG.

"BEATING RETREAT" WILL BE STAGED AT THE QUEEN ELIZABETH STADIUM ON OCTOBER 19 AND 20. IT IS A CHARITY FUND-RAISING EVENT FOR YOUTH OUTREACH.

ADMISSION TICKETS AT \$20 ARE NOW ON SALE AT URBIX OUTLETS.

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ATTENTION NEWS EDITORS:

YOU ARE INVITED TO COVER THE BUS PARADE.

CSD'S SENIOR SUPERINTENDENT (YOUNG OFFENDER), MR CHOW TAK-WAH, WHO IS ALSO THE VICE-CHAIRMAN OF THE 221ST HONG KONG SCOUT GROUP, WILL TALK TO MEDIA REPRESENTATIVES ON THE BUS ABOUT THE BEATING RETREAT AND SCOUTING ACTIVITIES ORGANISED BY CSD FOR INMATES OF TRAINING CENTRES.

MEMBERS OF THE SCOUT GROUP WILL ALSO BE AVAILABLE FOR PRESS INTERVIEWS.

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THURSDAY, OCTOBER 6, 1994

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HONG KONG MONETARY AUTHORITY
MONEY MARKET OPERATIONS
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	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
OPENING BALANCE IN THE ACCOUNT	1,953	0930	+530
CLOSING BALANCE IN THE ACCOUNT	2,232	1000	+530
CHANGE ATTRIBUTABLE TO :		1100	+500
MONEY MARKET ACTIVITY	+499	1200	+501
LAF TODAY	-220	1500	+501
		1600	+499

LAF RATE 3.00 BID/5.00 OFFER TWI 121.7 *-0.1* 6.10.94

HONG KONG MONETARY AUTHORITY

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	4.02	20 MONTHS	2605	6.35	100.20	6.31
1 MONTH	4.24	23 MONTHS	2608	6.15	99.48	6.55
3 MONTHS	4.51	31 MONTHS	3704	6.15	98.05	7.12
6 MONTHS	4.88	34 MONTHS	3707	6.95	99.44	7.30
12 MONTHS	5.66	60 MONTHS	5909	7.45	98.09	8.08

TOTAL TURNOVER OF BILLS AND BONDS - 22,263 MN

CLOSED 6 OCTOBER 1994

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